




West Harris County Municipal Utility District No. 17 Harris County, Texas

Independent Auditor's Report and Financial Statements

March 31, 2023



West Harris County Municipal Utility District No. 17
March 31, 2023

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Independent Auditor's Report

Board of Directors
West Harris County Municipal Utility District No. 17
Harris County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of West Harris County Municipal Utility District No. 17 (the District), as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of March 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance

and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the basic financial statements. The other information comprises schedules required by the Texas Commission on Environmental Quality as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

FORVIS,LLP

Houston, Texas
August 11, 2023

West Harris County Municipal Utility District No. 17

Management's Discussion and Analysis

March 31, 2023

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and other information required by the District's state oversight agency, the Texas Commission on Environmental Quality (the Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, sanitary sewer and drainage services. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets, liabilities, and deferred inflows and outflows of resources of the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period and expenses are recorded even though they may not have used cash during the current year.

West Harris County Municipal Utility District No. 17
Management's Discussion and Analysis (Continued)
March 31, 2023

Although the statement of activities looks different from a commercial enterprise's statement of income, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as change in net position, essentially the same thing.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. 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 or governmental statutes or regulations.

Governmental Funds

Governmental-fund financial statements consist of a balance sheet and a statement of revenues, expenditures and changes in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and water, sewer and drainage systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's assets, liabilities, and deferred inflows and outflows of resources is labeled the fund balance and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

Because the focus of the government-wide and fund financial statements is different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in the notes to financial statements that describes the adjustments to fund balances to arrive at net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in the notes to financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position, as reported in the governmental activities column in the statement of activities.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data found in the government-wide and fund financial statements.

West Harris County Municipal Utility District No. 17
Management's Discussion and Analysis (Continued)
March 31, 2023

Financial Analysis of the District as a Whole

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

Summary of Net Position

	2023	2022
Current and other assets	\$ 6,643,501	\$ 6,200,818
Capital assets	5,919,209	5,745,366
Total assets	12,562,710	11,946,184
Deferred outflows of resources	104,695	113,963
Total assets and deferred outflows of resources	\$ 12,667,405	\$ 12,060,147
Long-term liabilities	\$ 4,782,880	\$ 5,271,235
Other liabilities	214,367	177,877
Total liabilities	4,997,247	5,449,112
Net position:		
Net investment in capital assets	1,916,186	1,673,321
Restricted	1,160,686	1,247,190
Unrestricted	4,593,286	3,690,524
Total net position	\$ 7,670,158	\$ 6,611,035

The total net position of the District increased by \$1,059,123, or about 16 percent. The majority of the increase in net position is related to tax revenues intended to pay principal on the District's bonded indebtedness, which is shown as long-term liabilities in the government-wide financial statements, as well as increases in charges for services and other revenues. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Changes in Net Position

	2023	2022
Revenues:		
Property taxes	\$ 1,464,637	\$ 1,397,654
Charges for services	702,229	633,575
Other revenues	364,081	59,308
Total revenues	2,530,947	2,090,537

West Harris County Municipal Utility District No. 17
Management's Discussion and Analysis (Continued)
March 31, 2023

Summary of Changes in Net Position (Continued)

	2023	2022
Expenses:		
Services	\$ 1,101,039	\$ 1,022,499
Depreciation	235,472	249,304
Debt service	135,313	149,224
Total expenses	1,471,824	1,421,027
Change in net position	1,059,123	669,510
Net position, beginning of year	6,611,035	5,941,525
Net position, end of year	\$ 7,670,158	\$ 6,611,035

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended March 31, 2023, were \$6,331,637, an increase of \$373,861 from the prior year.

The general fund's fund balance increased by \$875,488 due to property taxes and service revenues being greater than service operations expenditures, as well as tap connection and inspection fees revenues being greater than tap connections expenditures.

The debt service fund's fund balance decreased by \$125,356 because bond principal and interest requirements and contracted services expenditures were greater than property tax revenues generated.

The capital projects fund's fund balance decreased by \$376,271, primarily due to capital outlay expenditures incurred for the water plant conversion to chloramine disinfection project.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to property taxes and sewer service revenues, investment income, and regional water fee revenues and related expenditures being higher than anticipated. In addition, tap connection and inspection fee revenues received and related expenditures incurred were not included in the current year budget. The fund balance as of March 31, 2023, was expected to be \$4,011,546 and the actual end-of-year fund balance was \$4,531,234.

