

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**

**HARRIS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FEBRUARY 28, 2022**



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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Harris County Municipal  
Utility District No. 400  
Harris County, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 400 (the "District") as of and for the year ended February 28, 2022, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of February 28, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **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 the 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 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund and Special Revenue Funds 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.



Board of Directors  
Harris County Municipal Utility District No. 400

### **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 supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is 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 supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

July 25, 2022

The accompanying notes to general purpose  
financial statements are an integral part of this report.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED FEBRUARY 28, 2022**

Management’s discussion and analysis of Harris County Municipal Utility District No. 400’s (the “District”) financial performance provides an overview of the District’s financial activities for the year ended February 28, 2022. Please read it in conjunction with the District’s financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. This report also includes other supplementary information in addition to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The District’s financial report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District’s overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes all of the District’s assets, deferred outflows of resources and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District’s net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid.

**FUND FINANCIAL STATEMENTS**

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has five governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, costs and general expenditures. The District has two Special Revenue Funds. One Special Revenue Fund accounts for the water plant jointly owned by the District and Harris County Municipal Utility District No. 423. The other Special Revenue Fund accounts for the operations of a regional wastewater treatment plant. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED FEBRUARY 28, 2022**

**FUND FINANCIAL STATEMENTS (Continued)**

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

**NOTES TO THE FINANCIAL STATEMENTS**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

**OTHER INFORMATION**

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI"). Budgetary comparison schedules are included as RSI for the General Fund and each Special Revenue Fund.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by \$26,617,384 as of February 28, 2022.

A portion of the District's net position reflects its net investment in capital assets (water, wastewater and drainage facilities less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide water and wastewater services.

The following is a comparative analysis of government-wide changes in net position:

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED FEBRUARY 28, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

	Summary of Changes in the Statement of Net Position		
	2022	2021	Change Positive (Negative)
Current and Other Assets	\$ 36,392,973	\$ 36,497,978	\$ (105,005)
Capital Assets (Net of Accumulated Depreciation)	<u>79,136,950</u>	<u>72,960,489</u>	<u>6,176,461</u>
Total Assets	<u>\$ 115,529,923</u>	<u>\$ 109,458,467</u>	<u>\$ 6,071,456</u>
Deferred Outflows of Resources	<u>\$ 1,171,499</u>	<u>\$ 1,149,767</u>	<u>\$ 21,732</u>
Due to Developer	\$ 9,944,396	\$ 9,541,792	\$ (402,604)
Bonds Payable	74,212,379	75,251,194	1,038,815
Other Liabilities	<u>5,927,263</u>	<u>5,938,514</u>	<u>11,251</u>
Total Liabilities	<u>\$ 90,084,038</u>	<u>\$ 90,731,500</u>	<u>\$ 647,462</u>
Net Position:			
Net Investment in Capital Assets	\$ 2,557,296	\$ (4,341,752)	\$ 6,899,048
Restricted	7,907,543	7,268,835	638,708
Unrestricted	<u>16,152,545</u>	<u>16,949,651</u>	<u>(797,106)</u>
Total Net Position	<u>\$ 26,617,384</u>	<u>\$ 19,876,734</u>	<u>\$ 6,740,650</u>

The following table provides comparative analysis of the District's operations for the years ending February 28, 2022, and February 28, 2021. The District's net position increased by \$6,740,650 during the current year.

	Summary of Changes in the Statement of Activities		
	2022	2021	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 6,714,569	\$ 5,883,285	\$ 831,284
Charges for Services	6,270,149	5,725,378	544,771
Other Revenues	<u>4,049,028</u>	<u>2,111,046</u>	<u>1,937,982</u>
Total Revenues	<u>\$ 17,033,746</u>	<u>\$ 13,719,709</u>	<u>\$ 3,314,037</u>
Expenses for Services	<u>10,293,096</u>	<u>11,734,130</u>	<u>1,441,034</u>
Change in Net Position	\$ 6,740,650	\$ 1,985,579	\$ 4,755,071
Net Position, Beginning of Year	<u>19,876,734</u>	<u>17,891,155</u>	<u>1,985,579</u>
Net Position, End of Year	<u>\$ 26,617,384</u>	<u>\$ 19,876,734</u>	<u>\$ 6,740,650</u>

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED FEBRUARY 28, 2022**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS**

The District's combined fund balances as of February 28, 2022, were \$26,377,636, an increase of \$44,239 from the prior fiscal year.

The General Fund fund balance decreased by \$786,813, primarily due to operating costs, capital costs and transfers out exceeding service and tax revenues.

The Debt Service Fund fund balance increased by \$766,408, primarily due to the structure of the District's debt service requirements.

The Special Revenue Funds of the District are revenue neutral. Costs incurred are billed to the respective participants on a monthly basis.

The Capital Projects Fund fund balance increased by \$64,644, primarily due to a transfer of funds from the General Fund.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors amended the budget during the current fiscal year to increase projected property tax revenues, election costs and capital outlay. Actual revenues were \$99,112 more than budgeted revenues. Actual expenditures were \$1,151,621 less than budgeted expenditures. There were unbudgeted transfers out of \$269,299. This resulted in a positive budget variance of \$981,434. See the budget to actual comparison on page 41 for additional information.

**CAPITAL ASSETS**

Capital assets as of February 28, 2022, total \$79,136,950 (net accumulated depreciation) and include land, as well as the water, wastewater, drainage and recreational facilities.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED FEBRUARY 28, 2022**

**CAPITAL ASSETS (Continued)**

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2022	2021	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 26,913,559	\$ 26,913,559	\$
Construction in Progress	6,889,228	2,113,865	4,775,363
Capital Assets, Net of Accumulated Depreciation:			
Water System	12,311,584	11,554,444	757,140
Wastewater System	14,189,745	14,564,635	(374,890)
Drainage System	16,963,499	17,097,678	(134,179)
Recreational Facilities	1,869,335	716,308	1,153,027
Total Net Capital Assets	\$ 79,136,950	\$ 72,960,489	\$ 6,176,461

Additional information on the District's capital assets can be found in Note 6 of this report.

**LONG-TERM DEBT ACTIVITY**

At the end of the current year, the District had total bond debt payable of \$75,035,000. The changes in the debt position of the District during the year ended February 28, 2022, are summarized as follows:

Bond Debt Payable, March 1, 2021	\$ 76,365,000
Add: Bond Sales	9,570,000
Less: Bond Principal Paid and Refunded	10,900,000
Bond Debt Payable, February 28, 2022	\$ 75,035,000

The District's bonds carry either an underlying rating of "BBB" from Standard and Poor's or an underlying rating of "A3" from Moody's. The Series 2015 Refunding, Series 2017, Series 2019A Refunding, Series 2019B Refunding, Series 2020 and Series 2020C Refunding bonds carry an insured rating "AA" by virtue of bond insurance issued by Assured Guaranty Municipal Corporation. The Series 2014 Refunding, Series 2016, Series 2020A, Series 2020B and Series 2021 Refunding bonds carry an insured rating of "AA" by virtue of bond insurance issued by Build America Mutual Assurance Company. Credit enhanced ratings provided through bond insurance policies are subject to change based on the rating of the bond insurance company. The above ratings are as of February 28, 2022 and reflect all rating changes through the year then ended.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED FEBRUARY 28, 2022**

**CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Harris County Municipal Utility District No. 400, c/o Schwartz Page & Harding, LLP, 1300 Post Oak Blvd, Suite 2400, Houston, TX 77056.

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**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**FEBRUARY 28, 2022**

	Special Revenue Funds		
	General Fund	Water Plant	Wastewater Treatment Plant
<b>ASSETS</b>			
Cash	\$ 1,453,150	\$ 445,110	\$ 197,999
Investments	13,882,332	303,918	4,225,059
Receivables:			
Property Taxes	64,839		
Penalty and Interest on Delinquent Taxes			
Service Accounts	421,089		
Accrued Interest	4,908		
Other		258	
Due from Other Funds	1,949,333	38,408	1,123,588
Prepaid Costs	8,853		63,600
Due from Other Governmental Units	254,530	95,457	156,239
Advance for Water Plant Operations	180,066		
Advance for Regional Wastewater Treatment Plant Operations	128,843		
Land			
Construction in Progress			
Capital Assets (Net of Accumulated Depreciation)			
<b>TOTAL ASSETS</b>	<b>\$ 18,347,943</b>	<b>\$ 883,151</b>	<b>\$ 5,766,485</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charges on Refunding Bonds	\$ -0-	\$ -0-	\$ -0-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 18,347,943</b>	<b>\$ 883,151</b>	<b>\$ 5,766,485</b>

The accompanying notes to the financial  
statements are an integral part of this report.

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 503,558	\$ 560	\$ 2,600,377	\$	\$ 2,600,377
7,601,940	6,474,051	32,487,300		32,487,300
137,495		202,334		202,334
			30,427	30,427
		421,089		421,089
3,420		8,328		8,328
		258		258
		3,111,329	(3,111,329)	
		72,453	64,181	136,634
		506,226		506,226
		180,066	(180,066)	
		128,843	(128,843)	
			26,913,559	26,913,559
			6,889,228	6,889,228
			45,334,163	45,334,163
<u>\$ 8,246,413</u>	<u>\$ 6,474,611</u>	<u>\$ 39,718,603</u>	<u>\$ 75,811,320</u>	<u>\$ 115,529,923</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,171,499</u>	<u>\$ 1,171,499</u>
<u>\$ 8,246,413</u>	<u>\$ 6,474,611</u>	<u>\$ 39,718,603</u>	<u>\$ 76,982,819</u>	<u>\$ 116,701,422</u>

The accompanying notes to the financial statements are an integral part of this report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**FEBRUARY 28, 2022**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	
		<u>Water Plant</u>	<u>Wastewater Treatment Plant</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 568,887	\$ 338,414	\$ 184,368
Due to Other Governmental Units		294,433	3,658,715
Due to Developers			
Due to Other Funds	1,161,996		1,548,755
Due to Taxpayers			
Security Deposits	528,696		
Advance for Regional Wastewater Treatment Plant Operations			306,490
Advance for Water Plant Operations		250,304	
Long-Term Liabilities:			
Bonds Payable, Due Within One Year			
Bonds Payable, Due After One Year			
<b>TOTAL LIABILITIES</b>	<u>\$ 2,259,579</u>	<u>\$ 883,151</u>	<u>\$ 5,698,328</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	<u>\$ 64,839</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes to the financial  
statements are an integral part of this report.

