

**PASEO DEL ESTE
MUNICIPAL UTILITY DISTRICT NO. 10
OF EL PASO COUNTY**

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

**FOR THE YEAR ENDED
SEPTEMBER 30, 2021**

WEST, DAVIS & COMPANY, LLP
Certified Public Accountants
Austin, Texas

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ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS
COUNTY OF EL PASO

I, Luis Ortega of the Paseo del Este Municipal Utility District No. 10 of El Paso County hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of Directors of the District on the 4th day of January 2022, its annual audit report for the fiscal year ended September 30, 2021, and that copies of the annual report have been filed in the district office, located at c/o Lloyd Gosselink Rochelle & Townsend, PC, 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

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

Date: January 4, 2022

By: _____

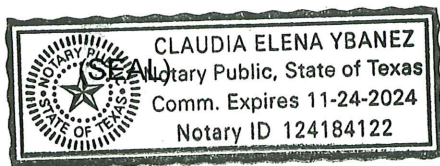
(Signature of District Representative)

Luis Ortega, President

Paseo del Este Municipal Utility District No. 10

(Name & Title of above District Representative)

Sworn to and subscribed to before me this 4th day of January 2022.



Claudia Elena Ybanez

(Signature of Notary)

My Commission Expires On: November 24, 2024.

Notary Public in and for the State of Texas.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**
Annual Financial Report
For the Year Ended September 30, 2021

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FINANCIAL SECTION

WEST, DAVIS & COMPANY

A LIMITED LIABILITY PARTNERSHIP

Independent Auditor's Report

Board of Directors

Paseo del Este Municipal Utility District No. 10 of El Paso County

El Paso, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Paseo del Este Municipal Utility District No. 10 of El Paso County (the District) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District at September 30, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Texas Commission on Environmental Quality Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplemental schedules required by the Texas Commission on Environmental Quality are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules required by the Texas Commission on Environmental Quality are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in our 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 supplemental schedules required by the Texas Commission on Environmental Quality are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The other information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

West, Davis & Company

Austin, Texas
December 31, 2021

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2021**

In accordance with Governmental Accounting Standards Board Statement 34 (“GASB 34”), the management of Paseo del Este Municipal Utility District No. 10 of El Paso County (the “District”) offers the following discussion and analysis to provide an overview of the District’s financial activities for the year ended September 30, 2021. Since this information is designed to focus on current year’s activities, resulting changes, and currently known facts, it should be read in conjunction with the District’s financial statements that follow.

FINANCIAL HIGHLIGHTS

- **General Fund:** The unassigned fund balance decreased from \$1.447 million at the end of the previous fiscal year to \$0.875 million at the end of the current fiscal year. This decrease is primarily due to the transfer of \$804 thousand to the Capital Projects Fund. Revenue decreased from \$889 thousand in the previous fiscal year to \$839 thousand in the current fiscal year primarily due a small decrease in the property tax rate for this fund
- **Debt Service Fund:** The fund balance restricted for debt service increased from \$535 thousand at the end of the previous fiscal year to \$642 thousand at the end of the current fiscal year. Revenue increased from \$610 thousand in the previous fiscal year to \$686 thousand in the current fiscal year due to a small increase in the debt service tax rate. The District made bond principal payments of \$375 thousand and bond interest payments of \$232 thousand during the fiscal year.
- **Capital Projects Fund:** This fund balance increased from \$-0- to \$150 thousand due to the transfer from the General Fund mentioned above.
- **Governmental Activities:** On a Government-wide basis for governmental activities, the District had revenues in excess of expenses of approximately \$113 thousand. Net assets increased from \$3.0 million to \$3.1 million.

OVERVIEW OF THE DISTRICT

The District, a political subdivision of the State of Texas, was created by an Act of the Texas Legislature. The District was created and organized for the purpose of constructing water, sewer, and drainage facilities and providing water and sewer services to customers within the District. The District has entered into an agreement with Paseo del Este Municipal Utility District #1 (Paseo #1) under which Paseo #1 will serve as the “Master District” for the purpose of providing water acquisition, transportation and treatment, wastewater collection, transportation, treatment and disposal, and drainage facilities and services.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2021**

USING THIS ANNUAL REPORT

The District's reporting is comprised of five parts:

- Management's Discussion and Analysis (this section)
- Basic Financial Statements
 - Statement of Net Position and Reconciliation to Governmental Funds Balance Sheet
 - Statement of Activities and Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
- Notes to the Financial Statements
- Required Supplementary Information
- Texas Supplementary Information (required by the Texas Commission on Environmental Quality)

The Government-wide statements are reported using the flow of economic resources measurement focus and the full accrual basis of accounting. The Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

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

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Statement of Net Position and Governmental Funds Balance Sheet includes a column (titled "Governmental Funds Total") that represents a balance sheet prepared using the modified accrual basis of accounting. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District's net assets will indicate financial health.

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

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2021**

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Summary Statement of Net Position

	Governmental Activities (in thousands)		Increase (Decrease)
	September 2021	September 2020	
Current and Other Assets	\$ 1,684	\$ 2,106	\$ (422)
Capital and Non-Current Assets	9,635	7,682	1,953
Total Assets	11,319	9,788	1,531
Current Liabilities	460	428	32
Long-Term Liabilities	7,719	6,333	1,386
Total Liabilities	8,179	6,761	1,418
Net Investment in Capital Assets	1,620	971	649
Restricted	643	539	104
Unrestricted	877	1,517	(640)
Total Net Position	\$ 3,140	\$ 3,027	\$ 113

The District's total assets were approximately \$11.3 million at the end of the current fiscal year. Of this amount, approximately \$1.6 million is accounted for by cash and short-term investments. The District had outstanding liabilities of approximately \$8.2 million. The District's unrestricted net assets, which can be used to finance day to day operations, totaled \$0.877 million.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2021**

