

**PASEO DEL ESTE
MUNICIPAL UTILITY DISTRICT NO. 5
OF EL PASO COUNTY**

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

**FOR THE YEAR ENDED
SEPTEMBER 30, 2023**

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS
COUNTY OF EL PASO

I, BERT JUAN
Sal Alonzo of the Paseo del Este Municipal Utility District No. 5 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 11th day of January 2024, its annual audit report for the fiscal year ended September 30, 2023, and that copies of the annual report have been filed in the district office, located at c/o Gordon Davis Johnson & Shane, 4695 North Mesa, El Paso, Texas 79912.

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 11, 2024

By: Bert Juan
(Signature of District Representative)

Sal Alonzo, President
(Name & Title of above District Representative)

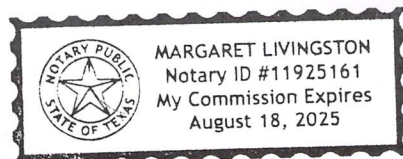
Sworn to and subscribed to before me this 11th day of January 2024.

(SEAL)

Margaret Livingston
(Signature of Notary)

My Commission Expires On: 8 18, 2024.

Notary Public in and for the State of Texas.



**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**
Annual Financial Report
For the Year Ended September 30, 2023

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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. 5
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. 5 of El Paso County (the District) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Opinions

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 as of September 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the 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 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 Commission on Environmental Quality required supplementary 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 Commission on Environmental Quality required supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the property tax assessed value information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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



Austin, Texas
December 31, 2023

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2023**

In accordance with Governmental Accounting Standards Board Statement 34 (“GASB 34”), the management of Paseo del Este Municipal Utility District No. 5 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, 2023. 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 at the end of the year was approximately \$596 thousand which was an increase of \$184 thousand from the end of the previous year end. Revenue increased from \$734 thousand in the previous fiscal year to \$873 thousand in the current fiscal year primarily due growth in the District.
- **Debt Service Fund:** The debt service fund balance increased from \$347 to \$400 thousand as a result of growth in the District. The District issued \$1.25 million in unlimited tax bonds during the year. The District made bond principal payments of \$410 thousand and bond interest payments of \$287 thousand during the fiscal year.
- **Capital Projects Fund:** This fund balance increased from \$102 thousand to \$181 thousand. The fund received \$1.1 million in bond proceeds, net of bond discount and issuance costs and spent \$1.0 million to acquire additional utility facilities.
- **Governmental Activities:** On a Government-wide basis for governmental activities, the District had revenue in excess of expenses of approximately \$332 thousand. Net position increased from \$773 thousand to \$1.1 million. This increase is primarily due to the growth in the District tax base.

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 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.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2023**

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 position 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. 5
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2023**

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		Increase (Decrease)
	(in thousands)		
	September 2023	September 2022	
Current and Other Assets	\$ 1,214	\$ 912	\$ 302
Capital and Non-Current Assets	8,762	7,928	834
Total Assets	9,976	8,840	1,136
Current Liabilities	477	469	8
Long-Term Liabilities	8,394	7,598	796
Total Liabilities	8,871	8,067	804
Net Investment in Capital Assets	91	(11)	102
Restricted	402	351	51
Unrestricted	612	433	179
Total Net Position	\$ 1,105	\$ 773	\$ 332

The District's total assets were approximately \$10.0 million at the end of the current fiscal year. Of this amount, approximately \$1.2 million is accounted for by cash and short-term investments. The District had outstanding liabilities of approximately \$8.9 million. The District's unrestricted net assets, which can be used to finance day to day operations, totaled \$612 thousand.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2023**