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$	\$ 66,189	\$ 1,157,858	\$	\$ 1,157,858
		3,953,148		3,953,148
	3,791,132	3,791,132	6,153,264	9,944,396
397,778	2,800	3,111,329	(3,111,329)	
39,676		39,676		39,676
		528,696		528,696
		306,490	(128,843)	177,647
		250,304	(180,066)	70,238
			1,615,000	1,615,000
			<u>72,597,379</u>	<u>72,597,379</u>
<u>\$ 437,454</u>	<u>\$ 3,860,121</u>	<u>\$ 13,138,633</u>	<u>\$ 76,945,405</u>	<u>\$ 90,084,038</u>
<u>\$ 137,495</u>	<u>\$ -0-</u>	<u>\$ 202,334</u>	<u>\$ (202,334)</u>	<u>\$ -0-</u>

The accompanying notes to the financial statements are an integral part of this report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**FEBRUARY 28, 2022**

	Special Revenue Funds		
	General Fund	Water Plant	Wastewater Treatment Plant
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid Costs	\$ 8,853	\$	\$ 63,600
For Water Plant Operations	180,066		
For Regional Wastewater Treatment Plant Operations	128,843		
Restricted for Authorized Construction			
Restricted for Debt Service			
Unassigned	15,705,763	_____	4,557
<b>TOTAL FUND BALANCES</b>	\$ 16,023,525	\$ - 0 -	\$ 68,157
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	\$ 18,347,943	\$ 883,151	\$ 5,766,485
<b>NET POSITION</b>			
Net Investment in Capital Assets			
Restricted for Wastewater Treatment Plant Operations			
Restricted for Debt Service			
Unrestricted			
<b>TOTAL NET POSITION</b>			

The accompanying notes to the financial statements are an integral part of this report.



<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$	\$	\$ 72,453	\$ (72,453)	\$
		180,066	(180,066)	
		128,843	(128,843)	
	2,614,490	2,614,490	(2,614,490)	
7,671,464		7,671,464	(7,671,464)	
<u>7,671,464</u>	<u>2,614,490</u>	<u>15,710,320</u>	<u>(15,710,320)</u>	<u>- 0 -</u>
\$ <u>7,671,464</u>	\$ <u>2,614,490</u>	\$ <u>26,377,636</u>	\$ <u>(26,377,636)</u>	\$ <u>- 0 -</u>
<u>\$ 8,246,413</u>	<u>\$ 6,474,611</u>	<u>\$ 39,718,603</u>		
			\$ 2,557,296	\$ 2,557,296
			68,157	68,157
			7,839,386	7,839,386
			<u>16,152,545</u>	<u>16,152,545</u>
			<u>\$ 26,617,384</u>	<u>\$ 26,617,384</u>

The accompanying notes to the financial statements are an integral part of this report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
FEBRUARY 28, 2022**

Total Fund Balances - Governmental Funds \$ 26,377,636

Amounts reported for governmental activities in the Statement of Net Position are different because:

Bond insurance premiums paid at closing are amortized over the term of the refunding bonds. 64,181

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 79,136,950

Interest paid in advance as part of a refunding bond sale is recorded as a deferred outflow in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. 1,171,499

Deferred inflows of resources related property tax revenues and penalty and interest receivable on delinquent taxes for the 2021 and prior tax levies became part of recognized revenue in the governmental activities of the District. 232,761

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Due to Developer	\$ (6,153,264)	
Bonds Payable	<u>(74,212,379)</u>	<u>(80,365,643)</u>

Total Net Position - Governmental Activities \$ 26,617,384

The accompanying notes to the financial statements are an integral part of this report.

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**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED FEBRUARY 28, 2022**

	General Fund	Special Revenue Funds	
		Water Plant	Wastewater Treatment Plant
<b>REVENUES</b>			
Property Taxes	\$ 2,258,932	\$	\$
Water Service	1,061,995	1,046,542	
Wastewater Service	1,712,386		2,413,704
Water Authority Fee	970,278		
Penalty and Interest	99,034		
Tap Connection and Inspection Fees	577,186		
Sales Tax Revenues	646,725		
Investment Revenues	24,888	29	45
Miscellaneous Revenues	388,216		
<b>TOTAL REVENUES</b>	<b>\$ 7,739,640</b>	<b>\$ 1,046,571</b>	<b>\$ 2,413,749</b>
<b>EXPENDITURES/EXPENSES</b>			
Service Operations:			
Professional Fees	\$ 487,580	\$ 14,553	\$ 96,688
Contracted Services	1,157,296	26,681	35,054
Purchased Water Service	690,884	939,136	
Purchased Wastewater Service	972,711		
Utilities	105,239	14,583	88,411
Repairs and Maintenance	1,097,390	34,102	230,109
Depreciation			
Lease Payments			381,600
Other	934,015	9,150	328,303
Capital Outlay	2,812,039	2,978,166	1,253,584
Developer Interest			
Debt Service:			
Bond Principal			
Bond Interest			
Bond Issuance Costs			
Payment to Refunded Bond Escrow Agent			
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ 8,257,154</b>	<b>\$ 4,016,371</b>	<b>\$ 2,413,749</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES</b>	<b>\$ (517,514)</b>	<b>\$ (2,969,800)</b>	<b>\$ -0-</b>

The accompanying notes to the financial statements are an integral part of this report.

Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
\$ 4,620,532	\$	\$ 6,879,464	\$ (164,895)	\$ 6,714,569
		2,108,537	(690,884)	1,417,653
		4,126,090	(972,711)	3,153,379
		970,278		970,278
58,340		157,374	(5,721)	151,653
		577,186		577,186
		646,725		646,725
14,515	4,770	44,247		44,247
40		388,256	2,969,800	3,358,056
<u>\$ 4,693,427</u>	<u>\$ 4,770</u>	<u>\$ 15,898,157</u>	<u>\$ 1,135,589</u>	<u>\$ 17,033,746</u>
\$ 15,723	\$ 20,511	\$ 635,055	\$	\$ 635,055
105,806	811	1,325,648		1,325,648
		1,630,020	(690,884)	939,136
		972,711	(972,711)	
		208,233		208,233
		1,361,601		1,361,601
			1,453,501	1,453,501
		381,600		381,600
22,941	1,726	1,296,135		1,296,135
	183,569	7,227,358	(7,227,358)	
	2,808	2,808		2,808
1,530,000		1,530,000	(1,530,000)	
2,246,978		2,246,978	115,303	2,362,281
369,822		369,822	(42,724)	327,098
9,000		9,000	(9,000)	
<u>\$ 4,300,270</u>	<u>\$ 209,425</u>	<u>\$ 19,196,969</u>	<u>\$ (8,903,873)</u>	<u>\$ 10,293,096</u>
<u>\$ 393,157</u>	<u>\$ (204,655)</u>	<u>\$ (3,298,812)</u>	<u>\$ 10,039,462</u>	<u>\$ 6,740,650</u>

The accompanying notes to the financial statements are an integral part of this report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED FEBRUARY 28, 2022**

		Special Revenue Funds	
	General Fund	Water Plant	Wastewater Treatment Plant
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In (Out)	\$ (269,299)	\$	\$
Refunding Bonds			
Payment to Refunded Bond Escrow Agent			
Bond Discount			
Bond Premium			
Contributed for Capital Projects		2,969,800	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (269,299)</b>	<b>\$ 2,969,800</b>	<b>\$ -0-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (786,813)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
<b>CHANGE IN NET POSITION</b>			
<b>FUND BALANCES/NET POSITION - MARCH 1, 2021</b>	<b>16,810,338</b>		<b>68,157</b>
<b>FUND BALANCES/NET POSITION - FEBRUARY 28, 2022</b>	<b>\$ 16,023,525</b>	<b>\$ -0-</b>	<b>\$ 68,157</b>

The accompanying notes to the financial statements are an integral part of this report.

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
\$	\$ 269,299	\$	\$	\$
9,570,000		9,570,000	(9,570,000)	
(9,548,250)		(9,548,250)	9,548,250	
(16,674)		(16,674)	16,674	
368,175		368,175	(368,175)	
		<u>2,969,800</u>	<u>(2,969,800)</u>	
\$ 373,251	\$ 269,299	\$ 3,343,051	\$ (3,343,051)	\$ -0-
\$ 766,408	\$ 64,644	\$ 44,239	\$ (44,239)	\$
			6,740,650	6,740,650
<u>6,905,056</u>	<u>2,549,846</u>	<u>26,333,397</u>	<u>(6,456,663)</u>	<u>19,876,734</u>
<u>\$ 7,671,464</u>	<u>\$ 2,614,490</u>	<u>\$ 26,377,636</u>	<u>\$ 239,748</u>	<u>\$ 26,617,384</u>

The accompanying notes to the financial statements are an integral part of this report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED FEBRUARY 28, 2022**

Net Change in Fund Balances - Governmental Funds	\$	44,239
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		(164,895)
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.		(5,721)
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(1,453,501)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		7,227,358
Governmental funds report bond premiums and bond discounts as other financing sources/uses. However, in the Statement of Net Position, bond premiums and bond discounts are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities. Bond insurance premiums are also amortized over the life of the bonds.		(308,777)
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.		1,530,000
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		(115,303)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.		(9,570,000)
Governmental funds report the payment to the refunded bond escrow agent as an other financing use. However, the refunding of outstanding bonds decreases long-term liabilities in the Statement of Net Position.		<u>9,557,250</u>
Change in Net Position - Governmental Activities	\$	<u>6,740,650</u>

The accompanying notes to the financial statements are an integral part of this report.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 1. CREATION OF DISTRICT**

Harris County Municipal Utility District No. 400 (the “District”) was created effective July 19, 2004, by an Order of the Texas Commission on Environmental Quality (the “Commission”). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The District is also empowered to operate and maintain a fire department to perform all fire-fighting activities within the District after approval by the Commission and voters of the District.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units.

The District has entered into an agreement with Harris County Municipal Utility District No. 423 for water service. The District has oversight over the water facilities. Additional disclosure concerning this agreement is provided in Note 8.

The District has entered into an agreement with Harris County Municipal Utility District No. 499, Harris County Municipal Utility District No. 422, Harris County Municipal Utility District No. 423 and Harris County Fresh Water Supply District No. 48 for wastewater disposal through a regional wastewater treatment plant (the “Plant”). The District has oversight responsibility over the Plant. Additional disclosure concerning this agreement is provided in Note 9.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

- \* Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- \* Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- \* Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated to obtain net total revenues and expenses of the government-wide Statement of Activities.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

Governmental Funds

The District has five governmental funds and considers each to be major.

General Fund - To account for resources not required to be accounted for in another fund, customer service revenues, costs and general expenditures.

Special Revenue Fund Water Plant – To account for financial resources collected and administered by the District for the operation of the joint water plants which is a joint venture of the District with Harris County Municipal Utility District No. 423.

Special Revenue Fund Wastewater Treatment Plant – To account for financial resources collected and administered by the District for the operation of the regional wastewater treatment plant.