West Harris County Municipal Utility District No. 17
Management's Discussion and Analysis (Continued)
March 31, 2023

Capital Assets and Related Debt

Capital Assets

Capital assets held by the District at the end of the current and previous fiscal years are summarized below:

Capital Assets (Net of Accumulated Depreciation)

	2023	2022
Land and improvements	\$ 1,336,354	\$ 1,336,354
Construction in progress	409,315	-
Water facilities	810,156	878,647
Wastewater facilities	3,363,384	3,530,365
Total capital assets	\$ 5,919,209	\$ 5,745,366

During the current year, additions to capital assets were as follows:

Construction in progress related to the water plant conversion to chloramine disinfection	\$ 409,315
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Debt

The changes in the debt position of the District during the fiscal year ended March 31, 2023, are summarized as follows:

Long-term debt payable, beginning of year	\$ 5,271,235
Decreases in long-term debt	(488,355)
Long-term debt payable, end of year	\$ 4,782,880

A developer of the District has constructed water and sewer facilities on behalf of the District under the terms of contracts with the District. The District has agreed to purchase these facilities from the proceeds of future bond issues or available resources subject to the approval of the Commission. At March 31, 2023, a liability for developer-constructed capital assets of \$458,498 was recorded in the government-wide financial statements.

At March 31, 2023, the District had \$3,370,000 of 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 for the refunding of bonds issued for such purposes.

West Harris County Municipal Utility District No. 17
Management's Discussion and Analysis (Continued)
March 31, 2023

The District's Series 2019 refunding bonds do not carry an underlying rating and carry an "AA" rating from Standard & Poor's and an "A1" rating from Moody's Investor Service by virtue of bond insurance issued by Assured Guaranty Municipal Corp.

Other Relevant Factors

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (the City), the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City without the District's consent. If the District is annexed, the City must assume the District's assets and obligations (including the bonded indebtedness) and abolish the District within 90 days.

West Harris County Municipal Utility District No. 17
Statement of Net Position and Governmental Funds Balance Sheet
March 31, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 221,815	\$ 43,244	\$ 70,580	\$ 335,639	\$ -	\$ 335,639
Short-term investments	4,405,558	691,420	1,032,454	6,129,432	-	6,129,432
Receivables:						
Property taxes	62,052	35,179	-	97,231	-	97,231
Service accounts	67,410	-	-	67,410	-	67,410
Accrued penalty and interest	-	-	-	-	10,841	10,841
Interfund receivable	8,574	-	-	8,574	(8,574)	-
Prepaid expenditures	2,948	-	-	2,948	-	2,948
Capital assets (net of accumulated depreciation):						
Land	-	-	-	-	1,336,354	1,336,354
Construction in progress	-	-	-	-	409,315	409,315
Infrastructure	-	-	-	-	4,173,540	4,173,540
Total assets	4,768,357	769,843	1,103,034	6,641,234	5,921,476	12,562,710
Deferred Outflows of Resources						
Deferred amount on debt refundings	0	0	0	0	104,695	104,695
Total assets and deferred outflows of resources	\$ 4,768,357	\$ 769,843	\$ 1,103,034	\$ 6,641,234	\$ 6,026,171	\$ 12,667,405

West Harris County Municipal Utility District No. 17
Statement of Net Position and Governmental Funds Balance Sheet (Continued)
March 31, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	\$ 65,638	\$ 8,256	\$ -	\$ 73,894	\$ -	\$ 73,894
Accrued interest payable	-	-	-	-	10,575	10,575
Customer deposits	108,550	-	-	108,550	-	108,550
Retainage payable	-	-	20,465	20,465	-	20,465
Due to developer	883	-	-	883	-	883
Interfund payable	-	8,574	-	8,574	(8,574)	-
Long-term liabilities:						
Due within one year	-	-	-	-	360,000	360,000
Due after one year	-	-	-	-	4,422,880	4,422,880
Total liabilities	175,071	16,830	20,465	212,366	4,784,881	4,997,247
Deferred Inflows of Resources						
Deferred property tax revenues	62,052	35,179	0	97,231	(97,231)	0
Fund Balances/Net Position						
Fund balances:						
Nonspendable, prepaid expenditures	2,948	-	-	2,948	(2,948)	-
Restricted:						
Unlimited tax bonds	-	717,834	-	717,834	(717,834)	-
Water, sewer and drainage	-	-	1,082,569	1,082,569	(1,082,569)	-
Unassigned	4,528,286	-	-	4,528,286	(4,528,286)	-
Total fund balances	4,531,234	717,834	1,082,569	6,331,637	(6,331,637)	0
Total liabilities, deferred inflows of resources and fund balances	\$ 4,768,357	\$ 769,843	\$ 1,103,034	\$ 6,641,234		
Net position:						
Net investment in capital assets					1,916,186	1,916,186
Restricted for debt service					753,279	753,279
Restricted for capital projects					407,407	407,407
Unrestricted					4,593,286	4,593,286
Total net position					\$ 7,670,158	\$ 7,670,158

