

**PASEO DEL ESTE
MUNICIPAL UTILITY DISTRICT NO. 4
OF EL PASO COUNTY**

**FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2023**

WEST, DAVIS & COMPANY, LLP
Certified Public Accountants
Austin, Texas

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS
COUNTY OF EL PASO

I, Carlos Lascurain of the Paseo del Este Municipal Utility District No. 4 of El Paso County hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of Directors of the District on the 12th day of January 2024, its annual audit report for the fiscal year ended September 30, 2023, and that copies of the annual report have been filed in the district office, located at c/o Gordon Davis Johnson & Shane, 4695 North Mesa, El Paso, Texas 79912.

The annual filing affidavit and the attached copy of the annual audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of the annual filing requirements of Texas Water Code Section 49.194.

Date: January 12, 2024

By: _____

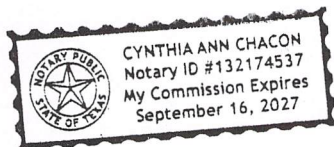
(Signature of District Representative)

Carlos Lascurain, President

(Name & Title of above District Representative)

Sworn to and subscribed to before me this 12th day of January 2024.

(SEAL)



(Signature of Notary)

My Commission Expires On: 9.16, 2027.

Notary Public in and for the State of Texas.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**
Annual Financial Report
For the Year Ended September 30, 2023

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FINANCIAL SECTION

WEST, DAVIS & COMPANY

A LIMITED LIABILITY PARTNERSHIP

Independent Auditor's Report

Board of Directors
Paseo del Este Municipal Utility District No. 4
Of El Paso County
El Paso, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Paseo del Este Municipal Utility District No. 4 of El Paso County (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.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District as of September 30, 2023, and the changes in financial position 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. 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 twelve 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 the budgetary comparison information 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 Texas Commission on Environmental Quality required supplementary schedules 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas Commission on Environmental Quality required supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the property tax assessed value information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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



Austin, Texas
December 31, 2023

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4 OF EL PASO COUNTY

Management Discussion and Analysis For the Year Ended September 30, 2023

In accordance with Governmental Accounting Standards Board Statement 34 (“GASB 34”), the management of Paseo del Este Municipal Utility District No. 4 of El Paso County (the “District”) offers the following discussion and analysis to provide an overview of the District’s financial activities for the year ended September 30, 2023. Since this information is designed to focus on current year’s activities, resulting changes, and currently known facts, it should be read in conjunction with the District’s financial statements that follow.

FINANCIAL HIGHLIGHTS

- **General Fund:** The unassigned fund balance at the end of the year was approximately \$118 thousand which was an increase of \$49 thousand from the end of the previous year end. Revenue increased from \$201 thousand in the previous fiscal year to \$257 thousand in the current fiscal year primarily due to the increase in assessed value of property within the District.
- **Debt Service Fund:** The District issued \$4.79 million of unlimited tax bonds during the year to secure funds for the acquisition of water, wastewater and drainage facilities. This fund paid \$184 thousand in interest during the year. The District has \$4.79 in outstanding debt at the end of the year.
- **Capital Projects Fund:** This fund received \$3.9 million of the bond proceeds, net of issuance costs, and used \$3.87 million of that to acquire utility facilities. The fund balance at year end was \$32 thousand.
- **Governmental Activities:** On a Government-wide basis for governmental activities, the District had expenses in excess of revenue of approximately \$286 thousand. Net position decreased from \$124 thousand to negative \$162 thousand. This decrease is primarily due to bond issuance costs.

OVERVIEW OF THE DISTRICT

The District, a political subdivision of the State of Texas, was created by an Act of the Texas Legislature. The District was created and organized for the purpose of constructing water, sewer, and drainage facilities and providing water and sewer services to customers within the District. The District has entered into an agreement with Paseo del Este Municipal Utility District No. 1 (Paseo No. 1) under which Paseo No. 1 will serve as the “Master District” for the purpose of providing water acquisition, transportation and treatment, wastewater collection, transportation, treatment and disposal, and drainage facilities and services.

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4 OF EL PASO COUNTY

Management Discussion and Analysis For the Year Ended September 30, 2023

USING THIS ANNUAL REPORT

The District's reporting is comprised of five parts:

- Management's Discussion and Analysis (this section)
- Basic Financial Statements
 - Statement of Net Position and Reconciliation to Governmental Funds Balance Sheet
 - Statement of Activities and Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
- Notes to the Financial Statements
- Required Supplementary Information
- Texas Supplementary Information (required by the Texas Commission on Environmental Quality)

The Government-wide statements are reported using the flow of economic resources measurement focus and the full accrual basis of accounting. The Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

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

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Statement of Net Position and Governmental Funds Balance Sheet includes a column (titled "Governmental Funds Total") that represents a balance sheet prepared using the modified accrual basis of accounting. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District's net position will indicate financial health.

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

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2023**

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

The Required Supplementary Information presents a comparison statement between the District's adopted budget and its actual results.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Summary Statement of Net Position

| | Governmental Activities (in thousands) | | |
|----------------------------------|---|-------------------|------------------------|
| | September 2023 | September 2022 | Increase (Decrease) |
| Current and Other Assets | \$ 744 | \$ 146 | \$ 598 |
| Capital and Non-Current Assets | 3,790 | - | 3,790 |
| Total Assets | 4,534 | 146 | 4,388 |
| Current Liabilities | 149 | 22 | 127 |
| Long-Term Liabilities | 4,547 | - | 4,547 |
| Total Liabilities | 4,696 | 22 | 4,674 |
| Net Investment in Capital Assets | (860) | - | (860) |
| Restricted | 557 | - | 557 |
| Unrestricted | 141 | 124 | 17 |
| Total Net Position | \$ (162) | \$ 124 | \$ (286) |

The District's total assets were approximately \$4.5 million at the end of the current fiscal year. Of this amount, approximately \$714 thousand is accounted for by cash and short-term investments. The District had outstanding liabilities of approximately \$4.7 million. The District's unrestricted net assets, which can be used to finance day to day operations, totaled \$141 thousand.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2023**

