



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

Independent Auditor's Report and Financial Statements

September 30, 2024



West Harris County Municipal Utility District No. 4
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September 30, 2024

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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, 2024, 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, 2024, 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 Mazars, LLP

Houston, Texas
March 17, 2025

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.

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.

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

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 4,072,788	\$ 3,531,220
Capital assets	<u>2,639,149</u>	<u>2,804,996</u>
Total assets	<u>6,711,937</u>	<u>6,336,216</u>
Deferred outflows of resources	<u>-</u>	<u>682</u>
Total assets and deferred outflows of resources	<u><u>\$ 6,711,937</u></u>	<u><u>\$ 6,336,898</u></u>
Long-term liabilities	\$ -	\$ 300,818
Other liabilities	<u>149,918</u>	<u>141,316</u>
Total liabilities	<u>149,918</u>	<u>442,134</u>

Summary of Net Position (Continued)

	<u>2024</u>	<u>2023</u>
Net position:		
Net investment in capital assets	\$ 2,639,149	\$ 2,504,860
Restricted	94,855	84,811
Unrestricted	<u>3,828,015</u>	<u>3,305,093</u>
Total net position	<u><u>\$ 6,562,019</u></u>	<u><u>\$ 5,894,764</u></u>

The total net position of the District increased by \$667,255, 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.

Summary of Changes in Net Position

	<u>2024</u>	<u>2023</u>
Revenues:		
Property taxes	\$ 1,165,402	\$ 1,109,699
Charges for services	659,225	675,295
Other revenues	<u>244,672</u>	<u>175,487</u>
Total revenues	<u>2,069,299</u>	<u>1,960,481</u>
Expenses:		
Services	1,216,377	1,171,106
Depreciation	185,667	194,939
Debt service	<u>-</u>	<u>12,408</u>
Total expenses	<u>1,402,044</u>	<u>1,378,453</u>
Change in net position	667,255	582,028
Net position, beginning of year	<u>5,894,764</u>	<u>5,312,736</u>
Net position, end of year	<u><u>\$ 6,562,019</u></u>	<u><u>\$ 5,894,764</u></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, 2024, were \$3,862,904, an increase of \$521,130 from the prior year.

The general fund's fund balance increased by \$513,420, 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 increased by \$7,710 due to property tax revenues and a transfer from the general fund exceeding bond principal and interest requirements.

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

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 investment income and regional water authority and repairs and maintenance expenditures being greater than anticipated, as well as property tax revenues being less than anticipated. In addition, capital outlay expenditures were not budgeted. The fund balance as of September 30, 2024, was expected to be \$3,827,171 and the actual end-of-year fund balance was \$3,791,211.

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)

	<u>2024</u>	<u>2023</u>
Land and improvements	\$ 269,968	\$ 269,968
Water facilities	1,286,942	1,388,046
Wastewater facilities	<u>1,082,239</u>	<u>1,146,982</u>
Total capital assets	<u>\$ 2,639,149</u>	<u>\$ 2,804,996</u>

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

Install automatic transfer switch and surge arrestor at the wastewater treatment plant	<u>\$ 19,820</u>
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Debt

The changes in the debt position of the District during the fiscal year ended September 30, 2024, are summarized as follows:

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

At September 30, 2024, 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.

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, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 24,357	\$ 45,276	\$ 26,393	\$ 96,026	\$ -	\$ 96,026
Certificates of deposit	414,749	-	-	414,749	-	414,749
Short-term investments	3,374,165	6,279	-	3,380,444	-	3,380,444
Receivables:						
Property taxes	36,804	8,967	-	45,771	-	45,771
Service accounts	85,165	-	-	85,165	-	85,165
Accrued penalty and interest	-	-	-	-	14,195	14,195
Accrued interest	3,077	-	-	3,077	-	3,077
Interfund receivables	6,920	1,700	-	8,620	(8,620)	-
Due from others	33,361	-	-	33,361	-	33,361
Capital assets (net of accumulated depreciation):						
Land and improvements	-	-	-	-	269,968	269,968
Infrastructure	-	-	-	-	2,369,181	2,369,181
Total assets	<u>\$ 3,978,598</u>	<u>\$ 62,222</u>	<u>\$ 26,393</u>	<u>\$ 4,067,213</u>	<u>\$ 2,644,724</u>	<u>\$ 6,711,937</u>

West Harris County Municipal Utility District No. 4
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2024

(Continued)