West Harris County Municipal Utility District No. 17
Statement of Activities and Governmental Funds Revenues,
Expenditures and Changes in Fund Balances
Year Ended March 31, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	\$ 926,620	\$ 507,050	\$ -	\$ 1,433,670	\$ 30,967	\$ 1,464,637
Water service	255,044	-	-	255,044	-	255,044
Sewer service	210,549	-	-	210,549	-	210,549
Regional water fee	236,636	-	-	236,636	-	236,636
Penalty and interest	18,863	19,200	-	38,063	165	38,228
Tap connection and inspection fees	147,200	-	-	147,200	-	147,200
Investment income	100,515	13,087	33,794	147,396	-	147,396
Security fees	19,734	-	-	19,734	-	19,734
Other income	11,513	10	-	11,523	-	11,523
Total revenues	1,926,674	539,347	33,794	2,499,815	31,132	2,530,947
Expenditures/Expenses						
Service operations:						
Regional water fee	255,699	-	-	255,699	-	255,699
Professional fees	196,350	19,354	-	215,704	750	216,454
Contracted services	186,053	25,711	-	211,764	-	211,764
Utilities	67,955	-	-	67,955	-	67,955
Repairs and maintenance	234,163	-	-	234,163	-	234,163
Other expenditures	61,766	4,038	-	65,804	-	65,804
Tap connections	49,200	-	-	49,200	-	49,200
Capital outlay	-	-	410,065	410,065	(410,065)	-
Depreciation	-	-	-	-	235,472	235,472
Debt service:						
Principal retirement	-	480,000	-	480,000	(480,000)	-
Interest and fees	-	135,600	-	135,600	(287)	135,313
Total expenditures/expenses	1,051,186	664,703	410,065	2,125,954	(654,130)	1,471,824
Excess (Deficiency) of Revenues Over Expenditures	875,488	(125,356)	(376,271)	373,861	(373,861)	
Change in Net Position					1,059,123	1,059,123
Fund Balances/Net Position						
Beginning of year	3,655,746	843,190	1,458,840	5,957,776	-	6,611,035
End of year	<u>\$ 4,531,234</u>	<u>\$ 717,834</u>	<u>\$ 1,082,569</u>	<u>\$ 6,331,637</u>	<u>\$ 0</u>	<u>\$ 7,670,158</u>

West Harris County Municipal Utility District No. 17

Notes to Financial Statements

March 31, 2023

Note 1: Nature of Operations and Summary of Significant Accounting Policies

West Harris County Municipal Utility District No. 17 (the District) was created by an order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (the Commission), effective May 21, 1980, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate waterworks, wastewater and drainage facilities and to provide such facilities and services to the customers of the District.

The District is governed by a Board of Directors (the Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for which the District is considered to be financially accountable. Accountability is defined as the District's substantive appointment of the voting majority of the component unit's governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

Government-wide and Fund Financial Statements

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, wastewater, drainage and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, charges for services and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District.

West Harris County Municipal Utility District No. 17

Notes to Financial Statements

March 31, 2023

The fund financial statements provide information about the District's governmental funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental funds:

General Fund – The general fund is the primary operating fund of the District which accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, charges for services and interest income.

Debt Service Fund – The debt service fund is used to account for financial resources that are restricted, committed or assigned to expenditures for principal and interest related costs, as well as the financial resources being accumulated for future debt service.

Capital Projects Fund – The capital projects fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

Fund Balances – Governmental Funds

The fund balances for the District's governmental funds can be displayed in up to five components:

Nonspendable – Amounts that are not in a spendable form or are required to be maintained intact.

Restricted – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by issuance of a resolution by the District's Board.

Assigned – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – The residual classification for the general fund and includes all amounts not contained in the other classifications.

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

West Harris County Municipal Utility District No. 17
Notes to Financial Statements
March 31, 2023

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Intergovernmental revenues are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as liabilities.

Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

West Harris County Municipal Utility District No. 17
Notes to Financial Statements
March 31, 2023

Interfund Transactions

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

Pension Costs

The District does not participate in a pension plan and, therefore, has no pension costs.

Use of Estimates

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

Investments and Investment Income

Investments in certificates of deposit, U.S. Government and agency securities, and certain pooled funds, which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

Property Taxes

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes, penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

West Harris County Municipal Utility District No. 17
Notes to Financial Statements
March 31, 2023

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended March 31, 2023, include collections during the current period or within 60 days of year-end related to the 2022 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended March 31, 2023, the 2022 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of \$5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Water production and distribution facilities	10-45
Wastewater collection and treatment facilities	10-45

Deferred Amount on Debt Refundings

In the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt in a debt refunding is deferred and amortized to interest expense using the effective interest rate method over the remaining life of the old debt or the life of the new debt, whichever is shorter. Such amounts are classified as deferred outflows or inflows of resources.

Debt Issuance Costs

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and, therefore, are recognized as an expense/expenditure in the period incurred.

