

**Reunion Ranch
Water Control and Improvement
District**

**Financial Statements and
Supplemental Information
as of and for the Year Ended
September 30, 2021 and
Independent Auditors' Report**

**REUNION RANCH
WATER CONTROL AND IMPROVEMENT DISTRICT**

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ANNUAL FILING AFFIDAVIT

This document is a draft for internal review and discussion and is not intended for external distribution.

ANNUAL FILING AFFIDAVIT

**STATE OF TEXAS
COUNTY OF HAYS**

I, Dennis Daniel of the
(Name of Duly Authorized District Representative)

REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
(Name of District)

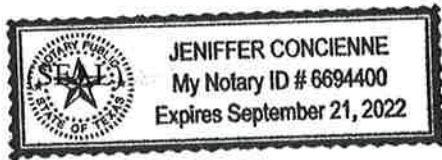
hereby swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the **18th day of January, 2022**, its annual audit report for the fiscal year ended **September 30, 2021** and that copies of the annual audit report have been filed in the District's office, located at:

12912 Hill Country Blvd., Suite F-232
Austin, Texas 78738
(Address of District's Office)

The annual filing affidavit and the attached copy of the audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code and to the Texas Comptroller of Public Accounts in satisfaction of the annual filing requirements of Section 140.008 of the Texas Local Government Code.

Date: Jan. 18, 2022 By: [Signature]
(Signature of District Representative)
Dennis Daniel, President
(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this 18th day of January, 2022.



[Signature]
(Signature of Notary)

My Commission Expires On: Sept. 21, 2022
Notary Public in the State of Texas

INDEPENDENT AUDITORS' REPORT

This document is a draft for internal review and discussion and is not intended for external distribution.

Independent Auditors' Report

To the Board of Directors of
Reunion Ranch Water Control and Improvement District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Reunion Ranch Water Control and Improvement 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.

Auditors' 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 auditors' 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 budgetary comparison information on pages MDA-1 through MDA-7 and FS-17, respectively, 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 supplemental information and other supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Texas supplemental information listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Austin, Texas
January 18, 2022

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

This document is a draft for internal review and discussion and is not intended for external distribution.

REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2021

In accordance with Governmental Accounting Standards Board Statement No. 34 ("GASB 34"), the management of Reunion Ranch Water Control and Improvement District (the "District") offers the following discussion and analysis to provide an overview of the District's financial activities for the year ended September 30, 2021. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the District's basic financial statements that follow.

FINANCIAL HIGHLIGHTS

- *General Fund:* At the end of the current fiscal year, the fund balance was \$707,216, a decrease of \$253,355 from the previous fiscal year. General Fund revenues increased from \$1,276,136 in the previous fiscal year to \$1,401,509 in the current fiscal year primarily due to additional service fee revenues generated from new connections within the District. General Fund expenditures increased from \$1,338,156 in the previous fiscal year to \$1,654,864 in the current fiscal year primarily due to wastewater treatment plant expenditures.
- *Debt Service Fund:* During fiscal year 2021, the District issued \$7,050,000 in Unlimited Tax Bonds, Series 2020. As a result, fund balance restricted for debt service increased from \$999,046 as of September 30, 2020 to \$1,146,055 as of September 30, 2021. Debt Service Fund revenues totaled \$1,680,383 in the current fiscal year while expenditures totaled \$1,533,374.
- *Capital Projects Fund:* Fund balance restricted for capital projects increased from \$448,822 as of September 30, 2020 to \$2,263,913 as of September 30, 2021. In conjunction with the issuance of \$7,050,000 in Unlimited Tax Bonds, Series 2020 and release of surplus bond proceeds, the District expended \$4,459,341 in capital outlay (related to construction of the water, wastewater and drainage system), \$218,917 in reimbursement for developer interest and \$510,431 in bond issuance costs during the current fiscal year. Capital Projects Fund revenues (including net other financing sources) totaled \$7,003,780 in the current fiscal year.
- *Governmental Activities:* On a government-wide basis for governmental activities, the District had expenses net of revenues of \$568,832 during the current fiscal year. Net position decreased from a deficit balance of \$1,669,231 at September 30, 2020 to a deficit balance of \$2,238,063 at September 30, 2021.

OVERVIEW OF THE DISTRICT

The District was duly created by order of the Texas Commission on Environmental Quality (the "Commission") dated August 15, 2005 as a conservation and reclamation district created under and essentially to accomplish the purposes of Section 59, Article XVI of the Texas Constitution.

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

USING THIS ANNUAL REPORT

This annual report consists of six parts:

1. *Management’s Discussion and Analysis* (this section)
2. *Basic Financial Statements*
3. *Notes to the Basic Financial Statements*
4. *Required Supplementary Information*
5. *Texas Supplemental Information* (required by the Texas Commission on Environmental Quality (the TSI section))
6. *Other Supplemental Information* (the OSI section)

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

OVERVIEW OF THE FINANCIAL STATEMENTS

The *Statement of Net Position and Governmental Funds Balance Sheet* includes a column (titled “Governmental Funds Total”) that represents a balance sheet prepared using the modified accrual basis of accounting. This method measures cash and all other financial assets that can be readily converted to cash. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District’s net position will indicate financial health.

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

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

The *Required Supplementary Information* presents a comparison statement between the District’s adopted budget and its actual results for the General Fund.

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**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

Summary Statement of Net Position

	Governmental Activities		Change Increase
	2021	2020	(Decrease)
Current and other assets	\$ 4,843,382	\$ 2,919,611	\$ 1,923,771
Capital and non-current assets	21,788,284	17,796,225	3,992,059
Total Assets	26,631,666	20,715,836	5,915,830
Current liabilities	1,295,426	1,126,430	168,996
Long-term liabilities	27,574,303	21,258,637	6,315,666
Total Liabilities	28,869,729	22,385,067	6,484,662
Net investment in capital assets	(3,901,131)	(3,465,243)	(435,888)
Restricted for debt service	1,035,056	913,182	121,874
Unrestricted	628,012	882,830	(254,818)
Total Net Position	\$ (2,238,063)	\$ (1,669,231)	\$ (568,832)

The District's net position decreased by \$568,832 to a deficit balance of \$2,238,063 from the previous year's deficit balance of \$1,669,231. The decrease is primarily a result of the District's bond issuance in December 2020 totaling \$7,050,000, for which \$7,050,000 in principal remains outstanding at September 30, 2021.

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued) -

Revenues and Expenses:

Summary Statement of Activities

	Governmental Activities		Change Increase
	2021	2020	(Decrease)
Property taxes, including penalties	\$ 2,019,097	\$ 1,512,428	\$ 506,669
Service account revenues, including penalties	990,386	884,310	106,076
Tap connection/inspection fees	55,800	122,500	(66,700)
Interest and other revenue	9,068	25,387	(16,319)
Total Revenues	3,074,351	2,544,625	529,726
Water reservation/monthly charges/purchases	356,180	341,137	15,043
District operations	1,056,902	698,834	358,068
Professional fees	193,522	166,436	27,086
Other	279,516	302,236	(22,720)
Debt service	1,276,659	1,065,213	211,446
Depreciation/amortization	480,404	374,915	105,489
Total Expenses	3,643,183	2,948,771	694,412
Change in Net Position	(568,832)	(404,146)	(164,686)
Beginning Net Position	(1,669,231)	(1,265,085)	(404,146)
Ending Net Position	\$ (2,238,063)	\$ (1,669,231)	\$ (568,832)

Revenues were \$3,074,351 for the fiscal year ended September 30, 2021, while expenses were \$3,643,183. Net position decreased \$568,832 for the fiscal year ended September 30, 2021.

Property tax revenues in the current fiscal year totaled \$2,019,097, up from \$1,512,428 during fiscal year 2020. Property tax revenue is derived from taxes being levied based upon the assessed value of real and personal property within the District. Property taxes levied for the 2020 tax year (September 30, 2021 fiscal year) were based upon a current assessed value of \$230,190,477 and a tax rate of \$0.875 per \$100 of assessed valuation. Property taxes levied for the 2019 tax year (September 30, 2020 fiscal year) were based upon a current assessed value of \$171,837,725 and a tax rate of \$0.875 per \$100 of assessed valuation.