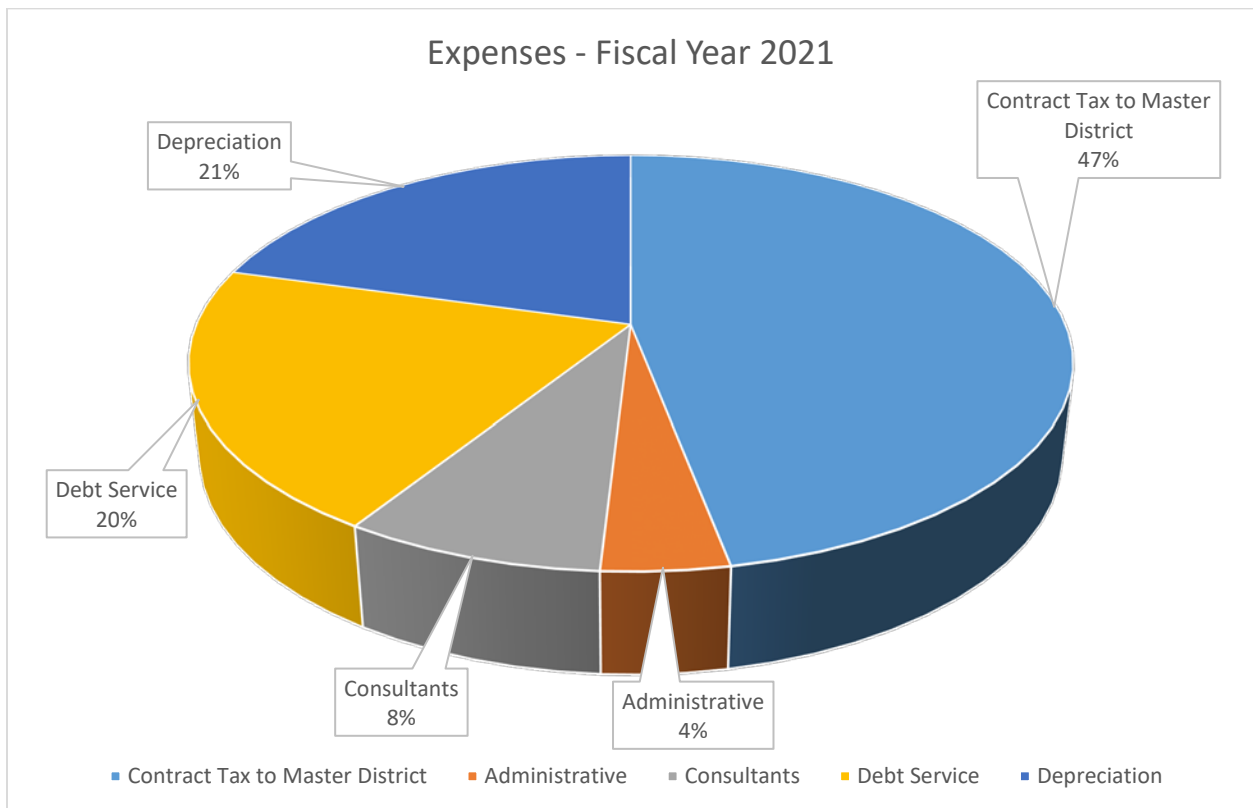
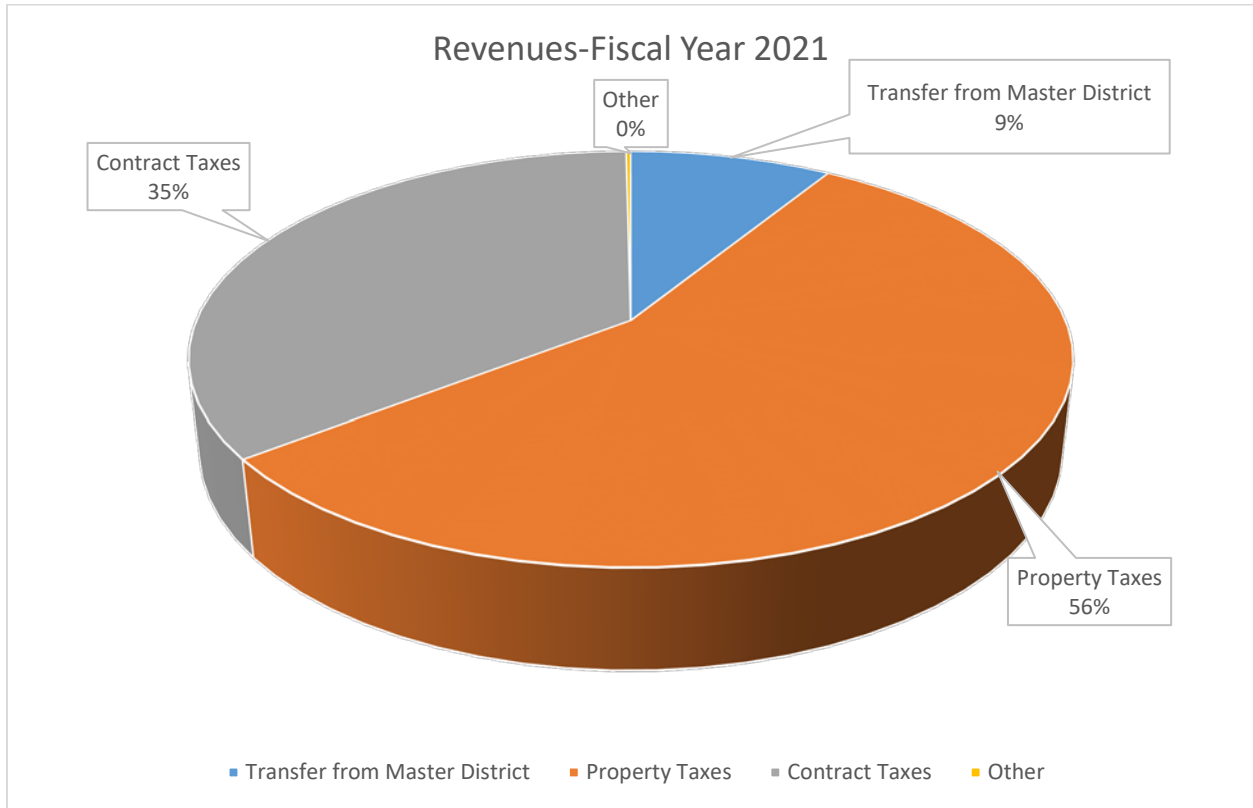
Summary Statement of Activities

	Governmental Activities (in thousands)		Increase (Decrease)
	2021	2020	
Transfer from Master District	\$ 134	\$ 112	\$ 22
Property Taxes	846	833	13
Contract Taxes	536	527	9
Other	3	23	(20)
Total Revenues	1,519	1,495	24
Contract Tax to Master District	536	527	9
Administrative	45	32	13
Consultants	92	83	9
Debt Service	233	250	(17)
Depreciation	235	192	43
Total Expenses	1,141	1,084	57
Other Financing Sources (Uses)	(265)	-	(265)
Change in Net Position	113	411	(298)
Beginning Net Position	3,027	2,616	411
Ending Net Position	\$ 3,140	\$ 3,027	\$ 113

Revenues were approximately \$1.5 million for the year. Expenses were approximately \$1.4 million including Other Financing Uses. Net position increased about \$113 thousand primarily due to a small increase in property tax values. The following charts summarize the sources of revenue and areas of expenses.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2021**



**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUND LEVEL STATEMENTS

In comparison to the Government-wide statements, the Fund-level statements focus on the key funds of the District. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The District reports the following types of Governmental funds: General Fund, Debt Service Fund and Capital Projects Fund. The focus of the District's Governmental funds is to provide information on near-term inflows, outflows, and available resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available at the end of the fiscal year.

Summary Balance Sheet

	Governmental Funds		Increase (Decrease)
	(in thousands)		
	September 2021	September 2020	
Cash and Investments	\$ 1,659	\$ 2,012	\$ (353)
Accounts Receivable	26	29	(3)
Prepaid Expenses	-	65	(65)
Total Assets	1,685	2,106	(421)
Accounts Payable	14	50	(36)
Unrealized Revenue	4	9	(5)
Total Liabilities	18	59	(41)
Nonspendable	-	65	(65)
Restricted for Debt Service	642	535	107
Restricted for Capital Projects	150	-	150
Unassigned	875	1,447	(572)
Total Fund Balances	1,667	2,047	(380)
Total Liabilities and Fund Balances	\$ 1,685	\$ 2,106	\$ (421)

The General Operating Fund, which pays for daily operating expenses, has a balance of \$0.875 million at the end of the current fiscal year. This is a decrease of \$572 thousand over the prior fiscal year.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2021**

The **Debt Service Fund** increased by \$107 thousand during the current fiscal year. This fund remitted bond principal of \$375 thousand and bond interest of \$232 thousand during the year.

The **Capital Projects Fund** increased from \$-0- to \$150 thousand during the year.