Debt Service Fund - To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Capital Projects Fund - To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectable within the current year or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due. The District has applied a current accounting standard that provides for an exception to the basic concept that general long-term indebtedness is not reported as an expenditure until the amount becomes due and payable. This exception allows the District to record the March 1, 2022, debt service payments as expenditures during the current fiscal year.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Basis of Accounting (Continued)

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. See Note 14 for interfund receivables/payables and transfers as of February 28, 2022.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Water System	10-45
Wastewater System	10-45
Drainage System	10-45
Recreational Facilities	10-20

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Basis of Accounting (Continued)

Budgeting

An annual unappropriated budget is adopted for the General Fund and each Special Revenue Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended. Neither Special Revenue Fund budgets were amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund and Special Revenue Funds present the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Pensions

A pension plan has not been established. The District does not have employees, except that the Internal Revenue Service has determined that directors are considered to be “employees” for federal payroll tax purposes only.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds using the following hierarchy:

*Nonspendable*: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted*: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

*Committed*: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the period. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus (Continued)

*Assigned:* amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

*Unassigned:* all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

Accounting 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 3. LONG-TERM DEBT**

	Refunding Series 2014	Refunding Series 2015	Series 2016	
Amount Outstanding – February 28, 2022	\$25,000	\$8,740,000	\$14,900,000	
Interest Rates	3.00%	3.00% - 4.00%	3.25% - 4.00%	
Maturity Date	September 1, 2022	September 1, 2022/2036	September 1, 2022/2042	
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1	
Callable Dates	September 1, 2021*	September 1, 2022*	September 1, 2023*	

  

	Series 2017	Refunding Series 2019A	Refunding Series 2019B	Series 2020
Amount Outstanding – February 28, 2022	\$11,525,000	\$1,105,000	\$1,855,000	\$14,110,000
Interest Rates	3.50% - 4.00%	3.00% - 4.00%	3.00% - 4.00%	2.00% - 4.00%
Maturity Date	September 1, 2022/2047	September 1, 2022/2036	September 1, 2022/2037	September 1, 2022/2049
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2024*	September 1, 2024*	September 1, 2024*	September 1, 2025*

\* Or any date thereafter at a price of par plus unpaid accrued interest in whole or in part, at the option of the District. Series 2016 term bonds maturing on September 1, 2042 are subject to mandatory redemption beginning September 1, 2038. Series 2017 term bonds maturing on September 1, 2042 and September 1, 2047, are subject to mandatory redemption beginning September 1, 2038 and September 1, 2045, respectively. Series 2019A Refunding term bonds maturing beginning September 1, 2029, September 1, 2031, September 1, 2033, and September 1, 2036, are subject to mandatory redemption beginning September 1, 2028, September 1, 2030, September 1, 2032, and September 1, 2034, respectively. Series 2019B Refunding term bonds maturing beginning September 1, 2029, September 1, 2031, September 1, 2033, September 1, 2035, and September 1, 2037, are subject to mandatory redemption beginning September 1, 2028, September 1, 2030, September 1, 2032, September 1, 2034, and September 1, 2036, respectively. Series 2020 term bonds maturing on September 1, 2045 and September 1, 2049, are subject to mandatory redemption beginning September 1, 2041, and September 1, 2046, respectively.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 3. LONG-TERM DEBT (Continued)**

	Series 2020A	Series 2020B	Refunding Series 2020C	Refunding Series 2021
Amount Outstanding – February 28, 2022	\$4,950,000	\$3,245,000	\$5,105,000	\$9,475,000
Interest Rates	2.125% - 2.375%	2.00% - 4.50%	2.00% - 2.375%	2.00% - 3.00%
Maturity Date	September 1, 2043/2050	September 1, 2023/2050	September 1, 2022/2037	September 1, 2022/2035
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2025*	September 1, 2025*	September 1, 2025*	September 1, 2026*

\* Or any date thereafter at a price of par plus unpaid accrued interest in whole or in part, at the option of the District. Series 2020A term bonds maturing on September 1, 2044, September 1, 2046, and September 1, 2050, are subject to mandatory redemption beginning September 1, 2043, September 1, 2045, and September 1, 2047, respectively. Series 2020B term bonds maturing on September 1, 2029, September 1, 2031, September 1, 2034, September 1, 2037, September 1, 2040, and September 1, 2050, are subject to mandatory redemption beginning September 1, 2028, September 1, 2030, September 1, 2032, September 1, 2035, September 1, 2038, and September 1, 2041, respectively. Series 2020C Refunding term bonds maturing on September 1, 2028, September 1, 2031, and September 1, 2036, are subject to mandatory redemption beginning September 1, 2026, September 1, 2029, and September 1, 2032, respectively. Series 2021 Refunding term bonds maturing on September 1, 2027 are subject to mandatory redemption beginning on September 1, 2026.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 3. LONG-TERM DEBT (Continued)**

The following is a summary of transactions regarding bonds payable for the year ended February 28, 2022:

	March 1, 2021	Additions	Retirements	February 28, 2022
Bonds Payable	\$ 76,365,000	\$ 9,570,000	\$ 10,900,000	\$ 75,035,000
Unamortized Discounts	(1,359,904)	(16,674)	(54,708)	(1,321,870)
Unamortized Premiums	246,098	368,175	115,024	499,249
Bonds Payable, Net	<u>\$ 75,251,194</u>	<u>\$ 9,921,501</u>	<u>\$ 10,960,316</u>	<u>\$ 74,212,379</u>
			Amount Due Within One Year	\$ 1,615,000
			Amount Due After One Year	<u>72,597,379</u>
			Bonds Payable, Net	<u>\$ 74,212,379</u>

As of February 28, 2022, the District has authorized but unissued tax bonds of \$69,345,000 and authorized but unissued refunding bonds of \$152,547,963.

As of February 28, 2022, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 1,615,000	\$ 2,245,276	\$ 3,860,276
2024	1,720,000	2,198,950	3,918,950
2025	1,745,000	2,150,114	3,895,114
2026	1,775,000	2,099,664	3,874,664
2027	1,850,000	2,043,820	3,893,820
2028-2032	9,545,000	9,325,581	18,870,581
2033-2037	11,885,000	7,834,449	19,719,449
2038-2042	14,225,000	5,761,579	19,986,579
2043-2047	15,945,000	3,265,329	19,210,329
2048-2051	14,730,000	767,183	15,497,183
	<u>\$ 75,035,000</u>	<u>\$ 37,691,945</u>	<u>\$ 112,726,945</u>

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount. During the year ended February 28, 2022, the District levied an ad valorem debt service tax rate of \$0.51 per \$100 of assessed valuation, which resulted in a tax levy of \$4,534,133 on the adjusted taxable valuation of \$889,047,377 for the 2021 tax year. The bond resolutions require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 3. LONG-TERM DEBT (Continued)**

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

**NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS**

The bond resolutions state that the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data with respect to the District to the state information depository. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

The bond resolutions state that the District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds, within the meaning of Section 148(f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on the five year anniversary of each issue.

**NOTE 5. DEPOSITS AND INVESTMENTS**

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At year end, the carrying amount of the District's deposits was \$6,765,377 and the bank balance was \$6,810,544. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at February 28, 2022, as listed below:

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Deposits (Continued)

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
GENERAL FUND	\$ 1,453,150	\$ 2,205,000	\$ 3,658,150
SPECIAL REVENUE FUNDS	643,109		643,109
DEBT SERVICE FUND	503,558	1,960,000	2,463,558
CAPITAL PROJECTS FUND	<u>560</u>		<u>560</u>
TOTAL DEPOSITS	<u>\$ 2,600,377</u>	<u>\$ 4,165,000</u>	<u>\$ 6,765,377</u>

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest District funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District’s investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas Cooperative Liquid Assets Securities System Trust (“Texas CLASS”), an external public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool’s administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. Wells Fargo Bank, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District’s position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from Texas CLASS.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

The District records its investments in certificates of deposit at acquisition cost.

As of February 28, 2022, the District had the following investments and maturities:

<u>Fund and Investment Type</u>	<u>Fair Value</u>	<u>Maturities of Less Than 1 Year</u>
<u>GENERAL FUND</u>		
Texas CLASS	\$ 11,677,332	\$ 11,677,332
Certificates of Deposit	2,205,000	2,205,000
<u>SPECIAL REVENUE FUNDS</u>		
Texas CLASS	4,528,977	4,528,977
<u>DEBT SERVICE FUND</u>		
Texas CLASS	5,641,940	5,641,940
Certificates of Deposit	1,960,000	1,960,000
<u>CAPITAL PROJECTS FUND</u>		
Texas CLASS	<u>6,474,051</u>	<u>6,474,051</u>
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 32,487,300</u></b>	<b><u>\$ 32,487,300</u></b>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At February 28, 2022, the District's investments in Texas CLASS was rated "AAAm" by Standard & Poor's. The District also manages credit risk by typically investing in certificates of deposit with balances below FDIC coverage.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in Texas CLASS to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value. The District also manages interest rate risk by investing in certificates of deposit with maturities of less than one year.

Restrictions

All cash and investments of the Special Revenue Funds are restricted for the water plant and wastewater treatment plant operations. All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the year ended February 28, 2022:

	March 1, 2021	Increases	Decreases	February 28, 2022
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 26,913,559		\$	\$ 26,913,559
Construction in Progress	<u>2,113,865</u>	<u>7,629,962</u>	<u>2,854,599</u>	<u>6,889,228</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>\$ 29,027,424</u>	<u>\$ 7,629,962</u>	<u>\$ 2,854,599</u>	<u>\$ 33,802,787</u>
<b>Capital Assets Subject to Depreciation</b>				
Water System	\$ 14,478,081	\$ 1,117,661	\$	\$ 15,595,742
Wastewater System	19,236,058	144,321		19,380,379
Drainage System	20,775,592	336,118		21,111,710
Recreational Facilities	<u>1,552,085</u>	<u>1,256,499</u>		<u>2,808,584</u>
<b>Total Capital Assets Subject to Depreciation</b>	<u>\$ 56,041,816</u>	<u>\$ 2,854,599</u>	<u>\$ - 0 -</u>	<u>\$ 58,896,415</u>
<b>Accumulated Depreciation</b>				
Water System	\$ 2,923,637	\$ 360,521	\$	\$ 3,284,158
Wastewater System	4,671,423	519,211		5,190,634
Drainage System	3,677,914	470,297		4,148,211
Recreational Facilities	<u>835,777</u>	<u>103,472</u>		<u>939,249</u>
<b>Total Accumulated Depreciation</b>	<u>\$ 12,108,751</u>	<u>\$ 1,453,501</u>	<u>\$ - 0 -</u>	<u>\$ 13,562,252</u>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 43,933,065</u>	<u>\$ 1,401,098</u>	<u>\$ - 0 -</u>	<u>\$ 45,334,163</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 72,960,489</u>	<u>\$ 9,031,060</u>	<u>\$ 2,854,599</u>	<u>\$ 79,136,950</u>

**NOTE 7. MAINTENANCE TAX**

On November 2, 2004, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$1.35 per \$100 of assessed valuation of taxable property within the District. During the year ending February 28, 2022, the District levied an ad valorem maintenance tax rate of \$0.25 per \$100 of assessed valuation, which resulted in a tax levy of \$2,222,614 on the adjusted taxable valuation of \$889,047,377 for the 2021 tax year. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and sanitary sewer system.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 8. WATER SUPPLY AGREEMENT**

