



West Harris County Municipal Utility District No. 4 Harris and Fort Bend Counties, Texas

**Independent Auditor's Report and
Financial Statements**

September 30, 2023



West Harris County Municipal Utility District No. 4
September 30, 2023

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2700 Post Oak Boulevard, Suite 1500 / Houston, TX 77056

P 713.499.4600 / F 713.499.4699

forvis.com

Independent Auditor's Report

Board of Directors
West Harris County Municipal Utility District No. 4
Harris and Fort Bend Counties, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of West Harris County Municipal Utility District No. 4 (the District), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 September 30, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedules required by the Texas Commission on Environmental Quality listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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.

FORVIS, LLP

Houston, Texas
March 20, 2024

West Harris County Municipal Utility District No. 4

Management's Discussion and Analysis

September 30, 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 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. 4
Management's Discussion and Analysis (Continued)
September 30, 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. 4
Management's Discussion and Analysis (Continued)
September 30, 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	\$ 3,531,220	\$ 3,120,225
Capital assets	2,804,996	2,960,424
Total assets	6,336,216	6,080,649
Deferred outflows of resources	682	1,340
Total assets and deferred outflows of resources	\$ 6,336,898	\$ 6,081,989
Long-term liabilities	\$ 300,818	\$ 586,252
Other liabilities	141,316	183,001
Total liabilities	442,134	769,253
Net position:		
Net investment in capital assets	2,504,860	2,375,512
Restricted	84,811	95,177
Unrestricted	3,305,093	2,842,047
Total net position	\$ 5,894,764	\$ 5,312,736

The total net position of the District increased by \$582,028, or about 11%. 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. 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.

West Harris County Municipal Utility District No. 4
Management's Discussion and Analysis (Continued)
September 30, 2023

Summary of Changes in Net Position

	2023	2022
Revenues:		
Property taxes	\$ 1,109,699	\$ 1,042,775
Charges for services	675,295	648,730
Other revenues	175,487	58,595
	<hr/>	<hr/>
Total revenues	1,960,481	1,750,100
	<hr/>	<hr/>
Expenses:		
Services	1,171,106	1,033,136
Depreciation	194,939	194,437
Debt service	12,408	22,065
	<hr/>	<hr/>
Total expenses	1,378,453	1,249,638
	<hr/>	<hr/>
Change in net position	582,028	500,462
Net position, beginning of year	5,312,736	4,812,274
	<hr/>	<hr/>
Net position, end of year	<u>\$ 5,894,764</u>	<u>\$ 5,312,736</u>

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended September 30, 2023, were \$3,341,774, an increase of \$429,818 from the prior year.

The general fund's fund balance increased by \$449,996, primarily due to property taxes and service revenues and investment income exceeding service operations and capital outlay expenditures and a transfer to the debt service fund.

The debt service fund's fund balance decreased by \$20,178 because bond principal and interest requirements and contracted services expenditures were greater than property tax revenues and a transfer from the general fund.

The capital projects fund's fund balance remained the same as there was no activity in the current year.

West Harris County Municipal Utility District No. 4
Management's Discussion and Analysis (Continued)
September 30, 2023

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 regional water fee revenues, investment income, and regional water authority and repairs and maintenance expenditures being greater than anticipated. In addition, capital outlay expenditures and interfund transfers out were not included in the current year budget. The fund balance as of September 30, 2023, was expected to be \$3,341,595 and the actual end-of-year fund balance was \$3,277,791.

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	\$ 269,968	\$ 269,968
Construction in progress	-	161,809
Water facilities	1,388,046	1,317,644
Wastewater facilities	1,146,982	1,211,003
Total capital assets	\$ 2,804,996	\$ 2,960,424

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

Construction related to replacement of 12" waterline	\$ 19,960
Replaced lift pump No. 1 at the wastewater treatment plant	19,551
Total additions to capital assets	\$ 39,511

Debt

The changes in the debt position of the District during the fiscal year ended September 30, 2023, are summarized as follows.