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	\$ 83,445	\$ 1,035	\$ -	\$ 84,480	\$ -	\$ 84,480
Due to others	3,058	-	-	3,058	-	3,058
Customer deposits	62,380	-	-	62,380	-	62,380
Interfund payables	1,700	-	6,920	8,620	(8,620)	-
Total liabilities	150,583	1,035	6,920	158,538	(8,620)	149,918
Deferred Inflows of Resources						
Deferred property tax revenues	36,804	8,967	-	45,771	(45,771)	-
Fund Balances/Net Position						
Fund balances:						
Restricted:						
Unlimited tax bonds	-	52,220	-	52,220	(52,220)	-
Water, sewer and drainage	-	-	19,473	19,473	(19,473)	-
Unassigned	3,791,211	-	-	3,791,211	(3,791,211)	-
Total fund balances	3,791,211	52,220	19,473	3,862,904	(3,862,904)	-
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,978,598</u>	<u>\$ 62,222</u>	<u>\$ 26,393</u>	<u>\$ 4,067,213</u>		
Net position:						
Investment in capital assets					2,639,149	2,639,149
Restricted for debt service					75,382	75,382
Restricted for capital projects					19,473	19,473
Unrestricted					3,828,015	3,828,015
Total net position					<u>\$ 6,562,019</u>	<u>\$ 6,562,019</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, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	\$ 1,015,421	\$ 142,059	\$ -	\$ 1,157,480	\$ 7,922	\$ 1,165,402
Water service	164,635	-	-	164,635	-	164,635
Sewer service	233,011	-	-	233,011	-	233,011
Regional water fee	261,579	-	-	261,579	-	261,579
Penalty and interest	11,620	21,528	-	33,148	2,947	36,095
Tap connection and inspection fees	9,750	-	-	9,750	-	9,750
Investment income	197,930	897	-	198,827	-	198,827
Total revenues	1,893,946	164,484	-	2,058,430	10,869	2,069,299
Expenditures/Expenses						
Service operations:						
Regional water authority	281,427	-	-	281,427	-	281,427
Professional fees	137,939	7,800	-	145,739	-	145,739
Contracted services	254,818	16,200	-	271,018	-	271,018
Utilities	58,344	-	-	58,344	-	58,344
Repairs and maintenance	357,279	-	-	357,279	-	357,279
Other expenditures	94,057	8,516	-	102,573	(3)	102,570
Capital outlay	19,820	-	-	19,820	(19,820)	-
Depreciation	-	-	-	-	185,667	185,667
Debt service:						
Principal retirement	-	290,000	-	290,000	(290,000)	-
Interest and fees	-	11,100	-	11,100	(11,100)	-
Total expenditures/expenses	1,203,684	333,616	-	1,537,300	(135,256)	1,402,044
Excess (Deficiency) of Revenues Over Expenditures	690,262	(169,132)	-	521,130	146,125	
Other Financing Sources (Uses)						
Interfund transfers in (out)	(176,842)	176,842	-	-	-	
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	513,420	7,710	-	521,130	(521,130)	
Change in Net Position					667,255	667,255
Fund Balances/Net Position						
Beginning of year	3,277,791	44,510	19,473	3,341,774	-	5,894,764
End of year	\$ 3,791,211	\$ 52,220	\$ 19,473	\$ 3,862,904	\$ -	\$ 6,562,019

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.

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.

West Harris County Municipal Utility District No. 4
Notes to Financial Statements
September 30, 2024

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.

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

West Harris County Municipal Utility District No. 4
Notes to Financial Statements
September 30, 2024

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.

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.

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, 2024, include collections during the current period or within 60 days of year-end related to the 2023 and prior years' tax levies.

West Harris County Municipal Utility District No. 4
Notes to Financial Statements
September 30, 2024

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, 2024, the 2023 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:

	<u>Years</u>
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.

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.

West Harris County Municipal Utility District No. 4
Notes to Financial Statements
September 30, 2024

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.	\$ 2,639,149
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	45,771
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.	<u>14,195</u>
Adjustment to fund balances to arrive at net position.	<u><u>\$ 2,699,115</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.	\$ 521,130
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 period.	(165,847)
Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.	290,000
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.	10,869
Some expenses previously reported in the statement of activities are reported as expenditures in the governmental funds.	<u>11,103</u>
Change in net position of governmental activities.	<u><u>\$ 667,255</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.