West Harris County Municipal Utility District No. 17
Notes to Financial Statements
March 31, 2023

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on bonds are recognized as a component of long-term liabilities and amortized over the life of the related debt using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts on bonds 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position/Fund Balances

Fund balances and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

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

Reconciliation of Government-wide and Fund Financial Statements

Amounts reported for net position of governmental activities in the statement of net position and fund balances in the governmental funds balance sheet are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	\$ 5,919,209
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	97,231
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.	10,841
Deferred amount on debt refundings for governmental activities are not financial resources and are not reported in the funds.	104,695

West Harris County Municipal Utility District No. 17
Notes to Financial Statements
March 31, 2023

Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	\$ (10,575)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	<u>(4,782,880)</u>
Adjustment to fund balances to arrive at net position.	<u>\$ 1,338,521</u>

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balances in the governmental funds statement of revenues, expenditures and changes in fund balances because:

Change in fund balances.	\$ 373,861
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation expense and noncapitalized costs in the current year.	173,843
Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.	480,000
Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported as revenues in the statement of activities.	31,132
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>287</u>
Change in net position of governmental activities.	<u>\$ 1,059,123</u>

Note 2: Deposits, Investments and Investment Income

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

West Harris County Municipal Utility District No. 17
Notes to Financial Statements
March 31, 2023

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; or certain collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.

At March 31, 2023, none of the District's bank balances were exposed to custodial credit risk.

Investments

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and 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, obligations of states, agencies and counties and other political subdivisions with an investment rating not less than "A," insured or collateralized certificates of deposit, and certain bankers' acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts and investment pools.

The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in TexPool, an external investment pool that is not registered with the Securities and Exchange Commission. The State Comptroller of Public Accounts of the State of Texas has oversight of TexPool.

At March 31, 2023, the District had the following investments and maturities:

Type	Maturities in Years				
	Amortized Cost	Less Than 1	1-5	6-10	More Than 10
TexPool	\$ 6,129,432	\$ 6,129,432	\$ 0	\$ 0	\$ 0

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

West Harris County Municipal Utility District No. 17
Notes to Financial Statements
March 31, 2023

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At March 31, 2023, the District's investments in TexPool were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet and statement of net position at March 31, 2023, as follows:

Carrying value:		
Deposits	\$	335,639
Investments		6,129,432
Total	\$	6,465,071

Investment Income

Investment income of \$147,396 for the year ended March 31, 2023, consisted of interest income.

Note 3: Capital Assets

A summary of changes in capital assets for the year ended March 31, 2023, is presented as follows:

Governmental Activities	Balances, Beginning of Year	Additions	Balances, End of Year
Capital assets, non-depreciable:			
Land and improvements	\$ 1,336,354	\$ -	\$ 1,336,354
Construction in progress	-	409,315	409,315
Total capital assets, non-depreciable	1,336,354	409,315	1,745,669
Capital assets, depreciable:			
Water production and distribution facilities	2,410,074	-	2,410,074
Wastewater collection and treatment facilities	5,721,535	-	5,721,535
Total capital assets, depreciable	8,131,609	0	8,131,609
Less accumulated depreciation:			
Water production and distribution facilities	(1,531,427)	(68,491)	(1,599,918)
Wastewater collection and treatment facilities	(2,191,170)	(166,981)	(2,358,151)
Total accumulated depreciation	(3,722,597)	(235,472)	(3,958,069)
Total governmental activities, net	\$ 5,745,366	\$ 173,843	\$ 5,919,209

West Harris County Municipal Utility District No. 17
Notes to Financial Statements
March 31, 2023

Note 4: Long-term Liabilities

Changes in long-term liabilities for the year ended March 31, 2023, were as follows:

Governmental Activities	Balances, Beginning of Year	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable:				
General obligation bonds	\$ 4,710,000	\$ 480,000	\$ 4,230,000	\$ 360,000
Add premiums on bonds	102,737	8,355	94,382	-
	4,812,737	488,355	4,324,382	360,000
Due to developer	458,498	-	458,498	-
	\$ 5,271,235	\$ 488,355	\$ 4,782,880	\$ 360,000
Total governmental activities long-term liabilities	<u>\$ 5,271,235</u>	<u>\$ 488,355</u>	<u>\$ 4,782,880</u>	<u>\$ 360,000</u>

General Obligation Bonds

	Refunding Series 2019
Amount outstanding, March 31, 2023	\$4,230,000
Interest rate	3.00%
Maturity dates, serially beginning/ending	September 1, 2023/2032
Interest payment dates	September 1/ March 1
Callable date*	September 1, 2024

*Or any date thereafter; callable at par plus accrued interest to the date of redemption.

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at March 31, 2023.

West Harris County Municipal Utility District No. 17
Notes to Financial Statements
March 31, 2023

Year	Principal	Interest	Total
2024	\$ 360,000	\$ 121,500	\$ 481,500
2025	375,000	110,475	485,475
2026	390,000	99,000	489,000
2027	405,000	87,075	492,075
2028	415,000	74,775	489,775
2029-2033	2,285,000	175,425	2,460,425
Total	\$ 4,230,000	\$ 668,250	\$ 4,898,250

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

Bonds voted	\$ 17,000,000
Bonds sold	13,630,000

Due to Developer

A developer of the District has constructed water and sewer facilities on behalf of the District under the terms of contracts with the District. The District has agreed to purchase these facilities from the proceeds of future bond issues or available resources subject to the approval of the Commission. At March 31, 2023, a liability for developer-constructed capital assets of \$458,498 was recorded in the government-wide financial statements.