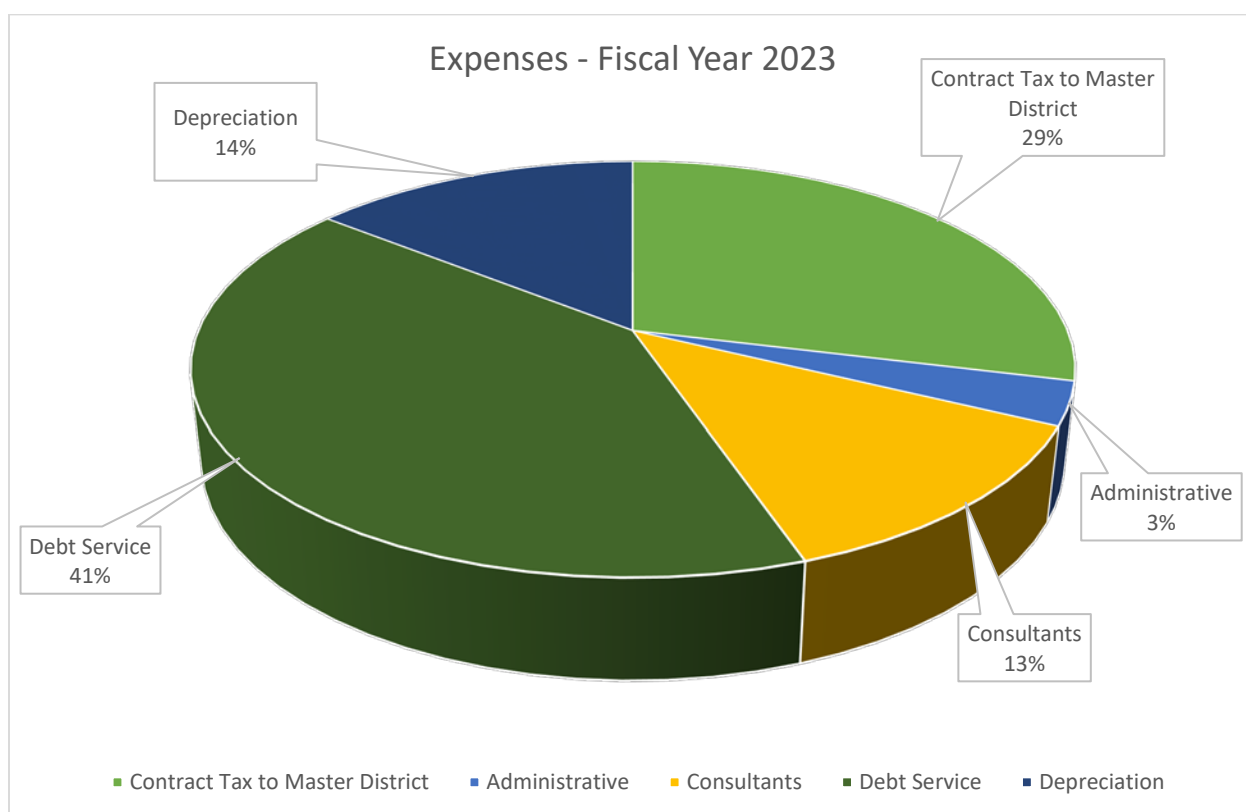
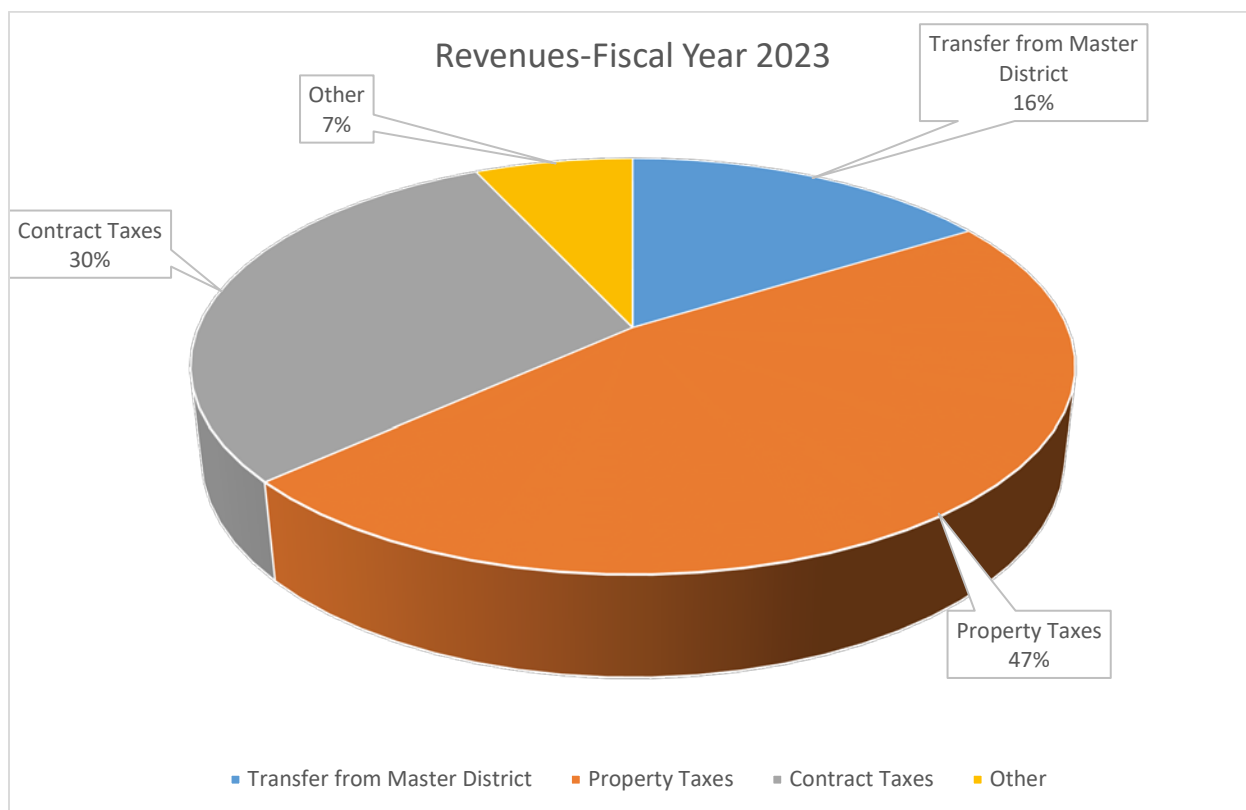
Summary Statement of Activities

| | Governmental Activities (in thousands) | | Increase (Decrease) |
|-----------------------------------|---|---------------|------------------------|
| | 2023 | 2022 | |
| Transfer from Master District | \$ 84 | \$ 67 | \$ 17 |
| Property Taxes | 245 | 82 | 163 |
| Contract Taxes | 155 | 51 | 104 |
| Other | 36 | 1 | 35 |
| Total Revenues | 520 | 201 | 319 |
| Contract Tax to Master District | 155 | 51 | 104 |
| Administrative | 18 | 13 | 5 |
| Consultants | 67 | 55 | 12 |
| Debt Service | 220 | - | 220 |
| Depreciation | 77 | - | 77 |
| Total Expenses | 537 | 119 | 418 |
| Other Financing Sources (Uses) | (269) | - | (269) |
| Change in Net Position | (286) | 82 | (368) |
| Beginning Net Position | 124 | 42 | 82 |
| Ending Net Position | \$ (162) | \$ 124 | \$ (286) |

Revenues were approximately \$520 thousand for the current fiscal year. Expenses were approximately \$806 thousand for the year, including bond issuance costs. Net assets decreased about \$286thousand primarily due to bond issuance costs. The following charts summarize the sources of revenue and areas of expenses.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2023**



**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUND LEVEL STATEMENTS

In comparison to the Government-wide statements, the Fund-level statements focus on the key funds of the District. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The District reports the following types of Governmental funds: General Fund, Debt Service Fund and Capital Projects Fund. The focus of the District's Governmental funds is to provide information on near-term inflows, outflows, and available resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available at the end of the fiscal year.

Summary Balance Sheet

| | Governmental Funds (in thousands) | | |
|--|--------------------------------------|-------------------|------------------------|
| | September 2023 | September 2022 | Increase (Decrease) |
| Cash and Investments | \$ 714 | \$ 77 | \$ 637 |
| Accounts Receivable | 8 | 14 | (6) |
| Prepaid Expenses | 23 | 55 | (32) |
| Total Assets | 745 | 146 | 599 |
| Accounts Payable | 15 | 22 | (7) |
| Unrealized Revenue | - | - | - |
| Total Liabilities | 15 | 22 | (7) |
| Nonspendable | 23 | 55 | (32) |
| Restricted for Debt Service | 557 | - | 557 |
| Restricted for Capital Projects | 32 | - | 32 |
| Unassigned | 118 | 69 | 49 |
| Total Fund Balances | 730 | 124 | 606 |
| Total Liabilities and Fund Balances | \$ 745 | \$ 146 | \$ 599 |

The General Operating Fund, which pays for daily operating expenses, had an unassigned balance of \$118 thousand at the end of the current fiscal year. This is an increase of \$49 thousand over the prior fiscal year.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2023**

The Debt Service Fund increased from \$-0- to \$557 thousand during the year.

The Capital Projects Fund increase from \$-0- to #32 thousand during the year.

BUDGETARY HIGHLIGHTS

The Board of Directors adopted the fiscal year 2023 annual budget for the General Fund on September 13, 2022. The budget included revenues of \$261 thousand and expenditures of \$250 thousand. Actual revenue amounted to \$257 thousand and expenditures of \$240 thousand. More detailed information about the District's budgetary comparison is presented in the Required Supplementary Information section.

CAPITAL ASSETS

The District acquired \$3.87 million of infrastructure facilities serving the District's residents during the year. A summary of these assets is listed below:

Summary of Capital Assets

| | Governmental Activities | | |
|-----------------------------------|-------------------------|-------------------|------------------------|
| | (in thousands) | | |
| | September 2023 | September 2022 | Increase (Decrease) |
| Water, Wastewater and Drainage | \$ 3,867 | \$ - | \$ 3,867 |
| Accumulated Depreciation | (77) | - | (77) |
| Total Capital Assets (Net) | \$ 3,790 | \$ - | \$ 3,790 |

LONG TERM DEBT

The District issued \$4.79 million of unlimited tax bonds during the year. Bonded indebtedness of the District at year end was \$4.79 million. More detailed information about the District's long-term debt is presented in the Notes to the Basic Financial Statements.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**Management Discussion and Analysis
For the Year Ended September 30, 2023**

ECONOMIC FACTORS

The taxable assessed value of property within the District as of January 1, 2023 has been fixed by the El Paso County Appraisal District at \$81 million. The tax rates adopted by the District on September 15, 2023 for the coming fiscal year are \$0.0251 for maintenance and operations, \$0.29 for contract tax and \$0.4349 for debt service. The District expects this to produce \$600 thousand in total property tax revenue for next year. The adopted budget for fiscal year 2023 projects an increase in the operating fund balance.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of Gordon Davis Johnson & Shane 4695 North Mesa, El Paso, Texas 79912.