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, 2024, 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, 2024, 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	\$ 3,380,444	\$ 3,380,444	\$ -	\$ -	\$ -

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.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2024, the District’s investments in TexPool were rated “AAAm” by Standard & Poor’s.

West Harris County Municipal Utility District No. 4
Notes to Financial Statements
September 30, 2024

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet at September 30, 2024, as follows:

Carrying value:	
Deposits	\$ 510,775
Investments	<u>3,380,444</u>
Total	<u>\$ 3,891,219</u>

Included in the following statement of net position captions:

Cash	\$ 96,026
Certificates of deposit	414,749
Short-term investments	<u>3,380,444</u>
Total	<u>\$ 3,891,219</u>

Investment Income

Investment income of \$198,827 for the year ended September 30, 2024, consisted of interest income.

Note 3. Capital Assets

A summary of changes in capital assets for the year ended September 30, 2024, is presented below:

Governmental Activities	Balances, Beginning of Year	Additions	Balances, End of Year
Capital assets, non-depreciable:			
Land and improvements	<u>\$ 269,968</u>	<u>\$ -</u>	<u>\$ 269,968</u>
Capital assets, depreciable:			
Water production and distribution facilities	3,753,963	-	3,753,963
Wastewater collection and treatment facilities	<u>2,763,344</u>	<u>19,820</u>	<u>2,783,164</u>
Total capital assets, depreciable	<u>6,517,307</u>	<u>19,820</u>	<u>6,537,127</u>

West Harris County Municipal Utility District No. 4
Notes to Financial Statements
September 30, 2024

Governmental Activities (Continued)	Balances, Beginning of Year	Additions	Balances, End of Year
Less accumulated depreciation:			
Water production and distribution facilities	\$ (2,365,917)	\$ (101,104)	\$ (2,467,021)
Wastewater collection and treatment facilities	<u>(1,616,362)</u>	<u>(84,563)</u>	<u>(1,700,925)</u>
Total accumulated depreciation	<u>(3,982,279)</u>	<u>(185,667)</u>	<u>(4,167,946)</u>
Total governmental activities, net	<u><u>\$ 2,804,996</u></u>	<u><u>\$ (165,847)</u></u>	<u><u>\$ 2,639,149</u></u>

Note 4. Long-Term Liabilities

Changes in long-term liabilities for the year ended September 30, 2024, were as follows:

Governmental Activities	Balances, Beginning of Year	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable:				
General obligation bonds	\$ 290,000	\$ 290,000	\$ -	\$ -
Add premiums on bonds	<u>10,818</u>	<u>10,818</u>	<u>-</u>	<u>-</u>
Total governmental activities long-term liabilities	<u><u>\$ 300,818</u></u>	<u><u>\$ 300,818</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

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, 2024, the District levied an ad valorem debt service tax at the rate of \$0.1040 per \$100 of assessed valuation, which resulted in a tax levy of \$143,376 on the taxable valuation of \$137,861,527 for the 2023 tax year. The interest and principal requirements paid from the tax revenues and other available resources were \$301,600.

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, 2024, the District levied an ad valorem maintenance tax at the rate of \$0.7500 per \$100 of assessed valuation, which resulted in a tax levy of \$1,033,961 on the taxable valuation of \$137,861,527 for the 2023 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, 2024, the Authority was billing the District \$3.95 per 1,000 gallons of water pumped from its wells. This amount is subject to future adjustments.

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, 2024

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 1,150,000	\$ 1,015,421	\$ (134,579)
Water service	150,000	164,635	14,635
Sewer service	230,000	233,011	3,011
Regional water fee	250,000	261,579	11,579
Penalty and interest	10,000	11,620	1,620
Tap connection and inspection fees	10,000	9,750	(250)
Investment income	135,000	197,930	62,930
Total revenues	1,935,000	1,893,946	(41,054)
Expenditures			
Service operations:			
Regional water authority	250,000	281,427	(31,427)
Professional fees	136,400	137,939	(1,539)
Contracted services	255,000	254,818	182
Utilities	55,000	58,344	(3,344)
Repairs and maintenance	314,700	357,279	(42,579)
Other expenditures	99,520	94,057	5,463
Capital outlay	-	19,820	(19,820)
Total expenditures	1,110,620	1,203,684	(93,064)
Excess of Revenues Over Expenditures	824,380	690,262	(134,118)
Other Financing Uses			
Interfund transfers out	(275,000)	(176,842)	98,158
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	549,380	513,420	(35,960)
Fund Balance, Beginning of Year	3,277,791	3,277,791	-
Fund Balance, End of Year	<u>\$ 3,827,171</u>	<u>\$ 3,791,211</u>	<u>\$ (35,960)</u>

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 2024.