Note 5: Significant Bond Order and Commission Requirements

The Bond Order requires that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended March 31, 2023, the District levied an ad valorem debt service tax at the rate of \$0.3000 per \$100 of assessed valuation, which resulted in a tax levy of \$511,431 on the taxable valuation of \$170,476,964 for the 2022 tax year. The interest and principal requirements to be paid from the tax revenues and available resources are \$486,900 of which \$63,450 has been paid and \$423,450 is due September 1, 2023.

West Harris County Municipal Utility District No. 17
Notes to Financial Statements
March 31, 2023

Note 6: Maintenance Taxes

At an election held August 9, 1980, voters authorized a maintenance tax not to exceed \$0.95 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended March 31, 2023, the District levied an ad valorem maintenance tax at the rate of \$0.5600 per \$100 of assessed valuation, which resulted in a tax levy of \$954,671 on the taxable valuation of \$170,476,964, for the 2022 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 7: Regional Water Authority

The District is within the boundaries of the West Harris County Regional Water Authority (the Authority), which was created by the Texas Legislature. The Authority was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Harris-Galveston Subsidence District, which regulates groundwater withdrawal. As of March 31, 2023, the Authority was billing the District \$3.95 per 1,000 gallons of water pumped from its wells. This amount is subject to future increases.

Note 8: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three fiscal years.

Required Supplementary Information

West Harris County Municipal Utility District No. 17
Budgetary Comparison Schedule – General Fund
Year Ended March 31, 2023

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 735,000	\$ 926,620	\$ 191,620
Water service	235,000	255,044	20,044
Sewer service	162,000	210,549	48,549
Regional water fee	190,000	236,636	46,636
Penalty and interest	10,000	18,863	8,863
Tap connection and inspection fees	-	147,200	147,200
Investment income	1,500	100,515	99,015
Security fees	18,500	19,734	1,234
Other income	-	11,513	11,513
	<u>1,352,000</u>	<u>1,926,674</u>	<u>574,674</u>
Expenditures			
Service operations:			
Regional water fee	218,000	255,699	(37,699)
Professional fees	187,000	196,350	(9,350)
Contracted services	188,400	186,053	2,347
Utilities	75,000	67,955	7,045
Repairs and maintenance	254,000	234,163	19,837
Other expenditures	73,800	61,766	12,034
Tap connections	-	49,200	(49,200)
	<u>996,200</u>	<u>1,051,186</u>	<u>(54,986)</u>
Excess of Revenues Over Expenditures	355,800	875,488	519,688
Fund Balance, Beginning of Year	<u>3,655,746</u>	<u>3,655,746</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 4,011,546</u></u>	<u><u>\$ 4,531,234</u></u>	<u><u>\$ 519,688</u></u>

West Harris County Municipal Utility District No. 17
Notes to Required Supplementary Information
March 31, 2023

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was not amended during fiscal 2023.

The District prepares its annual operating budget on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedule - General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Other Information

West Harris County Municipal Utility District No. 17
Other Schedules Included Within This Report
March 31, 2023

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

- [X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 13-24
- [X] Schedule of Services and Rates
- [X] Schedule of General Fund Expenditures
- [X] Schedule of Temporary Investments
- [X] Analysis of Taxes Levied and Receivable
- [X] Schedule of Long-term Debt Service Requirements by Years
- [X] Changes in Long-term Bonded Debt
- [X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund –
Five Years
- [X] Board Members, Key Personnel and Consultants

West Harris County Municipal Utility District No. 17

Schedule of Services and Rates

Year Ended March 31, 2023

1. Services provided by the District:

- | | | |
|---|---|--|
| <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 checked="" 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 _____ | | |

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 Levels
Water:	\$ 19.50	5,000	N	\$ 1.50	5,001 to 10,000
				\$ 2.00	10,001 to 15,000
				\$ 3.50	15,001 to 20,000
				\$ 4.00	20,001 to No Limit
Wastewater:	\$ 20.00	50,000	N	\$ 1.00	50,001 to No Limit
Regional water fee:	\$ 3.95	1	N	\$ 3.95	1 to No Limit

Does the District employ winter averaging for wastewater usage?