The tax rate levied is determined after the District's Board of Directors (the "Board") reviews the General Fund budget requirements and the Debt Service Fund debt service obligations of the District. The District's primary revenue sources during fiscal year 2021 were property taxes and service account revenues.

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

ANALYSIS OF GOVERNMENTAL FUNDS

Governmental Funds by Year

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 4,356,202	\$ 2,456,444
Receivables	180,808	250,094
Prepaid expenditures	2,165	55,511
Total Assets	<u>\$ 4,539,175</u>	<u>\$ 2,762,049</u>
Accounts payable and other	\$ 421,973	\$ 345,392
Total Liabilities	<u>421,973</u>	<u>345,392</u>
Deferred Inflows of Resources	<u>18</u>	<u>8,218</u>
Nonspendable	2,165	1,873
Restricted	3,409,968	1,447,868
Unassigned	<u>705,051</u>	<u>958,698</u>
Total Fund Balances	<u>4,117,184</u>	<u>2,408,439</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,539,175</u>	<u>\$ 2,762,049</u>

As of September 30, 2021, the District's governmental funds reflected a fund balance of \$4,117,184. For the year ended September 30, 2021, fund balances increased by \$147,009 and \$1,815,091 in the Debt Service Fund and Capital Projects Fund, respectively, and decreased \$253,355 in the General Fund.

CAPITAL ASSETS

At September 30, 2021, the District's governmental activities have invested \$21,788,284 in water, wastewater, and drainage system infrastructure. The detail is reflected in the following schedule:

Summary of Capital Assets, net

	<u>9/30/2021</u>	<u>9/30/2020</u>
Water/Wastewater/Drainage Facilities	\$ 23,249,245	\$ 18,789,904
Less: Accumulated Depreciation	<u>(1,460,961)</u>	<u>(993,679)</u>
Total Net Capital Assets	<u>\$ 21,788,284</u>	<u>\$ 17,796,225</u>

More detailed information about the District's capital assets is presented in the *Notes to the Basic Financial Statements*.

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

LONG-TERM DEBT

The District has the following balances outstanding on unlimited tax bonds:

	<u>Bonds Payable</u>
Series 2015	\$ 3,150,000
Series 2016	3,320,000
Series 2017	5,315,000
Series 2018	4,805,000
Series 2019	4,685,000
Series 2020	<u>7,050,000</u>
Total	<u>\$ 28,325,000</u>

The District owes \$28.325 million to bond holders. During the year, the District paid interest of \$848,971 on outstanding principal. The ratio of the District's long-term debt to total 2020 taxable assessed valuation (\$230,190,477) is 12.3%. The District's estimated population, as provided by the District as of November 17, 2020, is 1,488. More detailed information about the District's long-term debt is presented in the *Notes to the Basic Financial Statements*.

BUDGETARY HIGHLIGHTS

The General Fund pays for daily operating expenditures. The Board adopted a budget on September 15, 2020 for the 2021 fiscal year. The 2021 fiscal year budget included projected revenues of \$1,144,970 as compared to expenditures of \$1,042,438. When comparing actual results to budget, the District had a negative variance of \$355,887 primarily due to increased wastewater plant expenditures. More detailed information about the District's budgetary comparison is presented in the *Required Supplementary Information*.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The net property tax assessed value for 2021 (September 30, 2022 fiscal year) is approximately \$290 million. The fiscal year 2022 tax rate is \$0.825 on each \$100 of taxable value. Approximately 33% of the property tax will fund general operating expenses and approximately 67% of the property tax will be set aside for debt service.

The adopted budget for fiscal year 2022 projects an operating fund balance increase of \$155,613. Compared to the fiscal year 2021 budget, revenues are expected to increase by approximately \$502,000 and expenditures are expected to increase by approximately \$449,000.

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of Willatt & Flickinger PLLC, 12912 Hill Country Blvd., Suite F-232, Austin, TX 78738.

BASIC FINANCIAL STATEMENTS

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2021**

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - Wide Statement of Net Position
ASSETS						
Cash and cash equivalents:						
Cash	\$ 158,050	\$ -	\$ -	\$ 158,050	\$ -	\$ 158,050
Cash equivalents	786,394	1,142,077	2,269,681	4,198,152	-	4,198,152
Receivables:						
Service accounts, net of reserve for doubtful accounts of \$-0-	162,060	-	-	162,060	-	162,060
Property taxes	1,033	4,993	-	6,026	-	6,026
Interfund	6,768	-	-	6,768	(6,768)	-
Other	5,954	-	-	5,954	-	5,954
Prepaid expenditures	2,165	-	-	2,165	310,975	313,140
Capital assets, net of accumulated depreciation-						
Water/wastewater/drainage facilities	-	-	-	-	21,788,284	21,788,284
TOTAL ASSETS	\$ 1,122,424	\$ 1,147,070	\$ 2,269,681	\$ 4,539,175	22,092,491	26,631,666
LIABILITIES						
Accounts payable	\$ 301,635	\$ -	\$ -	\$ 301,635	-	301,635
Accrued bond interest payable	-	-	-	-	111,014	111,014
Deposits	113,570	-	-	113,570	-	113,570
Interfund payables	-	1,000	5,768	6,768	(6,768)	-
Long-term liabilities -						
Due to developer	-	-	-	-	79,207	79,207
Bonds payable:						
Due within one year	-	-	-	-	690,000	690,000
Due after one year	-	-	-	-	27,574,303	27,574,303
TOTAL LIABILITIES	415,205	1,000	5,768	421,973	28,447,756	28,869,729
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue - property taxes	3	15	-	18	(18)	-
TOTAL DEFERRED INFLOWS OF RESOURCES	3	15	-	18	(18)	-
FUND BALANCES / NET POSITION						
Fund balances:						
Nonspendable	2,165	-	-	2,165	(2,165)	-
Restricted for:						
Debt service	-	1,146,055	-	1,146,055	(1,146,055)	-
Authorized construction	-	-	2,263,913	2,263,913	(2,263,913)	-
Unassigned	705,051	-	-	705,051	(705,051)	-
TOTAL FUND BALANCES	707,216	1,146,055	2,263,913	4,117,184	(4,117,184)	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,122,424	\$ 1,147,070	\$ 2,269,681	\$ 4,539,175		
Net position:						
Net investment in capital assets					(3,901,131)	(3,901,131)
Restricted for debt service					1,035,056	1,035,056
Unrestricted					628,012	628,012
TOTAL NET POSITION					\$ (2,238,063)	\$ (2,238,063)

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The accompanying notes are an integral part of this statement.*

