

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**

**EL PASO COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**SEPTEMBER 30, 2021**



**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Horizon Regional Municipal Utility District  
El Paso County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Horizon Regional Municipal Utility District (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 opinions 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 from 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 evaluating the overall presentation of the financial statements.

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





## Opinions

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

## 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 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund 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.

### *Other Information*

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



McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

May 18, 2022



**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Management's discussion and analysis of Horizon Regional Municipal Utility District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2021. Please read it in conjunction with the District's financial statements.

**USING THIS ANNUAL REPORT**

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

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

**FUND FINANCIAL STATEMENTS**

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**FUND FINANCIAL STATEMENTS (Continued)**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**OTHER INFORMATION**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$36,160,304 as of September 30, 2021.

A portion of the District's net position reflects its net investment in capital assets (land, buildings and equipment as well as water and wastewater systems less any debt used to acquire those assets that is still outstanding).

The following is a comparative analysis of government-wide changes in net position:

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

	Summary of Changes in the Statement of Net Position		
	2021	2020	Change Positive (Negative)
Current and Other Assets	\$ 37,495,428	\$ 40,044,140	\$ (2,548,712)
Capital Assets (Net of Accumulated Depreciation)	<u>87,906,225</u>	<u>87,283,239</u>	<u>622,986</u>
Total Assets	<u>\$ 125,401,653</u>	<u>\$ 127,327,379</u>	<u>\$ (1,925,726)</u>
Deferred Outflows of Resources	<u>\$ 2,058,442</u>	<u>\$ 1,834,911</u>	<u>\$ 223,531</u>
Long-Term Liabilities	\$ 82,926,985	\$ 85,162,628	\$ 2,235,643
Other Liabilities	<u>8,307,040</u>	<u>7,678,724</u>	<u>(628,316)</u>
Total Liabilities	<u>\$ 91,234,025</u>	<u>\$ 92,841,352</u>	<u>\$ 1,607,327</u>
Deferred Inflows of Resources	<u>\$ 65,766</u>	<u>\$ 96,995</u>	<u>\$ 31,229</u>
Net Position:			
Net Investment in Capital Assets	\$ 24,836,036	\$ 27,227,792	\$ (2,391,756)
Restricted	7,878,102	7,206,577	671,525
Unrestricted	<u>3,446,166</u>	<u>1,789,574</u>	<u>1,656,592</u>
Total Net Position	<u>\$ 36,160,304</u>	<u>\$ 36,223,943</u>	<u>\$ (63,639)</u>

The following table provides a summary of the District's operations for the years ended September 30, 2021, and September 30, 2020.

	Summary of Changes in the Statement of Activities		
	2021	2020	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 8,583,793	\$ 8,246,323	\$ 337,470
Charges for Services	10,249,949	8,335,023	1,914,926
Sprayfield Golf Course Revenue	1,124,960	888,800	236,160
Other Revenues	<u>809,729</u>	<u>2,008,275</u>	<u>(1,198,546)</u>
Total Revenues	<u>\$ 20,768,431</u>	<u>\$ 19,478,421</u>	<u>\$ 1,290,010</u>
Expenses for Services	<u>20,832,070</u>	<u>18,512,015</u>	<u>(2,320,055)</u>
Change in Net Position	\$ (63,639)	\$ 966,406	\$ (1,030,045)
Net Position, Beginning of Year	<u>36,223,943</u>	<u>35,257,537</u>	<u>966,406</u>
Net Position, End of Year	<u>\$ 36,160,304</u>	<u>\$ 36,223,943</u>	<u>\$ (63,639)</u>

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS**

The District's combined fund balances as of September 30, 2021, were \$32,929,682, a decrease of \$3,178,046 from the prior year.

The General Fund fund balance increased by \$1,672,858, primarily due to property tax collections and service revenues exceeding operating, capital outlay and debt expenditures.

The Debt Service Fund fund balance increased by \$524,160, primarily due to the timing difference between property tax collections and scheduled debt service payments and the sale of Series 2021 Refunding bonds.

The Capital Projects Fund fund balance decreased by \$5,375,064, primarily due to the use of bond proceeds received in the prior fiscal year.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors did not amend the budget during the fiscal year. Actual revenues were \$927,664 more than budgeted revenues. Actual expenditures were \$61,716 less than budgeted expenditures. See the budget to actual comparison for additional analysis.

**CAPITAL ASSETS**

Capital assets as of September 30, 2021, total \$87,906,225 (net of accumulated depreciation) and include land, buildings and equipment as well as water and wastewater systems. Additional information on the District's capital assets can be found in Note 6 of this report.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2021	2020	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 4,531,594	\$ 4,531,594	\$
Construction in Progress	5,439,617	2,426,958	3,012,659
Capital Assets, Net of Accumulated Depreciation:			
Water System	43,298,256	44,558,798	(1,260,542)
Wastewater System	32,778,241	33,752,470	(974,229)
Buildings	1,663,386	1,722,711	(59,325)
Machinery, Equipment and Other	195,131	290,708	(95,577)
Total Net Capital Assets	\$ 87,906,225	\$ 87,283,239	\$ 622,986

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**LONG-TERM DEBT ACTIVITY**

At the end of the current fiscal year, the District had total long-term bond debt payable of \$86,214,985. The changes in the debt position of the District during the fiscal year ended September 30, 2021, are summarized as follows:

Bond Debt Payable, October 1, 2020	\$	88,509,985
Add: Bond Sale - Series 2021 Refunding		13,085,000
Less: Bond Principal Refunded		12,560,000
Less: Bond Principal Paid		<u>2,820,000</u>
Bond Debt Payable, September 30, 2021	\$	<u>86,214,985</u>

The bonds are rated at the higher of the underlying rating or the insured rating. The Series 2014 Refunding Bonds, Series 2014 Bonds, Series 2015 Refunding Bonds, Series 2016 Refunding Bonds, Series 2017 Bonds, Series 2019 Bonds, Series 2020 Bonds, Series 2020A Bonds and Series 2021 Refunding Bonds carry an underlying rating of "A3" from Moody's Investor Service ("Moody's"). The Series 2012 Revenue Refunding Bonds are not rated. The Series 2012 Revenue Refunding Bonds and Series 2020A Bonds were not insured. The Series 2014 Refunding Bonds, Series 2014 Bonds, Series 2016 Refunding Bonds, Series 2019 Bonds, Series 2020 and Series 2021 Refunding Bonds have an insured rating of "AA" from S&P based on policy issued by Build America Mutual Assurance Company. The Series 2015 Refunding Bonds have an insured rating of "AA" from S&P based on a policy issued by Assured Guaranty Municipal Corporation. The Series 2017 Bonds carried an insured rating of "Baa2" from S&P based on a policy issued by National Public Finance Guarantee prior to the rating being withdrawn.

At the end of the current fiscal year, the District had total long-term capital leases and notes payable of \$363,030. The changes during the fiscal year ended September 30, 2021, are summarized as follows:

Capital Leases and Notes Payable, October 1, 2020	\$	568,496
Add: Capital Lease Proceeds		81,438
Less: Capital Lease Principal Paid		174,773
Less: Note Principal Paid		<u>112,131</u>
Capital Leases and Notes Payable, September 30, 2021	\$	<u>363,030</u>

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Horizon Regional Municipal Utility District, 14100 Horizon Boulevard, Horizon City, TX 79928.



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**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**SEPTEMBER 30, 2021**

	General Fund	Debt Service Fund
<b>ASSETS</b>		
Cash	\$ 2,621,158	\$ 871,666
Investments	23,254	5,986,508
Cash with Tax Assessor/Collector	2,559	4,649
Receivables:		
Property Taxes	363,721	628,342
Penalty and Interest on Delinquent Taxes		
Service Accounts (Net of Allowance for Doubtful Accounts of \$60,000)	2,152,824	
Other	83,137	
Due from Other Funds	41,275	
Prepaid Costs	28,693	
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
<b>TOTAL ASSETS</b>	<b>\$ 5,316,621</b>	<b>\$ 7,491,165</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charges on Refunding Bonds	\$ - 0 -	\$ - 0 -
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 5,316,621</b>	<b>\$ 7,491,165</b>

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

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 1,224,710	\$ 4,717,534	\$	\$ 4,717,534
22,569,167	28,578,929		28,578,929
	7,208		7,208
	992,063		992,063
		870,336	870,336
	2,152,824		2,152,824
	83,137		83,137
	41,275	(41,275)	
	28,693	64,704	93,397
		4,531,594	4,531,594
		5,439,617	5,439,617
		77,935,014	77,935,014
<u>\$ 23,793,877</u>	<u>\$ 36,601,663</u>	<u>\$ 88,799,990</u>	<u>\$ 125,401,653</u>
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 2,058,442</u>	<u>\$ 2,058,442</u>
<u>\$ 23,793,877</u>	<u>\$ 36,601,663</u>	<u>\$ 90,858,432</u>	<u>\$ 127,460,095</u>