BASIC FINANCIAL STATEMENTS

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**STATEMENT OF NET POSITION
AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2023**

| | GOVERNMENTAL FUNDS | | | | ADJUST- | STATEMENT |
|---|---------------------------|-------------------------|-----------------------------|-------------------|---------------------|----------------------------|
| | GENERAL | DEBT SERVICE | CAPITAL PROJECTS | TOTAL | MENTS | OF NET POSITION |
| <u>ASSETS</u> | | | | | | |
| Cash | \$ 29,399 | \$ - | \$ 1 | \$ 29,400 | \$ - | \$ 29,400 |
| Investments | 95,062 | 557,665 | 31,830 | 684,557 | - | 684,557 |
| Taxes Receivable | - | - | - | - | - | - |
| Prepaid Costs | 23,027 | - | - | 23,027 | - | 23,027 |
| Due from Affiliated District | 7,164 | - | - | 7,164 | - | 7,164 |
| Due from Other Funds | 943 | - | - | 943 | (943) | - |
| Water/WW/Drainage System (Net) | - | - | - | - | 3,790,187 | 3,790,187 |
| Total Assets | \$ 155,595 | \$ 557,665 | \$ 31,831 | \$ 745,091 | \$ 3,789,244 | \$ 4,534,335 |
| <u>LIABILITIES</u> | | | | | | |
| Accounts Payable | \$ 13,679 | \$ - | \$ - | \$ 13,679 | \$ 29,720 | \$ 43,399 |
| Due to Other Funds | - | 943 | - | 943 | (943) | - |
| Due to Affiliated District | 868 | - | - | 868 | - | 868 |
| Bonds Payable in less than one year | - | - | - | - | 105,000 | 105,000 |
| Bonds Payable in more than one year | - | - | - | - | 4,547,048 | 4,547,048 |
| Total Liabilities | 14,547 | 943 | - | 15,490 | 4,680,825 | 4,696,315 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | | |
| Property Taxes | - | - | - | - | - | - |
| Total Deferred Inflows | - | - | - | - | - | - |
| Fund Equity | | | | | | |
| Nonspendable | 23,027 | - | - | 23,027 | (23,027) | - |
| Restricted for Debt Service | - | 556,722 | - | 556,722 | (556,722) | - |
| Restricted for Capital Projects | - | - | 31,831 | 31,831 | (31,831) | - |
| Unassigned | 118,021 | - | - | 118,021 | (118,021) | - |
| Total Fund Equity | 141,048 | 556,722 | 31,831 | 729,601 | (729,601) | - |
| Total Liabilities, Fund Equity & Deferred Inflows of Resources | \$ 155,595 | \$ 557,665 | \$ 31,831 | \$ 745,091 | | |
| <u>NET POSITION</u> | | | | | | |
| Net Investment in Capital Assets | | | | | (859,750) | (859,750) |
| Restricted for Debt Service | | | | | 556,722 | 556,722 |
| Unrestricted | | | | | 141,048 | 141,048 |
| Total Net Position | | | | | \$ (161,980) | \$ (161,980) |

The notes to financial statements are an integral part of this statement.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | GOVERNMENTAL FUND TYPES | | | | ADJUST- MENTS | STATEMENT OF ACTIVITIES |
|---|-------------------------|-------------------|---------------------|-------------------|---------------------|-------------------------------|
| | GENERAL | DEBT SERVICE | CAPITAL PROJECTS | TOTAL | | |
| REVENUES | | | | | | |
| Transfer From Master District | \$ 83,978 | \$ - | \$ - | \$ 83,978 | \$ - | \$ 83,978 |
| Property Taxes | 13,336 | 231,951 | - | 245,287 | - | 245,287 |
| Contract Taxes | 154,638 | - | - | 154,638 | - | 154,638 |
| Interest | 4,862 | 29,643 | 1,383 | 35,888 | - | 35,888 |
| TOTAL REVENUES | 256,814 | 261,594 | 1,383 | 519,791 | - | 519,791 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Contract Tax To Master District | 154,638 | - | - | 154,638 | - | 154,638 |
| Legal Fees | 14,203 | - | - | 14,203 | - | 14,203 |
| Audit Fees | 5,500 | - | - | 5,500 | - | 5,500 |
| Accounting Fees | 31,763 | - | - | 31,763 | - | 31,763 |
| Engineering Fees | 3,928 | - | - | 3,928 | - | 3,928 |
| Management Fees | 10,324 | - | - | 10,324 | - | 10,324 |
| Fiscal Agent Fees | 1,500 | 130 | - | 1,630 | - | 1,630 |
| Director Salaries and Payroll Taxes | 7,589 | - | - | 7,589 | - | 7,589 |
| Insurance | 949 | - | - | 949 | - | 949 |
| Tax Assessor/Collector | 6,351 | - | - | 6,351 | - | 6,351 |
| Printing and Office Supplies | 638 | - | - | 638 | - | 638 |
| Postage and Delivery | 243 | - | - | 243 | - | 243 |
| Legal Notices | 1,360 | - | - | 1,360 | - | 1,360 |
| Travel | 1,130 | - | - | 1,130 | - | 1,130 |
| Interest | - | 184,409 | - | 184,409 | 35,468 | 219,877 |
| Principal | - | - | - | - | - | - |
| Depreciation | - | - | - | - | 77,351 | 77,351 |
| Capital Expenditures | - | - | 3,867,538 | 3,867,538 | (3,867,538) | - |
| TOTAL EXPENDITURES | 240,116 | 184,539 | 3,867,538 | 4,292,193 | (3,754,719) | 537,474 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Bond Proceeds | - | 479,667 | 4,310,333 | 4,790,000 | (4,790,000) | - |
| Bond Discount | - | - | (143,700) | (143,700) | 143,700 | - |
| Bond Issuance Costs | - | - | (268,647) | (268,647) | - | (268,647) |
| NET OTHER SOURCES (USES) | - | 479,667 | 3,897,986 | 4,377,653 | (4,646,300) | (268,647) |
| Excess (Deficit) of Revenues and Other Financing Sources over Expenditures | 16,698 | 556,722 | 31,831 | 605,251 | (605,251) | - |
| Change in Net Position | | | | | (286,330) | (286,330) |
| Fund Balance/Net Position-Beginning | 124,350 | - | - | 124,350 | - | 124,350 |
| Fund Balance/Net Position-Ending | \$ 141,048 | \$ 556,722 | \$ 31,831 | \$ 729,601 | \$ (891,581) | \$ (161,980) |

The notes to financial statements are an integral part of this statement.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

1. Summary of Significant Accounting Policies

The basic financial statements of Paseo del Este Municipal Utility District No. 4 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

Paseo del Este Municipal Utility District No. 4 of El Paso County (the District), a political subdivision of the State of Texas, was created by an Act of the Texas Legislature. The District was created and organized for the purpose of constructing water, sewer, and drainage facilities and providing water and sewer services to customers within its boundaries and in the surrounding area. The District has entered into an agreement with Paseo del Este Municipal Utility District No. 1 (Paseo No. 1) under which Paseo No. 1 will serve as the “Master District” for the purpose of providing water acquisition, transportation and treatment, wastewater collection, transportation, treatment and disposal, and drainage facilities and services. Under the terms of this agreement Paseo No. 1 has agreed to provide retail water and wastewater service to customers in the District and reimburse all of the District’s operating expenses in exchange for a commitment from the District to levy an ad valorem tax (contract tax) on property within the District to fund the District’s share of certain costs of Paseo No. 1 not provided for by retail revenues.

