

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

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

**FOR THE YEAR ENDED
SEPTEMBER 30, 2025**

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

ANNUAL FILING AFFIDAVIT

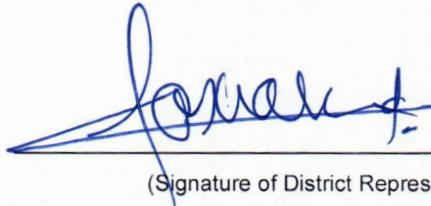
THE STATE OF TEXAS
COUNTY OF EL PASO

I, Carlos Lascurain of the Paseo del Este Municipal Utility District No. 4 of El Paso County hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of Directors of the District on the 9th day of January 2026, its annual audit report for the fiscal year ended September 30, 2025, and that copies of the annual report have been filed in the district office, located at c/o Gordon Davis Johnson & Shane, 4695 North Mesa, El Paso, Texas 79912.

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

Date: January 9, 2026

By:



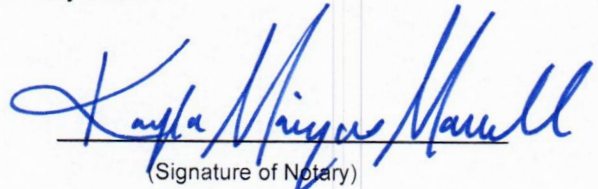
(Signature of District Representative)

Carlos Lascurain, President

(Name & Title of above District Representative)

Sworn to and subscribed to before me this 9th day of January 2026.

(SEAL)



(Signature of Notary)

My Commission Expires On December 2, 2027

Notary Public in and for the State of Texas.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY**
Annual Financial Report
For the Year Ended September 30, 2025

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FINANCIAL SECTION

WEST, DAVIS & COMPANY

A LIMITED LIABILITY PARTNERSHIP

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Paseo del Este Municipal Utility District No. 4 of El Paso County (the District) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District as of September 30, 2025, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in

accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Commission on Environmental Quality required supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas Commission on Environmental Quality required supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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



Austin, Texas
December 31, 2025

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

Management Discussion and Analysis For the Year Ended September 30, 2025

In accordance with Governmental Accounting Standards Board Statement 34 (“GASB 34”), the management of Paseo del Este Municipal Utility District No. 4 of El Paso County (the “District”) offers the following discussion and analysis to provide an overview of the District’s financial activities for the year ended September 30, 2025. Since this information is designed to focus on current year’s activities, resulting changes, and currently known facts, it should be read in conjunction with the District’s financial statements that follow.

FINANCIAL HIGHLIGHTS

- **General Fund:** The unassigned fund balance at the end of the year was approximately \$197 thousand which was an increase of \$32 thousand from the end of the previous year end. Revenue increased from \$373 thousand in the previous fiscal year to \$440 thousand in the current fiscal year primarily due to the increase in assessed value of property within the District.
- **Debt Service Fund:** The District issued no new debt during the year. This fund paid \$494 thousand in interest and \$175 thousand in principal during the year. The District has \$10 in outstanding debt at the end of the year.
- **Capital Projects Fund:** This fund was relatively inactive during the year. The fund balance at year end was \$58 thousand.
- **Governmental Activities:** On a Government-wide basis for governmental activities, the District had expenses in excess of revenue of approximately \$124 thousand. Net position decreased from negative \$641 thousand to negative \$765 thousand. This decrease is primarily due to bond issuance costs.

OVERVIEW OF THE DISTRICT

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

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

Management Discussion and Analysis For the Year Ended September 30, 2025

USING THIS ANNUAL REPORT

The District's reporting is comprised of five parts:

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

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

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

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

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

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

**Management Discussion and Analysis
For the Year Ended September 30, 2025**

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Summary Statement of Net Position