West Harris County Municipal Utility District No. 4
Management's Discussion and Analysis (Continued)
September 30, 2023

Long-term debt payable, beginning of year	\$	586,252
Decreases in long-term debt		<u>(285,434)</u>
Long-term debt payable, end of year	\$	<u>300,818</u>

At September 30, 2023, the District had \$4,850,000 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.

The District's Series 2013 refunding bonds carry an underlying rating of "BBB+" from Standard & Poor's and carry a "AA" rating from Standard & Poor's 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. 4
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 35,940	\$ 42,322	\$ 26,393	\$ 104,655	\$ -	\$ 104,655
Certificates of deposit	412,773	-	-	412,773	-	412,773
Short-term investments	2,780,379	3,157	-	2,783,536	-	2,783,536
Receivables:						
Property taxes	27,302	10,547	-	37,849	-	37,849
Service accounts	110,991	-	-	110,991	-	110,991
Accrued penalty and interest	-	-	-	-	11,248	11,248
Accrued interest	2,695	-	-	2,695	-	2,695
Interfund receivables	6,920	1,700	-	8,620	(8,620)	-
Due from others	67,473	-	-	67,473	-	67,473
Capital assets (net of accumulated depreciation):						
Land and improvements	-	-	-	-	269,968	269,968
Infrastructure	-	-	-	-	2,535,028	2,535,028
Total assets	3,444,473	57,726	26,393	3,528,592	2,807,624	6,336,216
Deferred Outflows of Resources						
Deferred amount on debt refundings	0	0	0	0	682	682
Total assets and deferred outflows of resources	\$ 3,444,473	\$ 57,726	\$ 26,393	\$ 3,528,592	\$ 2,808,306	\$ 6,336,898

West Harris County Municipal Utility District No. 4
Statement of Net Position and Governmental Funds Balance Sheet (Continued)
September 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	\$ 72,342	\$ 2,669	\$ -	\$ 75,011	\$ -	\$ 75,011
Accrued interest payable	-	-	-	-	967	967
Due to others	3,058	-	-	3,058	-	3,058
Customer deposits	62,280	-	-	62,280	-	62,280
Interfund payables	1,700	-	6,920	8,620	(8,620)	-
Long-term liabilities:						
Due within one year	-	-	-	-	300,818	300,818
	<u>139,380</u>	<u>2,669</u>	<u>6,920</u>	<u>148,969</u>	<u>293,165</u>	<u>442,134</u>
Deferred Inflows of Resources						
Deferred property tax revenues	<u>27,302</u>	<u>10,547</u>	<u>0</u>	<u>37,849</u>	<u>(37,849)</u>	<u>0</u>
Fund Balances/Net Position						
Fund balances:						
Restricted:						
Unlimited tax bonds	-	44,510	-	44,510	(44,510)	-
Water, sewer and drainage	-	-	19,473	19,473	(19,473)	-
Unassigned	<u>3,277,791</u>	<u>-</u>	<u>-</u>	<u>3,277,791</u>	<u>(3,277,791)</u>	<u>-</u>
	<u>3,277,791</u>	<u>44,510</u>	<u>19,473</u>	<u>3,341,774</u>	<u>(3,341,774)</u>	<u>0</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,444,473</u>	<u>\$ 57,726</u>	<u>\$ 26,393</u>	<u>\$ 3,528,592</u>		
Net position:						
Net investment in capital assets					2,504,860	2,504,860
Restricted for debt service					65,338	65,338
Restricted for capital projects					19,473	19,473
Unrestricted					<u>3,305,093</u>	<u>3,305,093</u>
Total net position					<u>\$ 5,894,764</u>	<u>\$ 5,894,764</u>