On December 18, 2017, the District and Harris County Municipal Utility District No. 423 (“District No. 423”) entered into a Water Facilities Agreement. The agreement provided for the financing, design and construction of a Phase II expansion of the District’s Water Re-Pressurization Facility (“Facility”) so that it may serve 2,500 total connections of potable water supply, distribution capacity and related services and to provide for the maintenance and operation of the Facility following completion of construction for the mutual benefit of both districts. This project was completed during the current fiscal year. On March 23, 2020, the agreement was amended to provide for the financing, design and construction of a Phase III expansion of the Facility which is to be constructed completely at the option and cost of District No. 423. This project was still in progress as of the end of the current fiscal year. The District performs the accounting for the water operations and is responsible for operating the Facility. The districts have an operating reserve of \$250,304 with the District funding \$180,066, and District No. 423 funding \$70,238 of the reserve. Certain operating costs are fixed expenditures and are billed on each district’s proportionate share of ownership while variable operating costs are billed based on each districts active equivalent single-family connections. Transactions for the current year are summarized as follows:

	Harris County Municipal Utility District No. 400	Harris County Municipal Utility District No. 423	Total
Due from participants, March 1, 2021	\$ 68,442	\$ 43,984	\$ 112,426
Current year billings to Participants	690,884	355,658	1,046,542
Current year collections	<u>720,918</u>	<u>304,185</u>	<u>1,025,103</u>
Due from participants February 28, 2022	<u>\$ 38,408</u>	<u>\$ 95,457</u>	<u>\$ 133,865</u>
Reserve balances at February 28, 2022	<u>\$ 180,066</u>	<u>\$ 70,238</u>	<u>\$ 250,304</u>

The District recorded \$690,884 for operating costs.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 9. REGIONAL SEWAGE TREATMENT PLANT AGREEMENT**

On July 1, 2008, the District, District No. 423, Harris County Municipal Utility District No. 422, Harris County Municipal Utility District No. 499 and Harris County Fresh Water Supply District No. 48 entered in a Regional Wastewater Treatment Plant Agreement. The agreement was amended and restated on July 1, 2013 and a second amended and restated agreement was made effective on November 1, 2021. It provides for the construction and operation of an interim regional wastewater treatment plant with an on-site lift station and ultimate capacity to treat approximately 550,000 gallons per day (gpd). Additionally, the second amendment establishes the terms and conditions by which the parties will finance the design and construction of, allocate treatment capacity in, and fund the operations of the existing plant, an 850,000 gpd expansion, the trunkline and the District lift station. The District performs the accounting for the wastewater operations and is responsible for the operations of the interim plant. Certain operating costs are fixed expenditures and are billed on each districts proportionate share of ownership while variable operating costs are billed on each districts active equivalent single-family connections. Transactions for the current year are summarized as follows:

	Harris County Municipal Utility District No. 400	Harris County Municipal Utility District No. 422	Harris County Municipal Utility District No. 423	Harris County Municipal Utility District No. 499	Harris County Fresh Water Supply District No. 48	Total
Due from participants, March 1, 2021	\$ 32,000	\$ 26,983	\$ 36,509	\$ 25,745	\$ 15,024	\$ 136,261
Current year billings to Participants	972,711	365,506	711,577	302,479	61,431	2,413,704
Current year collections	<u>948,562</u>	<u>363,903</u>	<u>677,539</u>	<u>283,133</u>	<u>64,440</u>	<u>2,337,577</u>
Due from participants February 28, 2022	<u>\$ 56,149</u>	<u>\$28,586</u>	<u>\$ 70,547</u>	<u>\$ 45,091</u>	<u>\$ 12,015</u>	<u>\$ 212,388</u>
Reserve balances at February 28, 2022	<u>\$ 128,843</u>	<u>\$ 42,043</u>	<u>\$ 54,733</u>	<u>\$ 62,681</u>	<u>\$ 18,190</u>	<u>\$ 306,490</u>

The District recorded \$521,466 for operating costs and \$451,245 for capital costs.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 10. GROUNDWATER REDUCTION PLAN AGREEMENT**

The District is within the boundaries of the Harris-Galveston Subsidence District (the “Subsidence District”), which regulates groundwater withdrawal. The District’s authority to pump groundwater from its well is subject to an annual permit issued by the Subsidence District. In 1999, the Subsidence District adopted a district regulatory plan to reduce groundwater withdrawal through the conversion to surface water. The District has entered into a Groundwater Reduction Plan Agreement (GRPA) with the City of Houston (the City) in order to meet the Subsidence District’s requirements. As a participant in the GRPA, the District has complied with all Subsidence District requirements for surface water conversion, but is obligated to pay to the City a groundwater withdrawal fee for all groundwater produced and used by the District and a water purchase fee for any water actually purchased from the City. For the year ended February 28, 2022, the District incurred fees totaling \$939,136 for surface water purchased from the City.

**NOTE 11. OPERATING LEASE-INTERIM WASTEWATER TREATMENT PLANT**

On April 24, 2017, the District entered into a 60-month lease agreement with AUC Group, LP to lease a 400,000 gallons per day prepackaged wastewater treatment plant. The monthly lease payments are \$31,800. After the initial 60-month lease has ended, the District may extend the lease on a month to month basis at \$20,300 per month. The District is responsible for insuring the leased property. The agreement includes a purchase option whereby the District can purchase the plant at any time in accordance with the provisions outlined in the agreement. During the current fiscal year, the District’s Wastewater Treatment Plant Special Revenue Fund recorded \$381,600 of expenditures per this agreement.

**NOTE 12. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, error and omission and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage and no settlements have exceeded coverage in the past three years.

**NOTE 13. STRATEGIC PARTNERSHIP AGREEMENT**

On December 20, 2007, the District entered into a Strategic Partnership Agreement with the City of Houston, Texas. The agreement provides that in accordance with Subchapter F of Chapter 43 of the Local Government Code and the Act, the City shall annex a tract or tracts of land for the limited purposes of applying the City’s Planning, Zoning, Health, and Safety Ordinances within the Tract within the boundaries of the District. The District will continue to develop, own, operate, and maintain a water, wastewater, and drainage system in the District.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 13. STRATEGIC PARTNERSHIP AGREEMENT (Continued)**

All taxable property within the District shall not be liable for any present or future debts of the City, and current and future taxes levied by the City shall not be levied on taxable property within the District. The District retains all rights to assess and levy ad valorem taxes on taxable property within the Tract. Upon the limited purpose annexation of the Tract, the City's municipal courts shall have jurisdiction to adjudicate criminal cases filed under the Planning, Zoning, Health and Safety Ordinances and State laws. Provisions of the Regulatory Plan adopted by the City will be applicable to the District and the Tract of land within the District. The District's assets, liabilities, indebtedness, and obligations will remain the responsibility of the District during the period of this agreement.

After the Tract is annexed for limited purposes by the City, the qualified voters of the Tract may vote in City elections pursuant to Local Government Code. The City is responsible for notifying the voters within the Tract.

The City shall impose a Sales and Use Tax within the boundaries of the Tract upon the limited-purpose annexation of the Tract. The Sales and Use Tax shall be imposed on the receipts from the sale and use at retail of taxable items at the rate of one percent or the rate specified under the future amendments to Chapter 321 of the Tax Code. The City agreed to pay to the District an amount equal to one-half of all Sales and Use Tax revenues generated within the boundaries of the Tract. The City agreed to deliver to the District its share of the sales tax receipts with 30 days of the City receiving the funds from the State Comptroller's office.

The City agrees that it will not annex the District for full purposes or commence any action to annex the District for full purposes during the term of this Agreement. The term of this Agreement is 30 years from the effective date of the Agreement. During the current fiscal year, the District recorded \$646,725 in sales tax revenue, of which \$149,973 was recorded as a receivable.

**NOTE 14. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS**

As of February 28, 2022, the District had the following interfund liabilities: the Debt Service Fund owed the General Fund \$397,778 for maintenance tax collections; the General Fund owed the Special Revenue Funds \$94,557 for the water and wastewater treatment plant operating costs and the Special Revenue Fund for the wastewater treatment plant \$1,067,439 for a deposit made in error; and the Capital Projects Fund owed the General Fund \$2,800 for engineering issuance costs. Additionally, the Special Revenue for the wastewater treatment plant owed the General Fund \$1,548,755 for the deposits for the cost of the wastewater treatment plant expansion which will be reduced as funds are expended on the project. During the current fiscal year, the General Fund transferred \$269,299 to the Capital Projects Fund to reimburse a previous excess transfer of funds.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 15. UNREIMBURSED DEVELOPER COSTS**

The District has executed development financing agreements with Developers within the District. The agreement calls for the Developers to fund costs associated with water, sewer and drainage facilities until such time as the District can sell bonds. As reflected in the Statement of Net Position, \$6,153,264 has been recorded as a liability for facilities financed by Developers. The District expects to reimburse the Developers from future bond proceeds. The following table summarizes the current year activity related to unreimbursed developer costs:

Due to Developers, beginning of year	\$ 5,750,660
Additions	402,604
Reimbursements	- 0 -
Due to Developers, end of year	\$ 6,153,264

**NOTE 16. REFUNDING BONDS SALE**

On June 9, 2021 the District closed on the sale of its \$9,570,000 Unlimited Tax Refunding Bonds, Series 2021. The net proceeds of \$9,548,250 plus \$9,000 of available Debt Service Fund monies were be used to call and refund \$9,370,000 of Series 2014 Refunding bonds. As a result, the refunded bonds are considered to be defeased and have been removed from the Statement of Net Position. The effect of the refunding decreases total debt service by \$1,573,055 and obtains a net present value savings of \$1,327,605.

**NOTE 17. ECONOMIC UNCERTAINTIES**

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. Since that time, the District has not experienced any decrease in property values, unusual tax delinquencies, or interruptions to service as a result of COVID-19. The District will continue to carefully monitor the situation and evaluate the financial statement impact, if any, that results from the pandemic.