	Governmental Activities (in thousands)		
	September 2025	September 2024	Increase (Decrease)
Current and Other Assets	\$ 919	\$ 1,041	\$ (122)
Capital and Non-Current Assets	8,113	8,284	(171)
Total Assets	9,032	9,325	(293)
Current Liabilities	300	251	49
Long-Term Liabilities	9,497	9,715	(218)
Total Liabilities	9,797	9,966	(169)
Net Investment in Capital Assets	(1,616)	(1,612)	(4)
Restricted	653	806	(153)
Unrestricted	198	165	33
Total Net Position	\$ (765)	\$ (641)	\$ (124)

The District's total assets were approximately \$9.0 million at the end of the current fiscal year. Of this amount, approximately \$905 thousand is accounted for by cash and short-term investments. The District had outstanding liabilities of approximately \$9.8 million. The District's unrestricted net assets, which can be used to finance day to day operations, totaled \$198 thousand.

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

**Management Discussion and Analysis
For the Year Ended September 30, 2025**

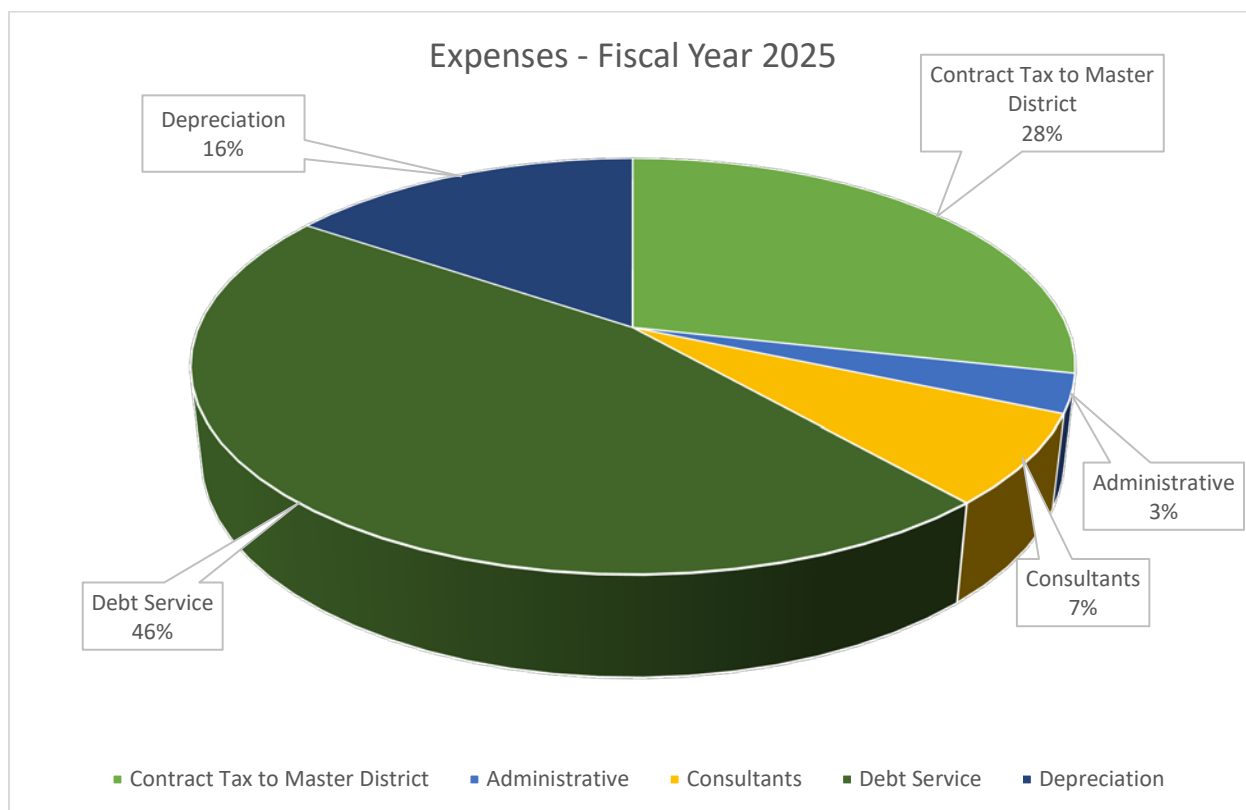
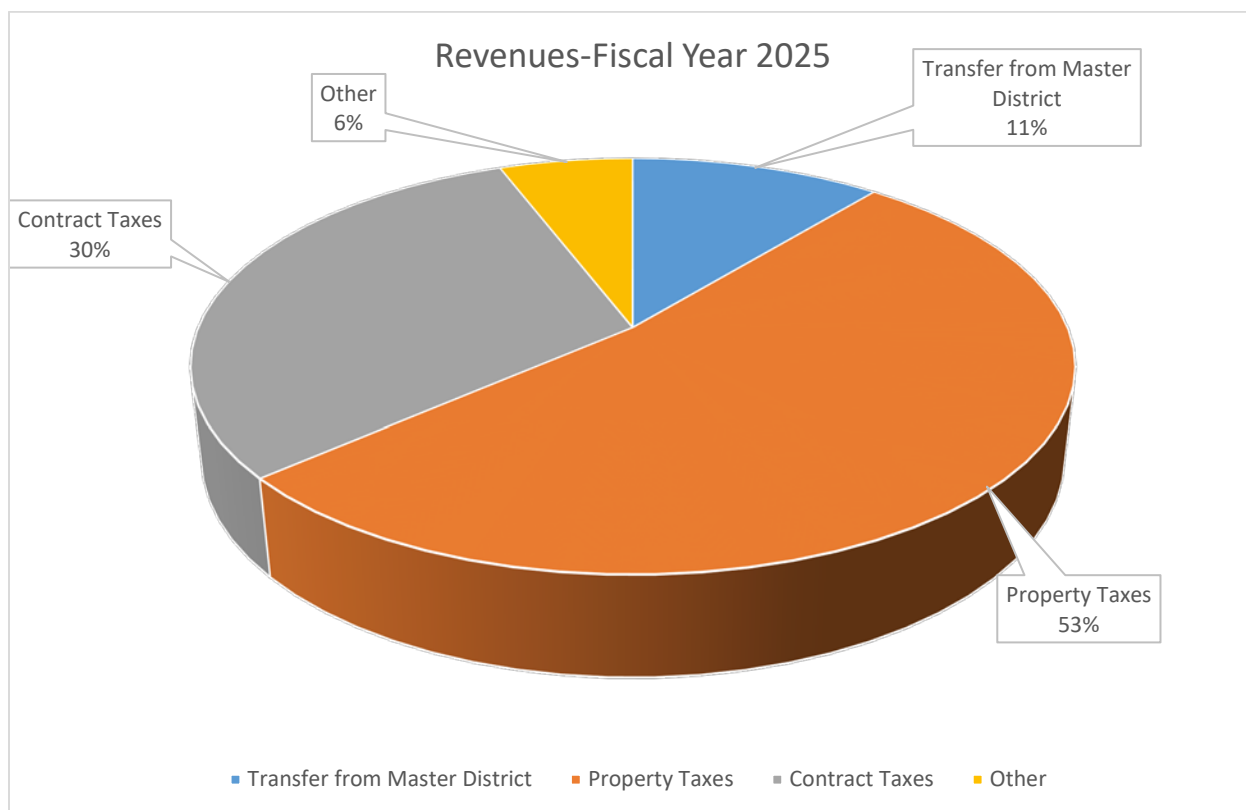
Summary Statement of Activities