BUDGETARY HIGHLIGHTS

The Board of Directors adopted the fiscal year 2021 annual budget for the General Fund on September 1, 2020. The budget included revenues of \$832 thousand and expenditures of \$660 thousand. Actual revenue amounted to \$839 thousand and expenditures of \$1.575 million, included the transfer to the Capital Projects Fund. More detailed information about the District’s budgetary comparison is presented in the Required Supplementary Information section.

CAPITAL ASSETS

The District has invested \$11.8 million in infrastructure. A summary of these assets is listed below:

Summary of Capital Assets

	Governmental Activities		Increase (Decrease)
	(in thousands)		
	September 2021	September 2020	
Water, Wastewater and Drainage	\$ 11,792	\$ 9,604	\$ 2,188
Accumulated Depreciation	(2,157)	(1,922)	(235)
Total Capital Assets (Net)	\$ 9,635	\$ 7,682	\$ 1,953

LONG TERM DEBT

The District issued \$3.77 million of combination unlimited tax and refunding bonds during the year. Bonded indebtedness of the District at year end was \$8.0 million. More detailed information about the District’s long-term debt is presented in the Notes to the Basic Financial Statements.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2021**

ECONOMIC FACTORS

The taxable assessed value of property within the District as of January 1, 2021, has been fixed by the El Paso County Appraisal District at \$218 million. The tax rates adopted by the District on September 7, 2021, for the coming fiscal year are \$0.1464 for maintenance and operations, \$0.29 for contract tax and \$0.30 for debt service. The District expects this to produce \$1.6 million in total property tax revenue for next year. The adopted budget for fiscal year 2022 projects a small increase in the operating fund balance.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of Lloyd Gosselink Rochelle & Townsend, PC, 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

BASIC FINANCIAL STATEMENTS

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**STATEMENT OF NET POSITION
AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2021**

	<u>GOVERNMENTAL FUNDS</u>				<u>ADJUST- MENTS</u>	<u>STATEMENT OF NET POSITION</u>
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>		
ASSETS						
Cash	\$ 29,143	\$ -	\$ 1	\$ 29,144	\$ -	\$ 29,144
Investments	837,653	642,245	149,965	1,629,863	-	1,629,863
Taxes Receivable	2,002	1,619	-	3,621	-	3,621
Accrued Interest Receivable	621	380	-	1,001	-	1,001
Due From Other Funds	677	-	-	677	(677)	-
Due from Affiliated District	20,676	-	-	20,676	-	20,676
Prepaid Expenses	-	-	-	-	-	-
Water/WW/Drainage System (Net)	-	-	-	-	9,634,947	9,634,947
Total Assets	\$ 890,772	\$ 644,244	\$ 149,966	\$ 1,684,982	\$ 9,634,270	\$ 11,319,252
LIABILITIES						
Accounts Payable	\$ 13,583	\$ -	\$ -	\$ 13,583	\$ 31,132	\$ 44,715
Due To Other Funds	-	677	-	677	(677)	-
Bonds Payable in less than one year	-	-	-	-	415,000	415,000
Bonds Payable in more than one year	-	-	-	-	7,719,099	7,719,099
Total Liabilities	13,583	677	-	14,260	8,164,554	8,178,814
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	2,002	1,619	-	3,621	(3,621)	-
Total Deferred Inflows	2,002	1,619	-	3,621	(3,621)	-
FUND EQUITY						
Nonspendable	-	-	-	-	-	-
Restricted for Debt Service	-	641,948	-	641,948	(641,948)	-
Restricted for Capital Projects	-	-	149,966	149,966	(149,966)	-
Unassigned	875,187	-	-	875,187	(875,187)	-
Total Fund Equity	875,187	641,948	149,966	1,667,101	(1,667,101)	-
Total Liabilities, Fund Equity & Deferred Inflows of Resources	\$ 890,772	\$ 644,244	\$ 149,966	\$ 1,684,982		
NET POSITION						
Net Investment in Capital Assets					1,619,682	1,619,682
Restricted for Debt Service					643,567	643,567
Unrestricted					877,189	877,189
Total Net Position					\$ 3,140,438	\$ 3,140,438

The notes to financial statements are an integral part of this statement.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

REVENUES	GOVERNMENTAL FUNDS				ADJUST- MENTS	STATEMENT OF ACTIVITIES
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	TOTAL		
Transfer From Master District	\$ 134,324	\$ -	\$ -	\$ 134,324	\$ -	\$ 134,324
Property Taxes	167,022	684,125	-	851,147	(5,502)	845,645
Contract Taxes	536,398	-	-	536,398		536,398
Interest	1,148	2,093	42	3,283		3,283
TOTAL REVENUES	838,892	686,218	42	1,525,152	(5,502)	1,519,650
EXPENDITURES						
Current:						
Contract Tax To Master District	536,398	-	-	536,398	-	536,398
Legal Fees	40,820	-	-	40,820	-	40,820
Audit Fees	6,500	-	-	6,500	-	6,500
Accounting Fees	25,000	-	-	25,000	-	25,000
Engineering Fees	7,816	-	-	7,816	-	7,816
Management Fees	9,287	-	-	9,287	-	9,287
Fiscal Agent Fees	1,500	1,111	-	2,611	-	2,611
Director Salaries and Payroll Taxes	9,689	-	-	9,689	-	9,689
Insurance	2,292	-	-	2,292	-	2,292
Tax Assessor/Collector	16,343	-	-	16,343	-	16,343
Printing and Office Supplies	821	-	-	821	-	821
Postage and Delivery	788	-	-	788	-	788
Legal Notices	1,050	-	-	1,050	-	1,050
Travel and Election	13,918	-	-	13,918	-	13,918
Interest	-	232,218	-	232,218	441	232,659
Principal	-	375,000	-	375,000	(375,000)	-
Depreciation	-	-	-	-	235,846	235,846
Capital Expenditures	-	-	2,187,950	2,187,950	(2,187,950)	-
TOTAL EXPENDITURES	672,222	608,329	2,187,950	3,468,501	(2,326,663)	1,141,838
OTHER FINANCING SOURCES (USES)						
Bond Proceeds	-	2,062,611	1,707,389	3,770,000	(3,770,000)	-
Bond Premium	-	74,317	3,695	78,012	(78,012)	-
Bond Issuance Costs	-	(69,320)	(176,670)	(245,990)	-	(245,990)
Transfer to Refunding Agent	-	(2,038,929)	-	(2,038,929)	2,020,000	(18,929)
Transfers to Other Funds	(803,459)	-	803,459	-	-	-
NET OTHER SOURCES (USES)	(803,459)	28,679	2,337,873	1,563,093	(1,828,012)	(264,919)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures	(636,789)	106,568	149,965	(380,256)	380,256	-
Change in Net Position	-	-	-	-	112,893	112,893
Fund Balance/Net Position - Beginning	1,511,976	535,380	1	2,047,357	1,391,348	3,027,545
Fund Balance/Net Position - Ending	\$ 875,187	\$ 641,948	\$ 149,966	\$ 1,667,101	\$ 1,884,497	\$ 3,140,438

The notes to financial statements are an integral part of this statement.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2021**

1. Summary of Significant Accounting Policies

The basic financial statements of Paseo del Este Municipal Utility District No. 10 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

Paseo del Este Municipal Utility District No. 10 of El Paso County (the District), formerly El Paso County Municipal Utility District No. 1, a political subdivision of the State of Texas, was created by an Act of the Texas Legislature. The District was created and organized for the purpose of constructing water, sewer, and drainage facilities and providing water and sewer services to customers within its boundaries and in the surrounding area. The District has entered into an agreement with Paseo del Este Municipal Utility District No. 1 (Paseo No. 1) under which Paseo No. 1 will serve as the “Master District” for the purpose of providing water acquisition, transportation and treatment, wastewater collection, transportation, treatment and disposal, and drainage facilities and services. Under the terms of this agreement Paseo No. 1 has agreed to provide retail water and wastewater service to customers in the District and reimburse all of the District’s operating expenses in exchange for a commitment from the District to levy an ad valorem tax (contract tax) on property within the District to fund the District’s share of certain costs of Paseo No. 1 not provided for by retail revenues.