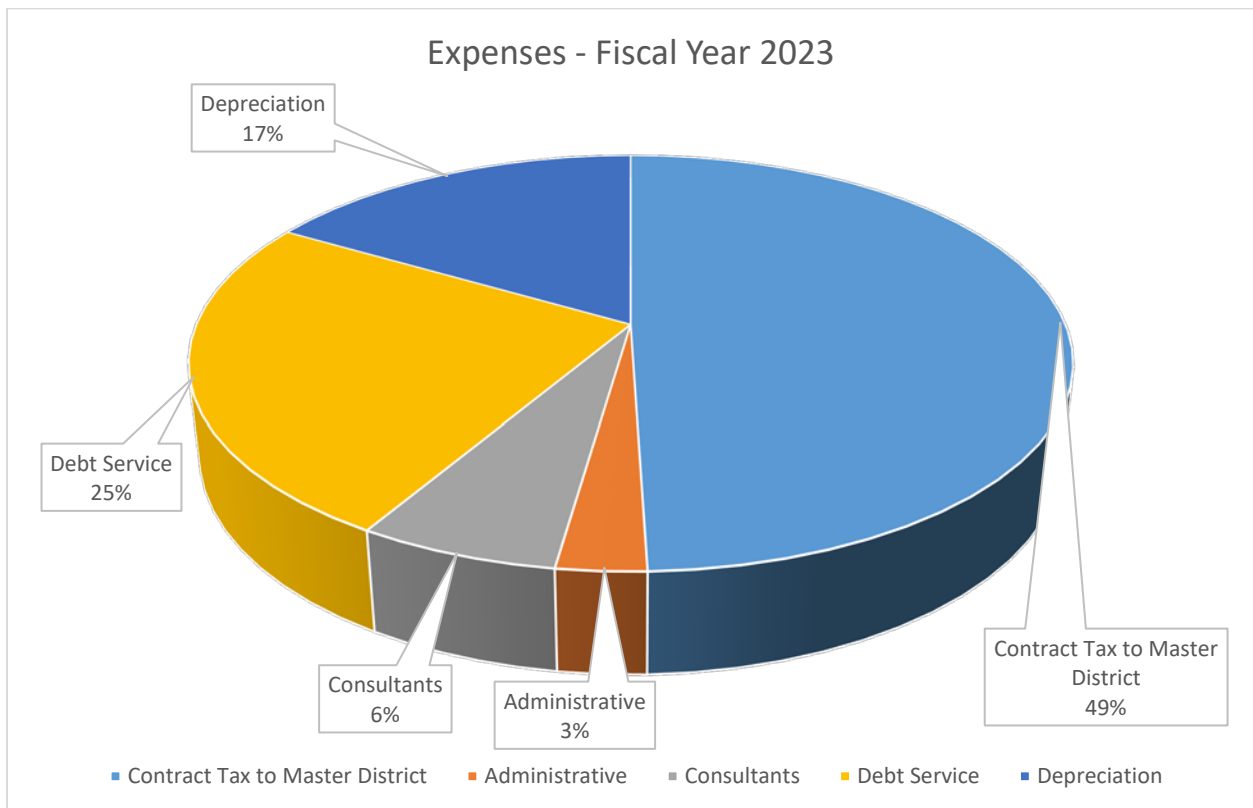
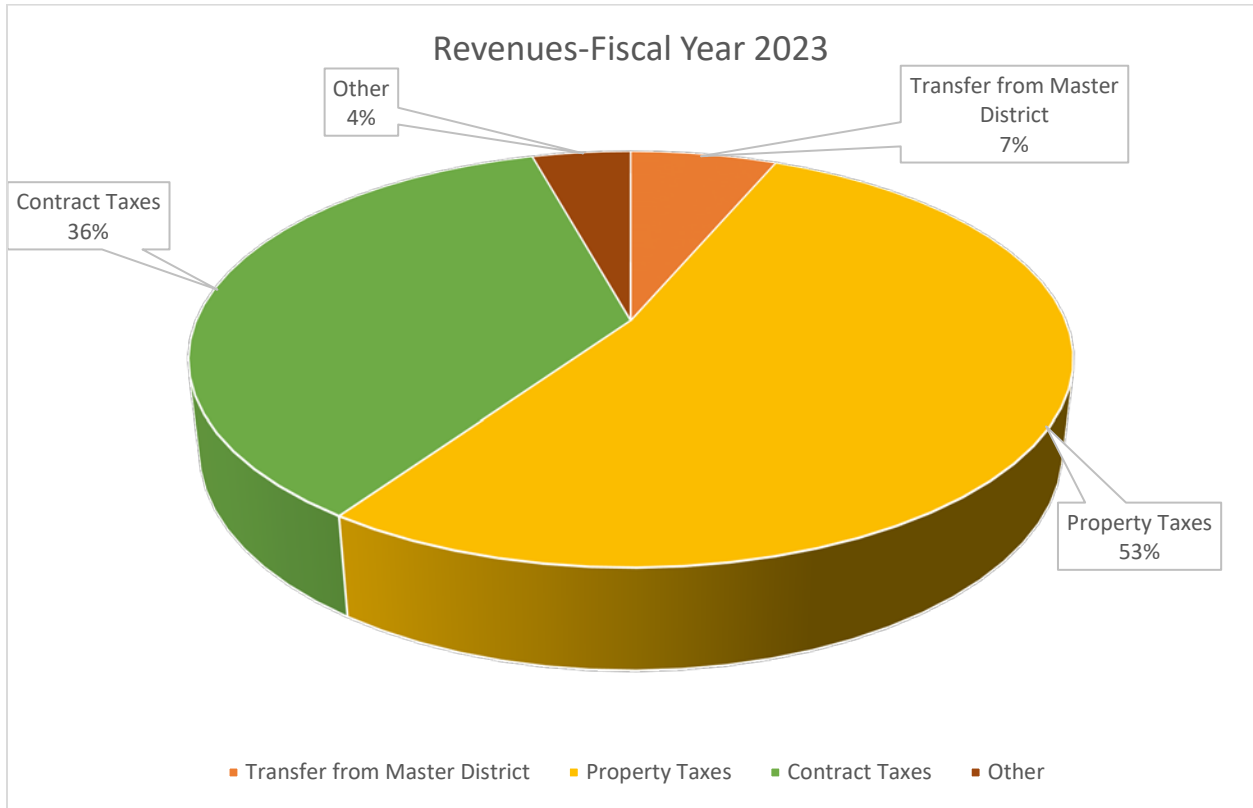
Summary Statement of Activities

	Governmental Activities (in thousands)		Increase (Decrease)
	2023	2022	
Transfer from Master District	\$ 104	\$ 84	\$ 20
Property Taxes	866	799	67
Contract Taxes	587	505	82
Other	70	9	61
Total Revenues	1,627	1,397	230
Contract Tax to Master District	587	505	82
Administrative	33	27	6
Consultants	74	60	14
Debt Service	295	273	22
Depreciation	197	176	21
Total Expenses	1,186	1,041	145
Other Financing Sources (Uses)	(109)	-	(109)
Change in Net Position	332	356	(24)
Beginning Net Position	773	417	356
Ending Net Position	\$ 1,105	\$ 773	\$ 332

Revenues were approximately \$1.6 million for the current fiscal. Expenses were approximately \$1.3 million, including Other Financing Uses. Net assets increased about \$332 thousand primarily due to growth of the District's tax base. The following charts summarize the sources of revenue and areas of expenses.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2023**



**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2023**

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		
	(in thousands)		
	September 2023	September 2022	Increase (Decrease)
Cash and Investments	\$ 1,187	\$ 870	\$ 317
Accounts Receivable	14	25	(11)
Prepaid Expenses	13	17	(4)
Total Assets	1,214	912	302
Accounts Payable	20	26	(6)
Unrealized Revenue	4	7	(3)
Total Liabilities	24	33	(9)
Nonspendable	13	17	(4)
Restricted for Debt Service	400	348	52
Restricted for Capital Projects	181	102	79
Unassigned	596	412	184
Total Fund Balances	1,190	879	311
Total Liabilities and Fund Balances	\$ 1,214	\$ 912	\$ 302

The General Operating Fund, which pays for daily operating expenses, has an unassigned balance of \$596 thousand at the end of the current fiscal year. This is an increase of \$184 thousand over the prior fiscal year.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2023**

The Debt Service Fund has a balance of \$400 thousand at the end of the current fiscal year which is an increase of \$52 thousand.