	Governmental Activities (in thousands)		Increase (Decrease)
	2025	2024	
Transfer from Master District	\$ 107	\$ 109	\$ (2)
Property Taxes	514	378	136
Contract Taxes	299	237	62
Other	57	57	-
Total Revenues	977	781	196
Contract Tax to Master District	314	237	77
Administrative	33	28	5
Consultants	77	81	(4)
Debt Service	506	376	130
Depreciation	171	171	-
Total Expenses	1,101	893	208
Other Financing Sources (Uses)	-	(367)	367
Change in Net Position	(124)	(479)	355
Beginning Net Position	(641)	(162)	(479)
Ending Net Position	\$ (765)	\$ (641)	\$ (124)

Revenues were approximately \$977 thousand for the current fiscal year. Expenses were approximately \$1.1 million for the year. Net assets decreased about \$124 thousand primarily due additional debt service payments. The following charts summarize the sources of revenue and areas of expenses.

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

**Management Discussion and Analysis
For the Year Ended September 30, 2025**



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

**Management Discussion and Analysis
For the Year Ended September 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUND LEVEL STATEMENTS

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

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

Summary Balance Sheet

	Governmental Funds (in thousands)		
	September 2025	September 2024	Increase (Decrease)
Cash and Investments	\$ 905	\$ 1,025	\$ (120)
Accounts Receivable	13	16	(3)
Prepaid Expenses	1	-	1
Total Assets	919	1,041	(122)
Accounts Payable	9	14	(5)
Unrealized Revenue	2	2	-
Total Liabilities	11	16	(5)
Nonspendable	1	-	1
Restricted for Debt Service	652	804	(152)
Restricted for Capital Projects	58	56	2
Unassigned	197	165	32
Total Fund Balances	908	1,025	(117)
Total Liabilities and Fund Balances	\$ 919	\$ 1,041	\$ (122)

The General Operating Fund, which pays for daily operating expenses, had an unassigned balance of \$197 thousand at the end of the current fiscal year. This is an increase of \$32 thousand over the prior fiscal year.

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

**Management Discussion and Analysis
For the Year Ended September 30, 2025**

The Debt Service Fund decreased from \$804 to \$652 thousand during the year due to increased debt service payments.

The Capital Projects Fund increased from \$56 thousand to \$58 thousand during the year. This fund was relatively inactive during the year.

BUDGETARY HIGHLIGHTS

The Board of Directors adopted the fiscal year 2025 annual budget for the General Fund on September 13, 2024. The budget included revenues of \$436 thousand and expenditures of \$406 thousand. Actual revenue amounted to \$440 thousand and expenditures of \$407 thousand. More detailed information about the District's budgetary comparison is presented in the Required Supplementary Information section.

CAPITAL ASSETS

The District has acquired \$8.5 million of infrastructure facilities serving the District's residents. A summary of these assets is listed below:

Summary of Capital Assets

	Governmental Activities (in thousands)		Increase (Decrease)
	September 2025	September 2024	
Water, Wastewater and Drainage	\$ 8,532	\$ 8,532	\$ -
Accumulated Depreciation	(419)	(248)	(171)
Total Capital Assets (Net)	\$ 8,113	\$ 8,284	\$ (171)

LONG TERM DEBT

The District issued no new bonds during the year. Bonded indebtedness of the District at year end was \$10 million. More detailed information about the District's long-term debt is presented in the Notes to the Basic Financial Statements.

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

**Management Discussion and Analysis
For the Year Ended September 30, 2025**

ECONOMIC FACTORS

The taxable assessed value of property within the District as of January 1, 2025, has been fixed by the El Paso County Appraisal District at \$150 million. The tax rates adopted by the District on September 12, 2025, for the coming fiscal year are \$0.0251 for maintenance and operations, \$0.29 for contract tax and \$0.4867 for debt service. The District expects this to produce \$1.2 million in total property tax revenue for next year. The adopted budget for fiscal year 2026 projects an increase in the operating fund balance.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF NET POSITION
AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2025**

