

**CROSSWINDS MUNICIPAL
UTILITY DISTRICT**

HAYS COUNTY, TEXAS

FINANCIAL REPORT

September 30, 2021

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McGRATH & CO., PLLC

Certified Public Accountants

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Houston, Texas 77092

Independent Auditor's Report

Board of Directors
Crosswinds Municipal Utility District
Hays County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Crosswinds Municipal Utility 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 basic 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 basic financial statements are free of material misstatement.

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

***Board of Directors
Crosswinds Municipal Utility District
Hays County, Texas***

Opinion

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 Crosswinds Municipal Utility District, as of September 30, 2021, and the respective changes in financial position thereof for the year then ended in conformity 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 budgetary comparison information 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 Texas Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Texas Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied to the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements taken as a whole.

McGuire & Co, PC

Houston, Texas
January 13, 2022

Management's Discussion and Analysis

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***Crosswinds Municipal Utility District
Management's Discussion and Analysis
September 30, 2021***

Using this Annual Report

Within this section of the financial report of Crosswinds Municipal Utility District (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended September 30, 2021. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

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

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

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

***Crosswinds Municipal Utility District
Management’s Discussion and Analysis
September 30, 2021***

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

Fund Financial Statements

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

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

Financial Analysis of the District as a Whole

The District’s net position at September 30, 2021, was negative \$17,577,537. The District’s net position is negative because the District incurs debt to construct water and sewer facilities which will be conveyed to the City of Kyle upon completion of construction. Additionally, the District incurs debt to construct public road improvements which are conveyed to Hays County. A comparative summary of the District’s overall financial position, as of September 30, 2021 and 2020, is as follows:

	2021	2020
Current and other assets	\$ 2,375,434	\$ 2,004,352
Capital assets	31,292	32,652
Total assets	2,406,726	2,037,004
Current liabilities	381,011	270,378
Long-term liabilities	19,603,252	19,677,223
Total liabilities	19,984,263	19,947,601
Net position		
Net investment in capital assets	(9,361)	(7,996)
Restricted	235,875	149,545
Unrestricted	(17,804,051)	(18,052,146)
Total net position	\$ (17,577,537)	\$ (17,910,597)

***Crosswinds Municipal Utility District
Management’s Discussion and Analysis
September 30, 2021***

The total net position of the District increased during the current fiscal year by \$333,060. A comparative summary of the District’s *Statement of Activities* for the past two years is as follows:

	<u>2021</u>	<u>2020</u>
Revenues		
Service availability fees	\$ 234,000	\$ 828,000
Permit fees	52,000	184,000
Property taxes	569,981	356,080
Other	31,757	10,965
Total revenues	<u>887,738</u>	<u>1,379,045</u>
Expenses		
Operating and administrative	326,102	319,957
Debt interest and fees	227,216	216,548
Developer interest		280,933
Debt issuance costs		227,378
Amortization	1,360	1,360
Total expenses	<u>554,678</u>	<u>1,046,176</u>
Change in net position before other item	333,060	332,869
Other item		
Transfers to other governments		<u>(738,161)</u>
Change in net position	333,060	(405,292)
Net position, beginning of year	<u>(17,910,597)</u>	<u>(17,505,305)</u>
Net position, end of year	<u>\$ (17,577,537)</u>	<u>\$ (17,910,597)</u>

Financial Analysis of the District’s Funds

The District’s combined fund balances, as of September 30, 2021, were \$2,063,021, which consists of \$1,832,668 in the General Fund, \$231,844 in the Debt Service Fund and negative \$1,491 in the Capital Projects Fund.

***Crosswinds Municipal Utility District
Management’s Discussion and Analysis
September 30, 2021***

General Fund

A comparative summary of the General Fund’s financial position as of September 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Total assets	<u>\$ 2,141,050</u>	<u>\$ 1,853,601</u>
Total liabilities	\$ 306,011	\$ 269,175
Total deferred inflows	2,371	85
Total fund balance	<u>1,832,668</u>	<u>1,584,341</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 2,141,050</u>	<u>\$ 1,853,601</u>

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

	<u>2021</u>	<u>2020</u>
Total revenues	\$ 568,196	\$ 1,194,729
Total expenditures	<u>(319,869)</u>	<u>(317,675)</u>
Revenues over expenditures	<u>\$ 248,327</u>	<u>\$ 877,054</u>

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

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. While the District decreased its maintenance tax levy, property tax revenues increased because assessed values increased from prior year.
- The District imposes a water and wastewater service available fee of \$4,500 per platted lot and a separate permit fee of \$1,000 per platted lot to homebuilders within the District. These fees are intended to defray the costs of service availability and connection to the water and wastewater system within the District and will fluctuate with homebuilding activity. Effective May 13, 2021, the Board adopted an amended resolution removing the water and wastewater system availability fees.