The Capital Projects Fund has a balance of \$181 thousand at the end of the current fiscal year which is an increase of \$79 thousand.

BUDGETARY HIGHLIGHTS

The Board of Directors adopted the fiscal year 2023 annual budget for the General Fund on September 8, 2022. The budget included revenues of \$827 thousand and expenditures of \$678 thousand. Actual revenue amounted to \$873 thousand and expenditures of \$693 thousand. More detailed information about the District’s budgetary comparison is presented in the Required Supplementary Information section.

CAPITAL ASSETS

The District has invested \$9.8 million in utility infrastructure serving the District’s residents. A summary of these assets is listed below:

Summary of Capital Assets

	Governmental Activities		
	(in thousands)		
	September 2023	September 2022	Increase (Decrease)
Water, Wastewater and Drainage	\$ 9,856	\$ 8,825	\$ 1,031
Accumulated Depreciation	(1,094)	(897)	(197)
Total Capital Assets (Net)	\$ 8,762	\$ 7,928	\$ 834

LONG TERM DEBT

The District issued \$1.25 million of unlimited tax bonds during the year. Bonded indebtedness of the District at year end was \$8.87 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. 5
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2023**

ECONOMIC FACTORS

The taxable assessed value of property within the District as of January 1, 2023, has been fixed by the El Paso County Appraisal District at \$231 million. The tax rates adopted by the District on September 14, 2023, for the coming fiscal year are \$0.0757 for maintenance and operations, \$0.29 for contract tax and \$0.3179 for debt service. The District expects this to produce \$1.5 million in total property tax revenue for next year. The adopted budget for fiscal year 2024 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 Gordon Davis Johnson & Shane 4695 North Mesa, El Paso, Texas 79912.

BASIC FINANCIAL STATEMENTS

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**STATEMENT OF NET POSITION
AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2023**

	<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	\$ 39,021	\$ -	\$ -	\$ 39,021	\$ -	\$ 39,021
Investments	566,962	400,108	181,210	1,148,280	-	1,148,280
Taxes Receivable	2,082	2,113	-	4,195	-	4,195
Unrealized Expenses-Bond Costs	13,514	-	-	13,514	-	13,514
Due from Affiliated District	8,616	-	-	8,616	-	8,616
Due from Other Funds	510	-	-	510	(510)	-
Water/WW/Drainage System (Net)	-	-	-	-	8,762,042	8,762,042
Total Assets	\$ 630,705	\$ 402,221	\$ 181,210	\$ 1,214,136	\$ 8,761,532	\$ 9,975,668
LIABILITIES						
Accounts Payable	\$ 19,062	\$ -	\$ -	\$ 19,062	\$ 37,563	\$ 56,625
Due to Other Funds	-	510	-	510	(510)	-
Bonds Payable in less than one year	-	-	-	-	420,000	420,000
Bonds Payable in more than one year	-	-	-	-	8,394,146	8,394,146
Total Liabilities	19,062	510	-	19,572	8,851,199	8,870,771
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	2,082	2,113	-	4,195	(4,195)	-
Total Deferred Inflows	2,082	2,113	-	4,195	(4,195)	-
FUND EQUITY						
Nonspendable	13,514	-	-	13,514	(13,514)	-
Restricted for Debt Service	-	399,598	-	399,598	(399,598)	-
Restricted for Capital Projects	-	-	181,210	181,210	(181,210)	-
Unassigned	596,047	-	-	596,047	(596,047)	-
Total Fund Equity	609,561	399,598	181,210	1,190,369	(1,190,369)	-
Total Liabilities, Fund Equity & Deferred Inflows of Resources	\$ 630,705	\$ 402,221	\$ 181,210	\$ 1,214,136		
NET POSITION						
Net Investment in Capital Assets					91,543	91,543
Restricted for Debt Service					401,711	401,711
Unrestricted					611,643	611,643
Total Net Position					\$ 1,104,897	\$ 1,104,897

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

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	GOVERNMENTAL FUND TYPES				ADJUST- MENTS	STATEMENT OF ACTIVITIES
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	TOTAL		
REVENUES						
Transfer From Master District	\$ 104,396	\$ -	\$ -	\$ 104,396	\$ -	\$ 104,396
Property Taxes	158,067	710,966	-	869,033	(3,165)	865,868
Contract Taxes	586,693	-	-	586,693	-	586,693
Interest	23,866	39,556	7,031	70,453	-	70,453
TOTAL REVENUES	873,022	750,522	7,031	1,630,575	(3,165)	1,627,410
EXPENDITURES						
Current:						
Contract Tax To Master District	586,693	-	-	586,693	-	586,693
Legal Fees	13,922	-	-	13,922	-	13,922
Audit Fees	5,500	-	-	5,500	-	5,500
Accounting Fees	38,043	-	-	38,043	-	38,043
Engineering Fees	4,079	-	-	4,079	-	4,079
Management Fees	10,324	-	-	10,324	-	10,324
Fiscal Agent Fees	1,500	1,101	-	2,601	-	2,601
Director Salaries and Payroll Taxes	7,266	-	-	7,266	-	7,266
Insurance	1,719	-	-	1,719	-	1,719
Tax Assessor/Collector	19,831	-	-	19,831	-	19,831
Printing and Office Supplies	575	-	-	575	-	575
Postage and Delivery	81	-	-	81	-	81
Legal Notices	1,360	-	-	1,360	-	1,360
Travel and Election	1,696	-	-	1,696	-	1,696
Interest	-	287,299	-	287,299	8,123	295,422
Principal	-	410,000	-	410,000	(410,000)	-
Depreciation	-	-	-	-	197,128	197,128
Capital Expenditures	-	-	1,031,445	1,031,445	(1,031,445)	-
TOTAL EXPENDITURES	692,589	698,400	1,031,445	2,422,434	(1,236,194)	1,186,240
OTHER FINANCING SOURCES (USES)						
Bond Proceeds	-	-	1,250,000	1,250,000	(1,250,000)	-
Bond Discount	-	-	(37,478)	(37,478)	37,478	-
Bond Issuance Costs	-	-	(109,048)	(109,048)	-	(109,048)
NET OTHER SOURCES (USES)	-	-	1,103,474	1,103,474	(1,212,522)	(109,048)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures	180,433	52,122	79,060	311,615	(311,615)	-
Change in Net Position					332,122	332,122
Fund Balance/Net Position-Beginning	429,128	347,476	102,150	878,754	(105,979)	772,775
Fund Balance/Net Position-Ending	\$ 609,561	\$ 399,598	\$ 181,210	\$ 1,190,369	\$ (85,472)	\$ 1,104,897