These financial statements report the financial activity of Paseo del Este Municipal Utility District No. 10. The reporting entity of the District encompasses those activities and functions over which the District’s elected officials exercise significant oversight or control. The District is governed by a five member Board of Directors (the Board). The funds and account groups presented in this report are within the oversight responsibility of the Board, in accordance with Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting. There are no component units of the District, nor is the District a component unit of any other entity.

A. Basis of Presentation, Basis of Accounting

In accordance with GASB Statement No. 34, the District has elected to combine their Government-wide and Governmental Fund Financial Statements into one set of financial statements with a reconciliation of the individual line items in a separate column on the financial statements.

Government-wide Financial Statements:

The **Statement of Net Position** and the **Statement of Activities** include the financial activities of the overall government. Governmental activities are generally financed through property taxes.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2021**

1. Summary of Significant Accounting Policies (continued)

The **Statement of Activities** presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Fund Financial Statements:

The governmental fund financial statement columns are labeled **Governmental Funds Balance Sheet** and **Governmental Funds Revenue, Expenditures and Changes in Fund Balance**. In the fund financial statements, the accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of financial resources for, and the payment of, general long term debt principal and interest.

Capital Projects Fund: The Capital Projects Fund is used to account for the acquisition or construction of major capital facilities. Principal sources of revenue are municipal long-term debt proceeds and interest income.

B. Measurement Focus, Basis of Accounting

The Government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources management focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year end to be available in the current period. Revenues from local sources consist primarily of property taxes. Miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long term debt,

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2021**

1. Summary of Significant Accounting Policies (continued)

which is recognized as an expenditure to the extent that it has matured. General capital asset acquisitions are reported as expenditures in major governmental funds. Proceeds of general long term debt are reported as other financing sources.

C. Fund Balances

The District has adopted GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

Nonspendable – Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned – For the General Fund, amounts that are appropriated by the Board or Board designee, if any, that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned – Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has not delegated the authority to assign fund balance.

D. Budget

The Board adopted an annual budget for the General Fund on the basis consistent with generally accepted accounting principles. The District's Board of Directors utilizes the budget as a management tool for planning and cost control purposes. All annual appropriations lapse at fiscal year end.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2021**

1. Summary of Significant Accounting Policies (continued)

E. Pensions

The District has not established a pension plan.

F. Cash and Cash Equivalents

These include cash on deposit as well as investments with maturities of three months or less at the time of purchase.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid assets in both the government-wide and fund financial statements. Prepaid assets are charged to expenditures when consumed.

H. Capital Assets

Capital assets, which include Administrative Facilities and Equipment, Common and Recreation Areas, Water Production and Distribution System, Wastewater Collection System, Water Quality Ponds and Organizational Costs are reported in the Government-wide column in the Statement of Net Assets. Public domain (“infrastructure”) capital assets including water, wastewater and drainage systems, are capitalized as acquired. Items purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded as capital assets at estimated fair market value at the time received.

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

<u>Asset</u>	<u>Years</u>
Water/Wastewater/Drainage System	50

I. Interfund Transactions

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

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2021**

1. Summary of Significant Accounting Policies (continued)

J. Long-Term Debt

Unlimited tax bonds, which have been issued to acquire capital assets, are to be repaid from tax revenues of the District. In the Government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

K. Deferred Outflows and Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period. GASB Statement No. 63 became effective for fiscal years beginning after December 15, 2011 and has been implemented in the financial statements.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 is effective for fiscal years beginning after December 15, 2012 and has been implemented in these financial statements.

L. Recently Issued Accounting Pronouncements

In March 2018, the GASB issued GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of GASB Statement No. 88 is to improve the consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This statement is effective for reporting periods beginning after June 15, 2018. GASB Statement No. 88 has been implemented in these financial statements.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2021**

1. Summary of Significant Accounting Policies (continued)

In June 2018, the GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for fiscal years beginning after December 15, 2020. The objective of GASB Statement No. 89 is to enhance the relevance and comparability of information about capital assets and to simplify accounting for interest costs incurred before the end of a construction period. Under GASB Statement 89, interest costs will no longer be capitalized as part of the asset but will be shown as an expenditure in the fund financial statements and as an expense in the government-wide financial statements. Management is evaluating the effects that the full implementation of GASB Statement No. 89 will have on its financial statements for the year ended September 30, 2022.

2. Cash and Investments

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

Cash – At year end, deposits were held by the District's depository bank in accounts that were secured at the balance sheet date by Federal Deposit Insurance Corporation (FDIC) coverage or by pledged collateral held by the District's agent bank in the District's name.

Investments - The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirement of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restriction, (1) obligations of the US Treasury, certain US Agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) banker's acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) commercial paper.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2021**

2. Cash and Investments (continued)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Not all assets meeting the definition of an investment are required to be reported at fair value. Including among excepted investments are certain investments held by 2a7-like external investments pools. As detailed below the District has invested funds in specific 2a7-like external investment pools that are valued at amortized cost and not subject to the fair value hierarchy levels.

The District’s investments at year end are shown below.

	Fair Value			
Investment	Level	Rating	Maturity	Fair Value
TexPool	N/A	AAAm	1 day average	\$ 489,863
CDs	2	AAA	150 days average	\$1,140,000

Analysis of Specific Cash and Investment Risks – GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and, if so, the reporting of certain related disclosures.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

At year end, the District’s investments, other than those which are obligations of or guaranteed by the US Government, are rated as to credit quality as detailed above.

Custodial Credit Risk – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution’s trust department or agent but not in the District’s name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterpart or the counterparty’s trust department or agent but not in the District’s name. At year end, the District was not exposed to custodial credit risk.

Concentration of Credit Risk – This risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
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Notes to the Financial Statements
For the Year Ended September 30, 2021**

2. Cash and Investments (continued)

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

Foreign Currency Risk – This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Investment Accounting Policy – The District’s general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value.

All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term “short-term” refers to investments which have a remaining term of one year or less at time of purchase. The term “nonparticipating” means that the investment’s value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools – Public funds investment pools in Texas (“Pools”) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the “Act”), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the Pool and other person who do not have a business relationship with the Pool and are qualified to advise the Pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least on nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio with one half of one percent of the value of its shares.

The District’s investments in Pools are reported at an amount determined by the fair value per share of the Pool’s underling portfolio, unless the Pool is 2a7-like, in which case they are reported at share value. A 2a7-like Pool is one which is not registered with the Securities and Exchange Commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940.

TexPool – The District invests in the Texas Local Government Investment Pool (TexPool), which is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under a contract with the State Comptroller. In accordance with the Public Funds Investment Act, the State Comptroller has appointed the

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
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Notes to the Financial Statements
For the Year Ended September 30, 2021**

2. Cash and Investments (continued)

TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advise in respect to TexPool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAM by Standard & Poor's and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost, which usually approximates the market value of the securities. The stated objective of TexPool is to maintain a stable average \$1.00 per unit net asset value; however, the \$1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at www.ttstc.org.