***Crosswinds Municipal Utility District
Management's Discussion and Analysis
September 30, 2021***

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of September 30, 2021 and 2020 is as follows:

	2021	2020
Total assets	\$ 235,875	\$ 150,748
Total liabilities	\$ -	\$ 1,203
Total deferred inflows	4,031	102
Total fund balance	231,844	149,443
Total liabilities, deferred inflows and fund balance	\$ 235,875	\$ 150,748

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

	2021	2020
Total revenues	\$ 313,328	\$ 195,129
Total expenditures	(230,927)	(186,028)
Revenues over expenditures	82,401	9,101
Other changes in fund balance		92,020
Net change in fund balance	\$ 82,401	\$ 101,121

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

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of September 30, 2021 and 2020 is as follows:

	2021	2020
Total assets	\$ 3	\$ 3
Total liabilities	\$ 1,494	\$ -
Total fund balance	(1,491)	3
Total liabilities and fund balance	\$ 3	\$ 3

***Crosswinds Municipal Utility District
Management’s Discussion and Analysis
September 30, 2021***

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

	2021	2020
Total revenues	\$ -	\$ -
Total expenditures	(1,494)	(1,211,324)
Revenues under expenditures	(1,494)	(1,211,324)
Other changes in fund balance		1,209,181
Net change in fund balance	\$ (1,494)	\$ (2,143)

The District did not have any significant capital asset activity in the current year. The District’s capital asset activity in prior year was financed with proceeds from the issuance of its Series 2020 Unlimited Tax Road Bonds.

General Fund Budgetary Highlights

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

Since the District’s budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was \$103,947 greater than budgeted. The *Budgetary Comparison Schedule* on page 30 of this report provides variance information per financial statement line item.

Capital Assets

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

Capital assets held by the District at September 30, 2021 and 2020 are summarized as follows:

	2021	2020
Impact fees for irrigation meters	\$ 38,092	\$ 38,092
Less accumulated amortization	(6,800)	(5,440)
Capital assets, net	\$ 31,292	\$ 32,652

The District and the City of Kyle (the “City”) have entered into an agreement which obligates the District to construct water and wastewater facilities to serve the District and, when completed, to convey title to the facilities to the City (Note 9). Additionally, Hays County assumes responsibility for roads and storm sewer systems constructed within the county’s public right-of-way. Consequently, these projects conveyed to the City of Kyle and Hays County are not recorded as capital assets on the District’s financial statements, but are recorded as transfers to other governments upon completion of construction.

***Crosswinds Municipal Utility District
Management’s Discussion and Analysis
September 30, 2021***

Long-Term Debt and Related Liabilities

As of September 30, 2021, the District owes approximately \$13,124,993 to developers for completed projects and operating advances. The initial cost of the completed project and related liability is estimated based on actual construction costs plus 10-15% for engineering and other fees and is recorded on the District’s financial statements upon completion of construction. As discussed in Note 6, the District has an additional commitment in the amount of \$13,876,280 for projects under construction by the developers. As noted, the District will owe its developer for these projects upon completion of construction. The District intends to reimburse the developer from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developer is trued up when the developer is reimbursed.

At September 30, 2021 and 2020, the District had total bonded debt outstanding as shown below:

Series	2021	2020
2018 Road	\$ 3,250,000	\$ 3,250,000
2020 Road	3,330,000	3,330,000
	<u>\$ 6,580,000</u>	<u>\$ 6,580,000</u>

At September 30, 2021, the District had \$90,000,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District and \$90,000,000 for the refunding of such bonds; and \$28,720,000 for road improvements and \$45,890,000 for the refunding of such bonds.

Next Year’s Budget

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

	2021 Actual	2022 Budget
Total revenues	\$ 568,196	\$ 400,551
Total expenditures	(319,869)	(378,240)
Revenues over expenditures	248,327	22,311
Beginning fund balance	1,584,341	1,832,668
Ending fund balance	<u>\$ 1,832,668</u>	<u>\$ 1,854,979</u>

*Crosswinds Municipal Utility District
Management's Discussion and Analysis
September 30, 2021*

Property Taxes

The District's property tax base increased approximately \$34,985,000 for the 2021 tax year from \$62,933,678 to \$97,918,920. This increase was primarily due to new construction in the District and increased property values. For the 2021 tax year, the District has levied a maintenance tax rate of \$0.41 per \$100 of assessed value, a water, sewer, and drainage debt service tax rate of \$0.14 per \$100 of assessed value, and a road debt service tax rate of \$0.35 per \$100 of assessed value, for a total combined tax rate of \$0.90 per \$100. Tax rates for the 2020 tax year were \$0.40 per \$100 for maintenance and operations and \$0.50 per \$100 for water, sewer, and drainage debt service for a combined total of \$0.90 per \$100 of assessed value.