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

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

1. Summary of Significant Accounting Policies

The basic financial statements of Paseo del Este Municipal Utility District No. 5 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. 5 of El Paso County (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 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. 5. 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. 5
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

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. 5
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

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. 5
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

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 Position. 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. 5
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

1. Summary of Significant Accounting Policies (continued)

J. Long-Term Debt

Unlimited tax bonds, which will be issued in the future 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. 5
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

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. GASB Statement No. 89 has been implemented in these financial statements.

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. 5
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

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.

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Maturity</u>	<u>Fair Value</u>
<u>Level</u>				
TexPool	N/A	AAAm	1 day average	\$1,148,280

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. 5
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

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 TexPool Investment Advisory Board to advise with respect to TexPool. The board is

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023

2. Cash and Investments (continued)

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 delinquent collection fees for attorney costs.

At an election held within the District on May 14, 2011, voters authorized the District to levy an annual ad valorem tax on all taxable property within the District for operation and maintenance purposes and to make certain payments required pursuant to contracts with Paseo No. 1. Voters also 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 2022-23 fiscal year at the rate of \$0.0782 per hundred assessed value for maintenance and operations, \$0.3512 per hundred assessed value for debt service and \$0.29 per hundred assessed value for contract tax. The District agreed to remit \$0.29 per hundred assessed value, the contract tax, to the Master District under its cost sharing and utility capacity agreement. Uncollected property taxes amounted to \$4,195 at the end of the year.

4. Capital Assets

The District has acquired Water, Wastewater and Drainage facilities serving the District's residents at a cost of \$9,856,390. The facilities are being depreciated over their estimated useful life of 50 years. Depreciation in the amount of \$197,128 has been charged to system operations for the year. Accumulated depreciation to date amounts to \$1,094,348 leaving a net book value of \$8,762,042.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

4. Capital Assets

A summary of changes in capital assets follows:

	Balance			Balance
<u>Capital Assets:</u>	<u>9/30/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>9/30/2023</u>
Water WW & Drainage	\$ 8,824,945	\$ 1,031,445	\$ -	\$ 9,856,390
Total	8,824,945	1,031,445	-	9,856,390
<u>Accumulated Depreciation:</u>				
Water WW & Drainage	(897,220)	(197,128)	-	(1,094,348)
Total	(897,220)	(197,128)	-	(1,094,348)
Total Capital Assets (Net)	<u>\$7,927,725</u>	<u>\$ 834,317</u>	<u>\$ -</u>	<u>\$ 8,762,042</u>

5. Bonds

At an election held within the District on May 14, 2011, voters authorized a total of \$33,000,000 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.

In May 2016 the District issued \$2,000,000 in unlimited tax bonds dated June 1, 2016 and used the proceeds to acquire infrastructure facilities from developers. The bonds mature serially on August 15, in each year 2017 through 2037, in principal amounts set forth below. Bonds maturing on or after August 15, 2027, are subject to redemption, in whole or in part, on August 15, 2026, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

In November 2017 the District issued \$6,670,000 in unlimited tax bonds dated October 1, 2017 and used the proceeds to acquire additional infrastructure facilities from developers. The bonds mature serially on August 15, in each year 2018 through 2038, in principal amounts set forth below. Bonds maturing on or after August 15, 2028, are subject to redemption, in whole or in part, on August 15, 2027, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

In December 2020 the District issued \$1,100,000 in unlimited tax bonds dated December 1, 2020 and used the proceeds to acquire additional infrastructure facilities from developers. The bonds mature serially on August 15, in each year 2023 through 2040, in principal amounts set forth below. Bonds maturing on or after August 15, 2027, are subject to redemption, in whole or in part, on August 15, 2026, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

5. Bonds (continued)

In February 2023 the District issued \$1,250,000 in unlimited tax bonds dated February 1, 2023, and used the proceeds to acquire additional infrastructure facilities from developers. The bonds mature serially on August 15, in each year 2025 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.

These bonds are described as follows:

<u>Issue</u>	<u>Original Amount</u>	<u>Installments (in thousands)</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Balance Outstanding</u>
Series 2016	2,000,000	35 to 155	2037	2.00 - 3.750%	1,575,000
Series 2017	6,670,000	100 to 330	2038	2.00 - 4.000%	4,950,000
Series 2020	1,100,000	5 to 185	2040	2.25 - 4.750%	1,095,000
Series 2023	1,250,000	30 to 355	2040	3.50 - 4.125%	1,250,000

The change in bonds outstanding during the year is as follows:

<u>Bonds:</u>	<u>Balance 9/30/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2023</u>
Unlimited Tax Bonds, Series 2016	\$ 1,650,000	-	(75,000)	\$ 1,575,000
Unlimited Tax Bonds, Series 2017	5,280,000	-	(330,000)	4,950,000
Unlimited Tax Bonds, Series 2020	1,100,000	-	(5,000)	1,095,000
Unlimited Tax Bonds, Series 2023	-	1,250,000	-	1,250,000
Total Bond Indebtedness	\$ 8,030,000	\$ 1,250,000	\$ (410,000)	\$ 8,870,000

Redemption

Series 2016 Bonds maturing on or after August 15, 2027, 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, 2026, 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 2017 Bonds maturing on or after August 15, 2028, 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, 2027, 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.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

5. Bonds (continued)

Series 2020 Bonds maturing on or after August 15, 2027, 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, 2026, 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. Bonds maturing on August 15, 2035, and 2040 are also subject to mandatory sinking fund redemption.