**NOTE 18. SUBSEQUENT EVENT – BOND SALE**

On May 26, 2022, subsequent to year end, the District closed on the sale of its \$16,930,000 Series 2022 Unlimited Tax Bonds. Proceeds from the bond sale are being used to reimburse a Developer for construction and engineering costs for water, wastewater and drainage facilities to serve Balmoral Park Lakes East, Sections 4, 5 and 6 and Balmoral Parks East Drainage Facilities; Wastewater Treatment Plant No. 1 improvements; Wastewater Treatment Plant No. 2 expansion; and wastewater system rehabilitation. Additional proceeds are being used to pay issuance costs of the bonds.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**

**REQUIRED SUPPLEMENTARY INFORMATION**

**FEBRUARY 28, 2022**



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED FEBRUARY 28, 2022**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 1,530,799	\$ 2,210,434	\$ 2,258,932	\$ 48,498
Water Service	1,265,900	1,265,900	1,061,995	(203,905)
Wastewater Service	1,663,200	1,663,200	1,712,386	49,186
Water Authority Fee	1,118,200	1,118,200	970,278	(147,922)
Penalty and Interest	108,000	108,000	99,034	(8,966)
Tap Connection and Inspection Fees	561,954	561,954	577,186	15,232
Sales Tax Revenues	525,000	525,000	646,725	121,725
Investment Revenues	48,869	48,869	24,888	(23,981)
Miscellaneous Revenues	<u>138,971</u>	<u>138,971</u>	<u>388,216</u>	<u>249,245</u>
<b>TOTAL REVENUES</b>	<b>\$ 6,960,893</b>	<b>\$ 7,640,528</b>	<b>\$ 7,739,640</b>	<b>\$ 99,112</b>
<b>EXPENDITURES</b>				
Service Operations:				
Professional Fees	\$ 356,000	\$ 356,000	\$ 487,580	\$ (131,580)
Contracted Services	1,051,863	1,051,863	1,157,296	(105,433)
Purchased Water Service	1,080,395	1,080,395	690,884	389,511
Purchased Wastewater Service	333,978	333,978	972,711	(638,733)
Utilities	103,600	103,600	105,239	(1,639)
Repairs and Maintenance	1,263,660	1,263,660	1,097,390	166,270
Other	774,817	909,817	934,015	(24,198)
Capital Outlay	<u>2,209,462</u>	<u>4,309,462</u>	<u>2,812,039</u>	<u>1,497,423</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 7,173,775</b>	<b>\$ 9,408,775</b>	<b>\$ 8,257,154</b>	<b>\$ 1,151,621</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (212,882)</b>	<b>\$ (1,768,247)</b>	<b>\$ (517,514)</b>	<b>\$ 1,250,733</b>
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers In	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (269,299)</u>	<u>\$ (269,299)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (212,882)</b>	<b>\$ (1,768,247)</b>	<b>\$ (786,813)</b>	<b>\$ 981,434</b>
<b>FUND BALANCE - MARCH 1, 2021</b>	<u>16,810,338</u>	<u>16,810,338</u>	<u>16,810,338</u>	<u>                    </u>
<b>FUND BALANCE - FEBRUARY 28, 2022</b>	<u>\$ 16,597,456</u>	<u>\$ 15,042,091</u>	<u>\$ 16,023,525</u>	<u>\$ 981,434</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**SPECIAL REVENUE FUND - WATER PLANT**  
**FOR THE YEAR ENDED FEBRUARY 28, 2022**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Water Service	\$ 1,501,820	\$ 1,046,542	\$ (455,278)
Investment Revenues	450	29	(421)
<b>TOTAL REVENUES</b>	<b>\$ 1,502,270</b>	<b>\$ 1,046,571</b>	<b>\$ (455,699)</b>
<b>EXPENDITURES</b>			
Service Operations:			
Professional Fees	\$ 13,000	\$ 14,553	\$ (1,553)
Contracted Services	29,400	26,681	2,719
Purchased Water Service	1,400,000	939,136	460,864
Utilities	15,480	14,583	897
Repairs and Maintenance	28,875	34,102	(5,227)
Other	15,515	9,150	6,365
Capital Outlay		2,978,166	(2,978,166)
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,502,270</b>	<b>\$ 4,016,371</b>	<b>\$ (2,514,101)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ -0-</b>	<b>\$ (2,969,800)</b>	<b>\$ (2,969,800)</b>
<b>OTHER FINANCING SOURCES(USES)</b>			
Contributed for Capital Projects	\$ -0-	\$ 2,969,800	\$ 2,969,800
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
<b>FUND BALANCE - MARCH 1, 2021</b>			
<b>FUND BALANCE - FEBRUARY 28, 2022</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**SPECIAL REVENUE FUND - WASTEWATER TREATMENT PLANT**  
**FOR THE YEAR ENDED FEBRUARY 28, 2022**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Wastewater Service	\$ 919,071	\$ 2,413,704	\$ 1,494,633
Investment Revenues	400	45	(355)
<b>TOTAL REVENUES</b>	<u>\$ 919,471</u>	<u>\$ 2,413,749</u>	<u>\$ 1,494,278</u>
<b>EXPENDITURES</b>			
Service Operations:			
Professional Fees	\$ 40,400	\$ 96,688	\$ (56,288)
Contracted Services	40,375	35,054	5,321
Utilities	73,218	88,411	(15,193)
Repairs and Maintenance	76,978	230,109	(153,131)
Lease Payments	381,600	381,600	
Other	166,900	328,303	(161,403)
Capital Outlay	140,000	1,253,584	(1,113,584)
<b>TOTAL EXPENDITURES</b>	<u>\$ 919,471</u>	<u>\$ 2,413,749</u>	<u>\$ (1,494,278)</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ -0-	\$ -0-	\$ -0-
<b>FUND BALANCE - MARCH 1, 2021</b>	<u>68,157</u>	<u>68,157</u>	<u>                    </u>
<b>FUND BALANCE - FEBRUARY 28, 2022</b>	<u>\$ 68,157</u>	<u>\$ 68,157</u>	<u>\$ -0-</u>

See accompanying independent auditor's report.

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**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**

**SUPPLEMENTARY INFORMATION REQUIRED BY THE**

**WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**

**FEBRUARY 28, 2022**



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED FEBRUARY 28, 2022**

**1. SERVICES PROVIDED BY THE DISTRICT DURING THE YEAR:**

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

**2. RETAIL SERVICE PROVIDERS**

**a. RETAIL RATES FOR A 5/8" METER (OR EQUIVALENT):**

Based on the Rate Order effective November 1, 2021.

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
WATER:	\$ 18.00	10,000	N	\$ 1.00 \$ 2.00 \$ 3.00 \$ 4.00	10,001 to 15,000 15,001 – 20,000 20,001 – 25,000 25,001 and up
WASTEWATER:	\$ 37.53		Y		
SURCHARGE:					
Regional Water Authority Fees			N	\$ 3.518	0001 and up
District employs winter averaging for wastewater usage?					_____ <u>  X  </u> Yes            No

Total monthly charges per 10,000 gallons usage: Water: \$18.00 Wastewater: \$37.53 Surcharge: \$35.18 Total: \$90.71

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED FEBRUARY 28, 2022**

**2. RETAIL SERVICE PROVIDERS (Continued)**

**b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)**

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤ <sup>3</sup> / <sub>4</sub> "	3,327	3,314	x 1.0	3,314
1"	245	245	x 2.5	613
1½"	27	27	x 5.0	135
2"	49	49	x 8.0	392
3"	4	4	x 15.0	60
4"	1	1	x 25.0	25
6"	3	3	x 50.0	150
8"	5	5	x 80.0	400
10"			x 115.0	
Total Water Connections	<u>3,661</u>	<u>3,648</u>		<u>5,089</u>
Total Wastewater Connections	<u>3,563</u>	<u>3,550</u>	x 1.0	<u>3,550</u>

**3. TOTAL WATER CONSUMPTION DURING THE YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)**

Gallons pumped into system:	207,556,000	Water Accountability Ratio: 98.5% (Gallons billed /Gallons pumped)
Gallons billed to customers:	204,515,000	

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED FEBRUARY 28, 2022**

**4. STANDBY FEES** (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes \_\_\_ No X

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

**5. LOCATION OF DISTRICT:**

Is the District located entirely within one county?

Yes X No \_\_\_\_\_

County in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely \_\_\_\_\_ Partly \_\_\_\_\_ Not at all X

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

Entirely X Partly \_\_\_\_\_ Not at all \_\_\_\_\_

ETJ's in which District is located:

City of Houston, Texas.

Are Board Members appointed by an office outside the District?

Yes \_\_\_\_\_ No X

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**GENERAL FUND EXPENDITURES**  
**FOR THE YEAR ENDED FEBRUARY 28, 2022**

PROFESSIONAL FEES:	
Auditing	\$ 15,000
Engineering	322,479
Legal	<u>150,101</u>
TOTAL PROFESSIONAL FEES	<u>\$ 487,580</u>
PURCHASED SERVICES FOR RESALE:	
Purchased Water and Wastewater Service	<u>\$ 1,663,595</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 61,671
Operations and Billing	226,964
Security	115,091
Solid Waste Disposal	<u>753,570</u>
TOTAL CONTRACTED SERVICES	<u>\$ 1,157,296</u>
UTILITIES:	
Electricity	\$ 101,021
Telephone	<u>4,218</u>
TOTAL UTILITIES	<u>\$ 105,239</u>
REPAIRS AND MAINTENANCE	<u>\$ 1,097,390</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 26,850
Election Costs	235,847
Insurance	38,762
Office Supplies and Postage	38,043
Payroll Taxes	2,054
Travel and Meetings	5,987
Other	<u>18,350</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 365,893</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**GENERAL FUND EXPENDITURES**  
**FOR THE YEAR ENDED FEBRUARY 28, 2022**

CAPITAL OUTLAY	<u>\$ 2,812,039</u>
TAP CONNECTIONS	<u>\$ 163,380</u>
OTHER EXPENDITURES:	
Chemicals	\$ 106,116
Generator	32,284
Laboratory Fees	39,386
Permit Fees	18,425
Inspection Fees	79,609
Regulatory Assessment	11,204
Sludge Hauling	78,819
Other	<u>38,899</u>
TOTAL OTHER EXPENDITURES	<u>\$ 404,742</u>
TOTAL EXPENDITURES	<u><u>\$ 8,257,154</u></u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**INVESTMENTS**  
**FEBRUARY 28, 2022**

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<b><u>GENERAL FUND</u></b>					
Texas CLASS	XXXX0001	Varies	Daily	\$ 11,677,332	\$
Certificate of Deposit	XXXX2929	0.20%	05/18/22	245,000	384
Certificate of Deposit	XXXX7107	0.41%	11/02/22	245,000	325
Certificate of Deposit	XXXX0372	0.30%	03/01/22	245,000	731
Certificate of Deposit	XXXX0578	0.48%	06/05/22	245,000	864
Certificate of Deposit	XXXX1897	0.24%	07/31/22	245,000	338
Certificate of Deposit	XXXX0062	0.25%	03/10/22	245,000	594
Certificate of Deposit	XXXX9400	0.22%	04/10/22	245,000	480
Certificate of Deposit	XXXX1978	0.40%	07/02/22	245,000	647
Certificate of Deposit	XXXX3484	0.25%	04/10/22	245,000	545
TOTAL GENERAL FUND				<u>\$ 13,882,332</u>	<u>\$ 4,908</u>
<b><u>SPECIAL REVENUE FUND - WATER PLANT</u></b>					
Texas CLASS	XXXX0011	Varies	Daily	\$ 303,918	\$ -0-
<b><u>SPECIAL REVENUE FUND - WASTEWATER TREATMENT PLANT</u></b>					
Texas CLASS	XXXX0009	Varies	Daily	\$ 4,225,059	\$ -0-
<b><u>DEBT SERVICE FUND</u></b>					
Texas CLASS	XXXX0002	Varies	Daily	\$ 5,641,940	\$
Certificate of Deposit	XXXX1639	0.44%	08/24/22	245,000	555
Certificate of Deposit	XXXX1798	0.50%	08/13/22	245,000	668
Certificate of Deposit	XXXX1937	0.24%	08/19/22	245,000	311
Certificate of Deposit	XXXX0768	0.25%	08/13/22	245,000	334
Certificate of Deposit	XXXX0616	0.25%	08/11/22	245,000	337
Certificate of Deposit	XXXX0486	0.25%	08/26/22	245,000	312
Certificate of Deposit	XXXX5945	0.40%	08/20/22	245,000	516
Certificate of Deposit	XXXX4150	0.30%	08/20/22	245,000	387
TOTAL DEBT SERVICE FUND				<u>\$ 7,601,940</u>	<u>\$ 3,420</u>
<b><u>CAPITAL PROJECTS FUND</u></b>					
Texas CLASS	XXXX0005	Varies	Daily	\$ 3,902,898	\$
Texas CLASS	XXXX0010	Varies	Daily	1,334,081	
Texas CLASS	XXXX0013	Varies	Daily	1,237,072	
TOTAL CAPITAL PROJECTS FUND				<u>\$ 6,474,051</u>	<u>\$ -0-</u>
TOTAL - ALL FUNDS				<u>\$ 32,487,300</u>	<u>\$ 8,328</u>