Yes No

Total charges per 10,000 gallons usage (including fees):

Water \$ 66.50 Wastewater \$ 20.00

b. Water and wastewater retail connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC*
Unmetered	-	-	x1.0	-
≤ 3/4"	818	816	x1.0	816
1"	3	3	x2.5	8
1 1/2"	2	2	x5.0	10
2"	1	1	x8.0	8
3"	-	-	x15.0	-
4"	1	1	x25.0	25
6"	-	-	x50.0	-
8"	1	1	x80.0	80
10"	-	-	x115.0	-
Total water	826	824		947
Total wastewater	819	817	x1.0	817

3. Total water consumption (in thousands) during the fiscal year:

Gallons pumped into the system:	68,602
Gallons billed to customers:	63,224
Water accountability ratio (gallons billed/gallons pumped):	92.16%

*"ESFC" means equivalent single-family connections

West Harris County Municipal Utility District No. 17
Schedule of General Fund Expenditures
Year Ended March 31, 2023

Personnel (including benefits)		\$ -
Professional Fees		
Auditing	\$ 17,600	
Legal	110,522	
Engineering	68,228	
Financial advisor	-	196,350
Purchased Services for Resale		
Bulk water and wastewater service purchases		-
Regional Water Fee		255,699
Contracted Services		
Bookkeeping	27,533	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	74,000	
Other contracted services	84,520	186,053
Utilities		67,955
Repairs and Maintenance		234,163
Administrative Expenditures		
Directors' fees	10,050	
Office supplies	18,196	
Insurance	16,455	
Other administrative expenditures	13,528	58,229
Capital Outlay		
Capitalized assets	-	
Expenditures not capitalized	-	-
Debt Service		-
Tap Connection Expenditures		49,200
Solid Waste Disposal		-
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		3,537
Total expenditures		\$ 1,051,186

West Harris County Municipal Utility District No. 17
Schedule of Temporary Investments
March 31, 2023

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
TexPool	4.79%	Demand	\$ 4,405,558	\$ -
Debt Service Fund				
TexPool	4.79%	Demand	691,420	-
Capital Projects Fund				
TexPool	4.79%	Demand	<u>1,032,454</u>	<u>-</u>
Totals			<u>\$ 6,129,432</u>	<u>\$ 0</u>

West Harris County Municipal Utility District No. 17
Analysis of Taxes Levied and Receivable
Year Ended March 31, 2023

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year	\$ 34,778	\$ 31,486
Additions and corrections to prior years' taxes	(777)	(688)
Adjusted receivable, beginning of year	34,001	30,798
 2022 Original Tax Levy	 851,302	 456,055
Additions and corrections	103,369	55,376
Adjusted tax levy	954,671	511,431
Total to be accounted for	988,672	542,229
Tax collections: Current year	(896,996)	(480,534)
Prior years	(29,624)	(26,516)
Receivable, end of year	\$ 62,052	\$ 35,179
 Receivable, by Years		
2022	\$ 57,675	\$ 30,897
2021	2,439	1,960
2020	694	687
2019	708	730
2018	478	786
2017	58	119
Receivable, end of year	\$ 62,052	\$ 35,179

West Harris County Municipal Utility District No. 17
Analysis of Taxes Levied and Receivable (Continued)
Year Ended March 31, 2023

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Property Valuations				
Land	\$ 35,976,969	\$ 26,076,792	\$ 20,264,553	\$ 19,214,852
Improvements	157,688,575	123,215,712	117,564,762	115,611,278
Personal property	2,652,473	1,688,659	1,664,497	1,765,097
Exemptions	<u>(25,841,053)</u>	<u>(5,986,589)</u>	<u>(4,746,072)</u>	<u>(4,800,042)</u>
 Total property valuations	 <u>\$ 170,476,964</u>	 <u>\$ 144,994,574</u>	 <u>\$ 134,747,740</u>	 <u>\$ 131,791,185</u>
 Tax Rates per \$100 Valuation				
Debt service tax rates	\$ 0.3000	\$ 0.4300	\$ 0.4800	\$ 0.5000
Maintenance tax rates*	<u>0.5600</u>	<u>0.5350</u>	<u>0.4850</u>	<u>0.4850</u>
 Total tax rates per \$100 valuation	 <u>\$ 0.8600</u>	 <u>\$ 0.9650</u>	 <u>\$ 0.9650</u>	 <u>\$ 0.9850</u>
 Tax Levy	 <u>\$ 1,466,102</u>	 <u>\$ 1,399,198</u>	 <u>\$ 1,300,316</u>	 <u>\$ 1,298,143</u>
 Percent of Taxes Collected to Taxes Levied**	 <u>94%</u>	 <u>99%</u>	 <u>99%</u>	 <u>99%</u>

*Maximum tax rate approved by voters: \$0.95 on August 9, 1980

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

West Harris County Municipal Utility District No. 17
Schedule of Long-term Debt Service Requirements by Years
March 31, 2023

Due During Fiscal Years Ending March 31	Refunding Series 2019		
	Principal Due September 1	Interest Due September 1, March 1	Total
2024	\$ 360,000	\$ 121,500	\$ 481,500
2025	375,000	110,475	485,475
2026	390,000	99,000	489,000
2027	405,000	87,075	492,075
2028	415,000	74,775	489,775
2029	430,000	62,100	492,100
2030	445,000	48,975	493,975
2031	455,000	35,475	490,475
2032	470,000	21,600	491,600
2033	485,000	7,275	492,275
Totals	\$ 4,230,000	\$ 668,250	\$ 4,898,250