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2021**

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - Wide Statement of Activities
REVENUES:						
Property taxes, including penalties	\$ 347,617	\$ 1,679,680	\$ -	\$ 2,027,297	\$ (8,200)	\$ 2,019,097
Service account revenues, including penalties	990,386	-	-	990,386	-	990,386
Tap connection/inspection fees	55,800	-	-	55,800	-	55,800
Interest and other	7,706	703	659	9,068	-	9,068
TOTAL REVENUES	1,401,509	1,680,383	659	3,082,551	(8,200)	3,074,351
EXPENDITURES / EXPENSES:						
Current:						
Water purchases	356,180	-	-	356,180	-	356,180
Lab/chemicals	50,338	-	-	50,338	-	50,338
Repairs and maintenance	389,875	-	-	389,875	-	389,875
Sludge hauling	406,417	-	-	406,417	-	406,417
Utilities	17,343	-	-	17,343	-	17,343
Landscape maintenance	66,980	-	-	66,980	-	66,980
Connection/inspection fees	30,863	-	-	30,863	-	30,863
Permits	1,328	-	-	1,328	-	1,328
Management fees	93,758	-	-	93,758	-	93,758
Legal fees	93,758	-	-	93,758	-	93,758
Engineering fees	63,014	-	-	63,014	-	63,014
Audit fees	12,000	-	-	12,000	-	12,000
Bookkeeping fees	24,750	-	-	24,750	-	24,750
Tax appraisal/collection fees	2,346	11,339	-	13,685	-	13,685
Director fees, including payroll taxes	12,111	-	-	12,111	-	12,111
Insurance	14,903	-	-	14,903	-	14,903
Public notice	1,798	-	-	1,798	-	1,798
Developer interest	-	-	218,917	218,917	-	218,917
Other	17,102	1,000	-	18,102	-	18,102
Debt service:						
Principal	-	670,000	-	670,000	(670,000)	-
Interest	-	848,971	-	848,971	20,943	869,914
Fiscal agent fees	-	2,064	-	2,064	-	2,064
Bond issuance costs	-	-	510,431	510,431	(105,750)	404,681
Capital outlay	-	-	4,459,341	4,459,341	(4,459,341)	-
Depreciation	-	-	-	-	467,282	467,282
Amortization	-	-	-	-	13,122	13,122
TOTAL EXPENDITURES / EXPENSES	1,654,864	1,533,374	5,188,689	8,376,927	(4,733,744)	3,643,183
Excess (deficit) of revenues over (under) expenditures / expenses	(253,355)	147,009	(5,188,030)	(5,294,376)	4,725,544	(568,832)
OTHER FINANCING SOURCES (USES):						
Issuance of bonds	-	-	7,050,000	7,050,000	(7,050,000)	-
Discount on sale of bonds	-	-	(99,516)	(99,516)	99,516	-
Premium on sale of bonds	-	-	52,637	52,637	(52,637)	-
TOTAL OTHER FINANCING SOURCES, NET	-	-	7,003,121	7,003,121	(7,003,121)	-
NET CHANGE IN FUND BALANCES	(253,355)	147,009	1,815,091	1,708,745	(1,708,745)	-
CHANGE IN NET POSITION					(568,832)	(568,832)
FUND BALANCES / NET POSITION:						
Beginning of the year	960,571	999,046	448,822	2,408,439	(4,077,670)	(1,669,231)
End of the year	\$ 707,216	\$ 1,146,055	\$ 2,263,913	\$ 4,117,184	\$ (6,355,247)	\$ (2,238,063)

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The accompanying notes are an integral part of this statement.*

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

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**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Reunion Ranch Water Control and Improvement District (the "District") relating to the funds included in the accompanying financial statements conform to generally accepted accounting principles ("GAAP") as applied to governmental entities. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB"), which constitutes the primary source of GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

Reporting Entity - The District was duly created by order of the Texas Commission on Environmental Quality (the "Commission") dated August 15, 2005 as a conservation and reclamation district created under and essentially to accomplish the purposes of Section 59, Article XVI of the Texas Constitution. The reporting entity of the District encompasses those activities and functions over which the District's elected officials exercise significant oversight or control. The District is governed by a five member Board of Directors (the "Board") which has been elected by District residents or appointed by the Board. The District is not included in any other governmental "reporting entity" as defined by GASB since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units included in the District's reporting entity.

Basis of Presentation - Government-Wide and Fund Financial Statements - The basic financial statements are prepared in conformity with GASB Statement No. 34, and include a column for government-wide (based upon the District as a whole) and fund financial statement presentations. GASB Statement No. 34 also requires as supplementary information the Management's Discussion and Analysis, which includes an analytical overview of the District's financial activities. In addition, a budgetary comparison statement is presented that compares the adopted General Fund budget with actual results.

- **Government-Wide Financial Statements:** The District's Statement of Net Position includes both non-current assets and non-current liabilities of the District, which were previously recorded in the General Fixed Assets Account Group and the General Long-Term Debt Account Group. In addition, the government-wide Statement of Activities column reflects depreciation expense on the District's capital assets, including infrastructure.

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from financial activities of the fiscal period. The focus of the fund financial statements is on the individual funds of the governmental categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES (continued) -

- **Fund Financial Statements:** Fund-based financial statement columns are provided for governmental funds. GASB Statement No. 34 sets forth minimum criteria (percentage of assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures of either fund category) for the determination of major funds.

Governmental Fund Types - The accounts of the District are organized and operated on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts that comprise its assets and deferred outflows of resources, liabilities and deferred inflows of resources, fund balances, revenues and expenditures. The various funds are grouped by category and type in the financial statements. The District maintains the following fund types:

- **General Fund** - The General Fund accounts for financial resources in use for general types of operations which are not encompassed within other funds. This fund is established to account for resources devoted to financing the general services that the District provides for its residents. Tax revenues and other sources of revenue used to finance the fundamental operations of the District are included in this fund.
- **Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.
- **Capital Projects Fund** - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Non-Current Governmental Assets and Liabilities - GASB Statement No. 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the government-wide financial statement column in the Statement of Net Position.

Basis of Accounting

- **Governmental Funds**
 - **Government-Wide Statements** - The government-wide financial statement column is reported using the economic resources measurement focus and the 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 revenues in the year for which they are levied.

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES (continued) -

• **Governmental Funds (continued) -**

- *Fund Financial Statements* - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the fund balances. Governmental funds are accounted for on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available).

“Measurable” means that the amount of the transaction can be determined and “available” means the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures, if measurable, are generally recognized on the accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include the unmatured principal and interest on general obligation long-term debt which is recognized when due. This exception is in conformity with GAAP.

Property tax revenues are recognized when they become available. In this case, available means when due, or past due and receivable within the current period and collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Tax collections expected to be received subsequent to the 60-day availability period are reported as deferred inflows of resources. The District has made an accrual for tax collections received 60 days subsequent to year end for the year ended September 30, 2021. All other revenues of the District are recorded on the accrual basis in all funds.

The District reports deferred inflows of resources on its balance sheet. Deferred inflows arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when revenue recognition criteria are met, the balance for deferred inflows is removed from the balance sheet and revenue is recognized.

Budgets and Budgetary Accounting - A budget was adopted on September 15, 2020, for the General Fund on a basis consistent with GAAP. The District’s Board utilizes the budget as a management tool for planning and cost control purposes. All annual appropriations lapse at fiscal year-end. The budget was not amended during the fiscal year.

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES (continued) -

Accounting Estimates - The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, 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.

Cash and Cash Equivalents - Cash and cash equivalents includes cash on deposit as well as investments with maturities of three months or less. The investments, consisting of obligations in the State Treasurer’s investment pool, are recorded at amortized cost.

Accounts Receivable - The District provides for uncollectible accounts receivable using the allowance method of accounting for bad debts. Under this method of accounting, a provision for uncollectible accounts is charged to earnings. The allowance account is increased or decreased based on past collection history and management’s evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance account, and recoveries of previously charged off accounts are added to the allowance. The District believes all accounts were collectible at September 30, 2021.

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

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

Capital Assets - Capital assets are reported in the government-wide column in the Statement of Net Position. Public domain (“infrastructure”) capital assets, including water, wastewater and drainage facilities, are capitalized. Items purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded as capital assets at their estimated acquisition value at the time received.

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

Asset	Years
Water, wastewater, and drainage facilities	50

REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (continued) -

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the government-wide Statement of Net Position. Bond premiums and original issue discounts are deferred over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond insurance costs are reported as assets and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in both the government-wide and the fund financial statements in accordance with GASB Statement No. 65.

Ad Valorem Property Taxes - Property taxes, penalties, and interest are reported as revenue in the fiscal year in which they become available to finance expenditures of the District. Allowances for uncollectible property taxes within the General Fund and Debt Service Fund are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Fund Equity - The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. See Note 10 for additional information on those fund balance classifications.

Deferred Outflows and Deferred Inflows of Resources - The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.

The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES (continued) -

Fair Value Measurements - The District complies with GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- Level 3 inputs are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities
- Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost)
- Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations

Recently Issued Accounting Pronouncements - In June 2017, GASB issued GASB Statement No. 87, *Leases*, effective for fiscal years beginning after June 15, 2021. The objective of GASB Statement No. 87 is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. Management is evaluating the effects that the full implementation of GASB Statement No. 87 will have on its financial statements for the year ended September 30, 2022.