West Harris County Municipal Utility District No. 4
Statement of Activities and Governmental Funds Revenues,
Expenditures and Changes in Fund Balances
Year Ended September 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	\$ 827,255	\$ 265,606	\$ -	\$ 1,092,861	\$ 16,838	\$ 1,109,699
Water service	166,955	-	-	166,955	-	166,955
Sewer service	231,948	-	-	231,948	-	231,948
Regional water fee	276,392	-	-	276,392	-	276,392
Penalty and interest	9,289	10,623	-	19,912	5,108	25,020
Tap connection and inspection fees	9,099	-	-	9,099	-	9,099
Investment income	134,074	7,294	-	141,368	-	141,368
Total revenues	1,655,012	283,523	0	1,938,535	21,946	1,960,481
Expenditures/Expenses						
Service operations:						
Regional water authority	292,464	-	-	292,464	-	292,464
Professional fees	139,660	7,139	-	146,799	-	146,799
Contracted services	229,214	16,746	-	245,960	-	245,960
Utilities	59,605	-	-	59,605	-	59,605
Repairs and maintenance	333,750	-	-	333,750	-	333,750
Other expenditures	80,812	11,716	-	92,528	-	92,528
Capital outlay	39,511	-	-	39,511	(39,511)	-
Depreciation	-	-	-	-	194,939	194,939
Debt service:						
Principal retirement	-	275,000	-	275,000	(275,000)	-
Interest and fees	-	23,100	-	23,100	(10,692)	12,408
Total expenditures/expenses	1,175,016	333,701	0	1,508,717	(130,264)	1,378,453
Excess (Deficiency) of Revenues Over Expenditures	479,996	(50,178)	-	429,818	152,210	
Other Financing Sources (Uses)						
Interfund transfers in (out)	(30,000)	30,000	-	-	-	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	449,996	(20,178)	-	429,818	(429,818)	
Change in Net Position					582,028	582,028
Fund Balances/Net Position						
Beginning of year	2,827,795	64,688	19,473	2,911,956	-	5,312,736
End of year	<u>\$ 3,277,791</u>	<u>\$ 44,510</u>	<u>\$ 19,473</u>	<u>\$ 3,341,774</u>	<u>\$ 0</u>	<u>\$ 5,894,764</u>

West Harris County Municipal Utility District No. 4

Notes to Financial Statements

September 30, 2023

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

West Harris County Municipal Utility District No. 4 (the District) was created by an order of the Texas Water Rights Commission, now known as the Texas Commission on Environmental Quality (the Commission), effective October 31, 1977, 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. 4

Notes to Financial Statements

September 30, 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. 4
Notes to Financial Statements
September 30, 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. 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. 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.

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. 4
Notes to Financial Statements
September 30, 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. 4
Notes to Financial Statements
September 30, 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 September 30, 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 September 30, 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. 4
Notes to Financial Statements
September 30, 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.	\$ 2,804,996
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	37,849
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.	11,248
Deferred amount on debt refundings for governmental activities are not financial resources and are not reported in the funds.	682
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	(967)

West Harris County Municipal Utility District No. 4
Notes to Financial Statements
September 30, 2023

Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	<u>\$ (300,818)</u>
Adjustment to fund balances to arrive at net position.	<u><u>\$ 2,552,990</u></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.	\$ 429,818
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 depreciation expense exceeded capital outlay expenditures in the current year.	(155,428)
Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.	275,000
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.	21,946
Some expenses previously reported in the statement of activities are reported as expenditures in the governmental funds.	<u>10,692</u>
Change in net position of governmental activities.	<u><u>\$ 582,028</u></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. 4
Notes to Financial Statements
September 30, 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 September 30, 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. The District's investments in TexPool are reported at amortized cost.

At September 30, 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	\$ 2,783,536	\$ 2,783,536	\$ 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. 4
Notes to Financial Statements
September 30, 2023

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 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 at September 30, 2023, as follows:

Carrying value:		
Deposits	\$	517,428
Investments		2,783,536
Total	\$	3,300,964

Included in the following statement of net position captions:

Cash	\$	104,655
Certificates of deposit		412,773
Short-term investments		2,783,536
Total	\$	3,300,964

Investment Income

Investment income of \$141,368 for the year ended September 30, 2023, consisted of interest income.