Basic Financial Statements

Crosswinds Municipal Utility District
Statement of Net Position and Governmental Fund Balance Sheet
September 30, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 108,797	\$ -	\$ 3	\$ 108,800	\$ -	\$ 108,800
Investments	1,995,347	233,635		2,228,982		2,228,982
Taxes receivable	2,371	4,031		6,402		6,402
Other receivables	31,250			31,250		31,250
Internal balances	3,285	(1,791)	(1,494)			
Capital assets, net					31,292	31,292
Total Assets	<u>\$ 2,141,050</u>	<u>\$ 235,875</u>	<u>\$ (1,491)</u>	<u>\$ 2,375,434</u>	<u>31,292</u>	<u>2,406,726</u>
Liabilities						
Accounts payable	\$ 140,667	\$ -	\$ -	\$ 140,667		140,667
Other payables	344			344		344
Builder overpayments	165,000			165,000		165,000
Due to developer					13,124,993	13,124,993
Long-term debt						
Due within one year					75,000	75,000
Due after one year					6,478,259	6,478,259
Total Liabilities	<u>306,011</u>			<u>306,011</u>	<u>19,678,252</u>	<u>19,984,263</u>
Deferred Inflows of Resources						
Deferred property taxes	<u>2,371</u>	<u>4,031</u>		<u>6,402</u>	<u>(6,402)</u>	
Fund Balance/Net Position						
Fund Balance						
Restricted		231,844		231,844	(231,844)	
Unassigned	<u>1,832,668</u>		<u>(1,491)</u>	<u>1,831,177</u>	<u>(1,831,177)</u>	
Total Fund Balance	<u>1,832,668</u>	<u>231,844</u>	<u>(1,491)</u>	<u>2,063,021</u>	<u>(2,063,021)</u>	
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 2,141,050</u>	<u>\$ 235,875</u>	<u>\$ (1,491)</u>	<u>\$ 2,375,434</u>		
Net Position						
Net investment in capital assets					(9,361)	(9,361)
Restricted for debt service					235,875	235,875
Unrestricted					<u>(17,804,051)</u>	<u>(17,804,051)</u>
Total Net Position					<u>\$(17,577,537)</u>	<u>\$(17,577,537)</u>

See notes to basic financial statements.

Crosswinds Municipal Utility District
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance
For the Year Ended September 30, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Service availability fees	\$ 234,000	\$ -	\$ -	\$ 234,000	\$ -	\$ 234,000
Permit fees	52,000			52,000		52,000
Property taxes	249,449	311,806		561,255	5,148	566,403
Penalties and interest	1,117	1,395		2,512	1,066	3,578
Miscellaneous	30,750			30,750		30,750
Investment earnings	880	127		1,007		1,007
Total Revenues	568,196	313,328		881,524	6,214	887,738
Expenditures/Expenses						
Operating and administrative						
Professional fees	132,080	889	1,494	134,463		134,463
Contracted services	32,178	2,249		34,427		34,427
Repairs and maintenance	128,497			128,497		128,497
Utilities	8,806			8,806		8,806
Administrative	17,597			17,597		17,597
Other	711	1,601		2,312		2,312
Debt service						
Interest and fees		226,188		226,188	1,028	227,216
Amortization					1,360	1,360
Total Expenditures/Expenses	319,869	230,927	1,494	552,290	2,388	554,678
Revenues Over/(Under)						
Expenditures/Expenses	248,327	82,401	(1,494)	329,234	3,826	333,060
Fund Balance/Net Position						
Beginning of the year	1,584,341	149,443	3	1,733,787	(19,644,384)	(17,910,597)
End of the year	\$ 1,832,668	\$ 231,844	\$ (1,491)	\$ 2,063,021	\$(19,640,558)	\$(17,577,537)

See notes to basic financial statements.

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Note 1 – Summary of Significant Accounting Policies

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

Creation

The District was organized, created and established pursuant to Senate Bill 1862, 83rd (R) Session of the Texas Legislature, dated June 14, 2013, and operates in accordance with the Texas Water Code, Chapters 49 and 54. The District added additional Road Powers pursuant to House Bill 2401, 84th (R) Session on June 16, 2015. The Board of Directors held its first meeting on August 26, 2013 and the first bonds were issued on November 13, 2018.

The District is responsible for providing water, sewer and drainage facilities within the District. As further discussed in Note 9, the District transfers water and sewer facilities to the City of Kyle for operation and maintenance upon completion of construction. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statements as component units.

Government-Wide and Fund Financial Statements

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

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

Fund financial statements display information at the individual fund level. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Each fund is considered to be a separate accounting entity. Most governments typically have many funds; however, governmental financial statements focus on the most important or “major” funds with non-major funds aggregated in a single column. The District has three governmental funds, which are all considered major funds.

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

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

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

Measurement Focus and Basis of Accounting

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

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

Crosswinds Municipal Utility District
Notes to Financial Statements
September 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

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

Use of Restricted Resources

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

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At September 30, 2021, an allowance for uncollectible accounts was not considered necessary.

Interfund Activity

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

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciable capital assets, which consist of impact fees paid to the City of Kyle, are amortized using the straight-line method over the remaining life of the District's contract with the City (maximum 30 years).

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred Inflows and Outflows of Financial Resources

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

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

Net Position – Governmental Activities

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

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

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

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

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

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

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District does not have any committed fund balances.

Crosswinds Municipal Utility District
Notes to Financial Statements
September 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds (continued)

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 and deficit balances in other funds.