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021**

2. RECONCILIATION OF THE GOVERNMENTAL FUNDS

Adjustments to convert the Governmental Funds Balance Sheet to the Statement of Net Position are as follows:

Fund balances - total governmental funds		\$ 4,117,184
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Capital assets	\$ 23,249,245	
Less: Accumulated depreciation	<u>(1,460,961)</u>	21,788,284
Prepaid costs		310,975
Revenue is recognized when earned in the government-wide statements, regardless of availability. The governmental fund reports deferred inflows of resources for revenues earned but not available.		18
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable, net of unamortized premiums and discounts	(28,264,303)	
Developer advances	(79,207)	
Accrued interest	<u>(111,014)</u>	<u>(28,454,524)</u>
Total net position		<u>\$ (2,238,063)</u>

Adjustments to convert the Governmental Funds Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities are as follows:

Change in fund balances - total governmental funds		\$ 1,708,745
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report:		
Capital expenditures in the period purchased	\$ 4,459,341	
Interest expenditures in year paid	(20,943)	
Bond principal in year paid	670,000	
Tax revenue in year collected	(8,200)	
Bond issuance costs	105,750	
Bond proceeds in year received, net	<u>(7,003,121)</u>	(1,797,173)
Governmental funds do not report:		
Depreciation		(467,282)
Amortization		<u>(13,122)</u>
Change in net position		<u>\$ (568,832)</u>

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021**

3. CASH AND CASH EQUIVALENTS

The investment policies of the District are governed by Section 2256 of the Texas Government Code (the "Public Funds Investment Act") and an adopted District investment policy that includes depository contract provisions and custodial contract provisions. Major provisions of the District's investment policy, which complies with the Public Funds Investment Act, include: depositories must be Federal Deposit Insurance Corporation ("FDIC") insured Texas banking institutions; depositories must fully insure or collateralize all demand and time deposits; and securities collateralizing time deposits must be held by independent third party trustees.

Cash - At September 30, 2021, the carrying amount of the District's deposits was \$158,050 and the bank balance was \$158,695. The bank balance was covered by FDIC insurance and other pledged collateral.

Cash Equivalents -

Interest Rate Risk - In accordance with its investment policy, the District manages its exposure to declines in fair values through investment diversification and limiting investments as follows:

- Money market mutual funds are required to have weighted average maturities of 90 days or fewer; and
- Other mutual fund investments are required to have weighted average maturities of less than two years.

Credit Risk - The District's investment policy requires the application of the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, and considering the probable safety of their capital as well as the probable income to be derived. The District's investment policy requires that District funds be invested in:

- Obligations of the United States Government and/or its agencies and instrumentalities; or
- Money market mutual funds with investment objectives of maintaining a stable net asset value of \$1 per share; or
- Mutual funds rated in one of the three highest categories by a nationally recognized rating agency; or
- Securities issued by a State or local government or any instrumentality or agency thereof, in the United States, and rated in one of the three highest categories by a nationally recognized rating agency; or
- Public funds investment pools rated AAA or AAAM by a nationally recognized rating agency.

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021**

3. CASH AND CASH EQUIVALENTS (continued) -

At September 30, 2021, the District held the following cash equivalents:

Investment	Fair Value at 9/30/2021	Weighted Average Maturity (Days)	Investment Rating	
			Rating	Rating Agency
TexPool	\$ 4,198,152	1	AAAm	Standard & Poors
	<u>\$ 4,198,152</u>			

The Comptroller of Public Accounts is the sole officer and director of the Texas Treasury Safekeeping Trust Company, which is authorized to operate the Texas Local Government Investment Pool (“TexPool”). Although TexPool is not registered with the SEC as an investment company, they operate in a manner consistent with the SEC’s Rule 2a-7 of the Investment Company Act of 1940. These investments are stated at amortized cost in accordance with GASB Statement No. 31. TexPool also has an advisory board to advise on TexPool’s investment policy. This board is made up equally of participants and nonparticipants who do not have a business relationship with TexPool. Federated Investors is the investment manager for the pool and manages daily operations of TexPool under a contract with the Comptroller. TexPool’s investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

In accordance with GASB Statement No. 79, the external local government investment pool does not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. This pool does not impose any liquidity fees or redemption gates.

Concentration of Credit Risk - In accordance with the District’s investment policy, investments in individual securities are to be limited to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. As of September 30, 2021, the District did not own any investments in individual securities.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The government’s investment policy requires that the District’s deposits be fully insured by FDIC insurance or collateralized with obligations of the United States or its agencies and instrumentalities. As of September 30, 2021, the District’s bank deposits were fully covered by FDIC insurance and other pledged collateral.

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021**

4. PROPERTY TAXES

Property taxes attach as an enforceable lien on January 1. Taxes are levied on or about October 1, are due on November 1, and are past due the following February 1. The Hays County Appraisal District established appraisal values in accordance with requirements of the Texas Legislature. The District levies taxes based upon the appraised values. The Hays County Tax Assessor Collector bills and collects the District's property taxes. The Board set current tax rates on September 15, 2020.

The property tax rates, established in accordance with state law, were based on 100% of the net assessed valuation of real property within the District on the 2020 tax roll. The tax rate, based on total taxable assessed valuation of \$230,190,477, was \$0.875 on each \$100 valuation and was allocated \$0.150 to the General Fund and \$0.725 to the Debt Service Fund. The maximum allowable maintenance tax of \$1.00 was established by the voters on November 7, 2006.

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

	General Fund	Debt Service Fund	Total
Current year levy	\$ 1,033	\$ 4,993	\$ 6,026
Prior years' levies	-	-	-
	\$ 1,033	\$ 4,993	\$ 6,026

The District is prohibited from writing off real property taxes without specific authority from the Texas Legislature.

5. INTERFUND ACCOUNTS

A summary of interfund accounts, which resulted from the time lag between dates that payments are made between funds, is as follows at September 30, 2021:

	Interfund	
	Receivable	Payable
General Fund :		
Capital Projects Fund	\$ 5,768	\$ -
Debt Service Fund	1,000	
Debt Service Fund -		
General Fund	-	1,000
Capital Projects Fund -		
General Fund	-	5,768
	\$ 6,768	\$ 6,768

This document is a draft for internal review and discussion and is not intended for external distribution.

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021**

6. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance 9/30/2020	Additions	Deletions	Balance 9/30/2021
Capital assets being depreciated - Water/Wastewater/Drainage Facilities	\$ 18,789,904	\$ 4,459,341	\$ -	\$ 23,249,245
Total capital assets being depreciated	18,789,904	4,459,341	-	23,249,245
Less accumulated depreciation for - Water/Wastewater/Drainage Facilities	(993,679)	(467,282)	-	(1,460,961)
Total accumulated depreciation	(993,679)	(467,282)	-	(1,460,961)
Total capital assets, net	<u>\$ 17,796,225</u>	<u>\$ 3,992,059</u>	<u>\$ -</u>	<u>\$ 21,788,284</u>

7. LONG-TERM DEBT

The following is a summary of bond transactions of the District for the year ended September 30, 2021:

	Unlimited Tax Bonds
Bonds payable at September 30, 2020	\$21,945,000
Bonds issued	7,050,000
Bonds retired	(670,000)
Less: Bond premiums and discounts, net of accumulated amortization	(60,697)
Bonds payable at September 30, 2021	<u>\$28,264,303</u>

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021**

7. LONG-TERM DEBT (continued) -

Bonds payable at September 30, 2021 were comprised of the following individual issues:

Unlimited Tax Bonds:

\$3,150,000 - 2015 Unlimited Tax Bonds payable serially through the year 2040 at interest rates which range from 1.75 % to 4.00%.

\$3,320,000 - 2016 Unlimited Tax Bonds payable serially through the year 2041 at interest rates which range from 3.00% to 4.25%.