Note 3: Capital Assets

A summary of changes in capital assets for the year ended September 30, 2023, is presented below:

Governmental Activities	Balances, Beginning of Year	Additions	Reclassifi- cations	Balances, End of Year
Capital assets, non-depreciable:				
Land and improvements	\$ 269,968	\$ -	\$ -	\$ 269,968
Construction in progress	161,809	-	(161,809)	-
Total capital assets, non-depreciable	431,777	0	(161,809)	269,968

West Harris County Municipal Utility District No. 4
Notes to Financial Statements
September 30, 2023

Governmental Activities (Continued)	Balances, Beginning of Year	Additions	Reclassifi- cations	Balances, End of Year
Capital assets, depreciable:				
Water production and distribution facilities	\$ 3,572,194	\$ 19,960	\$ 161,809	\$ 3,753,963
Wastewater collection and treatment facilities	2,743,793	19,551	-	2,763,344
Total capital assets, depreciable	<u>6,315,987</u>	<u>39,511</u>	<u>161,809</u>	<u>6,517,307</u>
Less accumulated depreciation:				
Water production and distribution facilities	(2,254,550)	(111,367)	-	(2,365,917)
Wastewater collection and treatment facilities	(1,532,790)	(83,572)	-	(1,616,362)
Total accumulated depreciation	<u>(3,787,340)</u>	<u>(194,939)</u>	<u>0</u>	<u>(3,982,279)</u>
Total governmental activities, net	<u>\$ 2,960,424</u>	<u>\$ (155,428)</u>	<u>\$ 0</u>	<u>\$ 2,804,996</u>

Note 4: Long-term Liabilities

Changes in long-term liabilities for the year ended September 30, 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	\$ 565,000	\$ 275,000	\$ 290,000	\$ 290,000
Add premiums on bonds	21,252	10,434	10,818	10,818
Total governmental activities long-term liabilities	<u>\$ 586,252</u>	<u>\$ 285,434</u>	<u>\$ 300,818</u>	<u>\$ 300,818</u>

West Harris County Municipal Utility District No. 4
Notes to Financial Statements
September 30, 2023

General Obligation Bonds

	Refunding Series 2013
Amount outstanding, September 30, 2023	\$290,000
Interest rate	4.00%
Maturity date, serially beginning/ending	September 1, 2024
Interest payment dates	March 1/ September 1
Callable date*	September 1, 2023

*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 September 30, 2023:

Year	Principal	Interest	Total
2025	290,000	11,600	301,600

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.

Bonds voted	\$ 12,700,000
Bonds sold	7,850,000
Refunding bonds voted	5,500,000
Refunding bond authorization used	2,509,879

West Harris County Municipal Utility District No. 4
Notes to Financial Statements
September 30, 2023

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 September 30, 2023, the District levied an ad valorem debt service tax at the rate of \$0.2200 per \$100 of assessed valuation, which resulted in a tax levy of \$271,260 on the taxable valuation of \$123,300,269 for the 2022 tax year. The interest and principal requirements paid from the tax revenues and other available resources were \$297,600.

Note 6: Maintenance Taxes

At an election held January 17, 1981, voters authorized a maintenance tax not to exceed \$0.75 per \$100 of assessed valuation on all property within the District subject to taxation. During the year ended September 30, 2023, the District levied an ad valorem maintenance tax at the rate of \$0.6850 per \$100 of assessed valuation, which resulted in a tax levy of \$844,607 on the taxable valuation of \$123,300,269 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 September 30, 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. 4
Budgetary Comparison Schedule – General Fund
Year Ended September 30, 2023