	GOVERNMENTAL FUNDS				ADJUST- MENTS	STATEMENT OF NET POSITION
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	TOTAL		
ASSETS						
Cash	\$ 30,022	\$ -	\$ 1	\$ 30,023	\$ -	\$ 30,023
Investments	165,349	651,954	58,365	875,668	-	875,668
Taxes Receivable	995	1,486	-	2,481	-	2,481
Prepaid Costs	564	-	-	564	-	564
Due from Affiliated District	10,307	-	-	10,307	-	10,307
Due from Other Funds	-	-	-	-	-	-
Water/WW/Drainage System (Net)	-	-	-	-	8,112,976	8,112,976
Total Assets	\$ 207,237	\$ 653,440	\$ 58,366	\$ 919,043	\$ 8,112,976	\$ 9,032,019
LIABILITIES						
Accounts Payable	\$ 8,967	\$ -	\$ -	\$ 8,967	\$ 61,120	\$ 70,087
Due to Other Funds	-	-	-	-	-	-
Due to Affiliated District	-	-	-	-	-	-
Bonds Payable in less than one year	-	-	-	-	230,000	230,000
Bonds Payable in more than one year	-	-	-	-	9,496,988	9,496,988
Total Liabilities	8,967	-	-	8,967	9,788,108	9,797,075
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	995	1,486	-	2,481	(2,481)	-
Total Deferred Inflows	995	1,486	-	2,481	(2,481)	-
Fund Equity						
Nonspendable	564	-	-	564	(564)	-
Restricted for Debt Service	-	651,954	-	651,954	(651,954)	-
Restricted for Capital Projects	-	-	58,366	58,366	(58,366)	-
Unassigned	196,711	-	-	196,711	(196,711)	-
Total Fund Equity	197,275	651,954	58,366	907,595	(907,595)	-
Total Liabilities, Fund Equity & Deferred Inflows of Resources	\$ 207,237	\$ 653,440	\$ 58,366	\$ 919,043		
NET POSITION						
Net Investment in Capital Assets					(1,616,766)	(1,616,766)
Restricted for Debt Service					653,440	653,440
Unrestricted					198,270	198,270
Total Net Position					\$ (765,056)	\$ (765,056)

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

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

**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	GOVERNMENTAL FUND TYPES				ADJUST- MENTS	STATEMENT OF ACTIVITIES
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	TOTAL		
REVENUES						
Transfer From Master District	\$ 107,019	\$ -	\$ -	\$ 107,019	\$ -	\$ 107,019
Property Taxes	27,194	486,752	-	513,946	541	514,487
Contract Taxes	298,612	-	-	298,612	-	298,612
Interest	6,979	47,073	2,525	56,577	-	56,577
TOTAL REVENUES	439,804	533,825	2,525	976,154	541	976,695
EXPENDITURES						
Current:						
Contract Tax To Master District	298,612	15,885	-	314,497	-	314,497
Legal Fees	16,916	-	-	16,916	-	16,916
Audit Fees	6,000	-	-	6,000	-	6,000
Accounting Fees	45,175	-	-	45,175	-	45,175
Engineering Fees	5,348	-	-	5,348	-	5,348
Management Fees	941	-	-	941	-	941
Fiscal Agent Fees	1,500	1,000	-	2,500	-	2,500
Director Salaries and Payroll Taxes	10,706	-	-	10,706	-	10,706
Insurance	2,683	-	-	2,683	-	2,683
Tax Assessor/Collector	13,864	-	-	13,864	-	13,864
Printing and Office Supplies	489	-	-	489	-	489
Postage and Delivery	322	-	-	322	-	322
Legal Notices	1,360	-	-	1,360	-	1,360
Travel & Miscellaneous	3,215	-	150	3,365	-	3,365
Interest	-	494,399	-	494,399	11,205	505,604
Principal	-	175,000	-	175,000	(175,000)	-
Depreciation	-	-	-	-	170,632	170,632
Capital Expenditures	-	-	-	-	-	-
TOTAL EXPENDITURES	407,131	686,284	150	1,093,565	6,837	1,100,402
OTHER FINANCING SOURCES (USES)						
Bond Proceeds	-	-	-	-	-	-
Bond Discount	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-
Transfer to Other Funds	-	-	-	-	-	-
NET OTHER SOURCES (USES)	-	-	-	-	-	-
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures	32,673	(152,459)	2,375	(117,411)	117,411	-
Change in Net Position					(123,707)	(123,707)
Fund Balance/Net Position-Beginning	164,602	804,413	55,991	1,025,006	(1,666,355)	(641,349)
Fund Balance/Net Position-Ending	\$ 197,275	\$ 651,954	\$ 58,366	\$ 907,595	\$ (1,672,651)	\$ (765,056)

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

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2025**

1. Summary of Significant Accounting Policies

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

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

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

A. Basis of Presentation, Basis of Accounting

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

Government-wide Financial Statements:

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

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

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

Fund Financial Statements:

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

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

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

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

B. Measurement Focus, Basis of Accounting

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

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

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

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

C. Fund Balances

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

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

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

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

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

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

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

D. Budget

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

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

E. Pensions

The District has not established a pension plan.