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, 2024

(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 11-19
- [X] Schedule of Services and Rates
- [X] Schedule of General Fund Expenditures
- [X] Schedule of Temporary Investments
- [X] Analysis of Taxes Levied and Receivable
- [] Schedule of Long-Term Debt Service Requirements by Years – Not applicable
- [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, 2024

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	-	Y			
Regional water fee:	\$ 4.35			\$ 4.35	1	to No Limit
Does the District employ winter averaging for wastewater usage?					Yes	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:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC*
Unmetered	-	-	x1.0	-
≤ 3/4"	471	467	x1.0	467
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	561		832
Total wastewater	544	540	x1.0	540

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

Gallons pumped into the system:	71,103
Gallons billed to customers:	60,243
Water accountability ratio (gallons billed/gallons pumped):	84.73%

*"ESFC" means equivalent single-family connections

West Harris County Municipal Utility District No. 4
Schedule of General Fund Expenditures
Year Ended September 30, 2024

Personnel (including benefits)		\$	-
Professional Fees			
Auditing	\$	22,800	
Legal		98,368	
Engineering		16,771	
Financial advisor		-	137,939
Purchased Services for Resale			
Bulk water and wastewater service purchases			-
Regional Water Authority			281,427
Contracted Services			
Bookkeeping		16,226	
General manager		-	
Appraisal district		-	
Tax collector		-	
Security		-	
Other contracted services		73,309	89,535
Utilities			58,344
Repairs and Maintenance			357,279
Administrative Expenditures			
Directors' fees		28,544	
Office supplies		6,524	
Insurance		23,069	
Other administrative expenditures		35,920	94,057
Capital Outlay			
Capitalized assets		19,820	
Expenditures not capitalized		-	19,820
Tap Connection Expenditures			-
Solid Waste Disposal			165,283
Fire Fighting			-
Parks and Recreation			-
Other Expenditures			-
Total expenditures		\$	1,203,684

West Harris County Municipal Utility District No. 4
Schedule of Temporary Investments
September 30, 2024

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Face Amount</u>	<u>Accrued Interest Receivable</u>
General Fund				
Certificates of Deposit				
No. 15535	0.25%	01/03/25	\$ 95,000	\$ 876
No. 41076	5.23%	02/09/25	245,000	1,580
No. 28408	2.77%	12/09/24	74,749	621
TexPool	4.98%	Demand	<u>3,374,165</u>	<u>-</u>
			3,788,914	3,077
Debt Service Fund				
TexPool	4.98%	Demand	<u>6,279</u>	<u>-</u>
Totals			<u><u>\$ 3,795,193</u></u>	<u><u>\$ 3,077</u></u>

West Harris County Municipal Utility District No. 4
Analysis of Taxes Levied and Receivable
Year Ended September 30, 2024

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year	\$ 27,302	\$ 10,547
Additions and corrections to prior years' taxes	(9,038)	(2,897)
Adjusted receivable, beginning of year	18,264	7,650
2023 Original Tax Levy	948,028	131,460
Additions and corrections	85,933	11,916
Adjusted tax levy	1,033,961	143,376
Total to be accounted for	1,052,225	151,026
Tax (collections) refunds: Current year	(1,011,367)	(140,243)
Prior years	(4,054)	(1,816)
Receivable, end of year	\$ 36,804	\$ 8,967
Receivable, by Years		
2023	\$ 22,594	\$ 3,133
2022	7,034	2,259
2021	3,391	1,396
2020	1,578	742
2019	1,488	801
2018	596	508
2017	123	128
Receivable, end of year	\$ 36,804	\$ 8,967

West Harris County Municipal Utility District No. 4
Analysis of Taxes Levied and Receivable
Year Ended September 30, 2024