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 825,000	\$ 827,255	\$ 2,255
Water service	150,000	166,955	16,955
Sewer service	230,000	231,948	1,948
Regional water fee	235,000	276,392	41,392
Penalty and interest	10,000	9,289	(711)
Tap connection and inspection fees	10,000	9,099	(901)
Investment income	70,000	134,074	64,074
	<u>1,530,000</u>	<u>1,655,012</u>	<u>125,012</u>
Total revenues			
Expenditures			
Service operations:			
Regional water authority	235,000	292,464	(57,464)
Professional fees	135,500	139,660	(4,160)
Contracted services	252,000	229,214	22,786
Utilities	48,000	59,605	(11,605)
Repairs and maintenance	280,500	333,750	(53,250)
Other expenditures	65,200	80,812	(15,612)
Capital outlay	-	39,511	(39,511)
	<u>1,016,200</u>	<u>1,175,016</u>	<u>(158,816)</u>
Total expenditures			
Excess of Revenues Over Expenditures	513,800	479,996	(33,804)
Other Financing Uses			
Interfund transfers out	-	(30,000)	(30,000)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses			
	513,800	449,996	(63,804)
Fund Balance, Beginning of Year	<u>2,827,795</u>	<u>2,827,795</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,341,595</u>	<u>\$ 3,277,791</u>	<u>\$ (63,804)</u>

West Harris County Municipal Utility District No. 4
Notes to Required Supplementary Information
September 30, 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.

Supplementary Information

West Harris County Municipal Utility District No. 4
Other Schedules Included Within This Report
September 30, 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. 4

Schedule of Services and Rates

Year Ended September 30, 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 type="checkbox"/> Security
<input checked="" 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:	\$ 16.00	9,000	N	\$ 0.25	9,001 to 10,000
				\$ 0.50	10,001 to 11,000
				\$ 0.75	11,001 to 12,000
				\$ 1.00	12,001 to 15,000
				\$ 1.25	15,001 to No Limit
Wastewater:	\$ 33.31	0	Y		
Regional water fee:	\$ 4.35			\$ 4.35	1 to No Limit
Does the District employ winter averaging for wastewater usage?					Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Total charges per 10,000 gallons usage (including fees):				Water \$ 59.75	Wastewater \$ 33.31

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*</u>
Unmetered	-	-	x1.0	-
≤ 3/4"	471	462	x1.0	462
1"	80	79	x2.5	198
1 1/2"	3	3	x5.0	15
2"	9	9	x8.0	72
3"	2	2	x15.0	30
4"	-	-	x25.0	-
6"	1	1	x50.0	50
8"	-	-	x80.0	-
10"	-	-	x115.0	-
Total water	566	556		827
Total wastewater	544	535	x1.0	535

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

Gallons pumped into the system:	74,113
Gallons billed to customers:	64,506
Water accountability ratio (gallons billed/gallons pumped):	87.04%

*"ESFC" means equivalent single-family connections

West Harris County Municipal Utility District No. 4
Schedule of General Fund Expenditures
Year Ended September 30, 2023

Personnel (including benefits)		\$ -
Professional Fees		
Auditing	\$ 20,400	
Legal	96,359	
Engineering	22,901	
Financial advisor	-	139,660
Purchased Services for Resale		
Bulk water and wastewater service purchases		-
Regional Water Authority		292,464
Contracted Services		
Bookkeeping	16,164	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	-	
Other contracted services	58,842	75,006
Utilities		59,605
Repairs and Maintenance		333,750
Administrative Expenditures		
Directors' fees	20,020	
Office supplies	16,346	
Insurance	17,621	
Other administrative expenditures	26,825	80,812
Capital Outlay		
Capitalized assets	39,511	
Expenditures not capitalized	-	39,511
Tap Connection Expenditures		-
Solid Waste Disposal		154,208
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		-
Total expenditures		\$ 1,175,016

West Harris County Municipal Utility District No. 4
Schedule of Temporary Investments
September 30, 2023

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Certificates of Deposit				
No. 15535	0.25%	01/03/24	\$ 95,000	\$ 176
No. 28408	2.75%	12/15/23	72,773	568
No. 3300041076	5.34%	05/15/24	245,000	1,951
TexPool	5.35%	Demand	<u>2,780,379</u>	<u>-</u>
			3,193,152	2,695
Debt Service Fund				
TexPool	5.35%	Demand	<u>3,157</u>	<u>-</u>
Totals			<u>\$ 3,196,309</u>	<u>\$ 2,695</u>