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

Use of Estimates

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

Crosswinds Municipal Utility District
Notes to Financial Statements
September 30, 2021

Note 2 – Adjustment from Governmental to Government-wide Basis

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

Total fund balance, governmental fund	\$	2,063,021
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental fund.</p>		
Historical cost	\$	38,092
Less accumulated amortization		<u>(6,800)</u>
Change due to capital assets		31,292
<p>The District's long-term bonds payable are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.</p>		
		(6,553,259)
<p>Amounts due to the District's developer for prefunded construction and developer advances are recorded as a liability in the <i>Statement of Net Position</i>.</p>		
		(13,124,993)
<p>Property taxes receivable have been levied and are due, but are not available soon enough to pay current period expenditures and, therefore, are deferred in the funds.</p>		
		6,402
Total net position - governmental activities	<u>\$</u>	<u>(17,577,537)</u>

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

Net change in fund balance - total governmental fund	\$	329,234
<p>Governmental fund do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the <i>Statement of Activities</i> when earned. The difference is for property taxes and related penalties and interest.</p>		
		6,214
<p>In the <i>Statement of Activities</i>, the cost of capital assets is charged to amortization expense over the estimated useful life of the asset.</p>		
		(1,360)
<p>In the governmental funds interest on long-term debt is recognized when payable. However, in the government wide financial statements interest is recognized as incurred.</p>		
		(1,028)
Change in net position of governmental activities	<u>\$</u>	<u>333,060</u>

Crosswinds Municipal Utility District
Notes to Financial Statements
September 30, 2021

Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

Custodial credit risk as it applies to deposits (i.e. cash) is the risk that, in the event of the failure of the depository institution, a government will not be able to recover its deposits or will not be able to recover collateral securities. The *Public Funds Collateral Act* (Chapter 2257, Texas Government Code) requires that all of the District’s deposits with financial institutions be covered by federal depository insurance and, if necessary, pledged collateral held by a third-party custodian. The act further specifies the types of securities that can be used as collateral. The District’s written investment policy establishes additional requirements for collateralization of deposits.

Investments

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

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

As of September 30, 2021, the District’s investments consist of the following:

Type	Fund	Carrying Value	Rating	Weighted Average Maturity
TexPool	General	\$ 1,995,347	AAAm	37 days
	Debt Service	233,635		
		<u>\$ 2,228,982</u>		

Crosswinds Municipal Utility District
Notes to Financial Statements
September 30, 2021

Note 3 – Deposits and Investments (continued)

TexPool

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

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

Note 4 – Interfund Balances and Transactions

Amounts due to/from other funds at September 30, 2021, consist of the following:

Receivable Fund	Payable Fund	Amounts	Purpose
General Fund	Debt Service Fund	\$ 1,791	Maintenance tax collections not remitted as of year end
General Fund	Capital Projects Fund	1,494	Costs related to bond issuance paid by the General Fund

Amounts reported as internal balances between funds are considered temporary balances and will be paid during the following fiscal year.

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended September 30, 2021, is as follows:

	Beginning Balances	Additions	Ending Balances
Impact fees for irrigation meters	\$ 38,092	\$ -	\$ 38,092
Less accumulated amortization	(5,440)	(1,360)	(6,800)
Capital assets, net	<u>\$ 32,652</u>	<u>\$ (1,360)</u>	<u>\$ 31,292</u>

Amortization expense for the current year was \$1,360.

Crosswinds Municipal Utility District
Notes to Financial Statements
September 30, 2021

Note 6 – Due to Developer

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

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

The amount due to developer at September 30, 2021 is approximately \$13,124,993. There was no change in this liability from the prior year.

In addition, the District will owe the developer approximately \$13,876,280, which is included in the following schedule of contractual commitments. The exact amount is not known until approved by the TCEQ and verified by the District’s auditor. As previously noted, these projects will be reported in the government-wide financial statements upon completion of construction.

	Contract Amount	Amounts Paid	Remaining Commitment
Crosswinds subdivision Phase 3-A	\$ 10,563,202	\$ 3,747,367	\$ 6,815,835
Crosswinds elevated water storage tank	1,002,000		1,002,000
Crosswinds ground storage tank and pump station	2,311,078		2,311,078
	<u>\$ 13,876,280</u>	<u>\$ 3,747,367</u>	<u>\$ 10,128,913</u>

Note 7 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	\$ 6,580,000
Unamortized discounts	<u>(26,741)</u>
	<u>\$ 6,553,259</u>
Due within one year	<u>\$ 75,000</u>

Crosswinds Municipal Utility District
Notes to Financial Statements
September 30, 2021

Note 7 – Long-Term Debt (continued)

The District’s bonds payable at September 30, 2021, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2018 Road	\$ 3,250,000	\$ 3,250,000	4.00% - 4.375%	April 1, 2022/2046	April 1, October 1	April 1, 2023
2020 Road	3,330,000	3,330,000	2.00% - 3.00%	April 1, 2023/2047	April 1, October 1	April 1, 2025
	<u>\$ 6,580,000</u>					

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

At September 30, 2021, the District had authorized but unissued bonds in the amount of \$90,000,000 for water, sewer and drainage facilities and \$90,000,000 for the refunding of such bonds; and \$28,720,000 for road facilities and \$45,890,000 for the refunding of such bonds.