These financial statements report the financial activity of Paseo del Este Municipal Utility District No. 4. The reporting entity of the District encompasses those activities and functions over which the District’s elected officials exercise significant oversight or control. The District is governed by a five-member Board of Directors (the Board). The funds and account groups presented in this report are within the oversight responsibility of the Board, in accordance with Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting. There are no component units of the District, nor is the District a component unit of any other entity.

A. Basis of Presentation, Basis of Accounting

In accordance with GASB Statement No. 34, the District has elected to combine their Government-wide and Governmental Fund Financial Statements into one set of financial statements with a reconciliation of the individual line items in a separate column on the financial statements.

Government-wide Financial Statements:

The **Statement of Net Position** and the **Statement of Activities** include the financial activities of the overall government. Governmental activities are generally financed through property taxes.

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023

1. Summary of Significant Accounting Policies (continued)

The **Statement of Activities** presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Fund Financial Statements:

The governmental fund financial statement columns are labeled **Governmental Funds Balance Sheet** and **Governmental Funds Revenue, Expenditures and Changes in Fund Balance**. In the fund financial statements, the accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Fund: The Capital Projects Fund is used to account for the acquisition or construction of major capital facilities. Principal sources of revenue are municipal long-term debt proceeds and interest income.

B. Measurement Focus, Basis of Accounting

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

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources management focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year end to be available in the current period. Revenues from local sources consist primarily of property taxes. Miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long term debt,

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023

1. Summary of Significant Accounting Policies (continued)

which is recognized as an expenditure to the extent that it has matured. General capital asset acquisitions are reported as expenditures in major governmental funds. Proceeds of general long-term debt are reported as other financing sources.

C. Fund Balances

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

Nonspendable – Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned – For the General Fund, amounts that are appropriated by the Board or Board designee, if any, that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned – Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has not delegated the authority to assign fund balance.

D. Budget

The Board adopted an annual budget for the General Fund on the basis consistent with generally accepted accounting principles. The District's Board of Directors utilizes the budget as a management tool for planning and cost control purposes. All annual appropriations lapse at fiscal year end.

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023

1. Summary of Significant Accounting Policies (continued)

E. Pensions

The District has not established a pension plan.

F. Cash and Cash Equivalents

These include cash on deposit as well as investments with maturities of three months or less at the time of purchase.

G. Prepaid Items

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

H. Capital Assets

Capital assets, which include Administrative Facilities and Equipment, Common and Recreation Areas, Water Production and Distribution System, Wastewater Collection System, Water Quality Ponds and Organizational Costs are reported in the Government-wide column in the Statement of Net Position. Public domain (“infrastructure”) capital assets including water, wastewater and drainage systems, are capitalized as acquired. Items purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded as capital assets at estimated fair market value at the time received.

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

| <u>Asset</u> | <u>Years</u> |
|----------------------------------|--------------|
| Water/Wastewater/Drainage System | 50 |

I. Interfund Transactions

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

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

1. Summary of Significant Accounting Policies (continued)

J. Long-Term Debt

Unlimited tax bonds, which will be issued in the future to acquire capital assets, are to be repaid from tax revenues of the District. In the Government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

K. Deferred Outflows and Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period. GASB Statement No. 63 became effective for fiscal years beginning after December 15, 2011 and has been implemented in the financial statements.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 is effective for fiscal years beginning after December 15, 2012 and has been implemented in these financial statements.

L. Recently Issued Accounting Pronouncements

In March 2018, the GASB issued GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of GASB Statement No. 88 is to improve the consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This statement is effective for reporting periods beginning after June 15, 2018. GASB Statement No. 88 has been implemented in these financial statements.

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023

1. Summary of Significant Accounting Policies (continued)

In June 2018, the GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for fiscal years beginning after December 15, 2020. The objective of GASB Statement No. 89 is to enhance the relevance and comparability of information about capital assets and to simplify accounting for interest costs incurred before the end of a construction period. Under GASB Statement 89, interest costs will no longer be capitalized as part of the asset but will be shown as an expenditure in the fund financial statements and as an expense in the government-wide financial statements. GASB Statement No. 89 has been implemented in these financial statements.

2. Cash and Investments

The investment policies of the District are governed by State statute and an adopted District Investment Policy that includes depository contract provisions and custodial contract provisions. Major provisions of the District's Investment Policy include: depositories must be FDIC-insured Texas banking institutions; depositories must fully insure or collateralize all demand and time deposits; securities collateralizing time deposits are held by independent third-party trustees.

Cash – At year end, deposits were held by the District's depository bank in accounts that were secured at the balance sheet date by Federal Deposit Insurance Corporation (FDIC) coverage or by pledged collateral held by the District's agent bank in the District's name.

Investments - The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirement of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restriction, (1) obligations of the US Treasury, certain US Agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) banker's acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) commercial paper.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

2. Cash and Investments (continued)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Not all assets meeting the definition of an investment are required to be reported at fair value. Including among excepted investments are certain investments held by 2a7-like external investments pools. As detailed below the District has invested funds in specific 2a7-like external investment pools that are valued at amortized cost and not subject to the fair value hierarchy levels.

The District's investments at year end are shown below.

| <u>Investment</u> | <u>Fair Value</u> <u>Level</u> | <u>Rating</u> | <u>Maturity</u> | <u>Fair Value</u> |
|-------------------|-----------------------------------|---------------|-----------------|-------------------|
| TexPool | N/A | AAAm | 1 day average | \$ 684,557 |

Analysis of Specific Cash and Investment Risks – GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and, if so, the reporting of certain related disclosures.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

At year end, the District's investments, other than those which are obligations of or guaranteed by the US Government, are rated as to credit quality as detailed above.

Custodial Credit Risk – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterpart or the counterpart's trust department or agent but not in the District's name. At year end, the District was not exposed to custodial credit risk.

Concentration of Credit Risk – This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023

2. Cash and Investments (continued)

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

Foreign Currency Risk – This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Investment Accounting Policy – The District’s general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value.

All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term “short-term” refers to investments which have a remaining term of one year or less at time of purchase. The term “nonparticipating” means that the investment’s value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools – Public funds investment pools in Texas (“Pools”) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the “Act”), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the Pool and other person who do not have a business relationship with the Pool and are qualified to advise the Pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least on nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio with one half of one percent of the value of its shares.

The District’s investments in Pools are reported at an amount determined by the fair value per share of the Pool’s underling portfolio, unless the Pool is 2a7-like, in which case they are reported at share value. A 2a7-like Pool is one which is not registered with the Securities and Exchange Commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940.

TexPool – The District invests in the Texas Local Government Investment Pool (TexPool), which is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under a contract with the State Comptroller.

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023

2. Cash and Investments (continued)

In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advise in respect to TexPool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAM by Standard & Poor's and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost, which usually approximates the market value of the securities. The stated objective of TexPool is to maintain a stable average \$1.00 per unit net asset value; however, the \$1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at www.ttstc.org.

3. Property Taxes

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus delinquent collection fees for attorney costs.

At an election held within the District on May 10, 2014, voters authorized the District to levy an annual ad valorem tax on all taxable property within the District for operation and maintenance purposes and to make certain payments required pursuant to contracts with Paseo No. 1. Voters authorized the levy of a maintenance tax not to exceed \$1.00 per \$100.00 valuation. Property taxes were levied by the District for the 2022-23 fiscal year at the rate of \$0.0251 per hundred assessed value for maintenance and operations, \$0.4349 per hundred assessed value for debt service and \$0.29 per hundred assessed value for contract tax. The District agreed to remit \$0.29 per hundred assessed value, the contract tax, to the Master District under its cost sharing and utility capacity agreement. Uncollected property taxes amounted to \$-0- at the end of the year.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

4. Capital Assets

A summary of changes in capital assets follows:

| | Balance | | | Balance |
|-----------------------------------|------------------|------------------|------------------|---------------------|
| <u>Capital Assets:</u> | <u>9/30/2022</u> | <u>Additions</u> | <u>Deletions</u> | <u>9/30/2023</u> |
| Water WW & Drainage | \$ - | 3,867,538 | - | \$ 3,867,538 |
| Total | - | 3,867,538 | - | 3,867,538 |
| <u>Accumulated Depreciation:</u> | | | | |
| Water WW & Drainage | - | (77,351) | - | (77,351) |
| Total | - | (77,351) | - | (77,351) |
| Total Capital Assets (Net) | \$ - | 3,790,187 | - | \$ 3,790,187 |

5. Bonds

At an election held within the District on May 10, 2014, voters authorized a total of \$30,000,000 combination unlimited tax and revenue bonds for the purpose of purchasing, constructing, acquiring, owning, improving, extending, maintaining, repairing, or operating a waterworks system, a sanitary sewer system, and a drainage and storm water system for the District. The election also authorized the issuance of \$30,000,000 of refunding bonds and it also authorized the issuance of contract tax bonds. The District's bonds are collateralized by the levy of an annual ad valorem tax against all taxable property within the District. The District has no direct borrowings or direct placement debt.