Series 2023 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. Bonds maturing on August 15, 2032, 2035, 2038 and 2040 are also subject to mandatory sinking fund redemption.

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>
2024	\$ 420,000	\$ 300,506	\$ 720,506
2025	465,000	288,131	753,131
2026	480,000	273,794	753,794
2027	485,000	258,481	743,481
2028	490,000	243,894	733,894
2029-2033	2,615,000	978,339	3,593,339
2034-2038	2,855,000	501,359	3,356,359
2039-2043	<u>1,060,000</u>	<u>56,513</u>	<u>1,116,513</u>
Totals	<u>\$ 8,870,000</u>	<u>\$ 2,901,017</u>	<u>\$ 11,771,017</u>

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

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**Notes to the Financial Statements
For the Year Ended September 30, 2023**

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.

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.

	General Fund	Covered by	Contract	District
<u>REVENUES</u>	<u>Total</u>	<u>Master District</u>	<u>Tax</u>	<u>Items</u>
Transfer from Master District	\$ 104,396	\$ 104,396	\$ -	\$ -
Property Taxes	158,067	-	-	158,067
Contract Taxes	586,693	-	586,693	-
Interest	23,866	-	-	23,866
TOTAL REVENUES	873,022	104,396	586,693	181,933
 <u>EXPENDITURES</u>				
Contract Tax Master District	586,693	-	586,693	-
Legal Fees	13,922	13,922	-	-
Audit Fees	5,500	5,500	-	-
Accounting Fees	38,043	38,043	-	-
Engineering Fees	4,079	4,079	-	-
Management Fees	10,324	10,324	-	-
Fiscal Agent Fees	1,500	-	-	1,500
Director Salaries and Taxes	7,266	7,266	-	-
Insurance	1,719	1,719	-	-
Tax Assessor/Collector	19,831	19,831	-	-
Printing & Office Supplies	575	575	-	-
Postage & Delivery	81	81	-	-
Legal Notices	1,360	1,360	-	-
Travel and Election	1,696	1,696	-	-
TOTAL EXPENDITURES	692,589	104,396	586,693	1,500
 Excess (Deficit)	 180,433	 -	 -	 180,433

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY
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For the Year Ended September 30, 2023**

Fund Balance-Beginning of Year	429,128	-	-	429,128
Fund Balance-End of Year	\$ 609,561	\$ -	\$ -	\$ 609,561

10. Subsequent Events

The District has evaluated subsequent events as of December 31, 2023, the date the financial statements were available to be issued.

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	\$ 1,190,369
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	8,762,042
Long-term liabilities (bonds payable) are not due and payable in the current period and, therefore, are not reported in the funds	(8,814,146)
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	(37,563)
Deferred tax revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds	4,195
Total Net Position	<u><u>\$ 1,104,897</u></u>

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

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	\$ 311,615
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	(3,165)
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	1,031,445
Depreciation Expense	(197,128)
Governmental funds report principal payments as expenditures however, in the Statement of Activities, these payments are not reported as operating expenses	
Bond Principal	410,000
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	(8,123)
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	(1,250,000)
Bond Discount	37,478
Change in Net Position	\$ 332,122

REQUIRED SUPPLEMENTARY INFORMATION

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
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, 2023**

	ORIGINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Transfer From Master District	\$ 119,550	\$ 104,396	\$ (15,154)
Property Taxes	150,044	158,067	8,023
Contract Taxes	556,592	586,693	30,101
Interest	530	23,866	23,336
	826,716	873,022	46,306
<u>EXPENDITURES</u>			
Current:			
Contract Tax Transfer To Master District	556,592	586,693	(30,101)
Legal Fees	15,000	13,922	1,078
Audit Fees	5,500	5,500	-
Accounting Fees	33,000	38,043	(5,043)
Engineering Fees	10,000	4,079	5,921
Management Fees	24,000	10,324	13,676
Fiscal Agent Fees	1,500	1,500	-
Director Salaries and Payroll Taxes	7,500	7,266	234
Insurance	1,500	1,719	(219)
Tax Assessor/Collector	18,500	19,831	(1,331)
Printing & Office Supplies	1,025	575	450
Postage & Delivery	575	81	494
Legal Notices	1,000	1,360	(360)
Travel and Election	1,950	1,696	254
Capital Expenditures	-	-	-
	677,642	692,589	(14,947)
Transfer (to) Other Funds	-	-	-
Excess (Deficit) of Revenues over Expenditures	149,074	180,433	31,359
Fund Balance - Beginning of Year	429,128	429,128	-
Fund Balance - End of Year	\$ 578,202	\$ 609,561	\$ 31,359

See accompanying independent auditor's report

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
SUPPLEMENTARY INFORMATION

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**INDEX OF SUPPLEMENTAL SCHEDULES REQUIRED
BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

(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. 5
OF EL PASO COUNTY**

**SERVICES AND RATES
SEPTEMBER 30, 2023**

1. Services Provided by the District (contractually through Master District):

Retail Water Drainage Solid Waste
Retail Wastewater Parks

2. Retail Rates Based on 5/8” Meter

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per first 1000 Gallons Over Minimum	Rate per add'l 1000 Gallons Over Minimum
Water:	n/a	n/a	n/a	n/a	n/a
Wastewater:	n/a	n/a	n/a	n/a	n/a
Surcharge:	n/a	n/a	n/a	n/a	n/a

Total water and wastewater charges per 10,000 gallons usage: n/a

3. Retail Service Provided: Number of retail water and/or wastewater connections.

	Active Connections	Active EFSC	Inactive Connections (EFSC)
Single Family & Total			
Water	n/a	n/a	n/a
Wastewater	n/a	n/a	n/a

4. Total Water Consumption (in thousands) During the Year:

Gallons pumped into system: n/a
Gallons billed to customers: n/a

5. Standby Fees: The District does not assess standby fees.

6. Anticipated sources of funds to be used for debt service payments: Ad Valorem taxes

7. Location of District:

The District is located entirely within El Paso County.
The District is not located within any city.
The District is located within the City of El Paso ETJ
The general membership of the Board is not appointed by an office outside the District.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**SCHEDULE OF GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Current:

Purchased Services for Resale

Water	\$ -
Wastewater	-
Connection Fees	-
	-

Professional Fees

Audit	5,500
Engineering	4,079
Fiscal Agent	1,500
Legal	13,922
	25,001

Contracted Services

Accounting	38,043
Management	10,324
Tax Appraisal/Collection	19,831
	68,198

Utilities

Solid Waste Disposal	-
	-

Administrative

Director Salaries and Payroll Taxes	7,266
Insurance	1,719
Printing and Office Supplies	575
Postage and Delivery	81
Legal Notices	1,360
Travel and Election	1,696
	12,697

Maintenance

Landscape Maintenance	-
Repairs and Maintenance	-
Pond Maintenance	-
	-

Master District Expenses

Contract Tax Transfer To Master District	586,693
	586,693

TOTAL EXPENDITURES	\$ 692,589
---------------------------	-------------------

Number of persons employed by the District: -0-

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**TEMPORARY INVESTMENTS
SEPTEMBER 30, 2023**

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	5.410%	N/A	\$ 566,962	\$ -
Total				<u>566,962</u>	<u>-</u>
<u>DEBT SERVICE FUND</u>					
State Investment Pool	****0001	5.410%	N/A	970	-
State Investment Pool	****0002	5.410%	N/A	399,138	-
Total				<u>400,108</u>	<u>-</u>
<u>CAPITAL PROJECTS FUND</u>					
State Investment Pool	****0006	5.410%	N/A	106,884	-
State Investment Pool	****0007	5.410%	N/A	74,326	-
Total				<u>181,210</u>	<u>-</u>
TOTALS - ALL FUNDS				<u><u>\$1,148,280</u></u>	<u><u>\$ -</u></u>

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**ANALYSIS OF TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>GENERAL FUND</u>			DEBT SERVICE TAXES	TOTALS
	MAINTENANCE TAXES	CONTRACT TAXES			
Taxes Receivable, Beginning of Period	\$ 619	\$ 2,833	\$ 3,908	\$ 7,360	
2022 Original Levy	157,595	584,430	707,765	1,449,789	
Adjustments	(32)	(175)	(257)	(463)	
Add: Penalty & Interest	300	1,272	1,663	3,235	
Total to be accounted for	158,482	588,360	713,079	1,459,921	
Tax collections:					
Current year	157,421	583,786	706,985	1,448,192	
Prior years	646	2,907	3,981	7,534	
Total Collections	158,067	586,693	710,966	1,455,726	
Taxes Receivable, End of Period	<u>\$ 415</u>	<u>\$ 1,667</u>	<u>\$ 2,113</u>	<u>\$ 4,195</u>	

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Property Valuations:					
Land & Improvements	<u>201,527,556</u>	<u>174,635,138</u>	<u>163,322,923</u>	<u>154,851,700</u>	<u>140,775,597</u>
Tax Rates Per \$100 Valuation:					
Debt Service tax rates	\$ 0.351200	\$ 0.378500	\$ 0.416483	\$ 0.4200	\$ 0.4500
Contract Tax tax rates	\$ 0.290000	\$ 0.290000	\$ 0.290000	\$ 0.2900	\$ 0.2700
Maintenance tax rates	\$ 0.078200	\$ 0.081500	\$ 0.043517	\$ 0.0400	\$ 0.0300
Totals	<u>\$ 0.7194</u>	<u>\$ 0.7500</u>	<u>\$ 0.7500</u>	<u>\$ 0.7500</u>	<u>\$ 0.7500</u>
Original Tax Levy	<u>\$ 1,449,789</u>	<u>\$ 1,309,764</u>	<u>\$ 1,224,922</u>	<u>\$ 1,161,388</u>	<u>\$ 1,055,817</u>

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR 2016 SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2024	80,000	53,719	133,719
2025	80,000	51,719	131,719
2026	85,000	49,519	134,519
2027	90,000	46,969	136,969
2028	95,000	44,269	139,269
2029	100,000	41,300	141,300
2030	105,000	38,050	143,050
2031	115,000	34,506	149,506
2032	120,000	30,481	150,481
2033	125,000	26,281	151,281
2034	135,000	21,750	156,750
2035	140,000	16,688	156,688
2036	150,000	11,438	161,438
2037	155,000	5,813	160,813
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
	\$ 1,575,000	\$ 472,502	\$ 2,047,502

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR 2017 SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2024	330,000	168,713	498,713
2025	330,000	158,813	488,813
2026	330,000	148,913	478,913
2027	330,000	139,013	469,013
2028	330,000	129,113	459,113
2029	330,000	119,213	449,213
2030	330,000	108,900	438,900
2031	330,000	98,175	428,175
2032	330,000	87,038	417,038
2033	330,000	75,488	405,488
2034	330,000	63,938	393,938
2035	330,000	51,975	381,975
2036	330,000	39,600	369,600
2037	330,000	26,400	356,400
2038	330,000	13,200	343,200
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
	\$ 4,950,000	\$ 1,428,492	\$ 6,378,492

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR 2020 SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2024	10,000	27,355	37,355
2025	25,000	26,880	51,880
2026	35,000	25,693	60,693
2027	35,000	24,030	59,030
2028	35,000	23,243	58,243
2029	40,000	22,455	62,455
2030	40,000	21,555	61,555
2031	40,000	20,655	60,655
2032	45,000	19,755	64,755
2033	45,000	18,743	63,743
2034	50,000	17,730	67,730
2035	50,000	16,605	66,605
2036	55,000	15,480	70,480
2037	55,000	14,160	69,160
2038	170,000	12,840	182,840
2039	180,000	8,760	188,760
2040	185,000	4,440	189,440
2041	-	-	-
2042	-	-	-
	<u>\$ 1,095,000</u>	<u>\$ 320,379</u>	<u>\$ 1,415,379</u>