The District’s long-term debt at September 30, 2021 was \$6,580,000. There was no change in this liability from the prior year.

Crosswinds Municipal Utility District
Notes to Financial Statements
September 30, 2021

Note 7 – Long-Term Debt (continued)

The debt service payment due October 1 was made during the current fiscal year. The following schedule was prepared presuming this practice will continue. As of September 30, 2021, annual debt service requirements on bonds outstanding are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2022	\$ 75,000	\$ 223,688	\$ 298,688
2023	150,000	219,938	369,938
2024	150,000	215,438	365,438
2025	150,000	210,938	360,938
2026	150,000	206,438	356,438
2027	200,000	201,113	401,113
2028	200,000	194,913	394,913
2029	200,000	188,638	388,638
2030	200,000	182,288	382,288
2031	200,000	175,837	375,837
2032	250,000	168,524	418,524
2033	250,000	160,399	410,399
2034	250,000	152,196	402,196
2035	250,000	143,915	393,915
2036	250,000	135,478	385,478
2037	300,000	126,025	426,025
2038	300,000	115,619	415,619
2039	300,000	105,119	405,119
2040	325,000	93,900	418,900
2041	350,000	81,587	431,587
2042	350,000	68,900	418,900
2043	350,000	56,103	406,103
2044	375,000	42,650	417,650
2045	400,000	28,275	428,275
2046	400,000	13,525	413,525
2047	205,000	3,075	208,075
	<u>\$ 6,580,000</u>	<u>\$ 3,514,519</u>	<u>\$ 10,094,519</u>

Note 8 – Property Taxes

On November 5, 2013, the voters of the District authorized the District’s Board of Directors to levy taxes annually for use in financing general operations limited to \$1.00 per \$100 of assessed value. The District’s bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

Crosswinds Municipal Utility District
Notes to Financial Statements
September 30, 2021

Note 8 – Property Taxes (continued)

All property values and exempt status, if any, are determined by the Hays County Central 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.

Property taxes are collected based on rates adopted in the year of the levy. The District’s 2021 fiscal year was financed through the 2020 tax levy, pursuant to which the District levied property taxes of \$0.90 per \$100 of assessed value, of which \$0.40 was allocated to maintenance and operations and \$0.50 was allocated to debt service. The resulting tax levy was \$566,403 on the adjusted taxable value of \$62,933,678.

Property taxes receivable, at September 30, 2021, consisted of the following:

Current year taxes receivable	\$ 5,335
Penalty and interest receivable	1,067
Property taxes receivable	<u>\$ 6,402</u>

Note 9 – Utility Agreement with the City of Kyle

On July 30, 2015, the District entered into a utility agreement with the City of Kyle (the “City”) for construction and extension of water distribution lines and sanitary sewer collection systems to serve the District. As the system is acquired or constructed, the District shall transfer the system to the City for operation and maintenance but will reserve a security interest in the system. The District has an intangible interest in the capacity in the City’s water and wastewater systems up to the capacity designed for the provision of retail water and wastewater serviced to the District by the City to the extent of the designed capacity of the conveyed systems and payment of associated costs paid by the District. The term of the agreement is 30 years.

Water and sewer rates charged by the City to users in the District, shall be higher than the rates charged to similar users within the City. All revenue derived from these charges belongs to the City.

Note 10 – Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 11 – Subsequent Event

On October 7, 2021, the District issued its \$2,805,000 Series 2021 Unlimited Tax Utility Bonds at a net effective rate of 2.660262%. Proceeds from the bonds were used to reimburse the District’s developers for infrastructure improvements in the District.

Required Supplementary Information

Crosswinds Municipal Utility District

Required Supplementary Information - Budgetary Comparison Schedule - General Fund

For the Year Ended September 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Service availability fees	\$ 324,000	\$ 234,000	\$ (90,000)
Permit fees	72,000	52,000	(20,000)
Property taxes	246,800	249,449	2,649
Penalties and interest		1,117	1,117
Miscellaneous		30,750	30,750
Investment earnings	3,000	880	(2,120)
Total Revenues	<u>645,800</u>	<u>568,196</u>	<u>(77,604)</u>
Expenditures			
Operating and administrative			
Professional fees	173,800	132,080	41,720
Contracted services	48,200	32,178	16,022
Repairs and maintenance	250,000	128,497	121,503
Utilities	8,700	8,806	(106)
Administrative	19,220	17,597	1,623
Other	1,500	711	789
Total Expenditures	<u>501,420</u>	<u>319,869</u>	<u>181,551</u>
Revenues Over Expenditures	144,380	248,327	103,947
Fund Balance			
Beginning of the year	1,584,341	1,584,341	
End of the year	<u>\$ 1,728,721</u>	<u>\$ 1,832,668</u>	<u>\$ 103,947</u>

Crosswinds Municipal Utility District
Notes to Required Supplementary Information
September 30, 2021

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. There were no amendments to the budget during the year.