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

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT  
STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUNDS BALANCE SHEET  
SEPTEMBER 30, 2021**

	General Fund	Debt Service Fund
<b>LIABILITIES</b>		
Accounts Payable	\$ 729,583	\$
Accrued Interest Payable		
Due to Developers	454,742	
Due to Other Funds		30,846
Security Deposits	685,068	
Interest Payable on Compound Interest Bonds		
Long-Term Liabilities:		
Capital Leases Payable Within One Year		
Capital Leases Payable After One Year		
Notes Payable Within One Year		
Bonds Payable Within One Year		
Bonds Payable After One Year		
<b>TOTAL LIABILITIES</b>	\$ 1,869,393	\$ 30,846
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	\$ 363,721	\$ 628,342
Golf Course Credits	5,530	
Golf Course Merchandise	60,236	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	\$ 429,487	\$ 628,342
 <b>FUND BALANCES</b>		
Nonspendable:		
Prepaid Costs	\$ 28,693	\$
Restricted for Authorized Construction		
Restricted for Debt Service		6,831,977
Unassigned	2,989,048	
<b>TOTAL FUND BALANCES</b>	\$ 3,017,741	\$ 6,831,977
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	\$ 5,316,621	\$ 7,491,165
 <b>NET POSITION</b>		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
<b>TOTAL NET POSITION</b>		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 703,484	\$ 1,433,067	\$	\$ 1,433,067
		452,553	452,553
	454,742		454,742
10,429	41,275	(41,275)	
	685,068		685,068
		2,011,217	2,011,217
		100,590	100,590
		87,637	87,637
		174,803	174,803
		2,995,000	2,995,000
		82,839,348	82,839,348
<u>\$ 713,913</u>	<u>\$ 2,614,152</u>	<u>\$ 88,619,873</u>	<u>\$ 91,234,025</u>
\$	\$ 992,063	\$ (992,063)	\$
	5,530		5,530
	60,236		60,236
<u>\$ - 0 -</u>	<u>\$ 1,057,829</u>	<u>\$ (992,063)</u>	<u>\$ 65,766</u>
\$	\$ 28,693	\$ (28,693)	\$
23,079,964	23,079,964	(23,079,964)	
	6,831,977	(6,831,977)	
	2,989,048	(2,989,048)	
<u>\$ 23,079,964</u>	<u>\$ 32,929,682</u>	<u>\$ (32,929,682)</u>	<u>\$ - 0 -</u>
<u>\$ 23,793,877</u>	<u>\$ 36,601,663</u>		
		\$ 24,836,036	\$ 24,836,036
		7,878,102	7,878,102
		3,446,166	3,446,166
		<u>\$ 36,160,304</u>	<u>\$ 36,160,304</u>

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

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2021**

Total Fund Balances - Governmental Funds \$ 32,929,682

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

Bond insurance premiums paid at closing are amortized over the term of the refunding bonds. 64,704

Land, construction in progress and capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 87,906,225

The difference between the net carrying amount of the refunded bonds and the requisition price is recorded as a deferred outflow of resources in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. 2,058,442

Deferred inflows of resources related to property tax revenues and penalty and interest receivables on delinquent taxes for the 2020 and prior tax levies became part of recognized revenues in the governmental activities of the District. 1,862,399

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year-end consist of:

Accrued Interest Payable	\$ (452,553)	
Interest Payable on Compound Interest Bonds	(2,011,217)	
Capital Leases Payable Within One Year	(100,590)	
Capital Leases Payable After One Year	(87,637)	
Notes Payable Within One Year	(174,803)	
Bonds Payable Within One Year	(2,995,000)	
Bonds Payable After One Year	<u>(82,839,348)</u>	<u>(88,661,148)</u>

Total Net Position - Governmental Activities \$ 36,160,304

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

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**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	General Fund	Debt Service Fund
<b>REVENUES</b>		
Property Taxes	\$ 3,126,950	\$ 5,469,874
Water Service	4,517,404	
Wastewater Service	2,434,917	
Garbage Service Revenues	2,864,993	
Sprayfield Golf Course Revenue	1,124,960	
Penalty and Interest	201,953	68,846
Tap Connection and Inspection Fees	62,208	
Investment Revenues	2,796	8,723
Miscellaneous Revenues	772,983	
<b>TOTAL REVENUES</b>	\$ 15,109,164	\$ 5,547,443
<b>EXPENDITURES/EXPENSES</b>		
Service Operations:		
Professional Fees	\$ 324,131	\$ 6,500
Contracted Services	5,347,252	6,200
Utilities	1,682,245	
Repairs and Maintenance	2,956,922	
Effluent Sprayfield	768,541	
Depreciation		
Other	1,205,731	
Capital Outlay	283,914	
Debt Service:		
Capital Lease Principal	174,773	
Capital Lease Payments	27,998	
Note Principal	112,131	
Note Payments	18,902	
Bond Principal	500,000	2,320,000
Bond Interest	112,860	2,691,677
Bond Issuance Costs	2,344	374,659
<b>TOTAL EXPENDITURES/EXPENSES</b>	\$ 13,517,744	\$ 5,399,036
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES</b>	\$ 1,591,420	\$ 148,407
<b>OTHER FINANCING SOURCES (USES)</b>		
Capital Lease Proceeds	\$ 81,438	\$
Long-Term Debt Issued		13,085,000
Payment to Refunded Bond Escrow Agent		(12,812,301)
Bond Premium		103,054
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	\$ 81,438	\$ 375,753
<b>NET CHANGE IN FUND BALANCES</b>	\$ 1,672,858	\$ 524,160
<b>CHANGE IN NET POSITION</b>		
<b>FUND BALANCES/NET POSITION - OCTOBER 1, 2020</b>	1,344,883	6,307,817
<b>FUND BALANCES/NET POSITION - SEPTEMBER 30, 2021</b>	\$ 3,017,741	\$ 6,831,977

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



Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 8,596,824	\$ (13,031)	\$ 8,583,793
	4,517,404		4,517,404
	2,434,917		2,434,917
	2,864,993		2,864,993
	1,124,960		1,124,960
	270,799	99,628	370,427
	62,208		62,208
25,227	36,746		36,746
	772,983		772,983
<u>\$ 25,227</u>	<u>\$ 20,681,834</u>	<u>\$ 86,597</u>	<u>\$ 20,768,431</u>
\$	\$ 330,631	\$	\$ 330,631
	5,353,452		5,353,452
	1,682,245		1,682,245
	2,956,922	(13,520)	2,943,402
	768,541		768,541
		2,696,055	2,696,055
	1,205,731		1,205,731
5,400,291	5,684,205	(3,305,521)	2,378,684
	174,773	(174,773)	
	27,998		27,998
	112,131	(112,131)	
	18,902		18,902
	2,820,000	(2,820,000)	
	2,804,537	244,889	3,049,426
	377,003		377,003
<u>\$ 5,400,291</u>	<u>\$ 24,317,071</u>	<u>\$ (3,485,001)</u>	<u>\$ 20,832,070</u>
<u>\$ (5,375,064)</u>	<u>\$ (3,635,237)</u>	<u>\$ 3,571,598</u>	<u>\$ (63,639)</u>
\$	\$ 81,438	\$ (81,438)	\$
	13,085,000	(13,085,000)	
	(12,812,301)	12,812,301	
	103,054	(103,054)	
<u>\$ -0-</u>	<u>\$ 457,191</u>	<u>\$ (457,191)</u>	<u>\$ - 0 -</u>
\$ (5,375,064)	\$ (3,178,046)	\$ 3,178,046	\$
		(63,639)	(63,639)
28,455,028	36,107,728	116,215	36,223,943
<u>\$ 23,079,964</u>	<u>\$ 32,929,682</u>	<u>\$ 3,230,622</u>	<u>\$ 36,160,304</u>

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

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Net Change in Fund Balances - Governmental Funds	\$ (3,178,046)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report tax revenues when collected. However, in the government-wide financial statements, revenues are recorded in the accounting period for which the taxes are levied.	(13,031)
Governmental funds report penalty and interest revenues on delinquent property taxes when collected. However, in the government-wide financial statements, revenues are recorded when penalty and interest are assessed.	99,628
Governmental funds do not account for depreciation. However, in the government-wide financial statements, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(2,696,055)
Governmental funds report capital asset costs as expenditures in the period purchased. However, in the government-wide financial statements, capital assets are increased by new purchases that meet the District's threshold for capitalization, and are owned and maintained by the District. All other capital asset purchases are expensed in the Statement of Activities.	3,319,041
Governmental funds report bond premiums and discounts as other financing sources and uses in the year paid. However, in the government-wide financial statements, bond premiums and discounts are amortized over the life of the bonds and the current year amortized portion is recorded in interest expense.	(103,054)
Governmental funds report principal payments on long-term debt as expenditures. However, in the government-wide financial statements, principal payments decrease long-term liabilities and the Statement of Activities is not affected.	3,106,904
Governmental funds report interest payments on long-term debt as expenditures in the year paid. However, in the government-wide financial statements, interest is accrued on the debt through fiscal year-end.	(244,889)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.	(13,085,000)
Governmental funds report the payment to the refunded bond escrow agent from bond proceeds as an other financing use. The payment from current debt service funds is reported as an expenditure. However, in the government-wide financial statements, long-term liabilities are decreased by the amount of the bonds refunded and the difference is systematically added to interest expense.	<u>12,812,301</u>
Change in Net Position - Governmental Activities	<u>\$ (63,639)</u>

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

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 1. CREATION OF DISTRICT**

Horizon Regional Municipal Utility District (the “District”) was originally a conservation and reclamation district created on August 8, 1961 by the 57 Legislature of the State of Texas pursuant to Article XVI, Section 59 of the Texas Constitution. On June 12, 1989, the District was converted to a municipal utility district and currently operates under Chapters 49 and 54 of the Texas Water Code. On September 4, 2003, the Texas Commission on Environmental Quality approved a change in the District’s name from the El Paso County Water Authority to Horizon Regional Municipal Utility District.