3. Property Taxes

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus 20 % delinquent collection fees for attorney costs.

At an election held within the District on November 4, 2003, voters authorized the District to levy an annual ad valorem tax on all taxable property within the District to make certain payments required pursuant to contracts with Paseo No. 1. At an election held on February 3, 2003, voters authorized the levy of a maintenance tax not to exceed \$1.00 per \$100.00 valuation. Property taxes were levied by the District for the 2020-21 fiscal year at the rate of \$0.09 per hundred assessed value for maintenance and operations, \$0.37 for debt service and \$0.29 for the contract tax. The District agreed to remit the contract tax to the Master District under its cost sharing and utility capacity agreement. Uncollected property taxes amounted to \$3,621 at the end of the year.

4. Capital Assets

During the year, the District acquired additional water, wastewater and drainage facilities at a cost of \$2,187,950. All of the District's facilities are being depreciated over their estimated useful life of 50 years. Depreciation in the amount of \$235,846 has been charged to system operations for the year. Accumulated depreciation to date amounts to \$2,157,365 leaving a net book value of \$9,634,947 at year end.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2021**

4. Capital Assets (continued)

A summary of changes in capital assets follows:

	Balance			Balance
	10/1/2020	Additions	Deletions	9/30/2021
Capital Assets:				
Water WW & Drainage	\$ 9,604,362	2,187,950	-	\$ 11,792,312
Total	9,604,362	2,187,950	-	11,792,312
Accumulated Depreciation:				
Water WW & Drainage	(1,921,519)	(235,846)	-	(2,157,365)
Total	(1,921,519)	(235,846)	-	(2,157,365)
Total Capital Assets (Net)	\$ 7,682,843	1,952,104	-	\$ 9,634,947

5. Bonds

At an election held within the District on February 3, 2003, voters authorized a total of \$14,000,000 combination unlimited tax and revenue bonds for the purpose of purchasing, constructing, acquiring, owning, improving, extending, maintaining, repairing, or operating a waterworks system, a sanitary sewer system, and a drainage and storm water system for the District. The District's bonds are collateralized by the levy of an annual ad valorem tax against all taxable property within the District. The District has no direct borrowings or direct placement debt.

The District has issued unlimited tax bonds in previous years to finance the acquisition of the water, wastewater and drainage infrastructure from developers. In June 2019 the District issued \$3,145,000 in unlimited tax refunding bonds and used the proceeds to defease \$3,210,000 of the Series 2010 bonds.

In December 2020, the District issued \$3,770,000 of unlimited tax improvement and refunding bonds dated November 1, 2020. The proceeds of these bonds were used to acquire additional utility facilities and to defease \$2,200,000 of Series 2012 bonds. The bonds mature serially on August 15, in each year 2021 through 2040, in principal amounts set forth below. Bonds maturing on or after August 15, 2029, are subject to redemption, in whole or in part, on August 15, 2028, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

The District's outstanding bonds are described as follows:

Issue	Original	Installments	Final	Interest	Balance
	Amount	(in thousands)	Maturity	Rates	Outstanding
Series 2013	2,125,000	75 to 625	2035	1.00 - 4.450%	1,525,000
Series 2019R	3,145,000	125 to 290	2034	2.50 - 4.000%	2,870,000
Series 2020	3,770,000	65 to 245	2040	2.00 - 3.000%	3,620,000

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2021**

5. Bonds (continued)

The changed in bonds is as follows:

<u>Bonds:</u>	<u>Balance</u> <u>9/30/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2021</u>
Unlimited Tax Bonds, Series 2012R	\$ 2,020,000	-	(2,020,000)	\$ -
Unlimited Tax Bonds, Series 2013	1,600,000	-	(75,000)	1,525,000
Unlimited Tax Bonds, Series 2019R	3,020,000	-	(150,000)	2,870,000
Bond Premium, Series 2019R	43,535	-	(888)	42,647
Unlimited Tax Bonds, Series 2019R	-	3,770,000	(150,000)	3,620,000
Bond Premium, Series 2019R	-	78,012	(1,560)	76,452
Total Bond Indebtedness	<u>\$ 6,683,535</u>	<u>\$ 3,848,012</u>	<u>\$ (2,397,448)</u>	<u>\$ 8,134,099</u>

Redemption

Series 2013 Bonds maturing on or after August 15, 2023, are subject to redemption at the option of the District prior to their maturity dates in whole, or from time to time, in part, on August 15, 2022, or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on August 15 in the years 2025, 2029, 2033 and 2035 are subject to mandatory sinking fund redemption.

Series 2019R Bonds maturing on or after August 15, 2029, are subject to redemption at the option of the District prior to their maturity dates in whole, or from time to time, in part, on August 15, 2028, or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption.

Series 2020 Bonds maturing on or after August 15, 2029, are subject to redemption at the option of the District prior to their maturity dates in whole, or from time to time, in part, on August 15, 2028, or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on August 15 in the years 2031, 2036, and 2010 are subject to mandatory sinking fund redemption.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2021**

5. Bonds (continued)

Debt Service Requirements

Debt service requirements on long-term debt as of the end of the year are as follows:

<u>Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2022	\$ 415,000	\$ 249,057	\$ 664,057
2023	425,000	234,819	659,819
2024	445,000	220,082	665,082
2025	465,000	204,594	669,594
2026	480,000	188,407	668,407
2027-2031	2,630,000	709,921	3,339,921
2032-2036	2,465,000	303,839	2,768,839
2037-2041	690,000	43,750	733,750
Totals	\$ 8,015,000	\$ 2,154,469	\$ 10,169,469

Advance Refunding of Debt

GASB Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt*, provides that refunded Debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of September 30, 2021, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows:

<u>Bond Issue</u>	<u>Amount</u>
Series 2008	\$2,750,000
Series 2010	\$3,210,000
Series 2012	\$2,200,000

In December 2020, the District issued \$3,770,000 of unlimited tax improvement and refunding bonds to acquire additional utility facilities and refund the District's Unlimited Tax Refunding Bonds, Series 2012 outstanding debt. The proceeds attributable to the refunding, net of debt issuance costs of \$69,320, amounted to \$2,024,997. This amount, plus \$13,932 from the District's Debt Service Fund, was deposited with an escrow agent to purchase direct obligations of the United States. As a result of the refunding, the District decreased its aggregate debt service payment to maturity by \$126,890 and realized an economic gain (difference between the present value of debt service payments on the old debt and new debt) of \$91,741.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2021**

6. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the year, the District obtained liability coverage.

7. Contingencies

The District has an obligation to reimburse developers of property in the District costs expended on behalf of the District for the construction of water, sewer and drainage systems designed to serve the District. Since the construction of these facilities is not yet complete, the ultimate amount of the future reimbursements cannot be determined at this time.

8. Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

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**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2021**

9. Summary of General Fund Items

As mentioned in Note 1, the District has entered into agreements with Paseo del Este Municipal District No. 1. Among other things, these agreements require Paseo 1 to reimburse the District's operating expenses and require the District to remit to Paseo 1 the District's Contract Tax collections. The table below summarizes the different elements of these requirements as they affect the District's General Fund.