\$5,315,000 - 2017 Unlimited Tax Bonds payable serially through the year 2042 at interest rates which range from 2.00% to 3.50%.

\$4,805,000 - 2018 Unlimited Tax Bonds payable serially through the year 2043 at interest rates which range from 2.70% to 4.00%.

\$4,685,000 - 2019 Unlimited Tax Bonds payable serially through the year 2044 at interest rates which range from 2.00% to 3.00%.

\$7,050,000 - 2020 Unlimited Tax Bonds payable serially through the year 2045 at interest rates which range from 2.00% to 2.375%.

On December 15, 2020, the District issued \$7,050,000 of Unlimited Tax Bonds, Series 2020, with interest rates ranging from 2.00% to 2.375%. The net proceeds of \$6,942,288 (after payment of underwriter fees and other bond related costs), which includes \$447,956 of surplus bond proceeds were deposited with the District's investment accounts to finance water, wastewater and drainage improvements and wastewater treatment plant improvements and to pay for subsequent bond issuance costs.

The annual requirements to amortize all bonded debt at September 30, 2021, including interest, are as follows:

Year Ended September 30,	Principal	Interest	Total
2022	\$ 690,000	\$ 888,114	\$ 1,578,114
2023	815,000	870,954	1,685,954
2024	835,000	850,554	1,685,554
2025	865,000	827,844	1,692,844
2026	895,000	804,094	1,699,094
2027-2031	5,100,000	3,593,377	8,693,377
2032-2036	6,255,000	2,690,952	8,945,952
2037-2041	7,390,000	1,535,460	8,925,460
2042-2045	5,480,000	330,980	5,810,980
	<u>\$ 28,325,000</u>	<u>\$ 12,392,329</u>	<u>\$ 40,717,329</u>

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021**

7. LONG-TERM DEBT (continued) -

The total amount of bonds approved by the voters of the District, but not issued as of September 30, 2021, are as follows:

Type	Amount
Unlimited Tax Bonds	\$ -
Refunding Bonds	\$ 45,000,000

At September 30, 2021, \$1,146,055 is available in the Debt Service Fund to service the bonded debt.

8. COMMITMENTS AND CONTINGENCIES

The developers of the land within the District have incurred costs for construction of facilities, as well as costs pertaining to the creation and operation of the District. Claims for reimbursement of construction costs and operational advances will be evaluated upon receipt of adequate supporting documentation and proof of contractual obligation. Such costs may be reimbursable to the developer by the District from proceeds of future District bond issues, subject to approval by the Commission, or from operations. On November 6, 2012, a bond election held within the District approved authorization to issue \$30,000,000 of bonds to fund costs for water, wastewater and drainage system facilities. As of September 30, 2021, the District has issued \$30,000,000 of unlimited tax bonds to reimburse the developer for District construction and creation costs. At September 30, 2021, the District has \$79,207 outstanding in developer advances which were used to fund operating activities of the District.

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

9. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained coverage from commercial insurance companies to effectively manage its risk. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021**

10. FUND BALANCES

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

- Nonspendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.
- Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board. The District had no such amounts.
- Assigned - For the General Fund, amounts that are appropriated by the Board that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed. The District had no such amounts.
- Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

The detail of the fund balances is included in the Governmental Funds Balance Sheet on page FS-1.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board may also assign fund balance for a specific purpose.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

**REQUIRED
SUPPLEMENTARY INFORMATION**

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Property taxes, including penalties	\$ 347,617	\$ 327,832	\$ 19,785
Service account revenues, including penalties	990,386	742,738	247,648
Tap connection/inspection fees	55,800	63,000	(7,200)
Interest and other	7,706	11,400	(3,694)
TOTAL REVENUES	<u>1,401,509</u>	<u>1,144,970</u>	<u>256,539</u>
EXPENDITURES:			
Water purchases	356,180	327,611	(28,569)
Lab/chemicals	50,338	43,200	(7,138)
Repairs and maintenance	389,875	214,000	(175,875)
Sludge hauling	406,417	48,000	(358,417)
Utilities	17,343	16,800	(543)
Landscape maintenance	66,980	48,000	(18,980)
Connection/inspection fees	30,863	23,400	(7,463)
Permits	1,328	1,500	172
Management fees	93,758	100,590	6,832
Legal fees	93,758	69,000	(24,758)
Engineering fees	63,014	58,200	(4,814)
Audit fees	12,000	11,750	(250)
Bookkeeping fees	24,750	24,750	-
Tax appraisal/collection fees	2,346	4,000	1,654
Director fees, including payroll taxes	12,111	9,779	(2,332)
Insurance	14,903	15,000	97
Public notices	1,798	1,450	(348)
Other	17,102	5,408	(11,694)
Capital outlay	-	20,000	20,000
TOTAL EXPENDITURES	<u>1,654,864</u>	<u>1,042,438</u>	<u>(612,426)</u>
NET CHANGE IN FUND BALANCE	(253,355)	<u>\$ 102,532</u>	<u>\$ (355,887)</u>
FUND BALANCE:			
Beginning of the year	<u>960,571</u>		
End of the year	<u>\$ 707,216</u>		

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**TEXAS
SUPPLEMENTAL INFORMATION**

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
TSI-1. SERVICES AND RATES
SEPTEMBER 30, 2021**

1. Services Provided by the District during the Fiscal Year:

- | | | |
|---|---|--|
| <input checked="" type="checkbox"/> Retail Water | <input type="checkbox"/> Wholesale Water | <input checked="" type="checkbox"/> Drainage |
| <input checked="" type="checkbox"/> Retail Wastewater | <input type="checkbox"/> Wholesale Wastewater | <input type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks/Recreation | <input type="checkbox"/> Fire Protection | <input type="checkbox"/> Security |
| <input type="checkbox"/> Solid Waste/Garbage | <input type="checkbox"/> Flood Control | <input type="checkbox"/> Roads |
| <input type="checkbox"/> Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect) | | |
| <input type="checkbox"/> Other (specify): _____ | | |

2. Retail Service Providers

a. Retail Rates Based on 5/8" Meter (or equivalent):

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1000 Gallons Over Minimum</u>	<u>Usage Levels</u>
WATER:	\$ 40.00	N/A	N	\$ 3.50	0 -10,000
				\$ 3.85	10,001 - 15,000
				\$ 4.40	15,001 - 20,000
				\$ 5.65	20,001 - 25,000
				\$ 7.00	25,001 - 30,000
				\$ 12.00	30,001 - 40,000
				\$ 15.00	40,001 and over
WASTEWATER:	\$ 35.00	N/A	N	\$ 3.25	per 1,000
SURCHARGE:	\$ -	-	-	\$ -	-

District employs winter averaging for wastewater usage? Yes No

Total charges per 10,000 gallons usage: Water \$ 75.00 Wastewater \$ 67.50

b. Water and Wastewater Retail Connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFC's</u>
Unmetered	-	-	1.0	-
< 3/4"	515	515	1.0	515.0
1"	3	3	2.5	7.5
1 1/2"	3	3	5.0	15.0
2"	1	1	8.0	8.0
3"	2	2	15.0	30.0
4"	-	-	25.0	-
6"	-	-	50.0	-
8"	-	-	80.0	-
10"	-	-	115.0	-
Total Water	524	524		575.5
Total Wastewater	521	521	1.0	521.0

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
TSI-1. SERVICES AND RATES
SEPTEMBER 30, 2021**

3. Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):

Gallons pumped into system: 98,263

Gallons billed to customers: 98,139

Water Accountability Ratio (Gallons billed / Gallons Pumped) 99.9%

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

Does the District assess standby fees? Yes No

If yes, Date of the most recent Commission Order: _____

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

If yes, Date of the most recent Commission Order: _____

5. Location of District

County(ies) in which district is located: Hays

Is the District located entirely within one county? Yes No

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

City(ies) in which District is located: N/A

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

Entirely Partly Not at all

ETJ's in which District is located: City of Dripping Springs, TX

Are Board members appointed by an office outside the District?