West Harris County Municipal Utility District No. 4
Analysis of Taxes Levied and Receivable
Year Ended September 30, 2023

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year	\$ 14,252	\$ 6,759
Additions and corrections to prior years' taxes	(4,302)	(1,866)
Adjusted receivable, beginning of year	9,950	4,893
 2022 Original Tax Levy	 776,846	 249,498
Additions and corrections	67,761	21,762
Adjusted tax levy	844,607	271,260
Total to be accounted for	854,557	276,153
Tax (collections) refunds: Current year	(829,249)	(266,327)
Prior years	1,994	721
Receivable, end of year	\$ 27,302	\$ 10,547
 Receivable, by Years		
2022	\$ 15,358	\$ 4,933
2021	6,876	2,831
2020	2,862	1,347
2019	1,488	801
2018	595	507
2017	123	128
Receivable, end of year	\$ 27,302	\$ 10,547

West Harris County Municipal Utility District No. 4
Analysis of Taxes Levied and Receivable (Continued)
Year Ended September 30, 2023

	2022	2021	2020	2019
Property Valuations				
Land	\$ 34,889,878	\$ 27,675,894	\$ 26,547,416	\$ 26,200,181
Improvements	120,025,028	105,776,124	101,691,417	97,795,123
Personal property	5,243,929	4,413,188	4,888,541	4,979,948
Exemptions	(36,858,566)	(28,563,825)	(26,832,823)	(26,569,238)
Total property valuations	\$ 123,300,269	\$ 109,301,381	\$ 106,294,551	\$ 102,406,014
 Tax Rates per \$100 Valuation				
Debt service tax rates	\$ 0.2200	\$ 0.2800	\$ 0.3200	\$ 0.3500
Maintenance tax rates*	0.6850	0.6800	0.6800	0.6500
Total tax rates per \$100 valuation	\$ 0.9050	\$ 0.9600	\$ 1.0000	\$ 1.0000
 Tax Levy				
	\$ 1,115,867	\$ 1,049,293	\$ 1,062,946	\$ 1,024,060
 Percent of Taxes Collected to Taxes Levied**				
	98%	99%	99%	99%

*Maximum tax rate approved by voters: \$0.75 on January 17, 1981

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

West Harris County Municipal Utility District No. 4
Schedule of Long-term Debt Service Requirements by Years
September 30, 2023

	Refunding Series 2013		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1, September 1	Total
2024	<u>\$ 290,000</u>	<u>\$ 11,600</u>	<u>\$ 301,600</u>

West Harris County Municipal Utility District No. 4
Changes in Long-term Bonded Debt
Year Ended September 30, 2023

	Bond Issue Refunding Series 2013
Interest rate	4.00%
Dates interest payable	March 1/ September 1
Maturity date	September 1, 2024
Bonds outstanding, beginning of current year	\$ 565,000
Retirements, principal	275,000
Bonds outstanding, end of current year	\$ 290,000
Interest paid during current year	\$ 22,600

Paying agent's name and address:

Series 2013 - Amegy Bank, N.A., Houston, Texas

Bond authority:	Tax Bonds	Other Bonds	Refunding Bonds
Amount authorized by voters	\$ 12,700,000	0	\$ 5,500,000
Amount of authorization used	\$ 7,850,000	0	\$ 2,509,879
Remaining to be issued	\$ 4,850,000	0	\$ 2,990,121

Debt service fund cash and temporary investment balances as of September 30, 2023:	\$ 45,479
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Average annual debt service payment (principal and interest) for remaining term of all debt:	\$ 301,600
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West Harris County Municipal Utility District No. 4
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended September 30,