In October 2022, the District issued \$4,790,000 of Unlimited Tax Bonds dated October 1, 2022. The bonds mature serially on August 15, in each year 2024 through 2047, in principal amounts set forth below. Bonds maturing on or after August 15, 2029, are subject to redemption, in whole or in part, on August 15, 2028, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. Bonds maturing in the years 2034, 2036, 2038, 2040 and 2047 are also subject to mandatory sinking fund redemption.

These bonds are described as follows:

| <u>Issue</u> | <u>Original</u> <u>Amount</u> | <u>Installments</u> <u>(in thousands)</u> | <u>Final</u> <u>Maturity</u> | <u>Interest</u> <u>Rates</u> | <u>Balance</u> <u>Outstanding</u> |
|--------------|----------------------------------|--|---------------------------------|---------------------------------|--------------------------------------|
| Series 2022 | 4,790,000 | 105 to 330 | 2047 | 4.0 - 5.000% | 4,790,000 |

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

5. Bonds (continued)

The change in bonds outstanding during the year is as follows:

| <u>Bonds:</u> | <u>Balance 9/30/2022</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 9/30/2023</u> |
|----------------------------------|------------------------------|------------------|------------------|------------------------------|
| Unlimited Tax Bonds, Series 2022 | \$ - | 4,790,000 | - | \$ 4,790,000 |
| Bond Discount, Series 2022 | - | (143,700) | 5,748 | (137,952) |
| Total Bond Indebtedness | \$ - | 4,646,300 | 5,748 | \$ 4,652,048 |

Redemption

Series 2022 Bonds maturing on or after August 15, 2029, are subject to redemption at the option of the District prior to their maturity dates in whole, or from time to time, in part, on August 15, 2028, or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on August 15 in the years 2034, 2036, 2038, 2040 and 2047 are subject to mandatory sinking fund redemption.

Debt Service Requirements

| <u>Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|-----------------------------|---------------------|---------------------|---------------------|
| 2024 | \$ 105,000 | \$ 223,526 | \$ 328,526 |
| 2025 | 115,000 | 219,326 | 334,326 |
| 2026 | 120,000 | 214,726 | 334,726 |
| 2027 | 125,000 | 209,926 | 334,926 |
| 2028 | 130,000 | 204,926 | 334,926 |
| 2029-2033 | 755,000 | 938,119 | 1,693,119 |
| 2034-2038 | 975,000 | 751,370 | 1,726,370 |
| 2039-2043 | 1,235,000 | 496,763 | 1,731,763 |
| 2044-2048 | 1,230,000 | 157,500 | 1,387,500 |
| Totals | \$ 4,790,000 | \$ 3,416,182 | \$ 8,206,182 |

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023

6. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the year, the District obtained liability coverage.

7. Contingencies

The District has an obligation to reimburse developers of property in the District costs expended on behalf of the District for the construction of water, sewer and drainage systems designed to serve the District. Since the construction of these facilities is not yet complete, the ultimate amount of the future reimbursements cannot be determined at this time.

8. Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023

9. Summary of General Fund Items

As mentioned in Note 1, the District has entered into agreements with Paseo del Este Municipal District No. 1. Among other things, these agreements require Paseo 1 to reimburse the District's operating expenses and require the District to remit to Paseo 1 the District's Contract Tax collections. The table below summarizes the different elements of these requirements as they affect the District's General Fund.

| | General Fund | Covered by | Contract | District |
|---------------------------------|---------------------|------------------------|-----------------|-----------------|
| <u>REVENUES</u> | <u>Total</u> | <u>Master District</u> | <u>Tax</u> | <u>Items</u> |
| Transfer from Master District | \$ 83,978 | \$ 83,978 | \$ - | \$ - |
| Property Taxes | 13,336 | - | - | 13,336 |
| Contract Taxes | 154,638 | - | 154,638 | - |
| Interest | 4,862 | - | - | 4,862 |
| TOTAL REVENUES | 256,814 | 83,978 | 154,638 | 18,198 |
| <u>EXPENDITURES</u> | | | | |
| Contract Tax to Master District | 154,638 | - | 154,638 | - |
| Legal Fees | 14,203 | 14,203 | - | - |
| Audit Fees | 5,500 | 5,500 | - | - |
| Accounting Fees | 31,763 | 31,763 | - | - |
| Engineering Fees | 3,928 | 3,928 | - | - |
| Management Fees | 10,324 | 10,324 | - | - |
| Fiscal Agent Fees | 1,500 | - | - | 1,500 |
| Director Salaries and Taxes | 7,589 | 7,589 | - | - |
| Insurance | 949 | 949 | - | - |
| Tax Assessor/Collector | 6,351 | 6,351 | - | - |
| Printing & Office Supplies | 638 | 638 | - | - |
| Postage & Delivery | 243 | 243 | - | - |
| Legal Notices | 1,360 | 1,360 | - | - |
| Travel | 1,130 | 1,130 | - | - |
| Capital Expenditures | - | - | - | - |
| TOTAL EXPENDITURES | 240,116 | 83,978 | 154,638 | 1,500 |
| Transfers (to) from Other Funds | - | - | - | - |
| Excess (Deficit) | 16,698 | - | - | 16,698 |
| Fund Balance-Beginning of Year | 124,350 | - | - | 124,350 |
| Fund Balance-End of Year | \$ 141,048 | \$ - | \$ - | \$ 141,048 |

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023

10. Subsequent Events

The District has evaluated subsequent events as of December 31, 2023, the date the financial statements were available to be issued.

11. Reconciliation of Government-wide and Fund Financial Statements

Amounts reported for governmental activities in the statement of net position are different because:

| | |
|--|-----------------------------------|
| Governmental Funds Total Fund Balances | \$ 729,601 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds | 3,790,187 |
| Long-term liabilities (bonds payable) are not due and payable in the current period and, therefore, are not reported in the funds | (4,652,048) |
| Interest is accrued on outstanding debt in the government-wide statements, whereas in the governmental funds, an interest expenditure is reported when made and not accrued in the funds | (29,720) |
| Deferred tax revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds | <u>-</u> |
| Total Net Position | <u><u>\$ (161,980)</u></u> |

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2023**

11. Reconciliation of Government-wide and Fund Financial Statements (continued)

Amounts reported for governmental activities in the statement of activities are different because:

| | |
|--|-----------------------------------|
| Governmental Funds Excess of Revenues over Expenditures | \$ 605,251 |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds | |
| Change in Deferred Tax Revenue | - |
| Governmental funds report capital outlays as expenditures however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense | |
| Capital Outlay | 3,867,538 |
| Depreciation Expense | (77,351) |
| Governmental funds report principal payments as expenditures however, in the Statement of Activities, these payments are not reported as operating expenses | |
| Bond Principal | - |
| Governmental funds do not report the change in accrued interest as an expenditure, however, in the Statement of Activities, this change in the amount accrued is reported as an expense | |
| Accrued Interest | (35,468) |
| Bond Proceeds are reported as other financing sources in the governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities | |
| Bond Proceeds | (4,646,300) |
| Change in Net Position | <u><u>\$ (286,330)</u></u> |