<u>REVENUES</u>	<u>General Fund Total</u>	<u>Covered by Master District</u>	<u>Contract Tax</u>	<u>District Items</u>
Transfer from Master District	\$ 134,324	\$ 134,324	\$ -	\$ -
Property Taxes	167,022	-	-	167,022
Contract Taxes	536,398	-	536,398	-
Interest	1,148	-	-	1,148
TOTAL REVENUES	838,892	134,324	536,398	168,170
 <u>EXPENDITURES</u>				
Current:				
Contract Tax Transfer to Master District	536,398	-	536,398	-
Legal Fees	40,820	40,820	-	-
Audit Fees	6,500	6,500	-	-
Accounting Fees	25,000	25,000	-	-
Engineering Fees	7,816	7,816	-	-
Management Fees	9,287	9,287	-	-
Fiscal Agent Fees	1,500	-	-	1,500
Director Salaries and Payroll Taxes	9,689	9,689	-	-
Insurance	2,292	2,292	-	-
Tax Assessor/Collector	16,343	16,343	-	-
Printing & Office Supplies	821	821	-	-
Postage & Delivery	788	788	-	-
Legal Notices	1,050	1,050	-	-
Travel and Election	13,918	13,918	-	-
Capital Expenditures	-	-	-	-
TOTAL EXPENDITURES	672,222	134,324	536,398	1,500
Transfers (to) from Other Funds	(803,459)	-	-	(803,459)
Excess (Deficit)	(636,789)	-	-	(636,789)
Fund Balance-Beginning of Year	1,511,976	-	-	1,511,976
Fund Balance-End of Year	\$ 875,187	\$ -	\$ -	\$ 875,187

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2021**

10. Subsequent Events

The District has evaluated subsequent events as of December 31, 2021, the date the financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world. While the disruption is expected to be temporary, there is uncertainty around the severity and duration. Therefore, while this issue may negatively impact the District’s results of operations and financial position, the related financial impact cannot be reasonably estimated at the time. The District is actively managing its operations to maintain its cash flow and management believes that the District has adequate liquidity.

11. Reconciliation of Government-wide and Fund Financial Statements

Amounts reported for governmental activities in the statement of net position are different because:

Governmental Funds Total Fund Balances	\$ 1,667,101
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	9,634,947
Long-term liabilities (bonds payable) are not due and payable in the current period and, therefore, are not reported in the funds	(8,134,099)
Interest is accrued on outstanding debt in the government-wide statements, whereas in the governmental funds, an interest expenditure is reported when made and not accrued in the funds	(31,132)
Deferred tax revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds	3,621
Total Net Position	<u><u>\$ 3,140,438</u></u>

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2021**

11. Reconciliation of Government-wide and Fund Financial Statements (continued)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental Funds Excess of Revenues over Expenditures	\$ (380,256)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	
Change in Deferred Tax Revenue	(5,502)
Governmental funds report capital outlays as expenditures however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense	
Capital Outlay	2,187,950
Depreciation Expense	(235,846)
Governmental funds report principal payments as expenditures however, in the Statement of Activities, these payments are not reported as operating expenses	
Bond Principal	375,000
Governmental funds do not report the change in accrued interest as an expenditure, however, in the Statement of Activities, this change in the amount accrued is reported as an expense	
Accrued Interest	(441)
Bond Proceeds are reported as other financing sources in the governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities	
Bond Proceeds (Net)	(1,828,012)
Change in Net Position	\$ 112,893

REQUIRED SUPPLEMENTARY INFORMATION

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	ORIGINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Transfer From Master District	\$ 140,315	\$ 134,324	\$ (5,991)
Property Taxes	160,883	167,022	6,139
Contract Taxes	518,073	536,398	18,325
Interest	12,530	1,148	(11,382)
TOTAL REVENUES	831,801	838,892	7,091
<u>EXPENDITURES</u>			
Current:			
Contract Tax To Master District	518,073	536,398	(18,325)
Legal Fees	35,000	40,820	(5,820)
Audit Fees	6,500	6,500	-
Accounting Fees	28,000	25,000	3,000
Engineering Fees	10,000	7,816	2,184
Management Fees	24,000	9,287	14,713
Fiscal Agent Fees	1,500	1,500	-
Director Salaries and Payroll Taxes	9,720	9,689	31
Insurance	2,500	2,292	208
Tax Assessor/Collector	18,000	16,343	1,657
Printing and Office Supplies	1,075	821	254
Postage and Delivery	970	788	182
Legal Notices	800	1,050	(250)
Travel and Election	3,750	13,918	(10,168)
Capital Expenditures	-	-	-
TOTAL EXPENDITURES	659,888	672,222	(12,334)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers to Other Funds	-	(803,459)	(803,459)
Excess (Deficit) of Revenues over Expenditures	171,913	(636,789)	(808,702)
Fund Balance - Beginning of Year	1,511,976	1,511,976	-
Fund Balance - End of Year	\$ 1,683,889	\$ 875,187	\$ (808,702)

The notes to financial statements are an integral part of this statement.

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
SUPPLEMENTARY INFORMATION

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**INDEX OF SUPPLEMENTAL SCHEDULES REQUIRED
BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

(Schedules included are checked; explanatory notes are provided for omitted schedules).

- Schedule of Services and Rates
- Schedule of General Fund Expenditures
- Temporary Investments
- Analysis of Taxes Levied and Receivable
- General Long Term Debt Service Requirements by Years
- Analysis of Changes in General Long Term Debt
- Comparative Schedule of Revenues and Expenditures - General Fund
- Board Members, Key Personnel, and Consultants

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**SCHEDULE OF GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Current:

Professional Fees

Audit	\$ 6,500
Engineering	7,816
Legal	40,820
	55,136

Contracted Services

Accounting	25,000
Management	9,287
Fiscal Agent	1,500
Tax Appraisal/Collection	16,343
	52,130

Utilities

Solid Waste Disposal	-
	-

Administrative

Director Salaries and Payroll Taxes	9,689
Insurance	2,292
Printing and Office Supplies	821
Legal Notices	1,050
Postage and Delivery	788
Travel and Election	13,918
	28,558

Maintenance

Landscape Maintenance	-
Repairs and Maintenance	-
Pond Maintenance	-
	-

Master District Expenses

Contract Tax Transfer To Master District	536,398
	536,398

Capital Expenditures

-

TOTAL EXPENDITURES

\$ 672,222

Number of persons employed by the District: -0-

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**TEMPORARY INVESTMENTS
SEPTEMBER 30, 2021**

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<u>GENERAL FUND</u>					
State Investment Pool	****0004	0.0300%	N/A	\$ 237,653	-
CD Frontier Bank	****2908	0.5000%	5/27/2022	\$ 150,000	259
CD South Star Bank	****0278	0.1500%	2/27/2022	\$ 150,000	78
CD Texas Capital Bank	****0605	0.2000%	3/23/2022	\$ 150,000	103
CD Third Coaast Bank	****0150	0.3500%	4/22/2022	\$ 150,000	181
Total				<u>837,653</u>	<u>621</u>
<u>DEBT SERVICE FUND</u>					
State Investment Pool	****0001	0.0300%	N/A	100,909	-
State Investment Pool	****0003	0.0300%	N/A	1,336	-
CD Bancorpsouth	****4136	0.2800%	12/21/2021	100,000	92
CD Frontier Bank	****2914	0.4000%	12/28/2021	100,000	133
CD Third Coaast Bank	****6653	0.3000%	8/16/2022	240,000	89
CD Veritex Community Bank	****0423	0.2000%	12/28/2021	100,000	66
Total				<u>642,245</u>	<u>380</u>
<u>CAPITAL PROJECTS FUND</u>					
State Investment Pool	****0007	0.0300%	N/A	149,965	-
Total				<u>149,965</u>	<u>-</u>
TOTALS - ALL FUNDS				<u>\$1,629,863</u>	<u>\$ 1,001</u>