	Amounts				
	2023	2022	2021	2020	2019
General Fund					
Revenues					
Property taxes	\$ 827,255	\$ 746,919	\$ 715,572	\$ 658,143	\$ 541,957
Water service	166,955	164,055	152,851	158,408	170,162
Sewer service	231,948	228,271	218,284	220,265	225,261
Regional water fee	276,392	256,404	194,606	197,484	176,596
Penalty and interest	9,289	9,501	6,845	7,855	11,126
Tap connection and inspection fees	9,099	9,774	9,799	46,145	8,300
Investment income	134,074	18,776	2,307	18,522	31,559
Total revenues	<u>1,655,012</u>	<u>1,433,700</u>	<u>1,300,264</u>	<u>1,306,822</u>	<u>1,164,961</u>
Expenditures					
Service operations:					
Regional water authority	292,464	269,214	203,625	145,702	186,529
Professional fees	139,660	116,511	93,219	113,941	106,086
Contracted services	229,214	234,720	210,869	192,083	191,307
Utilities	59,605	50,550	38,913	37,661	37,965
Repairs and maintenance	333,750	276,811	273,324	236,191	225,588
Other expenditures	80,812	54,380	57,903	55,194	69,441
Tap connections	-	-	-	35,000	-
Capital outlay	39,511	161,809	31,767	242,762	-
Total expenditures	<u>1,175,016</u>	<u>1,163,995</u>	<u>909,620</u>	<u>1,058,534</u>	<u>816,916</u>
Excess of Revenues Over Expenditures	<u>479,996</u>	<u>269,705</u>	<u>390,644</u>	<u>248,288</u>	<u>348,045</u>
Other Financing Sources (Uses)					
Insurance proceeds	-	53,562	-	-	32,489
Interfund transfers out	(30,000)	-	-	(60,000)	-
Total other financing sources (uses)	<u>(30,000)</u>	<u>53,562</u>	<u>0</u>	<u>(60,000)</u>	<u>32,489</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	449,996	323,267	390,644	188,288	380,534
Fund Balance, Beginning of Year	<u>2,827,795</u>	<u>2,504,528</u>	<u>2,113,884</u>	<u>1,925,596</u>	<u>1,545,062</u>
Fund Balance, End of Year	<u>\$ 3,277,791</u>	<u>\$ 2,827,795</u>	<u>\$ 2,504,528</u>	<u>\$ 2,113,884</u>	<u>\$ 1,925,596</u>
Total Active Retail Water Connections	<u>556</u>	<u>561</u>	<u>564</u>	<u>563</u>	<u>558</u>
Total Active Retail Wastewater Connections	<u>535</u>	<u>540</u>	<u>543</u>	<u>542</u>	<u>538</u>

Percent of Fund Total Revenues

2023	2022	2021	2020	2019
50.0 %	52.1 %	55.0 %	50.4 %	46.5 %
10.1	11.4	11.8	12.1	14.6
14.0	15.9	16.8	16.9	19.3
16.7	17.9	15.0	15.1	15.2
0.6	0.7	0.5	0.6	1.0
0.5	0.7	0.7	3.5	0.7
8.1	1.3	0.2	1.4	2.7
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
17.7	18.8	15.7	11.1	16.0
8.4	8.1	7.2	8.7	9.1
13.8	16.4	16.2	14.7	16.4
3.6	3.5	3.0	2.9	3.3
20.2	19.3	21.0	18.1	19.3
4.9	3.8	4.5	4.2	6.0
-	-	-	2.7	-
2.4	11.3	2.4	18.6	-
<u>71.0</u>	<u>81.2</u>	<u>70.0</u>	<u>81.0</u>	<u>70.1</u>
<u>29.0 %</u>	<u>18.8 %</u>	<u>30.0 %</u>	<u>19.0 %</u>	<u>29.9 %</u>

West Harris County Municipal Utility District No. 4
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Five Years Ended September 30,