West Harris County Municipal Utility District No. 17
Changes in Long-term Bonded Debt
Year Ended March 31, 2023

	Bond Issue Refunding Series 2019
Interest rate	3.00%
Dates interest payable	September 1/ March 1
Maturity dates	September 1, 2023/2032
Bonds outstanding, beginning of current year	\$ 4,710,000
Retirements, principal	480,000
Bonds outstanding, end of current year	\$ 4,230,000
Interest paid during current year	\$ 134,100

Paying agent's name and address:

Series 2019 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

	Tax Bonds	Other Bonds	Refunding Bonds
Amount authorized by voters	\$ 17,000,000	0	0
Amount issued	\$ 13,630,000	0	0
Remaining to be issued	\$ 3,370,000	0	0
Debt service fund cash and temporary investment balances as of March 31, 2023:			\$ 734,664
Average annual debt service payment (principal and interest) for remaining term of all debt:			\$ 489,825

West Harris County Municipal Utility District No. 17
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended March 31,

	Amounts				
	2023	2022	2021	2020	2019
General Fund					
Revenues					
Property taxes	\$ 926,620	\$ 761,413	\$ 663,289	\$ 626,535	\$ 491,321
Water service	255,044	235,201	242,073	237,235	255,323
Sewer service	210,549	206,122	205,181	207,648	205,443
Regional water fee	236,636	192,252	201,684	183,455	166,834
Penalty and interest	18,863	19,466	7,338	18,096	15,036
Tap connection and inspection fees	147,200	-	-	-	-
Investment income	100,515	1,931	8,326	47,280	35,938
Security fees	19,734	18,322	19,179	17,361	17,258
Other income	11,513	5,895	33,514	8,070	7,005
Total revenues	<u>1,926,674</u>	<u>1,440,602</u>	<u>1,380,584</u>	<u>1,345,680</u>	<u>1,194,158</u>
Expenditures					
Service operations:					
Purchased services	-	-	81,963	19,568	5,775
Regional water fee	255,699	214,228	168,599	168,781	170,417
Professional fees	196,350	209,219	197,059	177,383	149,527
Contracted services	186,053	183,425	173,998	173,230	174,958
Utilities	67,955	80,649	58,829	62,565	58,757
Repairs and maintenance	234,163	226,795	218,722	218,926	169,397
Other expenditures	61,766	65,114	61,609	69,427	66,838
Tap connections	49,200	-	-	-	-
Capital outlay	-	14,000	14,782	-	-
Debt service, debt issuance costs	-	-	-	9,000	-
Total expenditures	<u>1,051,186</u>	<u>993,430</u>	<u>975,561</u>	<u>898,880</u>	<u>795,669</u>
Excess of Revenues Over Expenditures	875,488	447,172	405,023	446,800	398,489
Other Financing Sources					
Interfund transfers in	-	-	-	-	67,407
Excess of Revenues and Transfers In Over Expenditures and Transfers Out	875,488	447,172	405,023	446,800	465,896
Fund Balance, Beginning of Year	<u>3,655,746</u>	<u>3,208,574</u>	<u>2,803,551</u>	<u>2,356,751</u>	<u>1,890,855</u>
Fund Balance, End of Year	<u>\$ 4,531,234</u>	<u>\$ 3,655,746</u>	<u>\$ 3,208,574</u>	<u>\$ 2,803,551</u>	<u>\$ 2,356,751</u>
Total Active Retail Water Connections	<u>824</u>	<u>824</u>	<u>821</u>	<u>818</u>	<u>817</u>
Total Active Retail Wastewater Connections	<u>817</u>	<u>817</u>	<u>814</u>	<u>811</u>	<u>810</u>

Percent of Fund Total Revenues

2023	2022	2021	2020	2019
48.1 %	52.9 %	48.1 %	46.6 %	41.1 %
13.2	16.3	17.5	17.6	21.4
10.9	14.3	14.9	15.4	17.2
12.3	13.3	14.6	13.6	14.0
1.0	1.4	0.5	1.4	1.3
7.7	-	-	-	-
5.2	0.1	0.6	3.5	3.0
1.0	1.3	1.4	1.3	1.4
0.6	0.4	2.4	0.6	0.6
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
-	-	5.9	1.4	0.5
13.3	14.9	12.2	12.5	14.3
10.2	14.5	14.3	13.2	12.5
9.7	12.7	12.6	12.9	14.6
3.5	5.6	4.3	4.6	4.9
12.2	15.7	15.8	16.3	14.2
3.2	4.5	4.5	5.2	5.6
2.5	-	-	-	-
-	1.0	1.1	-	-
-	-	-	0.7	-
<u>54.6</u>	<u>68.9</u>	<u>70.7</u>	<u>66.8</u>	<u>66.6</u>
<u>45.4 %</u>	<u>31.1 %</u>	<u>29.3 %</u>	<u>33.2 %</u>	<u>33.4 %</u>