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Texas Supplementary Information

Crosswinds Municipal Utility District

TSI-1. Services and Rates

September 30, 2021

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

- | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------|-------------------------------------|
| <input type="checkbox"/> Retail Water | <input type="checkbox"/> Wholesale Water | <input type="checkbox"/> Solid Waste / Garbage | <input type="checkbox"/> Drainage |
| <input type="checkbox"/> Retail Wastewater | <input type="checkbox"/> Wholesale Wastewater | <input type="checkbox"/> Flood Control | <input type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks / Recreation | <input type="checkbox"/> Fire Protection | <input checked="" type="checkbox"/> Roads | <input type="checkbox"/> Security |
| <input type="checkbox"/> Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect) | | | |
| <input checked="" type="checkbox"/> Other (Specify): <u>Water and wastewater accepted by City of Kyle for operation and maintenance.</u> | | | |

2. Retail Service Providers

a. Retail Rates for a 5/8" meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels
Water:	_____	_____	_____	_____	_____ to _____
Wastewater:	_____	_____	_____	_____	_____ to _____
Surcharge:	_____	_____	_____	_____	_____ to _____

District employs winter averaging for wastewater usage? Yes No

Total charges per 10,000 gallons usage: Water _____ Wastewater _____

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered	_____	_____	x 1.0	_____
less than 3/4"	_____	_____	x 1.0	_____
1"	_____	_____	x 2.5	_____
1.5"	_____	_____	x 5.0	_____
2"	_____	_____	x 8.0	_____
3"	_____	_____	x 15.0	_____
4"	_____	_____	x 25.0	_____
6"	_____	_____	x 50.0	_____
8"	_____	_____	x 80.0	_____
10"	_____	_____	x 115.0	_____
Total Water	_____	_____	_____	_____
Total Wastewater	_____	_____	x 1.0	_____

See accompanying auditor's report.

*Crosswinds Municipal Utility District
 TSI-2 General Fund Expenditures
 For the Year Ended September 30, 2021*

Professional fees	
Legal	\$ 105,410
Audit	12,500
Financial advisor	2,170
Engineering	12,000
	<u>132,080</u>
Contracted services	
Bookkeeping	18,378
Operator	12,001
Appraisal district fees	1,799
	<u>32,178</u>
Repairs and maintenance	<u>128,497</u>
Utilities	<u>8,806</u>
Administrative	
Directors fees	8,547
Insurance	8,407
Other	643
	<u>17,597</u>
Other	<u>711</u>
Total expenditures	<u>\$ 319,869</u>

See accompanying auditors' report.

Crosswinds Municipal Utility District
TSI-3. Investments
September 30, 2021

Fund	Interest Rate	Maturity Date	Balance at End of Year
General			
TexPool	Variable	N/A	\$ 1,995,347
Debt Service			
TexPool	Variable	N/A	229,209
TexPool	Variable	N/A	4,426
			<u>233,635</u>
Total - All Funds			<u>\$ 2,228,982</u>

See accompanying auditors' report.

Crosswinds Municipal Utility District
TSI-4. Taxes Levied and Receivable
September 30, 2021

	Maintenance Taxes	Debt Service Taxes	Totals	
Taxes Receivable, Beginning of Year	\$ 85	\$ 102	\$ 187	
2020 Original Tax Levy	238,366	297,957	536,323	
Adjustments	13,369	16,711	30,080	
Adjusted Tax Levy	251,735	314,668	566,403	
Total to be accounted for	251,820	314,770	566,590	
Tax collections:				
Current year	249,364	311,704	561,068	
Prior years	85	102	187	
Total Collections	249,449	311,806	561,255	
Taxes Receivable, End of Year	\$ 2,371	\$ 2,964	\$ 5,335	
Taxes Receivable, By Year				
2020	\$ 2,371	\$ 2,964	\$ 5,335	
	2020	2019	2018	2017
Property Valuations:				
Land	\$ 21,100,000	\$ 11,124,110	\$ 6,149,970	\$ 2,071,900
Improvements	44,266,505	31,668,208	12,750,020	
Personal Property	287,008	102,476	165,874	9,465
Exemptions	(2,719,835)	(3,470,092)	(2,098,968)	(1,631,770)
Total Property Valuations	\$ 62,933,678	\$ 39,424,702	\$ 16,966,896	\$ 449,595
Tax Rates per \$100 Valuation:				
Maintenance tax rate	\$ 0.40	\$ 0.41	\$ 0.90	\$ 0.90
Debt service tax rate	0.50	0.49		
Total Tax Rates per \$100 Valuation	\$ 0.90	\$ 0.90	\$ 0.90	\$ 0.90
Adjusted Tax Levy:	\$ 566,403	\$ 354,822	\$ 152,702	\$ 4,046
Percentage of Taxes Collected to Taxes Levied **	99.06%	100.00%	100.00%	100.00%

* Maximum Maintenance Tax Rate Approved by Voters: \$1.00 on November 5, 2013

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

See accompanying auditors' report.