	Amounts				
	2023	2022	2021	2020	2019
Debt Service Fund					
Revenues					
Property taxes	\$ 265,606	\$ 308,912	\$ 337,599	\$ 355,533	\$ 463,333
Penalty and interest	10,623	22,659	14,203	10,924	16,099
Investment income	7,294	1,438	54	2,110	6,155
Total revenues	<u>283,523</u>	<u>333,009</u>	<u>351,856</u>	<u>368,567</u>	<u>485,587</u>
Expenditures					
Current:					
Professional fees	7,139	3,930	2,754	4,463	7,372
Contracted services	16,746	16,464	16,176	16,070	12,426
Other expenditures	11,716	10,556	9,528	7,942	6,981
Debt service:					
Principal retirement	275,000	265,000	255,000	465,000	465,000
Interest and fees	23,100	32,212	39,362	53,313	67,263
Total expenditures	<u>333,701</u>	<u>328,162</u>	<u>322,820</u>	<u>546,788</u>	<u>559,042</u>
Excess (Deficiency) of Revenues Over Expenditures	(50,178)	4,847	29,036	(178,221)	(73,455)
Other Financing Sources					
Interfund transfers in	30,000	-	-	60,000	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(20,178)	4,847	29,036	(118,221)	(73,455)
Fund Balance, Beginning of Year	<u>64,688</u>	<u>59,841</u>	<u>30,805</u>	<u>149,026</u>	<u>222,481</u>
Fund Balance, End of Year	<u>\$ 44,510</u>	<u>\$ 64,688</u>	<u>\$ 59,841</u>	<u>\$ 30,805</u>	<u>\$ 149,026</u>

Percent of Fund Total Revenues

2023	2022	2021	2020	2019
93.7 %	92.8 %	96.0 %	96.4 %	95.4 %
3.7	6.8	4.0	3.0	3.3
2.6	0.4	0.0	0.6	1.3
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
2.5	1.2	0.8	1.2	1.5
5.9	4.9	4.6	4.4	2.6
4.1	3.1	2.7	2.1	1.4
97.0	79.6	72.5	126.2	95.8
8.2	9.7	11.2	14.5	13.8
<u>117.7</u>	<u>98.5</u>	<u>91.8</u>	<u>148.4</u>	<u>115.1</u>
<u>(17.7) %</u>	<u>1.5 %</u>	<u>8.2 %</u>	<u>(48.4) %</u>	<u>(15.1) %</u>

West Harris County Municipal Utility District No. 4
Board Members, Key Personnel and Consultants
Year Ended September 30, 2023

Complete District mailing address:	West Harris County Municipal Utility District No. 4 c/o Smith, Murdaugh, Little & Bonham, L.L.P. 2727 Allen Parkway, Suite 1100 Houston, Texas 77019
District business telephone number:	713.652.6500
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	April 26, 2023
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
Mary Gomez	Elected 05/22- 05/26	\$ 5,210	\$ 2,847	President
Hanna Affram	Elected 05/22- 05/26	5,060	2,869	Vice President
Anthony Rodriguez	Appointed 05/21- 05/24	3,718	1,224	Secretary
Michael Cummings	Elected 05/20- 05/24	4,784	2,315	Treasurer
Jack Patel	Appointed 04/23- 05/24	2,881	864	Assistant Secretary

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

West Harris County Municipal Utility District No. 4
Board Members, Key Personnel and Consultants (Continued)
Year Ended September 30, 2023

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Bob Leared Interests	05/01/80	\$ 15,653	Tax Assessor/ Collector
FORVIS, LLP	08/23/85	20,400	Auditor
The GMS Group, L.L.C.	1996	650	Financial Advisor
Harris Central Appraisal District	Legislative Action	8,283	Appraiser
Inframark, LLC	04/23/12	329,436	Operator
Municipal Business Services, Inc.	Prior to 10/01/82	16,164	Bookkeeper
Sherrington - Humble, LLC	09/29/97	31,741	Engineer
Smith, Murdaugh, Little & Bonham, L.L.P.	01/27/78	112,510	General Counsel
Investment Officer			
Bob Ideus	06/07/04	N/A	Bookkeeper