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR 2023 SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2024	-	50,719	50,719
2025	30,000	50,719	80,719
2026	30,000	49,669	79,669
2027	30,000	48,469	78,469
2028	30,000	47,269	77,269
2029	35,000	46,069	81,069
2030	35,000	44,669	79,669
2031	40,000	43,269	83,269
2032	40,000	41,669	81,669
2033	40,000	40,068	80,068
2034	45,000	38,468	83,468
2035	45,000	36,669	81,669
2036	50,000	34,869	84,869
2037	50,000	32,868	82,868
2038	55,000	30,868	85,868
2039	340,000	28,669	368,669
2040	355,000	14,644	369,644
2041	-	-	-
2042	-	-	-
	<u>\$ 1,250,000</u>	<u>\$ 679,644</u>	<u>\$ 1,929,644</u>

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR ALL SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2024	420,000	300,506	720,506
2025	465,000	288,131	753,131
2026	480,000	273,794	753,794
2027	485,000	258,481	743,481
2028	490,000	243,894	733,894
2029	505,000	229,037	734,037
2030	510,000	213,174	723,174
2031	525,000	196,605	721,605
2032	535,000	178,943	713,943
2033	540,000	160,580	700,580
2034	560,000	141,886	701,886
2035	565,000	121,937	686,937
2036	585,000	101,387	686,387
2037	590,000	79,241	669,241
2038	555,000	56,908	611,908
2039	520,000	37,429	557,429
2040	540,000	19,084	559,084
2041	-	-	-
2042	-	-	-
	\$ 8,870,000	\$ 2,901,017	\$ 11,771,017

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**ANALYSIS OF CHANGES IN GENERAL LONG TERM DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	SERIES 2016	SERIES 2017	SERIES 2020	SERIES 2023	TOTALS
Interest Rate	2.000-3.750%	2.000-4.000%	2.250-4.750%	3.5-4.125%	
Dates Interest Payable	2/15 : 8/15	2/15 : 8/15	2/15 : 8/15	2/15 : 8/15	
Maturity Dates	8/15/17 to 8/15/37	8/15/18 to 8/15/38	8/15/23 to 8/15/40	8/15/25 to 8/15/40	
Bonds Outstanding at Beginning of Year	\$ 1,650,000	\$ 5,280,000	\$ 1,100,000	\$ -	\$ 8,030,000
Bonds Sold During the Year	-	-	-	1,250,000	1,250,000
Bonds Defeased During the Year	-	-	-	-	-
Retirements During the Year	(75,000)	(330,000)	(5,000)	-	(410,000)
Bonds Outstanding at End of Year	<u>\$ 1,575,000</u>	<u>\$ 4,950,000</u>	<u>\$ 1,095,000</u>	<u>\$ 1,250,000</u>	<u>\$ 8,870,000</u>
Interest Paid During the Year	\$ 55,594	\$ 178,613	\$ 27,593	\$ 25,500	\$ 287,300
Increase (Decrease) In Accrued Interest	(234)	(1,239)	(30)	6,340	4,837
Amortization of Bond Discount	-	-	1,203	2,082	3,285
Interest on Financial Statements	<u>\$ 55,360</u>	<u>\$ 177,374</u>	<u>\$ 28,766</u>	<u>\$ 33,922</u>	<u>\$ 295,422</u>
Paying Agent:	BOKF, NA	BOKF, NA	BOKF, NA	BOKF, NA	
Bond Authority:	<u>Tax Bonds</u>	<u>Refunding Bonds</u>	<u>Other Bonds</u>		
Amount Authorized By Voters	\$ 33,000,000	\$ -	\$ -		
Amount Issued	\$ 11,020,000	\$ -	\$ -		
Remaining To Be Issued	\$ 21,980,000	\$ -	\$ -		

Debt Service Fund Cash and Temporary Investments balances as of September 30, 2023 \$ 400,108

Average annual debt service payment (principal & interest) for remaining term of all debt \$ 692,413

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	AMOUNTS				
	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>
REVENUES					
Transfer From Master District	\$ 104,396	\$ 83,475	\$ 112,512	\$ 79,818	\$ 82,545
Property Tax	158,067	141,896	71,103	61,751	43,811
Contract Tax	586,693	505,146	473,691	447,688	385,060
Interest	23,866	3,908	134	1,489	2,756
TOTAL REVENUES	<u>873,022</u>	<u>734,425</u>	<u>657,440</u>	<u>590,746</u>	<u>514,172</u>
EXPENDITURES					
Current:					
Contract Tax To Master District	586,693	505,146	473,691	447,688	385,060
Legal Fees	13,922	13,300	24,859	12,153	14,645
Audit Fees	5,500	5,500	5,500	5,500	5,500
Accounting Fees	38,043	25,288	23,475	22,411	23,675
Engineering Fees	4,079	3,041	6,964	6,128	4,272
Management Fees	10,324	9,910	9,287	8,918	8,494
Fiscal Agent Fees	1,500	1,500	1,500	1,500	1,500
Director Salaries & Payroll Tax	7,266	4,521	9,689	6,298	6,298
Insurance	1,719	1,621	1,535	1,549	1,549
Tax Assessor/Collector	19,831	17,540	14,708	13,954	14,757
Printing & Office Supplies	575	642	684	439	485
Postage & Delivery	81	123	456	151	179
Legal Notices	1,360	1,510	1,040	1,457	840
Travel and Election	1,696	1,531	14,315	860	1,852
TOTAL EXPENDITURES	<u>692,589</u>	<u>591,173</u>	<u>587,703</u>	<u>529,006</u>	<u>469,106</u>
Transfer (to) Other Funds	-	-	-	-	1
Excess (Deficit) of					
Revenues over Expenditures	<u>\$ 180,433</u>	<u>\$ 143,252</u>	<u>\$ 69,737</u>	<u>\$ 61,740</u>	<u>\$ 45,067</u>
TOTAL ACTIVE					
WATER CONNECTIONS	-	-	-	-	-
WW CONNECTIONS	-	-	-	-	-
See accompanying independent auditor's report					