The District is empowered to purchase, construct, operate, acquire, own, and maintain all water and wastewater facilities and improvements and improvements to control and divert storm water. The District is additionally empowered to establish, operate and maintain a fire department, independently or with one or more other conservation and reclamation districts.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

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

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

Financial Statement Presentation

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

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

- \* Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- \* Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- \* Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted first.

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

Governmental Funds

The District has three governmental funds and considers these funds to be major funds.

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

Debt Service Fund - To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Capital Projects Fund - To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

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

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

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

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets

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

Assets are capitalized, including infrastructure assets, if they have an original cost of \$5,000 or more and a useful life of at least two years. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Buildings	20-40
Water System	7-50
Wastewater System	5-50
Machinery and Equipment	5-7
Other	3-40

Budgeting

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

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service determined that fees of office received by Directors are wages subject to federal income tax withholding for payroll tax purposes only.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus

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

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

*Nonspendable*: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted*: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

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

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

*Unassigned*: all other spendable amounts in the General Fund.

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

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Accounting Estimates

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

**NOTE 3. LONG-TERM DEBT**

	Revenue Refunding Series 2012**	Refunding Series 2014
Amount Outstanding - September 30, 2021	\$ 2,885,000	\$ 7,830,000
Interest Rates	3.60%	2.25% - 4.00%
Maturity Dates – Beginning/Ending	March 1, 2022/2026	February 1, 2022/2032
Interest Payment Dates	March 1/September 1	February 1/August 1
Callable Dates	N/A	August 1, 2022*
	Series 2014	Refunding Series 2015
Amount Outstanding - September 30, 2021	\$ 1,975,000	\$ 8,065,000
Interest Rates	3.75% - 4.00%	3.00% - 4.00%
Maturity Dates – Beginning/Ending	February 1, 2035/2038	February 1, 2022/2032
Interest Payment Dates	February 1/August 1	February 1/August 1
Callable Dates	August 1, 2022*	February 1, 2023*

\* On any date thereafter, in whole or in part, at the option of the District, at par plus accrued interest to the date of redemption. The Series 2014 Refunding term bonds maturing February 1, 2026 are subject to mandatory redemption beginning February 1, 2023.

\*\* Direct Placement Bonds



**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 3. LONG-TERM DEBT (Continued)**

	Series 2016 Refunding	
	Current Interest Bonds	Compound Interest Bonds
Amount Outstanding - September 30, 2021	\$ 12,265,000	\$ 99,985
Interest Rates	2.00% - 3.25%	4.05%
Maturity Dates – Beginning/Ending	February 1, 2022/2033	February 1, 2034
Interest Payment Dates	February 1/August 1	At Maturity
Callable Dates	February 1, 2024*	Non-Callable**
	Series 2017	Series 2019
Amount Outstanding - September 30, 2021	\$ 9,225,000	\$ 19,080,000
Interest Rates	2.50% - 3.75%	3.00% - 5.00%
Maturity Dates – Beginning/Ending	February 1, 2022/2039	February 1, 2022/2044
Interest Payment Dates	February 1/August 1	February 1/August 1
Callable Dates	February 1, 2024*	February 1, 2026*
	Series 2020	Series 2020A
Amount Outstanding - September 30, 2021	\$ 11,110,000	\$ 595,000
Interest Rates	3.00%	0%
Maturity Dates – Beginning/Ending	February 1, 2023/2045	February 1, 2022/2042
Interest Payment Dates	February 1/August 1	N/A
Callable Dates	February 1, 2026*	Non-Callable

\* On any date thereafter, in whole or in part, at the option of the District, at par plus accrued interest to the date of redemption. Series 2020 term bonds maturing February 1, 2026, February 1, 2030, February 1, 2034 and February 1, 2045 are subject to mandatory redemption beginning February 1, 2023, February 1, 2027, February 1, 2031 and February 1, 2035, respectively.

\*\* The Series 2016 Compound Interest Bonds are non-callable. The par value of these bonds is \$99,985 and the maturity value is \$3,485,000. Interest on these bonds will be paid at maturity. As of September 30, 2021, the accreted value of these bonds is approximately \$2,111,202. Accrued interest of \$2,011,217 has been recorded as a liability in the Statement of Net Position.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 3. LONG-TERM DEBT (Continued)**

	Refunding Series 2021
Amount Outstanding - September 30, 2021	\$ 13,085,000
Interest Rates	2.00% - 3.00%
Maturity Dates – Beginning/Ending	February 1, 2022/2038
Interest Payment Dates	February 1/August 1
Callable Dates	February 1, 2028*

\* On any date thereafter, in whole or in part, at the option of the District, at par plus accrued interest to the date of redemption. Series 2021 Refunding term bonds maturing February 1, 2035 are subject to mandatory redemption beginning February 1, 2031.

The following is a summary of transactions regarding bonds payable for the year ended September 30, 2021:

	October 1, 2020	Additions	Retirements	September 30, 2021
Bonds Payable-General Bonds	\$ 85,124,985	\$ 13,085,000	\$ 14,880,000	\$ 83,329,985
Bonds Payable-Direct Placement Bond	3,385,000		500,000	2,885,000
Unamortized Discounts	(1,013,485)		(227,122)	(786,363)
Unamortized Premiums	352,148	103,054	49,476	405,726
Bonds Payable, Net	\$ 87,848,648	\$ 13,188,054	\$ 15,202,354	\$ 85,834,348
			Amount Due Within One Year	\$ 2,995,000
			Amount Due After One Year	82,839,348
			Bonds Payable, Net	\$ 85,834,348

At an election held on May 1, 2021, voters of the District approved the authorization of an additional \$225,000,000 and \$225,000,000 in refunding bonds.

At September 30, 2021, the District had authorized but unissued original bonds in the amount of \$247,325,000 and \$211,915,000 in refunding bonds.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 3. LONG-TERM DEBT (Continued)**

As of September 30, 2021, the debt service requirements on the bonds outstanding were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,995,000	\$ 2,724,286	\$ 5,719,286
2023	3,090,000	2,636,884	5,726,884
2024	3,190,000	2,543,521	5,733,521
2025	3,300,000	2,444,826	5,744,826
2026	3,405,000	2,343,772	5,748,772
2027-2031	15,335,000	10,224,377	25,559,377
2032-2036	14,484,985	11,046,816	25,531,801
2037-2041	20,875,000	5,088,066	25,963,066
2042-2045	19,540,000	1,299,419	20,839,419
	<u>\$ 86,214,985</u>	<u>\$ 40,351,967</u>	<u>\$ 126,566,952</u>

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount. The Series 2012 Revenue Refunding Bonds are payable from and secured by a lien and pledge of the net revenues to be received from the operation of the District’s waterworks and sewer system.

During the year ended September 30, 2021, the District levied an ad valorem debt service tax at the rate of \$0.365294 per \$100 of assessed valuation, which resulted in a tax levy of \$5,503,166 on the adjusted taxable valuation of \$1,504,121,988 for the 2020 tax year. The bond order requires the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for maintenance tax levy.

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

Defined Areas

Pursuant to the provisions of Subchapter J of Chapter 54 of the Texas Water Code, as amended, the District is authorized to define areas or designate certain property of the District to pay for improvements, facilities or services that primarily benefit that area. On July 26, 2018, the District approved the creation of defined areas encompassing approximately 119.42 acres (the Ravena LLC Defined Area) and 266.012 acres (the Rancho Desierto Bello Defined Area) (the “Defined Areas”).

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 3. LONG-TERM DEBT (Continued)**

Defined Areas (Continued)

At an election held within the Defined Area of the District on November 6, 2018, the voters authorized \$5,560,000 principal amount of bonds to finance water, wastewater and drainage improvements and \$8,340,000 in refunding bonds within the Ravena LLC Defined Area and authorized \$7,500,000 principal amount of bonds to finance water, wastewater and drainage improvements and \$11,250,000 in refunding bonds within the Rancho Desierto Bello Defined Area. Any bonds issued for the Defined Area shall be payable solely from a tax levied within the boundaries of the Defined Area and not on any other part of the District.