Yes No

If Yes, by whom? _____

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
TSI-2. GENERAL FUND EXPENDITURES
SEPTEMBER 30, 2021**

Professional Fees:	
Auditing	\$ 12,000
Legal	93,758
Engineering	63,014
Purchased Services For Resale:	
Bulk Water and Wastewater Purchases	356,180
Contracted Services:	
Bookkeeping	24,750
General Manager	93,758
Appraisal District/Tax Collector	2,346
Other Contracted Services	437,280
Utilities	17,343
Repairs and Maintenance	456,855
Chemicals	50,338
Administrative Expenditures:	
Directors' Fees	12,111
Insurance	14,903
Other Administrative Expenditures	18,900
Capital Outlay:	
Capitalized Assets	-
Other Expenditures	1,328
TOTAL EXPENDITURES	<u><u>\$ 1,654,864</u></u>

Number of persons employed by the District:

Full-Time

Part-Time

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
TSI-3. TEMPORARY INVESTMENTS
SEPTEMBER 30, 2021**

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
General Fund-					
TexPool	XXX0001	Varies	Daily	\$ 786,394	\$ -
Total				<u>786,394</u>	<u>-</u>
Debt Service Fund:					
TexPool	XXX0002	Varies	Daily	4,143	-
TexPool	XXX0005	Varies	Daily	1,137,934	-
Total				<u>1,142,077</u>	<u>-</u>
Capital Projects Fund:					
TexPool	XXX0008	Varies	Daily	7	-
TexPool	XXX0011	Varies	Daily	1,361	-
TexPool	XXX0013	Varies	Daily	3,739	-
TexPool	XXX0014	Varies	Daily	2,264,574	-
Total				<u>2,269,681</u>	<u>-</u>
Total - All Funds				<u>\$ 4,198,152</u>	<u>\$ -</u>

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
TSI-4. TAXES LEVIED AND RECEIVABLE
SEPTEMBER 30, 2021**

	Maintenance Taxes	Debt Service Taxes	
Taxes Receivable, Beginning of Year	\$ 1,466	\$ 6,752	
2020 Original Tax Levy, less abatements	335,969	1,623,848	
Adjustments	9,364	45,264	
Total to be accounted for	346,799	1,675,864	
Tax collections:			
Current year	344,362	1,664,419	
Prior years	1,404	6,452	
Total collections	345,766	1,670,871	
Taxes Receivable, End of Year	\$ 1,033	\$ 4,993	
Taxes Receivable, By Years			
2019 and before	\$ -	\$ -	
2020	1,033	4,993	
Taxes Receivable, End of Year	\$ 1,033	\$ 4,993	
Property Valuations:	2020 (a)	2019 (a)	2018 (a)
Land and improvements	\$ 230,190,477	\$ 171,837,725	\$ 135,441,457
Total Property Valuations	\$ 230,190,477	\$ 171,837,725	\$ 135,441,457
Tax Rates per \$100 Valuation:			
Debt Service tax rates	\$ 0.725	\$ 0.725	\$ 0.700
Maintenance tax rates	0.150	0.150	0.175
Total Tax Rates per \$100 Valuation:	\$ 0.875	\$ 0.875	\$ 0.875
Original Tax Levy	\$ 1,959,817	\$ 1,495,289	\$ 1,179,844
Percent of Taxes Collected to Taxes Levied **	99.7%	100.0%	100.0%

Maximum Tax Rate Approved by Voters: \$ 1.00 on 11/7/2006.

**Calculated as taxes collected in current and previous years divided by tax levy.

(a) Valuations are provided by the appropriate Appraisal District. Due to various factors including tax protests and disputes, such valuations change over time; therefore, they may vary slightly from those disclosed in the District's bond offering documents or the District's annual bond disclosure filings.

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS
SEPTEMBER 30, 2021**

Fiscal Year Ending	Unlimited Tax Bonds Series 2015			Unlimited Tax Bonds Series 2016			Unlimited Tax Bonds Series 2017			Unlimited Tax Bonds Series 2018		
	Principal Due 8/15	Interest Due 2/15, 8/15	Total	Principal Due 8/15	Interest Due 2/15, 8/15	Total	Principal Due 8/15	Interest Due 2/15, 8/15	Total	Principal Due 8/15	Interest Due 2/15, 8/15	Total
2022	\$ 100,000	\$ 118,160	\$ 218,160	\$ 105,000	\$ 127,831	\$ 232,831	\$ 155,000	\$ 170,219	\$ 325,219	\$ 195,000	\$ 183,666	\$ 378,666
2023	105,000	115,410	220,410	110,000	124,681	234,681	165,000	167,119	332,119	195,000	178,206	373,206
2024	110,000	112,260	222,260	115,000	121,381	236,381	170,000	163,819	333,819	195,000	172,356	367,356
2025	115,000	108,850	223,850	125,000	117,931	242,931	180,000	158,718	338,718	195,000	166,507	361,507
2026	120,000	105,256	225,256	130,000	114,025	244,025	190,000	153,319	343,319	195,000	160,656	355,656
2027	130,000	101,356	231,356	135,000	109,638	244,638	195,000	147,619	342,619	200,000	154,562	354,562
2028	135,000	96,806	231,806	140,000	104,913	244,913	205,000	141,769	346,769	200,000	146,563	346,563
2029	145,000	92,082	237,082	145,000	100,013	245,013	215,000	135,618	350,618	200,000	138,562	338,562
2030	150,000	86,825	236,825	155,000	94,756	249,756	225,000	129,169	354,169	200,000	130,563	330,563
2031	160,000	81,200	241,200	160,000	88,944	248,944	235,000	122,419	357,419	200,000	122,562	322,562
2032	165,000	75,200	240,200	170,000	82,944	252,944	245,000	115,369	360,369	200,000	114,563	314,563
2033	175,000	68,600	243,600	175,000	76,144	251,144	255,000	107,712	362,712	205,000	106,562	311,562
2034	185,000	61,600	246,600	185,000	69,144	254,144	265,000	99,425	364,425	205,000	98,363	303,363
2035	195,000	54,200	249,200	190,000	61,744	251,744	280,000	90,813	370,813	215,000	90,162	305,162
2036	210,000	46,400	256,400	195,000	53,906	248,906	290,000	81,363	371,363	220,000	81,563	301,563
2037	220,000	38,000	258,000	200,000	45,863	245,863	305,000	71,574	376,574	225,000	72,762	297,762
2038	230,000	29,200	259,200	205,000	37,613	242,613	320,000	60,900	380,900	230,000	63,763	293,763
2039	245,000	20,000	265,000	210,000	28,900	238,900	330,000	49,700	379,700	240,000	54,562	294,562
2040	255,000	10,200	265,200	215,000	19,975	234,975	345,000	38,150	383,150	250,000	44,963	294,963
2041	-	-	-	255,000	10,836	265,836	365,000	26,075	391,075	270,000	34,650	304,650
2042	-	-	-	-	-	-	380,000	13,300	393,300	280,000	23,512	303,512
2043	-	-	-	-	-	-	-	-	-	290,000	11,963	301,963
2044	-	-	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 3,150,000</u>	<u>\$ 1,421,605</u>	<u>\$ 4,571,605</u>	<u>\$ 3,320,000</u>	<u>\$ 1,591,182</u>	<u>\$ 4,911,182</u>	<u>\$ 5,315,000</u>	<u>\$ 2,244,169</u>	<u>\$ 7,559,169</u>	<u>\$ 4,805,000</u>	<u>\$ 2,351,591</u>	<u>\$ 7,156,591</u>

(Continued)

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**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS (CONTINUED)
SEPTEMBER 30, 2021**