REQUIRED SUPPLEMENTARY INFORMATION

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

| | <u>ORIGINAL BUDGET</u> | <u>ACTUAL</u> | <u>FAVORABLE (UNFAVORABLE)</u> |
|--|-----------------------------------|--------------------------|---|
| <u>REVENUES</u> | | | |
| Transfer From Master District | \$ 100,785 | \$ 83,978 | \$ (16,807) |
| Property Taxes | 12,772 | 13,336 | 564 |
| Contract Taxes | 147,553 | 154,638 | 7,085 |
| Interest | 140 | 4,862 | 4,722 |
| TOTAL REVENUES | <u>261,250</u> | <u>256,814</u> | <u>(4,436)</u> |
| <u>EXPENDITURES</u> | | | |
| Current: | | | |
| Contract Tax Transfer To Master District | 147,553 | 154,638 | (7,085) |
| Legal Fees | 15,000 | 14,203 | 797 |
| Audit Fees | 5,500 | 5,500 | - |
| Accounting Fees | 33,000 | 31,763 | 1,237 |
| Engineering Fees | 8,000 | 3,928 | 4,072 |
| Management Fees | 24,000 | 10,324 | 13,676 |
| Fiscal Agent Fees | 1,500 | 1,500 | - |
| Director Salaries and Payroll Taxes | 7,500 | 7,589 | (89) |
| Insurance | 1,500 | 949 | 551 |
| Tax Assessor/Collector | 1,900 | 6,351 | (4,451) |
| Printing & Office Supplies | 750 | 638 | 112 |
| Postage & Delivery | 385 | 243 | 142 |
| Legal Notices | 1,000 | 1,360 | (360) |
| Travel | 2,250 | 1,130 | 1,120 |
| Capital Expenditures | - | - | - |
| TOTAL EXPENDITURES | <u>249,838</u> | <u>240,116</u> | <u>9,722</u> |
| Transfer (to) Other Funds | - | - | - |
| Excess (Deficit) of Revenues over Expenditures | 11,412 | 16,698 | 5,286 |
| Fund Balance - Beginning of Year | 124,350 | 124,350 | - |
| Fund Balance - End of Year | <u>\$ 135,762</u> | <u>\$ 141,048</u> | <u>\$ 5,286</u> |

See accompanying independent auditor's report

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
SUPPLEMENTARY INFORMATION

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**INDEX OF SUPPLEMENTAL SCHEDULES REQUIRED
BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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

- ☒ Schedule of Services and Rates
- ☒ Schedule of General Fund Expenditures
- ☒ Temporary Investments
- ☒ Analysis of Taxes Levied and Receivable
- ☐ General Long Term Debt Service Requirements by Years
The District has no Long Term Debt
- ☐ Analysis of Changes in General Long Term Debt
The District has no Long Term Debt
- ☒ Comparative Schedule of Revenues and Expenditures - General Fund
- ☒ Board Members, Key Personnel, and Consultants

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**SERVICES AND RATES
SEPTEMBER 30, 2023**

1. Services Provided by the District (contractually through Master District):

| | | |
|-------------------|----------|-------------|
| Retail Water | Drainage | Solid Waste |
| Retail Wastewater | Parks | |

2. Retail Rates Based on 5/8" Meter

| | Minimum | Minimum | Flat | Rate per first | Rate per add'l |
|-------------|---------|---------|------|----------------|----------------|
| | Charge | Usage | Rate | 1000 Gallons | 1000 Gallons |
| | | | Y/N | Over Minimum | Over Minimum |
| Water: | n/a | n/a | n/a | n/a | n/a |
| Wastewater: | n/a | n/a | n/a | n/a | n/a |
| Surcharge: | n/a | n/a | n/a | n/a | n/a |

Total water and wastewater charges per 10,000 gallons usage: n/a

3. Retail Service Provided: Number of retail water and/or wastewater connections.

| | Active | Active | Inactive |
|-----------------------|-------------|--------|-------------|
| | Connections | EFSC | Connections |
| | | | (EFSC) |
| Single Family & Total | | | |
| Water | n/a | n/a | n/a |
| Wastewater | n/a | n/a | n/a |

4. Total Water Consumption (in thousands) During the Year:

Gallons pumped into system: n/a
Gallons billed to customers: n/a

5. Standby Fees: The District does not assess standby fees.

6. Anticipated sources of funds to be used for debt service payments: Ad Valorem taxes

7. Location of District:

The District is located entirely within El Paso County.
The District is not located within any city.
The District is located within the City of El Paso ETJ
The general membership of the Board is not appointed by an office outside the District.

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**SCHEDULE OF GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Current:

Purchased Services for Resale

| | |
|-----------------|----------|
| Water | \$ - |
| Wastewater | - |
| Connection Fees | - |
| | <u>-</u> |

Professional Fees

| | |
|-------------|----------------------|
| Audit | 5,500 |
| Engineering | 3,928 |
| Legal | 14,203 |
| | <u>23,631</u> |

Contracted Services

| | |
|--------------------------|----------------------|
| Accounting | 31,763 |
| Management | 10,324 |
| Fiscal Agent | 1,500 |
| Tax Appraisal/Collection | 6,351 |
| | <u>49,938</u> |

Utilities

| | |
|----------------------|----------|
| Solid Waste Disposal | - |
| | <u>-</u> |

Administrative

| | |
|-------------------------------------|----------------------|
| Director Salaries and Payroll Taxes | 7,589 |
| Insurance | 949 |
| Printing and Office Supplies | 638 |
| Postage and Delivery | 243 |
| Legal Notices | 1,360 |
| Travel | 1,130 |
| | <u>11,909</u> |

Maintenance

| | |
|-------------------------|----------|
| Landscape Maintenance | - |
| Repairs and Maintenance | - |
| Pond Maintenance | - |
| | <u>-</u> |

Master District Expenses

| | |
|--|-----------------------|
| Contract Tax Transfer To Master District | 154,638 |
| | <u>154,638</u> |

| | |
|---------------------------|---------------------------------|
| TOTAL EXPENDITURES | <u><u>\$ 240,116</u></u> |
|---------------------------|---------------------------------|

Number of persons employed by the District: -0-

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**TEMPORARY INVESTMENTS
SEPTEMBER 30, 2023**

| <u>Funds</u> | <u>Identification or Certificate Number</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Balance at End of Year</u> | <u>Accrued Interest Receivable at End of Year</u> |
|-------------------------------------|---|--------------------------|--------------------------|---------------------------------------|---|
| <u>GENERAL FUND</u> | | | | | |
| State Investment Pool | ****0003 | 5.41% | N/A | \$ 95,062 | \$ - |
| Total | | | | 95,062 | - |
| <u>DEBT SERVICE FUND</u> | | | | | |
| State Investment Pool | ****0001 | 5.41% | N/A | 2,246 | - |
| State Investment Pool | ****0002 | 5.41% | N/A | 555,419 | - |
| Total | | | | 557,665 | - |
| <u>CAPITAL PROJECTS FUND</u> | | | | | |
| State Investment Pool | ****0004 | 5.41% | N/A | 31,830 | - |
| Total | | | | 31,830 | - |
| TOTALS - ALL FUNDS | | | | <u>\$ 684,557</u> | <u>\$ -</u> |

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**ANALYSIS OF TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | GENERAL FUND | | DEBT SERVICE TAXES | TOTALS |
|---------------------------------------|------------------------------|---------------------------|-----------------------------------|---------------|
| | MAINTENANCE TAXES | CONTRACT TAXES | | |
| Taxes Receivable, Beginning of Period | \$ - | \$ - | \$ - | \$ - |
| 2022 Original Levy | 13,368 | 154,447 | 231,617 | 399,431 |
| Adjustments | (51) | (32) | (1) | (83) |
| Add: Penalty & Interest | 19 | 223 | 335 | 577 |
| Total to be accounted for | 13,336 | 154,638 | 231,951 | 399,925 |
| Tax collections: | | | | |
| Current year | 13,336 | 154,638 | 231,951 | 399,925 |
| Prior years | - | - | - | - |
| Total Collections | 13,336 | 154,638 | 231,951 | 399,925 |
| Taxes Receivable, End of Period | \$ - | \$ - | \$ - | \$ - |

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--------------------------------|------------|------------|-----------|-----------|-----------|
| Property Valuations: | | | | | |
| Land & Improvements | 53,257,475 | 17,685,022 | 3,532,024 | 2,093,804 | 1,898,695 |
| Tax Rates Per \$100 Valuation: | | | | | |
| Debt Service tax rates | \$ 0.4349 | \$ - | \$ - | \$ - | \$ - |
| Contract Tax tax rates | \$ 0.2900 | \$ 0.2900 | \$ 0.2900 | \$ 0.2900 | \$ 0.2700 |
| Maintenance tax rates | \$ 0.0251 | \$ 0.4600 | \$ 0.4600 | \$ 0.4600 | \$ 0.4800 |
| Totals | \$ 0.7500 | \$ 0.7500 | \$ 0.7500 | \$ 0.7500 | \$ 0.7500 |
| Original Tax Levy | \$ 399,431 | \$ 132,638 | \$ 26,490 | \$ 15,704 | \$ 14,240 |