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	PERCENT OF REVENUES				
	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
REVENUES					
Transfer From Master District	12%	11%	17%	14%	16%
Property Tax	18%	19%	11%	10%	9%
Contract Tax	67%	69%	72%	76%	75%
Interest	3%	1%	0%	0%	1%
TOTAL REVENUES	100%	100%	100%	100%	100%
EXPENDITURES					
Current:					
Contract Tax To Master District	67%	69%	72%	76%	75%
Legal Fees	2%	2%	4%	2%	3%
Audit Fees	1%	1%	1%	1%	1%
Accounting Fees	4%	3%	4%	4%	5%
Engineering Fees	0%	0%	1%	1%	1%
Management Fees	1%	1%	1%	2%	2%
Fiscal Agent Fees	0%	0%	0%	0%	0%
Director Salaries & Payroll Tax	1%	1%	1%	1%	1%
Insurance	0%	0%	0%	0%	0%
Tax Assessor/Collector	2%	2%	2%	2%	3%
Printing & Office Supplies	0%	0%	0%	0%	0%
Postage & Delivery	0%	0%	0%	0%	0%
Legal Notices	0%	0%	0%	0%	0%
Travel and Election	0%	0%	2%	0%	0%
TOTAL EXPENDITURES	79%	80%	89%	90%	91%
Transfer (to) Other Funds	0%	0%	0%	0%	0%
Excess (Deficit) of					
Revenues over Expenditures	21%	20%	11%	10%	9%
TOTAL ACTIVE					
WATER CONNECTIONS	-	-	-	-	-
WW CONNECTIONS	-	-	-	-	-
See accompanying independent auditor's report					

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	AMOUNTS				
	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>
<u>REVENUES</u>					
Property Tax	710,966	659,452	680,046	648,369	638,767
Interest	39,556	4,494	1,653	7,360	16,210
TOTAL REVENUES	<u>750,522</u>	<u>663,946</u>	<u>681,699</u>	<u>655,729</u>	<u>654,977</u>
<u>EXPENDITURES</u>					
Debt Service:					
Fiscal Agent Fees	1,101	1,100	850	800	800
Interest	287,299	273,099	271,601	260,906	268,506
Principal	410,000	400,000	385,000	385,000	380,000
TOTAL EXPENDITURES	<u>698,400</u>	<u>674,199</u>	<u>657,451</u>	<u>646,706</u>	<u>649,306</u>
OTHER FINANCING SOURCES (USES)					
	-	-	28,179	-	-
Excess (Deficit) of Revenues over Expenditures	<u>52,122</u>	<u>(10,253)</u>	<u>52,427</u>	<u>9,023</u>	<u>5,671</u>

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	PERCENT OF REVENUES				
	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
<u>REVENUES</u>					
Property Tax	95%	99%	100%	99%	98%
Interest	5%	1%	0%	1%	2%
TOTAL REVENUES	100%	100%	100%	100%	100%
<u>EXPENDITURES</u>					
Debt Service:					
Fiscal Agent Fees	0%	0%	0%	0%	0%
Interest	38%	41%	40%	40%	41%
Principal	55%	60%	56%	59%	58%
TOTAL EXPENDITURES	93%	102%	96%	99%	99%
OTHER FINANCING SOURCES (USES)					
	0%	0%	4%	0%	0%
Excess (Deficit) of Revenues over Expenditures	7%	-2%	8%	1%	1%

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

DISTRICT MAILING ADDRESS: c/o Gordon Davis Johnson & Shane, 4695 N Mesa, El Paso, TX 79912

DISTRICT BUSINESS TELEPHONE NUMBER: (915) 545-1133

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

<u>NAMES AND ADDRESSES</u>	<u>TERM OF OFFICE</u>	<u>SALARY FYE 9/30/23</u>	<u>REIMBURSEMENTS FYE 9/30/23</u>	<u>TITLE AT YEAR END</u>
<u>DIRECTORS</u>				
Sal Alonzo	Elected 5/19-5/23	\$ 1,200	\$ -	President
Humberto Juarez	Elected 5/19-5/23	\$ 1,500	\$ -	Vice-President
Gerardo Sanchez	Elected 5/21-5/25	\$ 1,500	\$ -	Secretary
Kristen Ortega	Elected 5/21-5/25	\$ 1,050	\$ -	Asst Sec
Roman Ortiz	Elected 5/21-5/25	\$ 1,500	\$ -	Asst Sec
Payments to Former Directors		\$ -		
		<u>\$ 6,750</u>	<u>\$ -</u>	

CONSULTANTS

Ronald J. Freeman		\$ 29	\$ -	Attorney
Gordon Davis Johnson & Shane		\$ 13,893	\$ -	Attorney
West, Davis & Company		\$ 5,500	\$ -	Auditor
Municipal Accounts & Consulting		\$ 38,043	\$ -	Accountant
TRE & Associates		\$ 4,079	\$ -	Engineer
Inframark		\$ 10,324	\$ -	Operator

See accompanying independent auditor's report

OTHER INFORMATION

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 5
OF EL PASO COUNTY**

**PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2023**

Taxpayer	Taxable Assessed Value	% of 2023 Certified Taxable Assessed Value
12701 Eastlake, LLC	\$ 10,725,000	4.63%
River Oaks Properties, Ltd	2,400,000	1.04%
Chofis, LLC	2,387,114	1.03%
Hunt Communities Development Company II, LLC	* 1,856,768	0.80%
Tenet Hospitals, Ltd	1,708,323	0.74%
R James Enterprises, Inc	1,108,437	0.48%
Hunt Communities Development Company II, LLC	* 878,988	0.38%
Okazaki Fragments, LLC	841,421	0.36%
Individual	773,675	0.33%
Individual	769,320	0.33%
Total	\$ 23,449,046	10.13%

* Project Developer and related entities.

**ASSESSED VALUE BY CLASSIFICATION
SEPTEMBER 30, 2023**

Type of Property	2023 Taxable Assessed Value
Land	\$ 37,120,682
Improvements	228,784,760
Personal Property	899,620
Total Assessed Valuation	266,805,062
Exemptions	35,329,109
Total Taxable Appraised Valuation	\$ 231,475,953

See accompanying independent auditor's report