Fiscal Year Ending	Unlimited Tax Bonds Series 2019			Unlimited Tax Bonds Series 2020			Total - All Issues		
	Principal Due 8/15	Interest Due 2/15, 8/15	Total	Principal Due 8/15	Interest Due 2/15, 8/15	Total	Principal Due 8/15	Interest Due 2/15, 8/15	Total
2022	\$ 135,000	\$ 124,813	\$ 259,813	\$ -	\$ 163,425	\$ 163,425	\$ 690,000	\$ 888,114	\$ 1,578,114
2023	140,000	122,113	262,113	100,000	163,425	263,425	815,000	870,954	1,685,954
2024	145,000	119,313	264,313	100,000	161,425	261,425	835,000	850,554	1,685,554
2025	150,000	116,413	266,413	100,000	159,425	259,425	865,000	827,844	1,692,844
2026	155,000	113,413	268,413	105,000	157,425	262,425	895,000	804,094	1,699,094
2027	160,000	110,313	270,313	110,000	155,325	265,325	930,000	778,813	1,708,813
2028	165,000	107,113	272,113	115,000	153,125	268,125	960,000	750,289	1,710,289
2029	175,000	103,400	278,400	120,000	150,825	270,825	1,000,000	720,500	1,720,500
2030	180,000	99,463	279,463	175,000	148,425	323,425	1,085,000	689,201	1,774,201
2031	185,000	94,963	279,963	185,000	144,488	329,488	1,125,000	654,576	1,779,576
2032	190,000	90,338	280,338	200,000	140,325	340,325	1,170,000	618,739	1,788,739
2033	200,000	85,350	285,350	200,000	135,825	335,825	1,210,000	580,193	1,790,193
2034	205,000	80,100	285,100	200,000	131,325	331,325	1,245,000	539,957	1,784,957
2035	215,000	74,463	289,463	200,000	126,825	326,825	1,295,000	498,207	1,793,207
2036	220,000	68,550	288,550	200,000	122,075	322,075	1,335,000	453,857	1,788,857
2037	230,000	61,950	291,950	200,000	117,325	317,325	1,380,000	407,474	1,787,474
2038	235,000	55,050	290,050	200,000	112,575	312,575	1,420,000	359,101	1,779,101
2039	245,000	48,000	293,000	200,000	107,825	307,825	1,470,000	308,987	1,778,987
2040	255,000	40,650	295,650	200,000	103,075	303,075	1,520,000	257,013	1,777,013
2041	260,000	33,000	293,000	450,000	98,325	548,325	1,600,000	202,886	1,802,886
2042	270,000	25,200	295,200	700,000	87,637	787,637	1,630,000	149,649	1,779,649
2043	280,000	17,100	297,100	965,000	71,012	1,036,012	1,535,000	100,075	1,635,075
2044	290,000	8,700	298,700	995,000	48,094	1,043,094	1,285,000	56,794	1,341,794
2045	-	-	-	1,030,000	24,463	1,054,463	1,030,000	24,463	1,054,463
	<u>\$ 4,685,000</u>	<u>\$ 1,799,763</u>	<u>\$ 6,484,763</u>	<u>\$ 7,050,000</u>	<u>\$ 2,984,019</u>	<u>\$ 10,034,019</u>	<u>\$ 28,325,000</u>	<u>\$ 12,392,329</u>	<u>\$ 40,717,329</u>

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**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
TSI-6. CHANGES IN LONG-TERM BONDED DEBT
SEPTEMBER 30, 2021**

	<u>Bond Issue</u>	<u>Bond Issue</u>	<u>Bond Issue</u>	<u>Bond Issue</u>	<u>Bond Issue</u>	<u>Bond Issue</u>	
	<u>Series 2015</u>	<u>Series 2016</u>	<u>Series 2017</u>	<u>Series 2018</u>	<u>Series 2019</u>	<u>Series 2020</u>	<u>Total</u>
Interest Rate	1.75% to 4.00%	3.00% to 4.25%	2.0% - 3.50%	2.7% - 4.0%	2.0% - 3.0%	2.0% - 2.375%	
Dates Interest Payable	2/15; 8/15	2/15; 8/15	2/15; 8/15	2/15; 8/15	2/15; 8/15	2/15; 8/15	
Maturity Dates	8/15/2040	8/15/2041	8/15/2042	8/15/2043	8/15/2044	8/15/2045	
Bonds Outstanding at Beginning of Current Fiscal Year	\$ 3,245,000	\$ 3,420,000	\$5,465,000	\$5,000,000	\$4,815,000	\$ -	\$21,945,000
Bonds Sold During the Current Fiscal Year	-	-	-	-	-	7,050,000	7,050,000
Retirements During the Current Fiscal Year:							
Principal	(95,000)	(100,000)	(150,000)	(195,000)	(130,000)	-	(670,000)
Refunded	-	-	-	-	-	-	-
Bonds Outstanding at End of Current Fiscal Year	<u>\$ 3,150,000</u>	<u>\$ 3,320,000</u>	<u>\$5,315,000</u>	<u>\$4,805,000</u>	<u>\$4,685,000</u>	<u>\$7,050,000</u>	<u>\$28,325,000</u>
Interest Paid During the Current Fiscal Year	<u>\$ 120,534</u>	<u>\$ 130,832</u>	<u>\$ 173,218</u>	<u>\$ 188,932</u>	<u>\$ 127,412</u>	<u>\$ 108,043</u>	<u>\$ 848,971</u>
Paying Agent's Name & Address:	<u>Bank of Texas</u>	<u>Bank of Texas</u>	<u>Bank of Texas</u>	<u>Bank of Texas</u>	<u>Bank of Texas</u>	<u>Bank of Texas</u>	
	<u>Austin, TX</u>	<u>Austin, TX</u>	<u>Austin, TX</u>	<u>Austin, TX</u>	<u>Austin, TX</u>	<u>Austin, TX</u>	
Bond Authority:	<u>Unlimited</u>	<u>Refunding</u>					
	<u>Tax Bonds*</u>	<u>Bonds*</u>					
Amount Authorized by Voters	\$30,000,000	\$45,000,000					
Amount Issued	<u>(30,000,000)</u>	<u>-</u>					
Remaining To Be Issued	<u>\$ -</u>	<u>\$45,000,000</u>					
* Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes.							
Debt Service Fund Cash and Temporary Investment balances as of September 30, 2021:							<u>\$1,142,077</u>
Average Annual Debt Service Payment (Principal & Interest) for the remaining term of all debt:							<u>\$1,696,555</u>

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**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
TSI-7. COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND AND DEBT SERVICE FUND - FIVE YEARS
SEPTEMBER 30, 2021**