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| DUE DURING FISCAL YEARS ENDING | ANNUAL REQUIREMENTS FOR 2022 SERIES | | |
|--------------------------------------|-------------------------------------|--------------------------|--|
| | TOTAL PRINCIPAL DUE | TOTAL INTEREST DUE | TOTAL PRINCIPAL AND INTEREST DUE |
| 2024 | 105,000 | 223,526 | 328,526 |
| 2025 | 115,000 | 219,326 | 334,326 |
| 2026 | 120,000 | 214,726 | 334,726 |
| 2027 | 125,000 | 209,926 | 334,926 |
| 2028 | 130,000 | 204,926 | 334,926 |
| 2029 | 135,000 | 199,726 | 334,726 |
| 2030 | 145,000 | 194,158 | 339,158 |
| 2031 | 150,000 | 187,995 | 337,995 |
| 2032 | 160,000 | 181,620 | 341,620 |
| 2033 | 165,000 | 174,620 | 339,620 |
| 2034 | 175,000 | 167,195 | 342,195 |
| 2035 | 185,000 | 159,320 | 344,320 |
| 2036 | 195,000 | 150,810 | 345,810 |
| 2037 | 205,000 | 141,840 | 346,840 |
| 2038 | 215,000 | 132,205 | 347,205 |
| 2039 | 225,000 | 122,100 | 347,100 |
| 2040 | 235,000 | 111,413 | 346,413 |
| 2041 | 245,000 | 100,250 | 345,250 |
| 2042 | 260,000 | 88,000 | 348,000 |
| 2043 | 270,000 | 75,000 | 345,000 |
| 2044 | 285,000 | 61,500 | 346,500 |
| 2045 | 300,000 | 47,250 | 347,250 |
| 2046 | 315,000 | 32,250 | 347,250 |
| 2047 | 330,000 | 16,500 | 346,500 |
| 2048 | - | - | - |
| 2049 | - | - | - |
| 2050 | - | - | - |
| | <u>\$ 4,790,000</u> | <u>\$ 3,416,182</u> | <u>\$ 8,206,182</u> |

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| DUE DURING FISCAL YEARS ENDING | ANNUAL REQUIREMENTS FOR ALL SERIES | | |
|--------------------------------------|------------------------------------|--------------------------|--|
| | TOTAL PRINCIPAL DUE | TOTAL INTEREST DUE | TOTAL PRINCIPAL AND INTEREST DUE |
| 2024 | 105,000 | 223,526 | 328,526 |
| 2025 | 115,000 | 219,326 | 334,326 |
| 2026 | 120,000 | 214,726 | 334,726 |
| 2027 | 125,000 | 209,926 | 334,926 |
| 2028 | 130,000 | 204,926 | 334,926 |
| 2029 | 135,000 | 199,726 | 334,726 |
| 2030 | 145,000 | 194,158 | 339,158 |
| 2031 | 150,000 | 187,995 | 337,995 |
| 2032 | 160,000 | 181,620 | 341,620 |
| 2033 | 165,000 | 174,620 | 339,620 |
| 2034 | 175,000 | 167,195 | 342,195 |
| 2035 | 185,000 | 159,320 | 344,320 |
| 2036 | 195,000 | 150,810 | 345,810 |
| 2037 | 205,000 | 141,840 | 346,840 |
| 2038 | 215,000 | 132,205 | 347,205 |
| 2039 | 225,000 | 122,100 | 347,100 |
| 2040 | 235,000 | 111,413 | 346,413 |
| 2041 | 245,000 | 100,250 | 345,250 |
| 2042 | 260,000 | 88,000 | 348,000 |
| 2043 | 270,000 | 75,000 | 345,000 |
| 2044 | 285,000 | 61,500 | 346,500 |
| 2045 | 300,000 | 47,250 | 347,250 |
| 2046 | 315,000 | 32,250 | 347,250 |
| 2047 | 330,000 | 16,500 | 346,500 |
| 2048 | - | - | - |
| 2049 | - | - | - |
| 2050 | - | - | - |
| | <u>\$ 4,790,000</u> | <u>\$ 3,416,182</u> | <u>\$ 8,206,182</u> |

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**ANALYSIS OF CHANGES IN GENERAL LONG TERM DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | SERIES 2022 | SERIES FUTURE | SERIES FUTURE | TOTALS |
|---|---------------------|------------------------|--------------------|---------------------|
| Interest Rate | 2.00 - 4.00% | | | |
| Dates Interest Payable | 2/15 : 8/15 | | | |
| Maturity Dates | 8/15/24-8/15/47 | | | |
| Bonds-Beginning of Year | \$ - | \$ - | \$ - | \$ - |
| Bonds Sold During the Year | 4,790,000 | - | - | 4,790,000 |
| Bonds Defeased During the Year | - | - | - | - |
| Retirements During the Year | - | - | - | - |
| Bonds-End of Year | <u>\$ 4,790,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,790,000</u> |
| Interest Paid During the Year | \$ 184,409 | \$ - | \$ - | \$ 184,409 |
| Change In Accrued Interest | 29,720 | - | - | 29,720 |
| Amortization of Bond Premium | <u>5,748</u> | <u>-</u> | <u>-</u> | <u>5,748</u> |
| Interest on Financial Statements | <u>\$ 219,877</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 219,877</u> |
| Paying Agent: | BOKF | | | |
| | <u>Tax Bonds</u> | <u>Refunding Bonds</u> | <u>Other Bonds</u> | |
| Bond Authority: | | | | |
| Authorized By Voters | \$ 30,000,000 | \$ 30,000,000 | \$ - | |
| Amount Issued | \$ 4,790,000 | \$ - | \$ - | |
| Remaining To Be Issued | \$ 25,210,000 | \$ 30,000,000 | \$ - | |
| Debt Service Fund Cash and Temporary Investments balances as of September 30, 2023 | | | | <u>\$ 557,665</u> |
| Average annual debt service payment (principal & interest) for remaining term of all debt | | | | <u>\$ 341,924</u> |

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | AMOUNTS | | | | |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 9/30/2023 | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 |
| REVENUES | | | | | |
| Transfer From Master District | \$ 83,978 | \$ 66,905 | \$ 59,507 | \$ 59,121 | \$ 43,641 |
| Property Tax | 13,336 | 81,739 | 16,250 | 9,632 | 9,114 |
| Contract Tax | 154,638 | 51,531 | 10,245 | 6,072 | 5,126 |
| Interest | 4,862 | 535 | 11 | 157 | 106 |
| TOTAL REVENUES | 256,814 | 200,710 | 86,013 | 74,982 | 57,987 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Contract Tax To Master District | 154,638 | 51,531 | 10,245 | 6,072 | 5,126 |
| Legal Fees | 14,203 | 15,594 | 14,771 | 13,592 | 8,159 |
| Audit Fees | 5,500 | 4,000 | 4,000 | - | - |
| Accounting Fees | 31,763 | 21,843 | 19,457 | 19,432 | 17,425 |
| Engineering Fees | 3,928 | 3,289 | 2,605 | 4,876 | 3,166 |
| Management Fees | 10,324 | 9,910 | 9,287 | 8,918 | 5,686 |
| Fiscal Agent Fees | 1,500 | - | - | - | - |
| Director Salaries & Payroll Tax | 7,589 | 5,652 | 5,813 | 7,266 | 4,037 |
| Insurance | 949 | 948 | 885 | 1,479 | 875 |
| Tax Assessor/Collector | 6,351 | 2,263 | 493 | 186 | 227 |
| Printing & Office Supplies | 638 | 559 | 328 | 562 | 265 |
| Postage & Delivery | 243 | 116 | 265 | 298 | 66 |
| Legal Notices | 1,360 | 1,510 | 1,040 | 1,457 | 840 |
| Travel | 1,130 | 1,221 | 563 | 1,055 | 1,185 |
| TOTAL EXPENDITURES | 240,116 | 118,436 | 69,752 | 65,193 | 47,057 |
| Transfer (to) Other Funds | - | - | - | - | - |
| Excess (Deficit) of | | | | | |
| Revenues over Expenditures | \$ 16,698 | \$ 82,274 | \$ 16,261 | \$ 9,789 | \$ 10,930 |
| TOTAL ACTIVE | | | | | |
| WATER CONNECTIONS | - | - | - | - | - |
| WW CONNECTIONS | - | - | - | - | - |