At an election held within the Defined Area of the District on November 3, 2020, the voters of the District approved the creation of a defined area of 779.121 acres within the District. They also authorized \$19,100,000 principal amount of bonds to finance water, wastewater and drainage improvements, \$19,100,000 in refunding bonds and a maximum maintenance tax of \$0.2250 per \$100 valuation of taxable property within the Defined Area. Any bonds issued for the Defined Area shall be payable solely from a tax levied within the boundaries of the Defined Area and not on any other part of the District.

**NOTE 4. SIGNIFICANT BOND ORDERS AND LEGAL REQUIREMENTS**

The bond orders state that any profits realized from or interest accruing on investments shall belong to the fund from which the monies for such investments were taken; provided, however, that at the discretion of the Board of Directors the profits realized from and interest accruing on investments made from any fund may be transferred to the Debt Service Fund.

The bond orders state that the District is required to provide continuing disclosure of certain general financial information and operating data to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access (“EMMA”) system. This information is of the general type included in the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

The bond orders state that the District should take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds, within the meaning of Section 148(f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on each 5<sup>th</sup> year anniversary of each issue.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 5. DEPOSITS AND INVESTMENTS**

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District’s deposits was \$4,717,534 and the bank balance was \$3,855,377. The District was not subject to custodial credit risk at year-end.

The carrying value of the deposits is included in the Governmental Funds Balance Sheet and the Statement of Net Position at September 30, 2021, as listed below:

	Cash
GENERAL FUND	\$ 2,621,158
DEBT SERVICE FUND	871,666
CAPITAL PROJECTS FUND	1,224,710
TOTAL DEPOSITS	\$ 4,717,534

Investments

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

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

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

The District invests in LOGIC, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. FirstSouthwest and JPMorgan Chase manage the daily operations of the pool under a contract with the Comptroller. LOGIC measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in LOGIC at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from LOGIC.

As of September 30, 2021, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
LOGIC	\$ 23,254	\$ 23,254
<u>DEBT SERVICE FUND</u>		
LOGIC	5,986,508	5,986,508
<u>CAPITAL PROJECTS FUND</u>		
LOGIC	<u>22,569,167</u>	<u>22,569,167</u>
TOTAL INVESTMENTS	<u>\$ 28,578,929</u>	<u>\$ 28,578,929</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2021, the District's investment in LOGIC was rated AAA by Standard and Poor's.

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

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes.

All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2021:

	October 1, 2020	Increases	Decreases	September 30, 2021
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 4,531,594	\$	\$	\$ 4,531,594
Construction in Progress	2,426,958	3,319,041	306,382	5,439,617
<b>Total Capital Assets Not Being Depreciated</b>	<u>\$ 6,958,552</u>	<u>\$ 3,319,041</u>	<u>\$ 306,382</u>	<u>\$ 9,971,211</u>
<b>Capital Assets Subject to Depreciation</b>				
Water System	\$ 63,975,457	\$ 224,944	\$	\$ 64,200,401
Wastewater System	45,896,411			45,896,411
Buildings	2,418,853			2,418,853
Machinery, Equipment and Other	2,091,892	81,438		2,173,330
<b>Total Capital Assets Subject to Depreciation</b>	<u>\$ 114,382,613</u>	<u>\$ 306,382</u>	<u>\$ - 0 -</u>	<u>\$ 114,688,995</u>
<b>Accumulated Depreciation</b>				
Water System	\$ 19,416,659	\$ 1,485,486	\$	\$ 20,902,145
Wastewater System	12,143,941	974,229		13,118,170
Buildings	696,142	59,325		755,467
Machinery, Equipment and Other	1,801,184	177,015		1,978,199
<b>Total Accumulated Depreciation</b>	<u>\$ 34,057,926</u>	<u>\$ 2,696,055</u>	<u>\$ - 0 -</u>	<u>\$ 36,753,981</u>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 80,324,687</u>	<u>\$ (2,389,673)</u>	<u>\$ - 0 -</u>	<u>\$ 77,935,014</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 87,283,239</u>	<u>\$ 929,368</u>	<u>\$ 306,382</u>	<u>\$ 87,906,225</u>

The District has financed drainage facilities which have been conveyed to other entities for maintenance.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 7. MAINTENANCE TAX**

On July 14, 1970, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$1.50 per \$100 of assessed valuation of taxable property within the District. The maintenance tax is to be used by the General Fund to pay expenditures of operating the District. During the current fiscal year, the District levied an ad valorem maintenance tax at the rate of \$0.209129 per \$100 of assessed valuation, which resulted in a tax levy of \$3,150,535 on the adjusted taxable valuation of \$1,504,121,988 for the 2020 tax year.

Defined Areas

Pursuant to the provisions of Subchapter J of Chapter 54 of the Texas Water Code, as amended, the District is authorized to define areas or designate certain property of the District to pay for improvements, facilities or services that primarily benefit that area. On July 26, 2018, the District approved the creation of defined areas encompassing approximately 119.42 acres and 266.012 acres (the “Defined Areas”) (See Note 3).

At an election held within the Defined Area of the District on November 6, 2018 the voters authorized a maximum maintenance tax rate of \$1.00 per \$100 of assessed valuation for property within the Defined Areas, which ad valorem taxes shall be in addition to other taxes imposed by the District on the same area.

**NOTE 8. RISK MANAGEMENT**

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

**NOTE 9. PROFESSIONAL SERVICE CONTRACT**

Effective January 9, 2013, the District entered into a professional service contract with Severn Trent Environmental Services, Inc. (“Severn Trent”), now known as Inframark LLC (“Inframark”). The terms of the contract call for Inframark to fully assume the management, operations, maintenance and repair of the District. The initial term was for 5 years.



**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 9. PROFESSIONAL SERVICE CONTRACT (Continued)**

On February 22, 2018, the District entered into a new contract with Inframark with a commencement date of March 1, 2018. The District will be charged a base monthly fee plus compensation for authorized additional services. Annual adjustments to the base fee will be made according to changes to the Consumer Price Index. The contract shall remain in full force and effect for 5 years from the commencement date unless terminated for cause provided for in the agreement. Thereafter, the contract will automatically renew for successive 1-year periods unless cancelled in writing by either party at least 60 days prior to the expiration of the then current term.

**NOTE 10. CAPITAL LEASES**

On December 19, 2016, the District entered in a Master Lease-Purchase Agreement with John Deere Financial in the amount of \$423,500 to fund the purchase of turf maintenance equipment. The maintenance equipment is recorded as an asset of the District and is being depreciated over the term of the lease. \$84,700 has been recorded as part of depreciation expense in the current fiscal year. Lease payments and related interest of \$7,636 are due monthly beginning January 1, 2017 and ending December 1, 2021. The incremental borrowing rate is 3.25%.

On March 23, 2018, the District entered in a Lease Purchase Agreement with John Deere Financial in the amount of \$33,928 to fund the purchase of a Progator 2030 and HD200 Sprayer. The equipment is recorded as an asset of the District and is being depreciated over the term of the lease. \$6,785 has been recorded as part of depreciation expense in the current fiscal year. Lease payments and related interest of \$634 are due monthly beginning April 1, 2018 and ending April 1, 2023. The incremental borrowing rate is 4.75%.

On May 30, 2018, the District entered in a Municipal Lease Purchase Agreement with Western Equipment Finance in the amount of \$25,000 to fund the purchase of an Express Dual 3000DX Reel Grinder and an Angle Master 2000DX Bed Knife Grinder. The equipment is recorded as an asset of the District and is being depreciated over the term of the lease. \$5,000 has been recorded as part of depreciation expense in the current fiscal year. Lease payments and related interest of \$498 are due monthly beginning May 30, 2018 and ending May 5, 2023. The incremental borrowing rate is 7.25%.

On September 12, 2018, the District entered in a Municipal Lease Purchase Agreement with Western Equipment Finance in the amount of \$14,000 to fund the purchase of a Toro 5510 Fairway Unit Mower. The equipment is recorded as an asset of the District and is being depreciated over the term of the lease. \$3,500 has been recorded as part of depreciation expense in the current fiscal year. Lease payments and related interest of \$341 are due monthly beginning September 11, 2018 and ending August 5, 2022. The incremental borrowing rate is 7.95%.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 10. CAPITAL LEASES (Continued)**

On August 13, 2018, the District entered into two Lease Purchase Agreements with Yamaha Motor Finance Corporation, U.S.A. in the amounts of \$200,070 and \$13,339, respectively. The District agreed for the financing to fund the purchase of golf carts. The golf carts are recorded as assets of the District and are being depreciated over the term of the lease. Depreciation expense in the current year totaled \$42,682. Lease payments and related interest of \$3,724 and \$248, respectively, are due monthly beginning November 15, 2018 and ending October 15, 2023. The incremental borrowing rate is 4.60%.