Crosswinds Municipal Utility District
TSI-5. Long-Term Debt Service Requirements
Series 2018 Road--by Years
September 30, 2021

<u>Due During Fiscal Years Ending</u>	<u>Principal Due April 1</u>	<u>Interest Due April 1, October 1</u>	<u>Total</u>
2022	\$ 75,000	\$ 133,813	\$ 208,813
2023	75,000	130,813	205,813
2024	75,000	127,813	202,813
2025	75,000	124,813	199,813
2026	75,000	121,813	196,813
2027	100,000	118,313	218,313
2028	100,000	114,313	214,313
2029	100,000	110,313	210,313
2030	100,000	106,313	206,313
2031	100,000	102,312	202,312
2032	125,000	97,812	222,812
2033	125,000	92,812	217,812
2034	125,000	87,812	212,812
2035	125,000	82,812	207,812
2036	125,000	77,734	202,734
2037	150,000	72,062	222,062
2038	150,000	65,781	215,781
2039	150,000	59,406	209,406
2040	175,000	52,500	227,500
2041	175,000	45,062	220,062
2042	175,000	37,625	212,625
2043	175,000	30,078	205,078
2044	200,000	21,875	221,875
2045	200,000	13,125	213,125
2046	200,000	4,375	204,375
	<u>\$ 3,250,000</u>	<u>\$ 2,031,500</u>	<u>\$ 5,281,500</u>

See accompanying auditors' report.

Crosswinds Municipal Utility District
TSI-5. Long-Term Debt Service Requirements
Series 2020 Road--by Years
September 30, 2021

<u>Due During Fiscal Years Ending</u>	<u>Principal Due April 1</u>	<u>Interest Due April 1, October 1</u>	<u>Total</u>
2022	\$ -	\$ 89,875	\$ 89,875
2023	75,000	89,125	164,125
2024	75,000	87,625	162,625
2025	75,000	86,125	161,125
2026	75,000	84,625	159,625
2027	100,000	82,800	182,800
2028	100,000	80,600	180,600
2029	100,000	78,325	178,325
2030	100,000	75,975	175,975
2031	100,000	73,525	173,525
2032	125,000	70,712	195,712
2033	125,000	67,587	192,587
2034	125,000	64,384	189,384
2035	125,000	61,103	186,103
2036	125,000	57,744	182,744
2037	150,000	53,963	203,963
2038	150,000	49,838	199,838
2039	150,000	45,713	195,713
2040	150,000	41,400	191,400
2041	175,000	36,525	211,525
2042	175,000	31,275	206,275
2043	175,000	26,025	201,025
2044	175,000	20,775	195,775
2045	200,000	15,150	215,150
2046	200,000	9,150	209,150
2047	205,000	3,075	208,075
	<u>\$ 3,330,000</u>	<u>\$ 1,483,019</u>	<u>\$ 4,813,019</u>

See accompanying auditors' report.

Crosswinds Municipal Utility District
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
September 30, 2021

<u>Due During Fiscal Years Ending</u>	<u>Principal Due April 1</u>	<u>Interest Due April 1, October 1</u>	<u>Total</u>
2022	\$ 75,000	\$ 223,688	\$ 298,688
2023	150,000	219,938	369,938
2024	150,000	215,438	365,438
2025	150,000	210,938	360,938
2026	150,000	206,438	356,438
2027	200,000	201,113	401,113
2028	200,000	194,913	394,913
2029	200,000	188,638	388,638
2030	200,000	182,288	382,288
2031	200,000	175,837	375,837
2032	250,000	168,524	418,524
2033	250,000	160,399	410,399
2034	250,000	152,196	402,196
2035	250,000	143,915	393,915
2036	250,000	135,478	385,478
2037	300,000	126,025	426,025
2038	300,000	115,619	415,619
2039	300,000	105,119	405,119
2040	325,000	93,900	418,900
2041	350,000	81,587	431,587
2042	350,000	68,900	418,900
2043	350,000	56,103	406,103
2044	375,000	42,650	417,650
2045	400,000	28,275	428,275
2046	400,000	13,525	413,525
2047	205,000	3,075	208,075
	<u>\$ 6,580,000</u>	<u>\$ 3,514,519</u>	<u>\$ 10,094,519</u>

See accompanying auditors' report.

Crosswinds Municipal Utility District
TSI-6. Change in Long-Term Bonded Debt
September 30, 2021

	Bond Issue		Totals
	Series 2018 Road	Series 2020 Road	
Interest rate	4.00% - 4.375%	2.00% - 3.00%	
Dates interest payable	4/1; 10/1	4/1; 10/1	
Maturity dates	4/1/22 - 4/1/46	4/1/23 - 4/1/47	
Beginning bonds outstanding	\$ 3,250,000	\$ 3,330,000	\$ 6,580,000
Ending bonds outstanding	\$ 3,250,000	\$ 3,330,000	\$ 6,580,000
Interest paid during fiscal year	\$ 135,313	\$ 89,875	\$ 225,188

Paying agent's name and city
 All Series

UMB Bank, N.A., Austin, Texas

Bond Authority:	Water, Sewer and	Water, Sewer and	Road Refunding
	Drainage Bonds	Drainage Refunding Bonds	Bonds
Amount Authorized by Voters	\$ 90,000,000	\$ 90,000,000	\$ 45,890,000
Amount Issued			(6,580,000)
Remaining To Be Issued	\$ 90,000,000	\$ 90,000,000	\$ 45,890,000

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

Debt Service Fund investment balances as of September 30, 2021: \$ 233,635

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 388,251

See accompanying auditors' report.