See accompanying independent auditor's report.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED FEBRUARY 28, 2022**

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
MARCH 1, 2021	\$	114,147	\$	253,082
Adjustments to Beginning				
Balance		<u>(12,990)</u>		<u>(29,188)</u>
	\$	101,157	\$	223,894
Original 2021 Tax Levy	\$	2,037,486	\$	4,156,472
Adjustment to 2021 Tax Levy		<u>185,128</u>	<u>2,222,614</u>	<u>377,661</u>
			<u>4,534,133</u>	
TOTAL TO BE				
ACCOUNTED FOR		\$ 2,323,771		\$ 4,758,027
TAX COLLECTIONS:				
Prior Years	\$	91,110	\$	198,175
Current Year		<u>2,167,822</u>	<u>2,258,932</u>	<u>4,422,357</u>
			<u>4,620,532</u>	
TAXES RECEIVABLE -				
FEBRUARY 28, 2022		<u>\$ 64,839</u>		<u>\$ 137,495</u>
TAXES RECEIVABLE BY				
YEAR:				
2021	\$	54,792	\$	111,776
2020		2,713		5,860
2019		1,530		4,807
2018		1,217		4,171
2017		1,115		3,490
2016		841		2,634
2015		542		1,564
2014		1,430		1,255
2013		277		796
2012		252		771
2011		123		350
2010		<u>7</u>		<u>21</u>
TOTAL	\$	<u>64,839</u>	\$	<u>137,495</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED FEBRUARY 28, 2022**

	2021	2020	2019	2018
<b>PROPERTY VALUATIONS:</b>				
Land	\$ 203,155,000	\$ 191,119,293	\$ 160,397,826	\$ 130,580,849
Improvements	765,728,649	624,281,841	521,427,690	414,687,290
Personal Property	27,495,653	26,365,077	24,217,951	23,376,970
Exemptions	<u>(107,331,925)</u>	<u>(90,039,528)</u>	<u>(80,068,647)</u>	<u>(65,604,486)</u>
<b>TOTAL PROPERTY VALUATIONS</b>	<u><b>\$ 889,047,377</b></u>	<u><b>\$ 751,726,683</b></u>	<u><b>\$ 625,974,820</b></u>	<u><b>\$ 503,040,623</b></u>
<b>TAX RATES PER \$100 VALUATION:</b>				
Debt Service	\$ 0.51	\$ 0.54	\$ 0.66	\$ 0.72
Maintenance	<u>0.25</u>	<u>0.25</u>	<u>0.21</u>	<u>0.21</u>
<b>TOTAL TAX RATES PER \$100 VALUATION</b>	<u><b>\$ 0.76</b></u>	<u><b>\$ 0.79</b></u>	<u><b>\$ 0.87</b></u>	<u><b>\$ 0.93</b></u>
<b>ADJUSTED TAX LEVY*</b>	<u><b>\$ 6,756,747</b></u>	<u><b>\$ 5,938,625</b></u>	<u><b>\$ 5,445,967</b></u>	<u><b>\$ 4,678,267</b></u>
<b>PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED</b>	<u><b>97.53 %</b></u>	<u><b>99.86 %</b></u>	<u><b>99.88 %</b></u>	<u><b>99.88 %</b></u>

\* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

Maintenance Tax – Maximum tax rate of \$1.35 per \$100 of assessed valuation approved by voters on November 2, 2004.

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**FEBRUARY 28, 2022**

REFUNDING SERIES - 2014

Due During Fiscal Years Ending February 28/29	Principal Due September 1	Interest Due March 1/ September 1	Total
2023	\$ 25,000	\$ 375	\$ 25,375
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
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2049			
2050			
2051			
	<u>\$ 25,000</u>	<u>\$ 375</u>	<u>\$ 25,375</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**FEBRUARY 28, 2022**

REFUNDING SERIES - 2015

Due During Fiscal Years Ending February 28/29	Principal Due September 1	Interest Due March 1/ September 1	Total
2023	\$ 275,000	\$ 319,175	\$ 594,175
2024	290,000	310,700	600,700
2025	295,000	301,925	596,925
2026	300,000	292,250	592,250
2027	1,065,000	269,694	1,334,694
2028	1,100,000	233,138	1,333,138
2029	300,000	208,450	508,450
2030	310,000	197,200	507,200
2031	325,000	185,294	510,294
2032	330,000	172,600	502,600
2033	590,000	154,200	744,200
2034	620,000	130,000	750,000
2035	645,000	104,700	749,700
2036	365,000	84,500	449,500
2037	1,930,000	38,600	1,968,600
2038			
2039			
2040			
2041			
2042			
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2049			
2050			
2051			
	<u>\$ 8,740,000</u>	<u>\$ 3,002,426</u>	<u>\$ 11,742,426</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**FEBRUARY 28, 2022**

S E R I E S - 2 0 1 6				
Due During Fiscal Years Ending February 28/29	Principal Due September 1	Interest Due March 1/ September 1	Total	
2023	\$ 125,000	\$ 520,875	\$	645,875
2024	125,000	515,875		640,875
2025	125,000	510,875		635,875
2026	125,000	505,875		630,875
2027	125,000	500,875		625,875
2028	125,000	495,875		620,875
2029	125,000	491,344		616,344
2030	125,000	487,281		612,281
2031	125,000	483,219		608,219
2032	125,000	479,156		604,156
2033	125,000	475,094		600,094
2034	125,000	470,953		595,953
2035	125,000	466,734		591,734
2036	125,000	462,438		587,438
2037	125,000	458,063		583,063
2038	125,000	453,688		578,688
2039	2,325,000	410,813		2,735,813
2040	2,450,000	327,250		2,777,250
2041	2,575,000	239,311		2,814,311
2042	2,700,000	147,000		2,847,000
2043	2,850,000	49,875		2,899,875
2044				
2045				
2046				
2047				
2048				
2049				
2050				
2051				
	\$ 14,900,000	\$ 8,952,469	\$	23,852,469

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**FEBRUARY 28, 2022**

S E R I E S - 2 0 1 7

Due During Fiscal Years Ending February 28/29	Principal Due September 1	Interest Due March 1/ September 1	Total
2023	\$ 75,000	\$ 415,656	\$ 490,656
2024	75,000	412,656	487,656
2025	75,000	409,656	484,656
2026	75,000	406,656	481,656
2027	75,000	403,656	478,656
2028	75,000	400,656	475,656
2029	75,000	397,656	472,656
2030	75,000	394,656	469,656
2031	75,000	391,656	466,656
2032	75,000	388,656	463,656
2033	75,000	385,656	460,656
2034	75,000	382,656	457,656
2035	75,000	379,656	454,656
2036	75,000	376,657	451,657
2037	75,000	373,657	448,657
2038	75,000	370,657	445,657
2039	75,000	367,844	442,844
2040	75,000	365,219	440,219
2041	75,000	362,594	437,594
2042	75,000	359,969	434,969
2043	75,000	357,344	432,344
2044	1,825,000	324,094	2,149,094
2045	1,900,000	258,906	2,158,906
2046	1,975,000	189,859	2,164,859
2047	2,075,000	116,454	2,191,454
2048	2,175,000	39,422	2,214,422
2049			
2050			
2051			
	<u>\$ 11,525,000</u>	<u>\$ 9,032,204</u>	<u>\$ 20,557,204</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**FEBRUARY 28, 2022**

REFUNDING SERIES - 2019 A

Due During Fiscal Years Ending February 28/29	Principal Due September 1	Interest Due March 1/ September 1	Total
2023	\$ 65,000	\$ 36,269	\$ 101,269
2024	70,000	33,569	103,569
2025	70,000	31,119	101,119
2026	70,000	29,019	99,019
2027	70,000	26,919	96,919
2028	75,000	24,744	99,744
2029	65,000	22,603	87,603
2030	65,000	20,572	85,572
2031	70,000	18,375	88,375
2032	75,000	15,928	90,928
2033	80,000	13,262	93,262
2034	80,000	10,462	90,462
2035	85,000	7,521	92,521
2036	80,000	4,531	84,531
2037	85,000	1,541	86,541
2038			
2039			
2040			
2041			
2042			
2043			
2044			
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2048			
2049			
2050			
2051			
	<u>\$ 1,105,000</u>	<u>\$ 296,434</u>	<u>\$ 1,401,434</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**FEBRUARY 28, 2022**

REFUNDING SERIES - 2019B

Due During Fiscal Years Ending February 28/29	Principal Due September 1	Interest Due March 1/ September 1	Total
2023	\$ 60,000	\$ 65,213	\$ 125,213
2024	60,000	62,813	122,813
2025	60,000	60,713	120,713
2026	60,000	58,913	118,913
2027	60,000	57,113	117,113
2028	60,000	55,313	115,313
2029	55,000	53,552	108,552
2030	55,000	51,833	106,833
2031	55,000	50,046	105,046
2032	55,000	48,190	103,190
2033	55,000	46,300	101,300
2034	55,000	44,375	99,375
2035	55,000	42,450	97,450
2036	55,000	40,525	95,525
2037	55,000	38,531	93,531
2038	1,000,000	18,750	1,018,750
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
	<u>\$ 1,855,000</u>	<u>\$ 794,630</u>	<u>\$ 2,649,630</u>

See accompanying independent auditor's report.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**FEBRUARY 28, 2022**

S E R I E S - 2 0 2 0				
Due During Fiscal Years Ending February 28/29	Principal Due September 1	Interest Due March 1/ September 1	Total	
2023	\$ 105,000	\$ 363,544	\$	468,544
2024	100,000	359,443		459,443
2025	100,000	355,444		455,444
2026	100,000	351,444		451,444
2027	100,000	347,444		447,444
2028	100,000	344,443		444,443
2029	100,000	342,444		442,444
2030	150,000	339,944		489,944
2031	150,000	336,944		486,944
2032	150,000	333,943		483,943
2033	150,000	330,944		480,944
2034	150,000	327,850		477,850
2035	150,000	324,569		474,569
2036	150,000	321,194		471,194
2037	150,000	317,725		467,725
2038	150,000	314,162		464,162
2039	150,000	310,506		460,506
2040	150,000	306,757		456,757
2041	150,000	303,006		453,006
2042	150,000	299,256		449,256
2043	150,000	295,507		445,507
2044	800,000	283,631		1,083,631
2045	800,000	263,631		1,063,631
2046	900,000	242,381		1,142,381
2047	900,000	219,319		1,119,319
2048	900,000	195,694		1,095,694
2049	3,255,000	141,159		3,396,159
2050	3,750,000	49,219		3,799,219
2051				
	\$ 14,110,000	\$ 8,321,547	\$	22,431,547