On July 15, 2020, the District entered into a condition of sale agreement with Yamaha Motor Finance Corporation, U.S.A. in the amount of \$81,438. The District agreed for the financing to fund the purchase of golf carts. The golf carts are recorded as assets of the District and are being depreciated over the term of the lease. Depreciation expense in the current year totaled \$27,146. Lease payments and related interest of \$2,192 are due monthly beginning July 15, 2020. The incremental borrowing rate is 4.60%.

The following is a schedule of future minimum lease payments under the capital leases as of September 30, 2021:

Fiscal Year	Principal	Interest	Total
2022	\$ 100,590	\$ 6,314	\$ 106,904
2023	79,321	2,280	81,601
2024	<u>8,316</u>	<u>39</u>	<u>8,355</u>
	<u>\$ 188,227</u>	<u>\$ 8,633</u>	<u>\$ 196,860</u>

The following is a summary of transactions regarding capital leases payable for the year ended September 30, 2021:

Capital Leases Payable, October 1, 2020	\$ 281,562
Add: Capital Lease Proceeds	81,438
Less: Principal Paid	<u>174,773</u>
Capital Leases Payable, September 30, 2021	<u>\$ 188,227</u>
Capital Leases Payable:	
Due Within One Year	\$ 100,590
Due After One Year	<u>87,637</u>
Capital Leases Payable, September 30, 2021	<u>\$ 188,227</u>

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 11. NOTES PAYABLE**

On February 26, 2013, the District entered into a note with MPS Revokable Trust in the amount of \$900,000 with an interest rate of 8.0%. Monthly note payments are due the first day of each month in the amount of \$10,919 through February 1, 2016, with a final payment of \$711,506 due March 1, 2016. The note has been renewed on February 25, 2016, February 23, 2017, February 22, 2018, February 28, 2019, February 27, 2020 and February 25, 2021. The District made total payments in the amount of \$131,033, of which \$112,131 was principal. The remaining principal balance of \$174,803 is due in the next fiscal year. Subsequent to year end, the note was renewed on February 24, 2022.

The following is a schedule of future note payments as of September 30, 2021:

Fiscal Year	Principal	Interest	Total
2022	\$ <u>174,803</u>	\$ <u>13,984</u>	\$ <u>188,787</u>

The following is a summary of transactions regarding notes payable for the year ended September 30, 2021:

Notes Payable, October 1, 2020	\$ 286,934
Less: Principal Paid	<u>112,131</u>
Notes Payable, September 30, 2021	<u>\$ 174,803</u>
Notes Payable:	
Due Within One Year	<u>\$ 174,803</u>

**NOTE 12. INTERFUND BALANCES**

At September 30, 2021, the Capital Projects Fund owed the General Fund \$10,429 for capital costs approved to be paid with bond proceeds. The Debt Service Fund owes the General Fund \$30,864 for paying agent fees and debt related expenses.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 13. BOND SALE**

On June 23, 2021, the District issued its \$13,085,000 Unlimited Tax Refunding Bonds, Series 2021. Proceeds were used to redeem, prior to stated maturities, the following bonds: Series 2012 Bonds in the amount of \$4,365,000, with maturities of 2022-2025, interest rate of 4.00% and a redemption date of June 23, 2021; and Series 2013 Bonds in the amount of \$8,195,000, with maturities of 2035-2038, interest rates of 4.25% - 5.125%, and a redemption date of August 1, 2021. The refunding resulted in gross debt service savings of \$2,761,697 and net present value savings of \$2,302,247.

**NOTE 14. PRINCIPAL FORGIVENESS AGREEMENT**

On June 16, 2020, the District entered into a principal forgiveness agreement with the Texas Water Development Board (the "TWDB"). The District submitted an application to the TWDB for financial assistance in the amount of \$1,226,880 from the Clean Water State Revolving Fund to finance the planning and design of certain system improvements for the project. The TWDB determined that the District qualifies for principal forgiveness in the amount of \$606,880. These funds will remain in escrow until applicable requirements and conditions are met per this agreement.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 2021**



**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 3,100,000	\$ 3,126,950	\$ 26,950
Water Service	4,392,000	4,719,357	327,357
Wastewater Service	2,684,000	2,434,917	(249,083)
Garbage Service Revenues	2,700,000	2,864,993	164,993
Sprayfield Golf Course Revenue	900,000	1,124,960	224,960
Tap Connection and Inspection Fees	27,000	62,208	35,208
Investment Revenues	5,000	2,796	(2,204)
Miscellaneous Revenues	373,500	772,983	399,483
<b>TOTAL REVENUES</b>	<u>\$ 14,181,500</u>	<u>\$ 15,109,164</u>	<u>\$ 927,664</u>
<b>EXPENDITURES</b>			
Service Operations:			
Professional Fees	\$ 254,000	\$ 324,131	\$ (70,131)
Contracted Services	5,307,000	5,347,252	(40,252)
Utilities	1,750,000	1,682,245	67,755
Repairs and Maintenance	3,435,000	2,956,922	478,078
Effluent Sprayfield	900,000	768,541	131,459
Other	914,040	1,205,731	(291,691)
Capital Outlay	280,000	283,914	(3,914)
Debt Service:			
Capital Lease Principal and Interest	132,000	202,771	(70,771)
Note Principal and Interest		131,033	(131,033)
Bond Principal and Interest	607,420	612,860	(5,440)
Bond Issuance Costs		2,344	(2,344)
<b>TOTAL EXPENDITURES</b>	<u>\$ 13,579,460</u>	<u>\$ 13,517,744</u>	<u>\$ 61,716</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ 602,040	\$ 1,672,858	\$ 1,070,818
<b>FUND BALANCE - OCTOBER 1, 2020</b>	<u>1,344,883</u>	<u>1,344,883</u>	
<b>FUND BALANCE - SEPTEMBER 30, 2021</b>	<u>\$ 1,946,923</u>	<u>\$ 3,017,741</u>	<u>\$ 1,070,818</u>

See accompanying independent auditor's report.

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**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**

**SUPPLEMENTARY INFORMATION REQUIRED BY THE**

**WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**

**SEPTEMBER 30, 2021**





**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**SCHEDULE OF SERVICES AND RATES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**2. RETAIL SERVICE PROVIDERS (Continued)**

**b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)**

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤¾"	12,250	12,015	x 1.0	12,015
1"	85	72	x 2.5	180
1½"	41	37	x 5.0	185
2"	66	61	x 8.0	488
3"	14	14	x 15.0	210
4"	19	19	x 25.0	475
6"	1	1	x 50.0	50
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u>12,476</u>	<u>12,219</u>		<u>13,603</u>
Total Wastewater Connections	<u>9,200</u>	<u>9,200</u>	x 1.0	<u>9,200</u>

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

Gallons pumped into system:	1,513,537,000	Water Accountability Ratio: 78.67% (Gallons billed and sold/Gallons pumped and purchased)
Gallons billed to customers:	1,190,682,000	

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT  
SCHEDULE OF SERVICES AND RATES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

Does the District have Debt Service standby fees? Yes  No

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

**5. LOCATION OF DISTRICT:**

Is the District located entirely within one county?

Yes  No

County or Counties in which District is located:

El Paso County, Texas

Is the District located within a city?

Entirely  Partly  Not at all

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

Entirely  Partly  Not at all

ETJ's in which District is located:

City of El Paso, Texas; City of Socorro, Texas; and Town of Horizon City, Texas

Are Board Members appointed by an office outside the District?

Yes  No

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT  
GENERAL FUND EXPENDITURES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

PROFESSIONAL FEES:	
Auditing	\$ 30,000
Engineering	113,630
Legal	133,124
Delinquent Tax Attorney	<u>47,377</u>
TOTAL PROFESSIONAL FEES	<u>\$ 324,131</u>
CONTRACTED SERVICES:	
Appraisal District	\$ 95,166
Bookkeeping	72,000
Management and Operations	2,520,359
Tax Assessor/Collector	<u>83,224</u>
TOTAL CONTRACTED SERVICES	<u>\$ 2,770,749</u>
UTILITIES	<u>\$ 1,682,245</u>
REPAIRS AND MAINTENANCE	<u>\$ 2,956,922</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 26,700
Dues	2,105
Election Costs	64,162
Insurance	48,191
Legal Notices	644
Office Supplies and Postage	1,514
Travel and Meetings	1,422
Other	<u>18,507</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 163,245</u>

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**GENERAL FUND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

CAPITAL OUTLAY	\$ <u>283,914</u>
SOLID WASTE DISPOSAL	\$ <u>2,576,503</u>
EFFLUENT SPRAYFIELD	\$ <u>768,541</u>
OTHER EXPENDITURES:	
Chemicals	\$ 597,090
Fuel, Gasoline and Oil	35,660
Laboratory Fees	52,264
Permit Fees	140,601
Regulatory Assessment	38,192
Sludge Hauling	129,750
Other	<u>48,929</u>
TOTAL OTHER EXPENDITURES	\$ <u>1,042,486</u>
DEBT SERVICE:	
Bond Issuance Costs	\$ 2,344
Bond Principal	500,000
Bond Interest	112,860
Capital Lease Principal	174,773
Capital Lease Interest	27,998
Note Principal	112,131
Note Interest	<u>18,902</u>
TOTAL DEBT SERVICE	\$ <u>949,008</u>
TOTAL EXPENDITURES	\$ <u>13,517,744</u>

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**INVESTMENTS**  
**SEPTEMBER 30, 2021**

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u> LOGIC	XXXX4010	Varies	Daily	\$ 23,254	\$ - 0 -
<u>DEBT SERVICE FUND</u> LOGIC	XXXX4020	Varies	Daily	\$ 5,986,508	\$ - 0 -
<u>CAPITAL PROJECTS FUND</u> LOGIC	XXXX4050	Various	Daily	\$ 22,569,167	\$ - 0 -
TOTAL - ALL FUNDS				<u>\$ 28,578,929</u>	<u>\$ - 0 -</u>

See accompanying independent auditor's report.