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Crosswinds Municipal Utility District

TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund

For the Last Five Fiscal Years

	Amounts				
	2021	2020	2019	2018	2017
Revenues					
Service availability fees	\$ 234,000	\$ 837,000	\$ 333,000	\$ 360,000	\$ 344,000
Permit fees	52,000	186,000	74,000	80,000	74,000
Property taxes	249,449	161,422	161,649	4,216	3,508
Penalties and interest	1,117	634	483		
Miscellaneous	30,750	1,687			
Investment earnings	880	7,986	9,313	379	77
Total Revenues	<u>568,196</u>	<u>1,194,729</u>	<u>578,445</u>	<u>444,595</u>	<u>421,585</u>
Expenditures					
Operating and administrative					
Professional fees	132,080	153,321	126,957	156,350	87,968
Contracted services	32,178	30,614	25,403	10,502	1,531
Repairs and maintenance	128,497	102,593	99,108	102,331	
Utilities	8,806	8,604	3,880	3,864	1,369
Administrative	17,597	21,560	19,980	18,129	13,954
Other	711	983	900	900	
Capital outlay					38,092
Total Expenditures	<u>319,869</u>	<u>317,675</u>	<u>276,228</u>	<u>292,076</u>	<u>142,914</u>
Revenues Over Expenditures	<u>\$ 248,327</u>	<u>\$ 877,054</u>	<u>\$ 302,217</u>	<u>\$ 152,519</u>	<u>\$ 278,671</u>

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues

2021	2020	2019	2018	2017
42%	69%	57%	81%	81%
9%	16%	13%	18%	18%
44%	14%	28%	1%	1%
*	*	*		
5%	*			
*	1%	2%	*	*
100%	100%	100%	100%	100%
23%	13%	22%	35%	21%
6%	3%	4%	2%	*
23%	9%	17%	23%	
2%	1%	1%	1%	*
3%	2%	3%	4%	3%
*	*	*	*	
				9%
57%	28%	47%	65%	33%
43%	72%	53%	35%	67%

Crosswinds Municipal Utility District

TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund

For the Last Three Fiscal Years

	Amounts		
	2021	2020	2019
Revenues			
Property taxes	\$ 311,806	\$ 193,079	\$ -
Penalties and interest	1,395	758	
Investment earnings	127	1,292	2,535
Total Revenues	<u>313,328</u>	<u>195,129</u>	<u>2,535</u>
Expenditures			
Professional fees	889		
Tax collection services	2,249	1,465	
Other	1,601	817	
Debt service			
Interest and fees	226,188	183,746	119,526
Total Expenditures	<u>230,927</u>	<u>186,028</u>	<u>119,526</u>
Revenues Over/(Under) Expenditures	<u>\$ 82,401</u>	<u>\$ 9,101</u>	<u>\$ (116,991)</u>

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues		
2021	2020	2019
100%	99%	
*	*	
*	1%	100%
100%	100%	100%
1%	1%	
1%	*	
72%	94%	4715%
74%	95%	4715%
26%	5%	(4615%)

***Crosswinds Municipal Utility District
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended September 30, 2021***

Complete District Mailing Address: 401 Congress Avenue, Suite 2100, Austin, Texas 78701
 District Business Telephone Number: (512) 370-2923
 Submission Date of the most recent District Registration Form
 (TWC Sections 36.054 and 49.054): January 20, 2021
 Limit on Fees of Office that a Director may receive during a fiscal year: \$ 7,200
 (Set by Board Resolution -- TWC Section 49.0600)

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse- ments	Title at Year End
Board Members				
Amy Laine	05/20 - 05/24	\$ 1,650	\$ 20	President
Lee Weber	05/18 - 05/22	1,800		Vice President
Elizabeth P. Edwards	05/20 - 05/24	1,950	120	Secretary
Anthony Dell'Abate	05/18 - 05/22	1,350		Assistant Secretary
Michael Gideon	05/20 - 05/24	1,650	8	Assistant Secretary
Consultants				
		Amounts Paid		
Andy Barrett & Associates, PLLC	2015	\$ 60,185		Attorney
Winstead PC	2015	38,496		Attorney
Bott & Douhitt, PLLC	2020	18,276		Bookkeeper
Inframark, LLC	2018	46,218		Operator/Former Bookkeeper
Hays County Tax Assessor-Collector	2016	38		Tax Collector
Hays County Central Appraisal District	Legislation	4,049		Property Valuation
Carlson, Brigance & Doering, Inc.	2017	10,800		Engineer
McGrath & Co., PLLC	2017	13,500		Auditor
The GMS Group, LLC	2016	1,600		Financial Advisor

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