(Continued)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Property Valuations				
Land	\$ 36,018,362	\$ 34,889,878	\$ 27,675,894	\$ 26,547,416
Improvements	139,010,084	120,025,028	105,776,124	101,691,417
Personal property	5,664,214	5,243,929	4,413,188	4,888,541
Exemptions	<u>(42,831,133)</u>	<u>(36,858,566)</u>	<u>(28,563,825)</u>	<u>(26,832,823)</u>
Total property valuations	<u>\$ 137,861,527</u>	<u>\$ 123,300,269</u>	<u>\$ 109,301,381</u>	<u>\$ 106,294,551</u>
Tax Rates per \$100 Valuation				
Debt service tax rates	\$ 0.1040	\$ 0.2200	\$ 0.2800	\$ 0.3200
Maintenance tax rates*	<u>0.7500</u>	<u>0.6850</u>	<u>0.6800</u>	<u>0.6800</u>
Total tax rates per \$100 valuation	<u>\$ 0.8540</u>	<u>\$ 0.9050</u>	<u>\$ 0.9600</u>	<u>\$ 1.0000</u>
Tax Levy	<u>\$ 1,177,337</u>	<u>\$ 1,115,867</u>	<u>\$ 1,049,293</u>	<u>\$ 1,062,946</u>
Percent of Taxes Collected to Taxes Levied**	<u>98%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>

*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
Changes in Long-Term Bonded Debt
Year Ended September 30, 2024

	Bond Issue Refunding Series 2013		
Interest rate	4.00%		
Dates interest payable	March 1/ September 1		
Bonds outstanding, beginning of current year	\$	290,000	
Retirements, principal		<u>290,000</u>	
Bonds outstanding, end of current year	\$	<u>-</u>	
Interest paid during current year	\$	<u>11,600</u>	
Paying agent's name and address:			
Series 2013 - <u>Amegy Bank, N.A., Houston, Texas</u>			
Bond authority:			
	Tax Bonds	Other Bonds	Refunding Bonds
Amount authorized by voters	\$ 12,700,000	\$ -	\$ 5,500,000
Amount of authorization used	\$ 7,850,000	\$ -	\$ 2,509,879
Remaining to be issued	\$ 4,850,000	\$ -	\$ 2,990,121
Debt service fund cash and temporary investment balances as of September 30, 2024:	\$ 51,555		
Average annual debt service payment (principal and interest) for remaining term of all debt:	\$ -		

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

	Amounts				
	2024	2023	2022	2021	2020
General Fund					
Revenues					
Property taxes	\$ 1,015,421	\$ 827,255	\$ 746,919	\$ 715,572	\$ 658,143
Water service	164,635	166,955	164,055	152,851	158,408
Sewer service	233,011	231,948	228,271	218,284	220,265
Regional water fee	261,579	276,392	256,404	194,606	197,484
Penalty and interest	11,620	9,289	9,501	6,845	7,855
Tap connection and inspection fees	9,750	9,099	9,774	9,799	46,145
Investment income	197,930	134,074	18,776	2,307	18,522
Total revenues	1,893,946	1,655,012	1,433,700	1,300,264	1,306,822
Expenditures					
Service operations:					
Regional water authority	281,427	292,464	269,214	203,625	145,702
Professional fees	137,939	139,660	116,511	93,219	113,941
Contracted services	254,818	229,214	234,720	210,869	192,083
Utilities	58,344	59,605	50,550	38,913	37,661
Repairs and maintenance	357,279	333,750	276,811	273,324	236,191
Other expenditures	94,057	80,812	54,380	57,903	55,194
Tap connections	-	-	-	-	35,000
Capital outlay	19,820	39,511	161,809	31,767	242,762
Total expenditures	1,203,684	1,175,016	1,163,995	909,620	1,058,534
Excess of Revenues Over Expenditures	690,262	479,996	269,705	390,644	248,288
Other Financing Sources (Uses)					
Insurance proceeds	-	-	53,562	-	-
Interfund transfers out	(176,842)	(30,000)	-	-	(60,000)
Total other financing sources (uses)	(176,842)	(30,000)	53,562	-	(60,000)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	513,420	449,996	323,267	390,644	188,288
Fund Balance, Beginning of Year	3,277,791	2,827,795	2,504,528	2,113,884	1,925,596
Fund Balance, End of Year	\$ 3,791,211	\$ 3,277,791	\$ 2,827,795	\$ 2,504,528	\$ 2,113,884
Total Active Retail Water Connections	561	556	561	564	563
Total Active Retail Wastewater Connections	540	535	540	543	542