**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
OCTOBER 1, 2020	\$	372,747		\$ 632,347
Adjustments to Beginning				
Balance		<u>(32,830)</u>	\$ 339,917	<u>(37,078)</u> \$ 595,269
Original 2020 Tax Levy	\$	3,173,791		\$ 5,543,788
Adjustment to 2020 Tax Levy		<u>(23,256)</u>	<u>3,150,535</u>	<u>(40,622)</u> <u>5,503,166</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 3,490,452		\$ 6,098,435
TAX COLLECTIONS:				
Prior Years	\$	48,644		\$ 93,475
Current Year		<u>3,078,087</u>	<u>3,126,731</u>	<u>5,376,618</u> <u>5,470,093</u>
TAXES RECEIVABLE -				
SEPTEMBER 30, 2021		<u>\$ 363,721</u>		<u>\$ 628,342</u>
TAXES RECEIVABLE BY				
YEAR:				
2020		\$ 72,448		\$ 126,548
2019		46,257		89,253
2018		34,255		66,107
2017		23,879		43,258
2016		18,588		37,113
2015		14,831		32,396
2014		12,996		29,892
2013		11,180		26,600
2012		10,437		23,605
2011		8,247		20,664
2010		7,110		18,782
2009		7,018		15,872
2008		9,441		16,035
2007		9,980		14,611
2006		10,000		11,602
2005 and prior		<u>67,054</u>		<u>56,004</u>
TOTAL		<u>\$ 363,721</u>		<u>\$ 628,342</u>

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 1,504,121,988</u>	<u>\$ 1,434,613,058</u>	<u>\$ 1,322,694,833</u>	<u>\$ 1,200,694,525</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.365294	\$ 0.378900	\$ 0.365148	\$ 0.329900
Maintenance**	<u>0.209129</u>	<u>0.196374</u>	<u>0.189207</u>	<u>0.182106</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.574423</u>	<u>\$ 0.575274</u>	<u>\$ 0.554355</u>	<u>\$ 0.512006</u>
ADJUSTED TAX LEVY*	<u>\$ 8,653,701</u>	<u>\$ 8,267,355</u>	<u>\$ 7,343,608</u>	<u>\$ 6,155,218</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>97.70 %</u>	<u>98.36 %</u>	<u>98.63 %</u>	<u>98.91 %</u>

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

\*\* Maintenance Tax – Maximum tax rate of \$1.50 per \$100 of assessed valuation was approved by voters on July 14, 1970.

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**SEPTEMBER 30, 2021**

REVENUE REFUNDING SERIES - 2012

Due During Fiscal Years Ending September 30	Principal Due March 1	Interest Due March 1/ September 1	Total
2022	\$ 525,000	\$ 94,410	\$ 619,410
2023	550,000	75,060	625,060
2024	575,000	54,810	629,810
2025	605,000	33,570	638,570
2026	630,000	11,340	641,340
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
	<u>\$ 2,885,000</u>	<u>\$ 269,190</u>	<u>\$ 3,154,190</u>

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**SEPTEMBER 30, 2021**

REFUNDING SERIES - 2014

Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2022	\$ 20,000	\$ 292,600	\$ 312,600
2023	20,000	292,050	312,050
2024	20,000	291,450	311,450
2025	20,000	290,850	310,850
2026	955,000	276,225	1,231,225
2027	990,000	247,050	1,237,050
2028	1,045,000	211,300	1,256,300
2029	1,100,000	168,400	1,268,400
2030	1,155,000	123,300	1,278,300
2031	1,220,000	75,800	1,295,800
2032	1,285,000	25,700	1,310,700
2033			
2034			
2035			
2036			
2037			
2038			
2039			
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2043			
2044			
2045			
	<u>\$ 7,830,000</u>	<u>\$ 2,294,725</u>	<u>\$ 10,124,725</u>

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**SEPTEMBER 30, 2021**

S E R I E S - 2 0 1 4			
Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2022	\$	\$ 76,713	\$ 76,713
2023		76,712	76,712
2024		76,713	76,713
2025		76,712	76,712
2026		76,713	76,713
2027		76,712	76,712
2028		76,713	76,713
2029		76,712	76,712
2030		76,713	76,713
2031		76,712	76,712
2032		76,713	76,713
2033		76,712	76,712
2034		76,713	76,713
2035	435,000	68,556	503,556
2036	480,000	51,400	531,400
2037	510,000	32,200	542,200
2038	550,000	11,000	561,000
2039			
2040			
2041			
2042			
2043			
2044			
2045			
	\$ 1,975,000	\$ 1,160,419	\$ 3,135,419

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**SEPTEMBER 30, 2021**

REFUNDING SERIES - 2015

Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2022	\$ 425,000	\$ 273,975	\$ 698,975
2023	435,000	261,075	696,075
2024	440,000	245,750	685,750
2025	450,000	230,200	680,200
2026	835,000	210,925	1,045,925
2027	860,000	184,963	1,044,963
2028	875,000	157,306	1,032,306
2029	895,000	128,544	1,023,544
2030	920,000	95,600	1,015,600
2031	955,000	58,100	1,013,100
2032	975,000	19,500	994,500
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
	<u>\$ 8,065,000</u>	<u>\$ 1,865,938</u>	<u>\$ 9,930,938</u>

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**SEPTEMBER 30, 2021**

REFUNDING SERIES - 2016

Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2022	\$ 690,000	\$ 346,306	\$ 1,036,306
2023	705,000	332,356	1,037,356
2024	725,000	317,604	1,042,604
2025	750,000	300,525	1,050,525
2026	770,000	281,525	1,051,525
2027	800,000	259,900	1,059,900
2028	825,000	235,525	1,060,525
2029	855,000	210,325	1,065,325
2030	885,000	184,225	1,069,225
2031	910,000	156,163	1,066,163
2032	950,000	125,938	1,075,938
2033	3,400,000	55,250	3,455,250
2034	99,985	3,385,015	3,485,000
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
	<u>\$ 12,364,985</u>	<u>\$ 6,190,657</u>	<u>\$ 18,555,642</u>

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**SEPTEMBER 30, 2021**

S E R I E S - 2 0 1 7

Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2022	\$ 155,000	\$ 325,238	\$ 480,238
2023	155,000	321,362	476,362
2024	155,000	317,100	472,100
2025	150,000	312,525	462,525
2026	60,000	309,375	369,375
2027	50,000	307,725	357,725
2028	40,000	306,375	346,375
2029	35,000	305,250	340,250
2030	30,000	304,256	334,256
2031	20,000	303,463	323,463
2032	15,000	302,894	317,894
2033		302,650	302,650
2034		302,650	302,650
2035	1,025,000	284,712	1,309,712
2036	1,060,000	248,225	1,308,225
2037	1,105,000	210,338	1,315,338
2038	1,150,000	170,875	1,320,875
2039	4,020,000	75,375	4,095,375
2040			
2041			
2042			
2043			
2044			
2045			
	<u>\$ 9,225,000</u>	<u>\$ 5,010,388</u>	<u>\$ 14,235,388</u>

See accompanying independent auditor's report.