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**FEBRUARY 28, 2022**

S E R I E S - 2 0 2 0 A

Due During Fiscal Years Ending February 28/29	Principal Due September 1	Interest Due March 1/ September 1	Total
2023	\$	\$ 115,663	\$ 115,663
2024		115,663	115,663
2025		115,663	115,663
2026		115,663	115,663
2027		115,663	115,663
2028		115,663	115,663
2029		115,663	115,663
2030		115,663	115,663
2031		115,663	115,663
2032		115,663	115,663
2033		115,663	115,663
2034		115,663	115,663
2035		115,663	115,663
2036		115,663	115,663
2037		115,663	115,663
2038		115,663	115,663
2039		115,663	115,663
2040		115,663	115,663
2041		115,663	115,663
2042		115,663	115,663
2043		115,663	115,663
2044	265,000	112,847	377,847
2045	285,000	107,003	392,003
2046	210,000	101,613	311,613
2047	210,000	96,888	306,888
2048	220,000	91,913	311,913
2049	160,000	87,400	247,400
2050		85,500	85,500
2051	<u>3,600,000</u>	<u>42,750</u>	<u>3,642,750</u>
	<u>\$ 4,950,000</u>	<u>\$ 3,154,837</u>	<u>\$ 8,104,837</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**FEBRUARY 28, 2022**

S E R I E S - 2 0 2 0 B

Due During Fiscal Years Ending February 28/29	Principal Due September 1	Interest Due March 1/ September 1	Total
2023	\$	\$ 79,350	\$ 79,350
2024	70,000	77,775	147,775
2025	75,000	74,513	149,513
2026	75,000	71,138	146,138
2027	80,000	68,650	148,650
2028	80,000	67,050	147,050
2029	85,000	65,400	150,400
2030	85,000	63,700	148,700
2031	90,000	61,950	151,950
2032	90,000	60,150	150,150
2033	95,000	58,300	153,300
2034	100,000	56,350	156,350
2035	100,000	54,350	154,350
2036	105,000	52,234	157,234
2037	110,000	49,950	159,950
2038	115,000	47,559	162,559
2039	120,000	44,988	164,988
2040	120,000	42,288	162,288
2041	125,000	39,531	164,531
2042	130,000	36,500	166,500
2043	135,000	33,188	168,188
2044	140,000	29,750	169,750
2045	145,000	26,188	171,188
2046	150,000	22,500	172,500
2047	155,000	18,688	173,688
2048	160,000	14,750	174,750
2049	165,000	10,688	175,688
2050	170,000	6,500	176,500
2051	175,000	2,188	177,188
	<u>\$ 3,245,000</u>	<u>\$ 1,336,166</u>	<u>\$ 4,581,166</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**FEBRUARY 28, 2022**

REFUNDING SERIES - 2020C

Due During Fiscal Years Ending February 28/29	Principal Due September 1	Interest Due March 1/ September 1	Total
2023	\$ 845,000	\$ 99,506	\$ 944,506
2024	860,000	82,456	942,456
2025	715,000	66,706	781,706
2026	730,000	52,256	782,256
2027	25,000	44,706	69,706
2028	50,000	43,956	93,956
2029	50,000	42,956	92,956
2030	50,000	41,956	91,956
2031	50,000	40,956	90,956
2032	45,000	40,006	85,006
2033	45,000	39,050	84,050
2034	45,000	38,038	83,038
2035	70,000	36,743	106,743
2036	70,000	35,169	105,169
2037	140,000	32,806	172,806
2038	1,315,000	15,616	1,330,616
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
	<u>\$ 5,105,000</u>	<u>\$ 752,882</u>	<u>\$ 5,857,882</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**FEBRUARY 28, 2022**

REFUNDING SERIES - 2021

Due During Fiscal Years Ending February 28/29	Principal Due September 1	Interest Due March 1/ September 1	Total
2023	\$ 40,000	\$ 229,650	\$ 269,650
2024	70,000	228,000	298,000
2025	230,000	223,500	453,500
2026	240,000	216,450	456,450
2027	250,000	209,100	459,100
2028	260,000	201,450	461,450
2029	1,105,000	180,975	1,285,975
2030	925,000	150,525	1,075,525
2031	955,000	122,325	1,077,325
2032	980,000	98,200	1,078,200
2033	1,000,000	78,400	1,078,400
2034	1,020,000	58,200	1,078,200
2035	1,040,000	37,600	1,077,600
2036	1,360,000	13,600	1,373,600
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
	<u>\$ 9,475,000</u>	<u>\$ 2,047,975</u>	<u>\$ 11,522,975</u>

See accompanying independent auditor's report.

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**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**FEBRUARY 28, 2022**

ANNUAL REQUIREMENTS  
FOR ALL SERIES

Due During Fiscal Years Ending February 28/29	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2023	\$ 1,615,000	\$ 2,245,276	\$ 3,860,276
2024	1,720,000	2,198,950	3,918,950
2025	1,745,000	2,150,114	3,895,114
2026	1,775,000	2,099,664	3,874,664
2027	1,850,000	2,043,820	3,893,820
2028	1,925,000	1,982,288	3,907,288
2029	1,960,000	1,921,043	3,881,043
2030	1,840,000	1,863,330	3,703,330
2031	1,895,000	1,806,428	3,701,428
2032	1,925,000	1,752,492	3,677,492
2033	2,215,000	1,696,869	3,911,869
2034	2,270,000	1,634,547	3,904,547
2035	2,345,000	1,569,986	3,914,986
2036	2,385,000	1,506,511	3,891,511
2037	2,670,000	1,426,536	4,096,536
2038	2,780,000	1,336,095	4,116,095
2039	2,670,000	1,249,814	3,919,814
2040	2,795,000	1,157,177	3,952,177
2041	2,925,000	1,060,105	3,985,105
2042	3,055,000	958,388	4,013,388
2043	3,210,000	851,577	4,061,577
2044	3,030,000	750,322	3,780,322
2045	3,130,000	655,728	3,785,728
2046	3,235,000	556,353	3,791,353
2047	3,340,000	451,349	3,791,349
2048	3,455,000	341,779	3,796,779
2049	3,580,000	239,247	3,819,247
2050	3,920,000	141,219	4,061,219
2051	3,775,000	44,938	3,819,938
	<u>\$ 75,035,000</u>	<u>\$ 37,691,945</u>	<u>\$ 112,726,945</u>

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**CHANGE IN LONG-TERM BOND DEBT**  
**FOR THE YEAR ENDED FEBRUARY 28, 2022**

Description	Original Bonds Issued	Bonds Outstanding March 1, 2021
Harris County Municipal Utility District No. 400 Unlimited Tax Bonds - Series 2011	\$ 1,995,000	\$ 25,000
Harris County Municipal Utility District No. 400 Unlimited Tax Bonds - Series 2013	2,300,000	25,000
Harris County Municipal Utility District No. 400 Unlimited Tax Refunding Bonds - Series 2013A	7,260,000	735,000
Harris County Municipal Utility District No. 400 Unlimited Tax Refunding Bonds - Series 2014	9,570,000	9,420,000
Harris County Municipal Utility District No. 400 Unlimited Tax Refunding Bonds - Series 2015	9,970,000	9,005,000
Harris County Municipal Utility District No. 400 Unlimited Tax Bonds - Series 2016	15,535,000	15,025,000
Harris County Municipal Utility District No. 400 Unlimited Tax Bonds - Series 2017	11,660,000	11,600,000
Harris County Municipal Utility District No. 400 Unlimited Tax Refunding Bonds - Series 2019A	1,205,000	1,170,000
Harris County Municipal Utility District No. 400 Unlimited Tax Refunding Bonds - Series 2019B	1,910,000	1,865,000
Harris County Municipal Utility District No. 400 Unlimited Tax Bonds - Series 2020	14,110,000	14,110,000

See accompanying independent auditor's report.



Current Year Transactions					
Bonds Sold	Retirements		Bonds Outstanding February 28, 2022	Paying Agent	
	Principal	Interest			
\$	\$ 25,000	\$ 500	\$ -0-	Wells Fargo Bank N.A. Houston, TX	
	25,000	625	-0-	Wells Fargo Bank N.A. Houston, TX	
	735,000	11,025	-0-	Wells Fargo Bank N.A. Houston, TX	
	9,395,000	1,125	25,000	Wells Fargo Bank N.A. Houston, TX	
	265,000	325,950	8,740,000	Wells Fargo Bank N.A. Houston, TX	
	125,000	525,875	14,900,000	The Bank of New York Mellon Trust Company Dallas, TX	
	75,000	418,656	11,525,000	The Bank of New York Mellon Trust Company Dallas, TX	
	65,000	38,869	1,105,000	The Bank of New York Mellon Trust Company Dallas, TX	
	10,000	66,613	1,855,000	The Bank of New York Mellon Trust Company Dallas, TX	
		365,644	14,110,000	The Bank of New York Mellon Trust Company Dallas, TX	

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**CHANGE IN LONG-TERM BOND DEBT**  
**FOR THE YEAR ENDED FEBRUARY 28, 2022**

Description	Original Bonds Issued	Bonds Outstanding March 1, 2021	
Harris County Municipal Utility District No. 400 Unlimited Tax Bonds - Series 2020A	4,950,000	4,950,000	
Harris County Municipal Utility District No. 400 Unlimited Tax Park Bonds - Series 2020B	3,245,000	3,245,000	
Harris County Municipal Utility District No. 400 Unlimited Tax Refunding Bonds - Series 2020C	5,190,000	5,190,000	
Harris County Municipal Utility District No. 400 Unlimited Tax Refunding Bonds - Series 2021	<u>9,570,000</u>		
<b>TOTAL</b>	<b><u>\$ 98,470,000</u></b>	<b><u>\$ 76,365,000</u></b>	
<b>Bond Authority:</b>	<b><u>Tax Bonds*</u></b>	<b><u>Refunding Bonds</u></b>	<b><u>Park Bonds</u></b>
Amount Authorized by Voters	\$ 150,000,000	\$ 154,835,000	\$ 4,835,000
Amount Issued	<u>80,655,000</u>	<u>2,287,037</u>	<u>4,835,000</u>
Remaining to be Issued	<u>\$ 69,345,000</u>	<u>\$ 152,547,963</u>	<u>\$ - 0 -</u>
Debt Service Fund cash, investments and cash with paying agent balances as of February 28, 2022:		<u>\$ 8,105,498</u>	
Average annual debt service payment (principal and interest) for remaining term of all debt:		<u>\$ 3,887,136</u>	

See Note 3 for interest rate, interest payment dates and maturity dates.

\* Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes.