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**ANALYSIS OF TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>GENERAL FUND</u>			<u>TOTALS</u>
	<u>MAINTENANCE TAXES</u>	<u>CONTRACT TAXES</u>	<u>DEBT SERVICE TAXES</u>	
Taxes Receivable, Beginning of Period	\$ 1,683	\$ 3,422	\$ 4,018	\$ 9,123
2020 Original Levy	165,404	532,969	679,996	1,378,369
Adjustments	(12)	(18)	(20)	(50)
Add: Penalty & Interest	565	1,409	1,750	3,724
Total to be accounted for	<u>167,640</u>	<u>537,782</u>	<u>685,744</u>	<u>1,391,166</u>
Tax collections:				
Current year	165,478	533,208	680,300	1,378,986
Prior years	1,544	3,190	3,825	8,559
Total Collections	<u>167,022</u>	<u>536,398</u>	<u>684,125</u>	<u>1,387,545</u>
Taxes Receivable, End of Period	<u>\$ 618</u>	<u>\$ 1,384</u>	<u>\$ 1,619</u>	<u>\$ 3,621</u>

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Property Valuations:					
Land & Improvements	<u>183,782,582</u>	<u>181,192,747</u>	<u>178,801,322</u>	<u>175,655,797</u>	<u>173,493,733</u>
Tax Rates Per \$100 Valuation:					
Debt Service tax rates	\$ 0.3700	\$ 0.3300	\$ 0.3400	\$ 0.3600	\$ 0.3600
Contract tax rates	\$ 0.2900	\$ 0.2900	\$ 0.2700	\$ 0.3600	\$ 0.1592
Maintenance tax rates	\$ 0.0900	\$ 0.1300	\$ 0.1400	\$ 0.0300	\$ 0.2308
Totals	<u>\$ 0.7500</u>	<u>\$ 0.7500</u>	<u>\$ 0.7500</u>	<u>\$ 0.7500</u>	<u>\$ 0.7500</u>
Original Tax Levy	<u>\$ 1,378,369</u>	<u>\$ 1,358,946</u>	<u>\$ 1,341,010</u>	<u>\$ 1,317,418</u>	<u>\$ 1,301,203</u>

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR 2013 SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2022	75,000	63,363	138,363
2023	75,000	60,925	135,925
2024	75,000	58,338	133,338
2025	75,000	55,750	130,750
2026	75,000	53,163	128,163
2027	75,000	50,088	125,088
2028	75,000	47,013	122,013
2029	75,000	43,938	118,938
2030	75,000	40,863	115,863
2031	75,000	37,600	112,600
2032	75,000	34,338	109,338
2033	75,000	31,075	106,075
2034	250,000	27,813	277,813
2035	375,000	16,688	391,688
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
	<u>\$ 1,525,000</u>	<u>\$ 620,955</u>	<u>\$ 2,145,955</u>

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR 2019R SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2022	160,000	90,644	250,644
2023	165,000	84,244	249,244
2024	180,000	77,644	257,644
2025	190,000	70,444	260,444
2026	200,000	62,844	262,844
2027	215,000	54,844	269,844
2028	220,000	50,275	270,275
2029	230,000	45,050	275,050
2030	235,000	39,300	274,300
2031	250,000	32,250	282,250
2032	260,000	24,750	284,750
2033	275,000	16,950	291,950
2034	290,000	8,700	298,700
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
	\$ 2,870,000	\$ 657,939	\$ 3,527,939

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR 2020 SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2022	180,000	95,050	275,050
2023	185,000	89,650	274,650
2024	190,000	84,100	274,100
2025	200,000	78,400	278,400
2026	205,000	72,400	277,400
2027	210,000	66,250	276,250
2028	215,000	59,950	274,950
2029	225,000	53,500	278,500
2030	225,000	46,750	271,750
2031	230,000	42,250	272,250
2032	245,000	37,650	282,650
2033	240,000	32,750	272,750
2034	65,000	26,750	91,750
2035	155,000	25,125	180,125
2036	160,000	21,250	181,250
2037	165,000	17,250	182,250
2038	170,000	13,125	183,125
2039	175,000	8,875	183,875
2040	180,000	4,500	184,500
	\$ 3,620,000	\$ 875,575	\$ 4,495,575

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR ALL SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2022	415,000	249,057	664,057
2023	425,000	234,819	659,819
2024	445,000	220,082	665,082
2025	465,000	204,594	669,594
2026	480,000	188,407	668,407
2027	500,000	171,182	671,182
2028	510,000	157,238	667,238
2029	530,000	142,488	672,488
2030	535,000	126,913	661,913
2031	555,000	112,100	667,100
2032	580,000	96,738	676,738
2033	590,000	80,775	670,775
2034	605,000	63,263	668,263
2035	530,000	41,813	571,813
2036	160,000	21,250	181,250
2037	165,000	17,250	182,250
2038	170,000	13,125	183,125
2039	175,000	8,875	183,875
2040	180,000	4,500	184,500
	<u>\$ 8,015,000</u>	<u>\$ 2,154,469</u>	<u>\$ 10,169,469</u>

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**ANALYSIS OF CHANGES IN GENERAL LONG TERM DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	SERIES 2012R	SERIES 2013	SERIES 2019R	SERIES 2020	TOTALS
Interest Rate	1.00 -3.375%	2.50 - 4.45%	2.25 - 4.00%	2.00 - 3.00%	
Dates Interest Payable	2/15 : 8/15	2/15 : 8/15	2/15 : 8/15	2/15 : 8/15	
Maturity Dates	8/15/13 to 8/15/33	8/15/14 to 8/15/35	8/15/20 to 8/15/34	8/15/21 to 8/15/40	
Bonds Outstanding-Beginning	\$ 2,020,000	\$ 1,600,000	\$ 3,020,000	\$ -	\$ 6,640,000
Bonds Sold During the Year	-	-	-	-	-
Bonds Defeased During the Year	(2,020,000)	-	-	3,770,000	1,750,000
Retirements During the Year	-	(75,000)	(150,000)	(150,000)	(375,000)
Bonds Outstanding-Ending	<u>\$ -</u>	<u>\$ 1,525,000</u>	<u>\$ 2,870,000</u>	<u>\$ 3,620,000</u>	<u>\$ 8,015,000</u>
Interest Paid During the Year	\$ -	\$ 65,613	\$ 96,644	\$ 69,961	\$ 232,218
Change In Accrued Interest	(7,961)	(282)	(750)	11,882	2,889
Amortization of Bond Premium	-	-	(888)	(1,560)	(2,448)
Interest on Financial Statements	<u>\$ (7,961)</u>	<u>\$ 65,331</u>	<u>\$ 95,006</u>	<u>\$ 80,283</u>	<u>\$ 232,659</u>
Paying Agent:	Wells Fargo	Wells Fargo	BOKF, NA	BOKF, NA	
Bond Authority:	<u>Tax Bonds</u>	<u>Refunding Bonds</u>	<u>Other Bonds</u>	<u>Other Bonds</u>	
Amount Authorized By Voters	\$ 14,000,000	\$ -	\$ -	\$ -	
Amount Issued	\$ 10,740,000	\$ 7,980,000	\$ -	\$ -	
Remaining To Be Issued	\$ 3,260,000	\$ -	\$ -	\$ -	
Debt Service Fund Cash and Temporary Investments balances as of September 30, 2021					<u>\$ 642,245</u>
Average annual debt service payment (principal & interest) for remaining term of all debt					<u>\$ 535,235</u>