**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**SEPTEMBER 30, 2021**

S E R I E S - 2 0 1 9

Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2022	\$ 65,000	\$ 687,769	\$ 752,769
2023	65,000	684,519	749,519
2024	70,000	681,144	751,144
2025	70,000	677,644	747,644
2026	70,000	674,144	744,144
2027	70,000	670,644	740,644
2028	75,000	667,769	742,769
2029	75,000	665,519	740,519
2030	80,000	663,194	743,194
2031	80,000	660,794	740,794
2032	85,000	658,266	743,266
2033	25,000	656,531	681,531
2034		656,125	656,125
2035	160,000	653,425	813,425
2036	165,000	647,941	812,941
2037	165,000	642,269	807,269
2038	160,000	636,581	796,581
2039	160,000	630,981	790,981
2040	3,215,000	571,919	3,786,919
2041	3,345,000	455,028	3,800,028
2042	3,480,000	331,325	3,811,325
2043	3,625,000	202,547	3,827,547
2044	3,775,000	68,422	3,843,422
2045			
	<u>\$ 19,080,000</u>	<u>\$ 13,544,500</u>	<u>\$ 32,624,500</u>

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**SEPTEMBER 30, 2021**

S E R I E S - 2 0 2 0

Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2022	\$	\$ 333,300	\$ 333,300
2023	5,000	333,225	338,225
2024	5,000	333,075	338,075
2025	10,000	332,850	342,850
2026	10,000	332,550	342,550
2027	15,000	332,175	347,175
2028	15,000	331,725	346,725
2029	15,000	331,275	346,275
2030	15,000	330,825	345,825
2031	15,000	330,375	345,375
2032	10,000	330,000	340,000
2033	15,000	329,625	344,625
2034	10,000	329,250	339,250
2035	15,000	328,875	343,875
2036	10,000	328,500	338,500
2037	10,000	328,200	338,200
2038	15,000	327,825	342,825
2039	10,000	327,450	337,450
2040	1,125,000	310,425	1,435,425
2041	1,140,000	276,450	1,416,450
2042	1,160,000	241,950	1,401,950
2043	1,175,000	206,925	1,381,925
2044	1,190,000	171,450	1,361,450
2045	5,120,000	76,800	5,196,800
	<u>\$ 11,110,000</u>	<u>\$ 7,235,100</u>	<u>\$ 18,345,100</u>

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**SEPTEMBER 30, 2021**

S E R I E S - 2 0 2 0 A

Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2022	\$ 20,000	\$	\$ 20,000
2023	20,000		20,000
2024	25,000		25,000
2025	25,000		25,000
2026	30,000		30,000
2027	30,000		30,000
2028	35,000		35,000
2029	35,000		35,000
2030	30,000		30,000
2031	30,000		30,000
2032	30,000		30,000
2033	30,000		30,000
2034	30,000		30,000
2035	30,000		30,000
2036	30,000		30,000
2037	30,000		30,000
2038	30,000		30,000
2039	30,000		30,000
2040	35,000		35,000
2041	25,000		25,000
2042	15,000		15,000
2043			
2044			
2045			
	<u>\$ 595,000</u>	<u>\$ - 0 -</u>	<u>\$ 595,000</u>

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**SEPTEMBER 30, 2021**

SERIES - 2021 REFUNDING

Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2022	\$ 1,095,000	\$ 293,975	\$ 1,388,975
2023	1,135,000	260,525	1,395,525
2024	1,175,000	225,875	1,400,875
2025	1,220,000	189,950	1,409,950
2026	45,000	170,975	215,975
2027	50,000	169,550	219,550
2028	50,000	168,050	218,050
2029	50,000	166,550	216,550
2030	50,000	165,050	215,050
2031	55,000	163,750	218,750
2032	55,000	162,650	217,650
2033	55,000	161,550	216,550
2034	55,000	160,450	215,450
2035	1,965,000	140,250	2,105,250
2036	1,985,000	100,750	2,085,750
2037	2,010,000	60,800	2,070,800
2038	2,035,000	20,350	2,055,350
2039			
2040			
2041			
2042			
2043			
2044			
2045			
	<u>\$ 13,085,000</u>	<u>\$ 2,781,050</u>	<u>\$ 15,866,050</u>

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**SEPTEMBER 30, 2021**

ANNUAL REQUIREMENTS  
FOR ALL SERIES

Due During Fiscal Years Ending September 30	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2022	\$ 2,995,000	\$ 2,724,286	\$ 5,719,286
2023	3,090,000	2,636,884	5,726,884
2024	3,190,000	2,543,521	5,733,521
2025	3,300,000	2,444,826	5,744,826
2026	3,405,000	2,343,772	5,748,772
2027	2,865,000	2,248,719	5,113,719
2028	2,960,000	2,154,763	5,114,763
2029	3,060,000	2,052,575	5,112,575
2030	3,165,000	1,943,163	5,108,163
2031	3,285,000	1,825,157	5,110,157
2032	3,405,000	1,701,661	5,106,661
2033	3,525,000	1,582,318	5,107,318
2034	194,985	4,910,203	5,105,188
2035	3,630,000	1,475,818	5,105,818
2036	3,730,000	1,376,816	5,106,816
2037	3,830,000	1,273,807	5,103,807
2038	3,940,000	1,166,631	5,106,631
2039	4,220,000	1,033,806	5,253,806
2040	4,375,000	882,344	5,257,344
2041	4,510,000	731,478	5,241,478
2042	4,655,000	573,275	5,228,275
2043	4,800,000	409,472	5,209,472
2044	4,965,000	239,872	5,204,872
2045	5,120,000	76,800	5,196,800
	<u>\$ 86,214,985</u>	<u>\$ 40,351,967</u>	<u>\$ 126,566,952</u>

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**CHANGES IN LONG-TERM BOND DEBT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Description	Original Bonds Issued	Bonds Outstanding October 1, 2020
Horizon Regional Municipal Utility District Unlimited Tax Refunding Bonds - Series 2012	\$ 7,665,000	\$ 5,325,000
Horizon Regional Municipal Utility District Waterworks and Sewer System Revenue Refunding Bonds - Series 2012	6,660,000	3,385,000
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2013	8,195,000	8,195,000
Horizon Regional Municipal Utility District Unlimited Tax Refunding Bonds - Series 2014	7,935,000	7,845,000
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2014	1,975,000	1,975,000
Horizon Regional Municipal Utility District Unlimited Tax Refunding Bonds - Series 2015	9,535,000	8,485,000
Horizon Regional Municipal Utility District Unlimited Tax Refunding Bonds - Series 2016	15,164,985	13,034,985
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2017	9,575,000	9,395,000
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2019	19,200,000	19,140,000
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2020	11,110,000	11,110,000
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2020A	620,000	620,000
Horizon Regional Municipal Utility District Unlimited Tax Refunding Bonds - Series 2021	<u>13,085,000</u>	<u>                    </u>
	<u>\$ 110,719,985</u>	<u>\$ 88,509,985</u>

See Note 3 for interest rates, interest payment dates and maturity dates.

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding September 30, 2021</u>	<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>		
\$	\$ 5,325,000	\$ 106,500	\$ - 0 -	Wells Fargo Bank N.A. Houston, TX
	500,000	112,860	2,885,000	Southside Bank Tyler, TX
	8,195,000	182,631	- 0 -	Bank of Texas Austin, TX
	15,000	293,019	7,830,000	Bank of Texas Austin, TX
		76,712	1,975,000	Bank of Texas Austin, TX
	420,000	286,650	8,065,000	BOKF, N.A. Austin, TX
	670,000	359,906	12,364,985	BOKF, N.A. Austin, TX
	170,000	329,300	9,225,000	BOKF, N.A. Austin, TX
	60,000	690,894	19,080,000	UMB Bank, N.A. Austin, TX
		333,300	11,110,000	UMB Bank, N.A. Austin, TX
	25,000		595,000	UMB Bank, N.A. Austin, TX
<u>13,085,000</u>	<u>                    </u>	<u>32,765</u>	<u>13,085,000</u>	UMB Bank, N.A. Austin, TX
<u>\$ 13,085,000</u>	<u>\$ 15,380,000</u>	<u>\$ 2,804,537</u>	<u>\$ 86,214,985</u>	

See accompanying independent auditor's report.