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding February 28, 2022</u>	<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>		
		115,663	4,950,000	The Bank of New York Mellon Trust Company Dallas, TX
		99,408	3,245,000	The Bank of New York Mellon Trust Company Dallas, TX
	85,000	108,806	5,105,000	The Bank of New York Mellon Trust Company Dallas, TX
<u>9,570,000</u>	<u>95,000</u>	<u>168,219</u>	<u>9,475,000</u>	The Bank of New York Mellon Trust Company Dallas, TX
<u>\$ 9,570,000</u>	<u>\$ 10,900,000</u>	<u>\$ 2,246,978</u>	<u>\$ 75,035,000</u>	

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND - FIVE YEARS**

	Amounts		
	2022	2021	2020
<b>REVENUES</b>			
Property Taxes	\$ 2,258,932	\$ 1,801,700	\$ 1,302,343
Water Service	1,061,995	1,000,268	943,275
Wastewater Service	1,712,386	1,453,216	1,247,411
Water Authority Fee	970,278	931,469	718,551
Penalty and Interest	99,034	73,656	110,723
Tap Connection and Inspection Fees	577,186	1,570,998	1,188,895
Sales Tax Revenues	646,725	567,432	504,790
Investment Revenues	24,888	98,590	228,818
Miscellaneous Revenues	388,216	578,176	387,903
<b>TOTAL REVENUES</b>	<b>\$ 7,739,640</b>	<b>\$ 8,075,505</b>	<b>\$ 6,632,709</b>
<b>EXPENDITURES</b>			
Professional Fees	\$ 487,580	\$ 410,573	\$ 280,432
Contracted Services	1,157,296	943,473	887,671
Purchased Water and Wastewater Service	1,663,595	955,361	1,218,283
Utilities	105,239	120,479	190,515
Water Authority Assessment			80,687
Repairs and Maintenance	1,097,390	996,426	990,617
Other	934,015	1,104,610	518,799
Capital Outlay	2,812,039	1,172,050	1,564,240
Bond Issuance Costs			25,079
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,257,154</b>	<b>\$ 5,702,972</b>	<b>\$ 5,756,323</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (517,514)</b>	<b>\$ 2,372,533</b>	<b>\$ 876,386</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In (Out)	\$ (269,299)	\$ 117,719	\$ 3,854,914
Proceeds from Sale of Capacity			651,209
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (269,299)</b>	<b>\$ 117,719</b>	<b>\$ 4,506,123</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (786,813)</b>	<b>\$ 2,490,252</b>	<b>\$ 5,382,509</b>
<b>BEGINNING FUND BALANCE</b>	16,810,338	14,320,086	8,388,577
<b>PRIOR PERIOD ADJUSTMENT</b>			549,000
<b>ENDING FUND BALANCE</b>	<b>\$ 16,023,525</b>	<b>\$ 16,810,338</b>	<b>\$ 14,320,086</b>

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2019	2018	2022	2021	2020	2019	2018
\$ 1,037,999	\$ 1,151,648	29.2 %	22.3 %	19.8 %	20.1 %	26.8 %
767,054	612,399	13.7	12.4	14.2	14.8	14.3
1,109,374	924,000	22.1	18.0	18.8	21.4	21.5
531,144	430,562	12.5	11.5	10.8	10.3	10.0
74,524	97,194	1.3	0.9	1.7	1.4	2.3
1,052,893	564,291	7.5	19.5	17.9	20.4	13.1
479,495	476,565	8.4	7.0	7.6	9.3	11.1
103,048	38,340	0.3	1.2	3.4	2.0	0.9
17,133		5.0	7.2	5.8	0.3	
<u>\$ 5,172,664</u>	<u>\$ 4,294,999</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 400,283	\$ 427,864	6.3 %	5.1 %	4.2 %	7.7 %	10.0 %
817,267	674,298	15.0	11.7	13.4	15.8	15.7
221,298	85,856	21.5	11.8	18.4	4.3	2.0
194,958	198,220	1.4	1.5	2.9	3.8	4.6
186,720	189,428			1.2	3.6	4.4
939,223	757,799	14.2	12.3	14.9	18.2	17.6
620,521	315,542	12.1	13.7	7.8	12.0	7.3
187,004	466,129	36.3	14.5	23.6	3.6	10.9
3,500				0.4	0.1	
<u>\$ 3,570,774</u>	<u>\$ 3,115,136</u>	<u>106.8 %</u>	<u>70.6 %</u>	<u>86.8 %</u>	<u>69.1 %</u>	<u>72.5 %</u>
<u>\$ 1,601,890</u>	<u>\$ 1,179,863</u>	<u>(6.8) %</u>	<u>29.4 %</u>	<u>13.2 %</u>	<u>30.9 %</u>	<u>27.5 %</u>
\$ (122,471)	\$ (15,844)					
<u>\$ (122,471)</u>	<u>\$ (15,844)</u>					
\$ 1,479,419	\$ 1,164,019					
6,909,158	5,745,139					
<u>\$ 8,388,577</u>	<u>\$ 6,909,158</u>					

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**DEBT SERVICE FUND - FIVE YEARS**

	Amounts		
	2022	2021	2020
<b>REVENUES</b>			
Property Taxes	\$ 4,620,532	\$ 3,916,117	\$ 4,100,181
Penalty and Interest	58,340	39,051	186,596
Investment Revenues	14,515	52,141	123,013
Miscellaneous Revenues	40	288	
<b>TOTAL REVENUES</b>	<b>\$ 4,693,427</b>	<b>\$ 4,007,597</b>	<b>\$ 4,409,790</b>
<b>EXPENDITURES</b>			
Tax Collection Expenditures	\$ 134,470	\$ 119,478	\$ 101,643
Debt Service Principal	1,530,000	1,310,000	1,260,000
Debt Service Interest and Fees	2,256,978	2,354,388	2,045,833
Bond Issuance Costs	369,822	234,780	935
Payment to Refunded Bond Escrow Agent	9,000		
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,300,270</b>	<b>\$ 4,018,646</b>	<b>\$ 3,408,411</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 393,157</b>	<b>\$ (11,049)</b>	<b>\$ 1,001,379</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Refunding Bonds	\$ 9,570,000	\$ 5,190,000	\$
Payment to Refunded Bond Escrow Agent	(9,548,250)	(5,048,991)	
Bond Discount	(16,674)	(24,334)	
Bond Premium	368,175	118,106	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 373,251</b>	<b>\$ 234,781</b>	<b>\$ - 0 -</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 766,408</b>	<b>\$ 223,732</b>	<b>\$ 1,001,379</b>
<b>BEGINNING FUND BALANCE</b>	<b>6,905,056</b>	<b>6,681,324</b>	<b>5,679,945</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 7,671,464</b>	<b>\$ 6,905,056</b>	<b>\$ 6,681,324</b>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	<b>3,648</b>	<b>3,411</b>	<b>2,767</b>
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	<b>3,550</b>	<b>3,314</b>	<b>2,680</b>

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2019	2018	2022	2021	2020	2019	2018
\$ 3,556,323	\$ 3,602,759	98.5 %	97.7 %	93.0 %	96.9 %	98.3 %
23,731	25,646	1.2	1.0	4.2	0.6	0.7
89,918	38,478	0.3	1.3	2.8	2.5	1.0
<u>\$ 3,669,972</u>	<u>\$ 3,666,883</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 90,295	\$ 66,643	2.9 %	3.0 %	2.3 %	2.5 %	1.8 %
1,175,000	1,155,000	32.6	32.7	28.6	32.0	31.5
2,113,593	1,725,788	48.1	58.7	46.4	57.6	47.1
157,737		7.9	5.9		4.3	
4,000		0.2			0.1	
<u>\$ 3,540,625</u>	<u>\$ 2,947,431</u>	<u>91.7 %</u>	<u>100.3 %</u>	<u>77.3 %</u>	<u>96.5 %</u>	<u>80.4 %</u>
\$ 129,347	\$ 719,452	8.3 %	(0.3) %	22.7 %	3.5 %	19.6 %
\$ 3,115,000	\$					
(2,926,045)						
(30,282)						
<u>\$ 158,673</u>	<u>\$ - 0 -</u>					
\$ 288,020	\$ 719,452					
5,391,925	4,672,473					
<u>\$ 5,679,945</u>	<u>\$ 5,391,925</u>					
2,230	1,849					
2,156	1,778					

See accompanying independent auditor's report.

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**FEBRUARY 28, 2022**

District Mailing Address - Harris County Municipal Utility District No. 400  
c/o Schwartz Page & Harding, LLP  
1300 Post Oak Blvd, Suite 2400  
Houston, TX 77056

District Telephone Number - (713) 623-4531

<b>Board Members</b>	Term of Office (Elected or Appointed)	Fees of Office for the fiscal year ended <u>February 28, 2022</u>	Expense Reimbursements for the fiscal year ended <u>February 28, 2022</u>	<u>Title</u>
Gerald Jones, Jr.	11/2020 05/2024 (Elected)	\$ 4,500	\$ 2,227	President
Anne-Marie Wright	05/2018 05/2022 (Elected)	\$ 6,450	\$ 541	Vice President
Cheryl Smith	05/2018 05/2022 (Elected)	\$ 7,200	\$ 15,978	Secretary
Shepard Cross	11/2020 05/2024 (Elected)	\$ 5,850	\$ 1,669	Assistant Secretary
Edgar M. Clayton	11/2020 05/2024 (Elected)	\$ 2,850	\$ -0-	Director

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

Submission date of most recent District Registration Form: June 28, 2022

The limit on Fees of Office that a Director may receive during a fiscal year is approved to the maximum extend allowed by the law as set by Board Resolution. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.



**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 400**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**FEBRUARY 28, 2022**

<b>Consultants:</b>	<u>Date Hired</u>	<u>District Fees for the fiscal year ended February 28, 2022</u>	<u>Water Plant and Wastewater Treatment Plant Fees for the fiscal year ended February 28, 2022</u>	<u>Title</u>
Schwartz, Page & Harding, LLP	08/24/04	\$ 234,202 \$ 78,063	\$ 43,986 \$ -0-	General Counsel Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	12/28/20	\$ 15,250 \$ 2,500 \$ 500	\$ 5,000 \$ -0- \$ -0-	Auditor Bond Related SB 625
Municipal Accounts & Consulting, L.P.	08/24/04	\$ 75,342	\$ 27,109	Bookkeeper
Perdue Brandon Fielder Collins & Mott	04/01/06	\$ 15,723	\$ -0-	Delinquent Tax Attorney
Quiddity Engineering, LLC	08/24/04	\$ 465,718	\$ 1,408,124	Engineer
Rathmann & Associates, L.P.	08/24/04	\$ 121,125	\$ -0-	Financial Advisor
Mark Burton Ghia Lewis	10/26/09	\$ -0-	\$ -0-	Investment Officers
Environmental Development Partners	09/01/09	\$ 1,045,215	\$ 307,304	Operator
Wheeler & Associates, Inc.	08/24/04	\$ 72,072	\$ -0-	Tax Assessor/ Collector

See accompanying independent auditor's report.