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	AMOUNTS				
	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
REVENUES					
Transfer From Master District	\$ 134,324	\$ 111,698	\$ 113,108	\$ 107,708	\$ 104,558
Property Tax	167,022	236,013	256,124	54,094	401,234
Contract Tax	536,398	527,395	487,646	631,556	276,724
Interest	1,148	14,302	27,097	12,070	4,551
TOTAL REVENUES	838,892	889,408	883,975	805,428	787,067
EXPENDITURES					
Current:					
Contract Tax To Master District	536,398	527,395	487,646	631,556	276,724
Legal Fees	40,820	33,674	33,473	34,772	48,273
Audit Fees	6,500	6,500	6,500	6,500	6,500
Accounting Fees	25,000	23,318	24,150	22,150	20,430
Engineering Fees	7,816	7,041	8,018	5,505	5,254
Management Fees	9,287	8,918	8,494	8,026	7,940
Fiscal Agent	1,500	1,500	1,500	1,500	1,500
Director Salaries & Payroll Tax	9,689	9,366	9,204	7,751	8,720
Insurance	2,292	1,800	1,800	2,344	2,095
Tax Assessor/Collector	16,343	15,805	16,844	17,199	17,966
Printing & Office Supplies	821	817	790	651	1,445
Postage & Delivery	788	755	555	250	306
Legal Notices	1,050	980	1,403	720	-
Travel and Election	13,918	2,724	1,877	1,857	1,657
Capital Expenditures	-	64,217	-	-	-
TOTAL EXPENDITURES	672,222	704,810	602,254	740,781	398,810
OTHER FINANCING USES					
Transfers to Other Funds	(803,459)	-	(4,106)	-	-
Excess (Deficit) of Revenues over Expenditures	<u>\$ (636,789)</u>	<u>\$ 184,598</u>	<u>\$ 277,615</u>	<u>\$ 64,647</u>	<u>\$ 388,257</u>
TOTAL ACTIVE					
WATER CONNECTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
WW CONNECTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

PERCENT OF REVENUES

9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
16%	13%	13%	13%	13%
20%	27%	29%	7%	51%
64%	59%	55%	78%	35%
0%	2%	3%	1%	1%
100%	100%	100%	100%	100%
64%	59%	55%	78%	35%
5%	4%	4%	4%	6%
1%	1%	1%	1%	1%
3%	3%	3%	3%	3%
1%	1%	1%	1%	1%
1%	1%	1%	1%	1%
0%	0%	0%	0%	0%
1%	1%	1%	1%	1%
0%	0%	0%	0%	0%
2%	2%	2%	2%	2%
0%	0%	0%	0%	0%
0%	0%	0%	0%	0%
0%	0%	0%	0%	0%
2%	0%	0%	0%	0%
0%	7%	0%	0%	0%
80%	79%	68%	92%	51%
-96%	0%	0%	0%	0%
-76%	21%	31%	8%	49%
-	-	-	-	-
-	-	-	-	-

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	AMOUNTS				
	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>
REVENUES					
Property Tax	\$ 684,125	\$ 600,178	\$ 615,495	\$ 633,044	\$ 625,699
Interest	2,093	9,446	19,898	12,260	4,382
TOTAL REVENUES	<u>686,218</u>	<u>609,624</u>	<u>635,393</u>	<u>645,304</u>	<u>630,081</u>
EXPENDITURES					
Current:					
Fiscal Agent Fees	1,111	1,432	2,850	1,065	1,800
Interest	232,218	252,418	216,884	303,105	311,270
Principal	375,000	320,000	195,000	300,000	295,000
TOTAL EXPENDITURES	<u>608,329</u>	<u>573,850</u>	<u>414,734</u>	<u>604,170</u>	<u>608,070</u>
OTHER SOURCES					
Bond Proceeds (Net)	28,679	-	(192,346)	-	-
Excess (Deficit) of Revenues over Expenditures	<u>\$ 106,568</u>	<u>\$ 35,774</u>	<u>\$ 28,313</u>	<u>\$ 41,134</u>	<u>\$ 22,011</u>

PERCENT OF REVENUES

9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
100%	98%	97%	98%	99%
0%	2%	3%	2%	1%
100%	100%	100%	100%	100%
0%	0%	0%	0%	0%
34%	41%	34%	47%	49%
55%	52%	31%	46%	47%
89%	94%	65%	94%	97%
4%	0%	-30%	0%	0%
16%	6%	4%	6%	3%

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

DISTRICT MAILING ADDRESS: c/o Lloyd Gosselink Rochelle & Townsend 816 Congress Ave #1900 Austin TX 78701

DISTRICT BUSINESS TELEPHONE NUMBER: (512) 322-5800

LIMITS ON FEES OF OFFICETHAT A DIRECTOR MAY RECEIVE DURING A FISCAL YEAR: \$7,200

<u>NAMES</u>	<u>TERM OF OFFICE</u>	<u>SALARY FYE 9/30/21</u>	<u>REIMBURSEMENTS FYE 9/30/21</u>	<u>TITLE AT YEAR END</u>
<u>DIRECTORS</u>				
Luis Ortega	Elected 5/21-5/25	\$ 1,950	\$ -	President
Greg Spence	Elected 5/19-5/23	1,800	-	Vice-President
B. D. Reynolds, Jr	Elected 5/19-5/23	1,650	-	Secretary
Martin N. Lettunich	Elected 5/19-5/23	1,800	-	Asst Sec
Ysrael Valencia	Elected 5/21-5/25	1,200	-	Asst Sec
Payments to Former Director		600	-	Former Director
		<u>\$ 9,000</u>	<u>\$ -</u>	

CONSULTANTS

Lloyd Gosselink Rochelle & Townsend	\$ 40,820	\$ -	Attorney
West, Davis & Company	\$ 6,500	\$ -	Auditor
Municipal Accounts & Consulting	\$ 25,000	\$ -	Accountant
TRE & Associates	\$ 7,816	\$ -	Engineer
Inframark	\$ 9,287	\$ -	Operator

OTHER INFORMATION

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 10
OF EL PASO COUNTY**

**PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2021**

<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>% of 2021 Certified Taxable Assessed Value</u>
ROP Emerald Park Plaza, LLC	\$ 2,170,897	0.99%
Hunt Communities Development Company II, LLC	*	828,628
Individual	761,049	0.35%
Cullers Homes, LLC	665,210	0.30%
Individual	637,871	0.29%
Sanderson Properties, LLC	581,566	0.27%
Paseo del Este MUD No. 1	562,875	0.26%
Individual	557,822	0.26%
Individual	550,457	0.25%
Individual	519,595	0.24%
Total	\$ 7,835,970	3.59%

* Project Developer and related entities.

**ASSESSED VALUE BY CLASSIFICATION
SEPTEMBER 30, 2021**

<u>Type of Property</u>	<u>2021 Taxable Assessed Value</u>
Land	\$ 43,232,951
Improvements	200,665,344
Personal Property	1,011,044
Total Assessed Valuation	244,909,339
Exemptions	26,410,784
Total Taxable Appraised Valuation	\$ 218,498,555