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**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**CHANGES IN LONG-TERM BOND DEBT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Bond Authority:	Tax Bonds	Refunding Bonds
Amount Authorized by Voters	\$ 355,000,000	\$ 292,500,000
Amount Issued	<u>107,675,000</u>	<u>80,585,000</u>
Remaining to be Issued	<u>\$ 247,325,000</u>	<u>\$ 211,915,000</u>
Debt Service Fund cash and investment balances as of September 30, 2021:		<u>\$ 6,862,823</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:		<u>\$ 5,273,623</u>

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND – FIVE YEARS**

Amounts

	2021	2020	2019
<b>REVENUES</b>			
Property Taxes	\$ 3,126,950	\$ 2,796,044	\$ 2,474,562
Water Service	4,517,404	3,463,204	3,152,598
Wastewater Service	2,434,917	2,098,415	2,048,397
Garbage Service Revenues	2,864,993	2,568,604	2,526,675
Sprayfield Golf Course Revenue	1,124,960	888,800	932,960
Penalty and Interest	201,953	179,296	299,416
Tap Connection and Inspection Fees	62,208	23,364	30,068
Investment Revenues	2,796	11,231	6,921
Sales of Assets		780,998	
Miscellaneous Revenues	772,983	297,499	509,189
<b>TOTAL REVENUES</b>	<u>\$ 15,109,164</u>	<u>\$ 13,107,455</u>	<u>\$ 11,980,786</u>
<b>EXPENDITURES</b>			
Professional Fees	\$ 324,131	\$ 364,591	\$ 337,697
Contracted Services	5,347,252	5,169,197	4,843,610
Utilities	1,682,245	1,512,665	1,359,177
Repairs and Maintenance	2,956,922	3,344,690	2,739,901
Effluent Sprayfield	768,541	583,966	964,787
Other	1,205,731	1,158,161	984,676
Capital Outlay	283,914	169,018	516,148
Debt Service:			
Bond Issuance Costs	2,344		
Principal	786,904	725,458	692,852
Interest	159,760	181,461	205,334
<b>TOTAL EXPENDITURES</b>	<u>\$ 13,517,744</u>	<u>\$ 13,209,207</u>	<u>\$ 12,644,182</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 1,591,420</u>	<u>\$ (101,752)</u>	<u>\$ (663,396)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In (Out)	\$	\$ (87,021)	\$ 20,585
Capital Lease Proceeds	81,438		213,409
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ 81,438</u>	<u>\$ (87,021)</u>	<u>\$ 233,994</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ 1,672,858	\$ (188,773)	\$ (429,402)
<b>BEGINNING FUND BALANCE</b>	<u>1,344,883</u>	<u>1,533,656</u>	<u>1,963,058</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 3,017,741</u>	<u>\$ 1,344,883</u>	<u>\$ 1,533,656</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2018	2017	2021	2020	2019	2018	2017
\$ 2,171,236	\$ 1,852,090	20.7 %	21.3 %	20.6 %	19.7 %	17.1 %
3,167,578	3,334,185	30.0	26.3	26.2	28.7	30.7
2,049,950	1,806,230	16.1	16.0	17.1	18.6	16.6
2,368,676	2,366,192	19.0	19.6	21.1	21.5	21.8
642,916	661,550	7.4	6.8	7.8	5.8	6.1
281,828	308,922	1.3	1.4	2.5	2.6	2.8
164,639	26,415	0.4	0.2	0.3	1.5	0.2
5,467	4,614		0.1	0.1	0.1	0.1
	165,000		6.0			1.5
168,150	341,941	5.1	2.3	4.3	1.5	3.1
<u>\$ 11,020,440</u>	<u>\$ 10,867,139</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 354,928	\$ 254,531	2.1 %	2.8 %	2.8 %	3.2 %	2.3 %
4,431,644	4,164,304	35.4	39.4	40.4	40.2	38.3
1,570,375	1,590,633	11.1	11.5	11.3	14.2	14.6
2,422,529	1,631,710	19.6	25.5	22.9	22.0	15.0
777,093	790,228	5.1	4.5	8.1	7.0	7.3
835,489	891,161	8.0	8.8	8.2	7.6	8.2
543,910	674,693	1.9	1.3	4.3	4.9	6.2
20,585					0.2	
656,500	379,800	5.2	5.5	5.8	6.0	3.5
223,540	57,557	1.1	1.4	1.7	2.0	0.5
<u>\$ 11,836,593</u>	<u>\$ 10,434,617</u>	<u>89.5 %</u>	<u>100.7 %</u>	<u>105.5 %</u>	<u>107.3 %</u>	<u>95.9 %</u>
\$ (816,153)	\$ 432,522	10.5 %	(0.7) %	(5.5) %	(7.3) %	4.1 %
\$ 269	\$ 161,175					
72,928	423,500					
<u>\$ 73,197</u>	<u>\$ 584,675</u>					
\$ (742,956)	\$ 1,017,197					
2,706,014	1,688,817					
<u>\$ 1,963,058</u>	<u>\$ 2,706,014</u>					

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**DEBT SERVICE FUNDS - FIVE YEARS**

Amounts

	2021	2020	2019
<b>REVENUES</b>			
Property Taxes	\$ 5,469,874	\$ 5,396,626	\$ 4,775,779
Penalty and Interest	68,846	80,509	70,215
Investment Revenues	8,723	74,591	66,853
Miscellaneous Revenues			
<b>TOTAL REVENUES</b>	<u>\$ 5,547,443</u>	<u>\$ 5,551,726</u>	<u>\$ 4,912,847</u>
<b>EXPENDITURES</b>			
Tax Collection Expenditures	\$ 6,500	\$ 6,500	\$ 6,800
Debt Service Principal	2,320,000	2,235,000	1,965,000
Debt Service Interest and Fees	2,697,877	2,751,457	2,227,100
Bond Issuance Costs	374,659		
<b>TOTAL EXPENDITURES</b>	<u>\$ 5,399,036</u>	<u>\$ 4,992,957</u>	<u>\$ 4,198,900</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 148,407</u>	<u>\$ 558,769</u>	<u>\$ 713,947</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In (Out)	\$	\$ 22,021	\$
Long-Term Debt Issued	13,085,000		1,390,788
Payment to Refunded Bond Escrow Agent	(12,812,301)		
Bond Premium	103,054		
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ 375,753</u>	<u>\$ 22,021</u>	<u>\$ 1,390,788</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ 524,160	\$ 580,790	\$ 2,104,735
<b>BEGINNING FUND BALANCE</b>	<u>6,307,817</u>	<u>5,727,027</u>	<u>3,622,292</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 6,831,977</u>	<u>\$ 6,307,817</u>	<u>\$ 5,727,027</u>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	<u>12,219</u>	<u>11,226</u>	<u>10,958</u>
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	<u>9,200</u>	<u>8,809</u>	<u>8,574</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2018	2017	2021	2020	2019	2018	2017
\$ 3,943,341	\$ 3,682,159	98.6 %	97.2 %	97.2 %	98.1 %	98.3 %
62,750	54,071	1.2	1.5	1.4	1.6	1.4
10,318	9,482	0.2	1.3	1.4	0.3	0.3
12						
<u>\$ 4,016,421</u>	<u>\$ 3,745,712</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 3,250	\$ 9,305	0.1 %	0.1 %	0.1 %	0.1 %	0.2 %
1,865,000	2,210,000	41.8	40.3	40.0	46.4	59.0
2,071,872	2,097,437	48.6	49.6	45.3	51.6	56.0
		6.8				
<u>\$ 3,940,122</u>	<u>\$ 4,316,742</u>	<u>97.3 %</u>	<u>90.0 %</u>	<u>85.4 %</u>	<u>98.1 %</u>	<u>115.2 %</u>
\$ 76,299	\$ (571,030)	<u>2.7 %</u>	<u>10.0 %</u>	<u>14.6 %</u>	<u>1.9 %</u>	<u>(15.2) %</u>
\$ (269)	\$ 337,833					
	335,850					
<u>\$ (269)</u>	<u>\$ 673,683</u>					
\$ 76,030	\$ 102,653					
<u>3,546,262</u>	<u>3,443,609</u>					
<u>\$ 3,622,292</u>	<u>\$ 3,546,262</u>					
<u>10,608</u>	<u>10,323</u>					
<u>8,169</u>	<u>8,014</u>					

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT  
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
SEPTEMBER 30, 2021**

District Mailing Address - Horizon Regional Municipal Utility District  
14100 Horizon Boulevard  
Horizon City, TX 79928

District Telephone Number - (915) 852-3917

<b>Board Members</b>	Term of Office (Elected or Appointed)	Fees of Office for the year ended September 30, 2021	Expense Reimbursements for the year ended September 30, 2021	Title
Gordon Jarvis	05/17 05/21 (Elected)	\$ 7,200	\$ -0-	President
Carl Dean Hulsey	05/19 05/23 (Elected)	\$ 4,050	\$ -0-	Vice President
Mike Barton	05/19 05/23 (Elected)	\$ 7,200	\$ -0-	Secretary
Florence Thomas	07/21 05/23 (Appointed)	\$ 1,050	\$ -0-	Treasurer

Note: No Director has any business or family relationships with major landowners in the District, with the District's developer or with any of the District's consultants.

Submission date of most recent District Registration Form: July 19, 2021

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution on June 20, 2003. Fees of Office are the amounts paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**SEPTEMBER 30, 2021**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees for the year ended September 30, 2021</u>	<u>Title</u>
Johnson Petrov LLP	03/97	\$ 119,459 \$ 141,850	General Counsel Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	09/24/15	\$ 30,000 \$ 1,500	Audit Related Bond Related
Inframark, LLC	01/09/13	\$2,675,108	District Manager, Operations and Bookkeeper
TRE & Associates, LLC	12/01/11	\$ 550,263	Engineer
Blitch Associates, Inc.	05/04/15	\$ 39,043	Financial Advisor
El Paso County Tax Assessor/Collector	03/97	\$ 83,224	Tax Assessor/ Collector
Delgado Acosta Spencer Linebarger & Perez, LLP	01/01/06	\$ 47,377	Delinquent Tax Attorney

See accompanying independent auditor's report.