Percent of Fund Total Revenues				
2024	2023	2022	2021	2020
53.6 %	50.0 %	52.1 %	55.0 %	50.4 %
8.7	10.1	11.4	11.8	12.1
12.3	14.0	15.9	16.8	16.9
13.8	16.7	17.9	15.0	15.1
0.6	0.6	0.7	0.5	0.6
0.5	0.5	0.7	0.7	3.5
10.5	8.1	1.3	0.2	1.4
100.0	100.0	100.0	100.0	100.0
14.9	17.7	18.8	15.7	11.1
7.3	8.4	8.1	7.2	8.7
13.4	13.8	16.4	16.2	14.7
3.1	3.6	3.5	3.0	2.9
18.9	20.2	19.3	21.0	18.1
5.0	4.9	3.8	4.5	4.2
-	-	-	-	2.7
1.0	2.4	11.3	2.4	18.6
63.6	71.0	81.2	70.0	81.0
36.4 %	29.0 %	18.8 %	30.0 %	19.0 %

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

	Amounts				
	2024	2023	2022	2021	2020
Debt Service Fund					
Revenues					
Property taxes	\$ 142,059	\$ 265,606	\$ 308,912	\$ 337,599	\$ 355,533
Penalty and interest	21,528	10,623	22,659	14,203	10,924
Investment income	897	7,294	1,438	54	2,110
	<u>164,484</u>	<u>283,523</u>	<u>333,009</u>	<u>351,856</u>	<u>368,567</u>
Total revenues					
Expenditures					
Current:					
Professional fees	7,800	7,139	3,930	2,754	4,463
Contracted services	16,200	16,746	16,464	16,176	16,070
Other expenditures	8,516	11,716	10,556	9,528	7,942
Debt service:					
Principal retirement	290,000	275,000	265,000	255,000	465,000
Interest and fees	11,100	23,100	32,212	39,362	53,313
	<u>333,616</u>	<u>333,701</u>	<u>328,162</u>	<u>322,820</u>	<u>546,788</u>
Total expenditures					
Excess (Deficiency) of Revenues Over Expenditures	(169,132)	(50,178)	4,847	29,036	(178,221)
Other Financing Sources					
Interfund transfers in	176,842	30,000	-	-	60,000
	<u>176,842</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	7,710	(20,178)	4,847	29,036	(118,221)
Fund Balance, Beginning of Year	44,510	64,688	59,841	30,805	149,026
	<u>44,510</u>	<u>64,688</u>	<u>59,841</u>	<u>30,805</u>	<u>149,026</u>
Fund Balance, End of Year	\$ 52,220	\$ 44,510	\$ 64,688	\$ 59,841	\$ 30,805
	<u>\$ 52,220</u>	<u>\$ 44,510</u>	<u>\$ 64,688</u>	<u>\$ 59,841</u>	<u>\$ 30,805</u>

Percent of Fund Total Revenues				
2024	2023	2022	2021	2020
86.4 %	93.7 %	92.8 %	96.0 %	96.4 %
13.1	3.7	6.8	4.0	3.0
0.5	2.6	0.4	0.0	0.6
100.0	100.0	100.0	100.0	100.0
4.7	2.5	1.2	0.8	1.2
9.8	5.9	4.9	4.6	4.4
5.2	4.1	3.1	2.7	2.1
176.3	97.0	79.6	72.5	126.2
6.8	8.2	9.7	11.2	14.5
202.8	117.7	98.5	91.8	148.4
(102.8) %	(17.7) %	1.5 %	8.2 %	(48.4) %

West Harris County Municipal Utility District No. 4
Board Members, Key Personnel and Consultants
Year Ended September 30, 2024

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):	November 4, 2024
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	\$ 7,200	\$ 2,284	President
Hanna Affram	Elected 05/22- 05/26	7,200	1,903	Vice President
Anthony Rodriguez	Elected 05/24- 05/28	4,420	1,000	Secretary
Michael Cummings	Elected 05/24- 05/28	4,199	1,282	Treasurer
Jack Patel	Elected 05/24- 05/28	5,525	1,954	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
Year Ended September 30, 2024**

(Continued)

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Bob Leared Interests	05/01/80	\$ 16,117	Tax Assessor/ Collector
Forvis Mazars, LLP	08/23/85	22,800	Auditor
The GMS Group, L.L.C.	1996	-	Financial Advisor
Harris Central Appraisal District	Legislative Action	7,689	Appraiser
Inframark, LLC	04/23/12	273,491	Operator
Municipal Business Services, Inc.	Prior to 10/01/82	16,226	Bookkeeper
Sherrington-Humble, LLC	09/29/97	16,771	Engineer
Smith, Murdaugh, Little & Bonham, L.L.P.	01/27/78	106,168	General Counsel
Investment Officer			
Bob Ideus	06/07/04	N/A	Bookkeeper