	Amounts					Percent of Fund Total Revenues				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
GENERAL FUND REVENUES:										
Property taxes, including penalties	\$ 347,617	\$ 259,178	\$ 248,016	\$ 343,143	\$ 373,039	24.8%	20.3%	23.0%	33.0%	38.7%
Service account revenues, including penalties	990,386	884,310	647,013	571,257	478,687	70.7%	69.3%	60.0%	55.0%	49.6%
Tap connection/inspection fees	55,800	122,500	160,200	112,500	108,300	4.0%	9.6%	14.9%	10.8%	11.2%
Interest and other	7,706	10,148	23,220	12,135	4,334	0.5%	0.8%	2.2%	1.3%	0.5%
TOTAL GENERAL FUND REVENUES	1,401,509	1,276,136	1,078,449	1,039,035	964,360	100.0%	100.0%	100.0%	100.0%	100.0%
GENERAL FUND EXPENDITURES:										
Water purchases	356,180	341,137	245,726	242,313	210,910	25.5%	26.8%	22.9%	23.4%	21.9%
Lab/chemicals	50,338	48,091	31,433	25,539	19,489	3.6%	3.8%	2.9%	2.5%	2.0%
Repairs and maintenance	389,875	299,884	177,919	73,795	112,341	27.8%	23.5%	16.5%	7.1%	11.6%
Sludge hauling	406,417	127,622	129,373	53,677	31,918	29.0%	10.0%	12.0%	5.2%	3.3%
Utilities	17,343	16,329	14,675	13,263	11,289	1.2%	1.3%	1.4%	1.3%	1.2%
Landscape maintenance	66,980	56,078	50,512	29,425	20,700	4.8%	4.4%	4.7%	2.8%	2.1%
Connection/inspection fees	30,863	51,598	52,564	46,012	40,740	2.2%	4.0%	4.9%	4.4%	4.2%
Permits	1,328	1,328	1,979	1,440	1,624	0.1%	0.1%	0.2%	0.1%	0.2%
Management fees	93,758	97,904	91,165	72,753	60,175	6.7%	7.7%	8.5%	7.0%	6.2%
Legal fees	93,758	75,890	71,854	64,483	51,493	6.7%	5.9%	6.7%	6.2%	5.3%
Engineering fees	63,014	54,296	99,015	51,860	92,461	4.5%	4.3%	9.2%	5.0%	9.6%
Audit fees	12,000	11,500	11,000	10,500	9,500	0.9%	0.9%	1.0%	1.0%	1.0%
Bookkeeping fees	24,750	24,750	21,750	21,750	21,750	1.8%	1.9%	2.0%	2.1%	2.3%
Tax appraisal/collection fees	2,346	1,828	1,654	2,273	2,758	0.2%	0.1%	0.2%	0.2%	0.3%
Director fees, including payroll taxes	12,111	10,819	8,558	9,204	8,720	0.9%	0.8%	0.8%	0.9%	0.9%
Insurance	14,903	14,673	12,796	10,881	8,352	1.1%	1.1%	1.2%	1.0%	0.9%
Public notice	1,798	323	1,026	-	-	0.1%	0.0%	0.1%	0.0%	0.0%
Other	17,102	8,767	2,332	1,434	746	1.2%	0.7%	0.2%	0.1%	0.1%
Capital outlay	-	95,339	-	-	-	0.0%	7.5%	-	-	-
TOTAL GENERAL FUND EXPENDITURES	1,654,864	1,338,156	1,025,331	730,602	704,966	118.2%	105.0%	95.2%	70.4%	73.1%
EXCESS (DEFICIT) OF GENERAL FUND REVENUES OVER (UNDER) EXPENDITURES	\$ (253,355)	\$ (62,020)	\$ 53,118	\$ 308,433	\$ 259,394	-18.2%	-5.0%	4.8%	29.6%	26.8%
DEBT SERVICE FUND REVENUES AND OTHER FINANCING SOURCES:										
Interest	\$ 703	\$ 12,721	\$ 29,747	\$ 15,160	\$ 4,183	0.0%	1.0%	2.7%	2.0%	0.9%
Property taxes, including penalties	1,679,680	1,248,010	954,208	554,111	247,495	100.0%	93.5%	87.7%	71.8%	51.2%
Issuance of bonds	-	74,388	104,084	200,895	231,114	-0.1%	5.5%	9.6%	26.1%	47.9%
TOTAL DEBT SERVICE FUND REVENUES AND OTHER FINANCING SOURCES	1,680,383	1,335,119	1,088,039	770,166	482,792	100.0%	100.0%	100.0%	100.0%	100.0%
DEBT SERVICE FUND EXPENDITURES:										
Bond interest	848,971	707,243	563,040	398,583	215,774	50.5%	53.0%	51.7%	51.8%	44.7%
Bond principal	670,000	515,000	320,000	170,000	-	39.9%	38.6%	29.4%	22.1%	-
Other	14,403	11,496	7,878	4,846	2,240	0.8%	0.8%	0.7%	0.6%	0.5%
TOTAL DEBT SERVICE FUND EXPENDITURES	1,533,374	1,233,739	890,918	573,429	218,014	91.3%	92.4%	81.9%	74.5%	45.2%
EXCESS OF DEBT SERVICE REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	\$ 147,009	\$ 101,380	\$ 197,121	\$ 196,737	\$ 264,778	8.7%	7.6%	18.1%	25.5%	54.8%
TOTAL ACTIVE RETAIL WATER CONNECTIONS	524	481	407	316	246					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	521	464	398	307	236					

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**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
TSI-8. BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2021**

Complete District Mailing Address: 12912 Hill Country Blvd.
Suite F-232
Austin, TX 78738

District Business Telephone Number: (512) 476-6604

**Submission Date of the most recent District
Registration Form TWC Sections 36.054 & 49.054):** February 23, 2021

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

Name and Address:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid * 9/30/2021	Expense Reimbursements 9/30/2021	Title at Year End
Board Members:				
DENNIS DANIEL	(Elected) 5/2018 - 5/2022	\$ 2,400	\$ 104	President
TERRI SOHN-PURDY	(Appointed) 12/2020 - 5/2024	\$ 2,400	\$ -	Vice-President
RON MEYER	(Appointed) 2/2021 - 5/2024	\$ 1,800	\$ -	Secretary
NATHAN NEESE	(Elected) 5/2018 - 5/2022	\$ 2,100	\$ 17	Assistant Secretary
THOMAS J. ROGERS, JR.	(Elected) 5/2018 - 5/2022	\$ 1,950	\$ -	Assistant Secretary
Former Board Members:				
EILEEN GRASS	(Elected) 5/2020 - 12/2020	\$ 600	\$ -	
Consultants:				
Willatt & Flickinger PLLC	11/11/2005	\$ 93,440	\$ -	Attorney
McCall Parkhurst & Horton LLP	11/11/2005	\$ 88,125	\$ 10,110	Bond Counsel
Inframark LLC	12/2017	\$ 811,773	\$ -	Operator
Murfee Engineering Company	4/20/2012	\$ 70,030	\$ -	District Engineer
Bott & Douthitt PLLC	5/2012	\$ 24,750	\$ 176	District Accountant
Maxwell Locke & Ritter LLP	10/23/2013	\$ 24,000	\$ -	Auditor
Specialized Public Finance	8/20/2013	\$ 132,188	\$ 6,950	Financial Advisor
Hays County Tax Office	2014	\$ 77	\$ -	Tax Collector

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

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**OTHER
SUPPLEMENTAL INFORMATION**

**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
OSI-1. PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2021**

Taxpayer	Type of Property	Tax Roll Year		
		2021	2020	2019
Hays Reunion Ranch LP	N/A	\$ 2,333,400	\$ 6,696,450	\$ 2,327,550
Homeowner	N/A	1,600,750	1,209,210	763,560
Homeowner	N/A	1,473,500	1,177,140	759,470
Homeowner	N/A	1,462,940	805,260	753,080
Homeowner	N/A	1,386,460	794,700	659,300
Homeowner	N/A	1,373,220	789,360	680,830
Homeowner	N/A	1,339,980	-	-
Homeowner	N/A	1,329,240	-	-
Kish Christina 2015 Trust	N/A	1,294,854	-	-
Heyl Homes Inc.	N/A	1,283,250	-	-
Taylor Morrison of Texas Inc.	N/A	-	3,713,940	9,704,190
Taylor Morrison of Texas Inc.	N/A	-	3,236,760	739,430
Homeowner	N/A	-	714,850	662,880
Homeowner	N/A	-	692,660	653,280
Total		\$ 14,877,594	\$ 19,830,330	\$ 17,703,570
Percent of Assessed Valuation		5.1%	8.6%	10.3%

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**REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT
OSI-2. ASSESSED VALUE BY CLASSIFICATION
SEPTEMBER 30, 2021**

Type of Property	Tax Roll Year					
	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Single Family Residential	\$ 275,869,785	95.2%	\$ 210,608,107	91.5%	\$ 158,407,418	92.2%
Vacant Platted Lots/Tracts	7,492,650	2.6%	9,529,460	4.1%	3,165,810	1.8%
Real Acreage	-	0.0%	-	0.0%	-	0.0%
Farm and Ranch Improvements	102,879	0.0%	84,088	0.0%	810,368	0.5%
Business Personal Property	301,871	0.1%	316,544	0.1%	75,402	0.0%
Residential Inventory	8,770,260	3.0%	10,784,500	4.7%	10,013,530	5.8%
Adjustments & Exemptions	(2,874,522)	-0.9%	(1,132,222)	-0.5%	(634,803)	-2.9%
Total	\$ 289,662,923	100.0%	\$ 230,190,477	100.0%	\$ 171,837,725	100.0%