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | PERCENT OF REVENUES | | | | |
|---|----------------------------|------------------|------------------|------------------|------------------|
| | 9/30/2023 | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 |
| <u>REVENUES</u> | | | | | |
| Transfer From Master District | 33% | 33% | 69% | 79% | 75% |
| Property Tax | 5% | 41% | 19% | 13% | 16% |
| Contract Tax | 60% | 26% | 12% | 8% | 9% |
| Interest | 2% | 0% | 0% | 0% | 0% |
| TOTAL REVENUES | 100% | 100% | 100% | 100% | 100% |
| <u>EXPENDITURES</u> | | | | | |
| Current: | | | | | |
| Contract Tax To Master District | 60% | 26% | 12% | 8% | 9% |
| Legal Fees | 6% | 8% | 17% | 18% | 14% |
| Audit Fees | 2% | 2% | 5% | 0% | 0% |
| Accounting Fees | 12% | 11% | 23% | 26% | 30% |
| Engineering Fees | 2% | 2% | 3% | 7% | 5% |
| Management Fees | 4% | 5% | 11% | 12% | 10% |
| Fiscal Agent Fees | 1% | 0% | 0% | 0% | 0% |
| Director Salaries & Payroll Tax | 3% | 3% | 7% | 10% | 7% |
| Insurance | 0% | 0% | 1% | 2% | 2% |
| Tax Assessor/Collector | 2% | 1% | 1% | 0% | 0% |
| Printing & Office Supplies | 0% | 0% | 0% | 1% | 0% |
| Postage & Delivery | 0% | 0% | 0% | 0% | 0% |
| Legal Notices | 1% | 1% | 1% | 2% | 1% |
| Travel | 0% | 1% | 1% | 1% | 2% |
| TOTAL EXPENDITURES | 93% | 59% | 81% | 87% | 81% |
| Transfer (to) Other Funds | 0% | 0% | 0% | 0% | 0% |
| Excess (Deficit) of Revenues over Expenditures | 7% | 41% | 19% | 13% | 19% |
| TOTAL ACTIVE | | | | | |
| WATER CONNECTIONS | - | - | - | - | - |
| WW CONNECTIONS | - | - | - | - | - |

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | AMOUNTS | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| | <u>9/30/2023</u> | <u>9/30/2022</u> | <u>9/30/2021</u> | <u>9/30/2020</u> | <u>9/30/2019</u> |
| <u>REVENUES</u> | | | | | |
| Property Tax | \$ 231,951 | \$ - | \$ - | \$ - | \$ - |
| Interest | 29,643 | - | - | - | - |
| TOTAL REVENUES | 261,594 | - | - | - | - |
| <u>EXPENDITURES</u> | | | | | |
| Current: | | | | | |
| Tax Assessor/Collector | - | - | - | - | - |
| Fiscal Agent Fees | 130 | - | - | - | - |
| Principal | - | - | - | - | - |
| Interest | 184,409 | - | - | - | - |
| Miscellaneous | - | - | - | - | - |
| TOTAL EXPENDITURES | 184,539 | - | - | - | - |
| <u>OTHER SOURCES</u> | | | | | |
| Bond Proceeds (Net) | - | - | - | - | - |
| Excess (Deficit) of Revenues over Expenditures | <u>\$ 77,055</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | PERCENT OF REVENUES | | | | |
|---|----------------------------|------------------|------------------|------------------|------------------|
| | 9/30/2023 | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 |
| <u>REVENUES</u> | | | | | |
| Property Tax | 89% | N/A | N/A | N/A | N/A |
| Interest | 11% | N/A | N/A | N/A | N/A |
| TOTAL REVENUES | 100% | 0% | 0% | 0% | 0% |
| <u>EXPENDITURES</u> | | | | | |
| Current: | | | | | |
| Tax Assessor/Collector | 0% | N/A | N/A | N/A | N/A |
| Fiscal Agent Fees | 0% | N/A | N/A | N/A | N/A |
| Principal | 0% | N/A | N/A | N/A | N/A |
| Interest | 70% | N/A | N/A | N/A | N/A |
| Miscellaneous | 0% | N/A | N/A | N/A | N/A |
| TOTAL EXPENDITURES | 71% | N/A | N/A | N/A | N/A |
| OTHER SOURCES | | | | | |
| Bond Proceeds (Net) | 0% | N/A | N/A | N/A | N/A |
| Excess (Deficit) of Revenues over Expenditures | 29% | N/A | N/A | N/A | N/A |

See accompanying independent auditor's report

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

DISTRICT MAILING ADDRESS: c/o Gordon Davis Johnson & Shane, 4695 N Mesa, El Paso, TX 79912

DISTRICT BUSINESS TELEPHONE NUMBER: (915) 545-1133

LIMITS ON FEES OF OFFICERS THAT A DIRECTOR MAY RECEIVE DURING A FISCAL YEAR: \$7,200

| <u>NAMES</u> | <u>TERM OF OFFICE</u> | <u>SALARY FYE 9/30/23</u> | <u>REIMBURSEMENTS FYE 9/30/23</u> | <u>TITLE AT YEAR END</u> |
|------------------------------|---------------------------|-------------------------------|---------------------------------------|------------------------------|
| <u>DIRECTORS</u> | | | | |
| Carlos Lascurain | Elected 5/21-5/25 | \$ 1,350 | \$ - | President |
| Joanne Campbell | Elected 5/23-5/27 | 1,500 | - | Vice-President |
| Maria Eileen Taylor | Elected 5/21-5/25 | 1,650 | - | Secretary |
| Irasema Gonzalez | Elected 5/23-5/27 | 1,500 | - | Asst Sec |
| Judith Franco | Appointed 7/23-5/27 | 600 | - | Asst Sec |
| Payments to Former Directors | | 450 | - | Former Director |
| | | <u>\$ 7,050</u> | <u>\$ -</u> | |

CONSULTANTS

| | | | |
|---------------------------------|-----------|------|------------|
| Ronald J. Freeman | \$ 434 | \$ - | Attorney |
| Gordon Davis Johnson & Shane | \$ 13,769 | \$ - | Attorney |
| TRE & Associates | \$ 3,928 | \$ - | Engineer |
| Municipal Accounts & Consulting | \$ 31,763 | \$ - | Accountant |
| West, Davis & Company | \$ 5,500 | \$ - | Auditor |
| Inframark | \$ 10,324 | \$ - | Operator |

See accompanying independent auditor's report

OTHER INFORMATION

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**

**PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2023**

| Taxpayer | Taxable Assessed Value | % of 2023 Certified Taxable Assessed Value |
|------------------------------------|---------------------------------------|---|
| Hunt Mission Ridge, LLC | * \$ 3,269,608 | 4.05% |
| Cullers Homes, LLC | 1,142,746 | 1.42% |
| Bowling Construction, LLC | 802,537 | 0.99% |
| EPT Bella Custom Dream Homes, LLC | 793,641 | 0.98% |
| Pointe Homes | 761,378 | 0.94% |
| Maravilla Homes | 664,328 | 0.82% |
| Ithaca Development, LLC | 611,238 | 0.76% |
| Individual | 599,447 | 0.74% |
| Individual | 489,638 | 0.61% |
| El Paso Dream Home Properties, LLC | 479,423 | 0.59% |
| Total | \$ 9,613,984 | 11.91% |

* Project Developer and related entities.

**ASSESSED VALUE BY CLASSIFICATION
SEPTEMBER 30, 2023**

| Type of Property | 2023 Taxable Assessed Value |
|-----------------------------------|--|
| Land | \$ 16,586,179 |
| Improvements | 76,772,729 |
| Personal Property | 26,587 |
| Total Assessed Valuation | 93,385,495 |
| Exemptions | 12,692,954 |
| Total Taxable Appraised Valuation | \$ 80,692,541 |

See accompanying independent auditor's report