West Harris County Municipal Utility District No. 17
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Five Years Ended March 31,

	Amounts				
	2023	2022	2021	2020	2019
Debt Service Fund					
Revenues					
Property taxes	\$ 507,050	\$ 614,419	\$ 661,810	\$ 654,048	\$ 813,359
Penalty and interest	19,200	9,242	12,987	12,889	15,745
Investment income	13,087	255	1,196	14,112	14,413
Other income	10	-	50	-	-
Total revenues	<u>539,347</u>	<u>623,916</u>	<u>676,043</u>	<u>681,049</u>	<u>843,517</u>
Expenditures					
Current:					
Professional fees	19,354	11,650	18,393	15,577	17,118
Contracted services	25,711	22,681	22,348	21,829	20,284
Other expenditures	4,038	5,546	4,896	2,851	2,361
Debt service:					
Principal retirement	480,000	370,000	600,000	490,000	480,000
Interest and fees	135,600	258,200	166,669	144,115	297,845
Bond issuance costs	-	-	-	216,721	-
Debt defeasance	-	-	-	90,000	-
Total expenditures	<u>664,703</u>	<u>668,077</u>	<u>812,306</u>	<u>981,093</u>	<u>817,608</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(125,356)</u>	<u>(44,161)</u>	<u>(136,263)</u>	<u>(300,044)</u>	<u>25,909</u>
Other Financing Sources (Uses)					
General obligation bonds issued	-	-	-	5,125,000	-
Premium on capital appreciation	-	-	-	231,863	-
Deposit with escrow agent	-	-	-	(5,137,847)	-
Total other financing sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>219,016</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(125,356)</u>	<u>(44,161)</u>	<u>(136,263)</u>	<u>(81,028)</u>	<u>25,909</u>
Fund Balance, Beginning of Year	<u>843,190</u>	<u>887,351</u>	<u>1,023,614</u>	<u>1,104,642</u>	<u>1,078,733</u>
Fund Balance, End of Year	<u>\$ 717,834</u>	<u>\$ 843,190</u>	<u>\$ 887,351</u>	<u>\$ 1,023,614</u>	<u>\$ 1,104,642</u>

Percent of Fund Total Revenues

2023	2022	2021	2020	2019
94.0 %	98.5 %	97.9 %	96.0 %	96.4 %
3.6	1.5	1.9	1.9	1.9
2.4	0.0	0.2	2.1	1.7
0.0	-	0.0	-	-
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
3.6	1.9	2.7	2.3	2.0
4.8	3.6	3.3	3.2	2.4
0.7	0.9	0.7	0.4	0.3
89.0	59.3	88.8	72.0	56.9
25.1	41.4	24.7	21.2	35.3
-	-	-	31.8	-
-	-	-	13.2	-
<u>123.2</u>	<u>107.1</u>	<u>120.2</u>	<u>144.1</u>	<u>96.9</u>
<u>(23.2) %</u>	<u>(7.1) %</u>	<u>(20.2) %</u>	<u>(44.1) %</u>	<u>3.1 %</u>

West Harris County Municipal Utility District No. 17
Board Members, Key Personnel and Consultants
Year Ended March 31, 2023

Complete District mailing address:	West Harris County Municipal Utility District No. 17 c/o Young & Brooks 10000 Memorial Drive, Suite 260 Houston, Texas 77024
District business telephone number:	713.951.0800
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	December 12, 2022
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-end
Sharlene Rhea	Elected 05/22- 05/26	\$ 3,000	\$ 286	President
Ronald Perkins	Appointed 05/22- 05/26	1,650	224	Vice President
Bryant Gaudette	Elected 05/20- 05/24	1,950	266	Secretary
TJ Covino	Elected 05/20- 05/24	2,100	220	Assistant Secretary
Karen Wilson	Appointed 11/22- 05/26	750	92	Director
Thelma E. Boyle	Elected 05/22- 08/22	600	63	Resigned

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

West Harris County Municipal Utility District No. 17
Board Members, Key Personnel and Consultants (Continued)
Year Ended March 31, 2023

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Environmental Development Partners, L.L.C.	12/01/11	\$ 326,669	Operator
FORVIS, LLP	04/10/86	17,600	Auditor
Harris County Appraisal District	Legislative Action	10,530	Appraiser
IDS Engineering Group	01/03/14	66,165	Engineer
Bob Leared Interests	06/02/80	18,752	Tax Assessor/ Collector
Masterson Advisors LLC	07/11/18	0	Financial Advisor
Myrtle Cruz, Inc.	11/03/83	29,501	Bookkeeper
Young & Brooks	06/02/80	131,093	General Counsel
Investment Officer			
Sharlene Rhea	10/10/22	N/A	Director