F. Cash and Cash Equivalents

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

G. Prepaid Items

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

H. Capital Assets

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

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

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

I. Interfund Transactions

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

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

J. Long-Term Debt

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

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

K. Deferred Outflows and Inflows of Resources

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

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

L. Recently Issued Accounting Pronouncements

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

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

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

2. Cash and Investments

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

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

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

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

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

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2025**

2. Cash and Investments (continued)

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

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

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

<u>Investment</u>	<u>Fair Value</u> <u>Level</u>	<u>Rating</u>	<u>Maturity</u>	<u>Fair Value</u>
TexPool	N/A	AAAm	1 day average	\$ 875,668

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

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

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

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

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

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

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2025

2. Cash and Investments (continued)

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

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

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

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

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

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

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

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2025**

2. Cash and Investments (continued)

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

3. Property Taxes

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

At an election held within the District on May 10, 2014, voters authorized the District to levy an annual ad valorem tax on all taxable property within the District for operation and maintenance purposes and to make certain payments required pursuant to contracts with Paseo No. 1. Voters authorized the levy of a maintenance tax not to exceed \$1.00 per \$100.00 valuation. Property taxes were levied by the District for the 2024-25 fiscal year at the rate of \$0.0251 per hundred assessed value for maintenance and operations, \$0.4349 per hundred assessed value for debt service and \$0.29 per hundred assessed value for contract tax. The District agreed to remit \$0.29 per hundred assessed value, the contract tax, to the Master District under its cost sharing and utility capacity agreement. Uncollected property taxes amounted to \$2,481 at the end of the year.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2025**

4. Capital Assets

A summary of changes in capital assets follows:

	Balance			Balance
<u>Capital Assets:</u>	<u>9/30/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>9/30/2025</u>
Water WW & Drainage	\$ 8,531,591	-	-	\$ 8,531,591
Total	8,531,591	-	-	8,531,591
<u>Accumulated Depreciation:</u>				
Water WW & Drainage	(247,983)	(170,632)	-	(418,615)
Total	(247,983)	(170,632)	-	(418,615)
Total Capital Assets (Net)	<u>\$ 8,283,608</u>	<u>(170,632)</u>	<u>-</u>	<u>\$ 8,112,976</u>

5. Bonds

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

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

In November 2023 the District issued \$2,600,000 of Unlimited Tax Bonds dated November 1, 2023. The bonds mature serially on August 15, in each year 2025 through 2048, in principal amounts set forth below. Bonds maturing on or after August 15, 2031, are subject to redemption, in whole or in part, on August 15, 2028, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. Bonds maturing in the years 2031, 2034, 2037, 2039, 2041, 2043, 2045 and 2048 are also subject to mandatory sinking fund redemption.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2025**

5. Bonds (continued)

In August 2024 the District issued \$2,895,000 of Unlimited Tax Bonds dated August 15, 2024. The bonds mature serially on August 15, in each year 2026 through 2049, in principal amounts set forth below. Bonds maturing on or after August 15, 2031, are subject to redemption, in whole or in part, on August 15, 2029, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. Bonds maturing in the years 2031, 2033, 2035, 2037, 2039, 2041 and 2044 are also subject to mandatory sinking fund redemption.

These bonds are described as follows:

<u>Issue</u>	<u>Original Amount</u>	<u>Installments (in thousands)</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Balance Outstanding</u>
Series 2022	4,790,000	105 to 330	2047	4.0 - 5.000%	4,570,000
Series 2023	2,600,000	60 to 185	2048	5.5 - 5.625%	2,540,000
Series 2024	2,895,000	45 to 700	2049	4.1 - 7.125%	2,895,000

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

<u>Bonds:</u>	<u>Balance 9/30/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2025</u>
Unlimited Tax Bonds, Series 2022	\$ 4,685,000	-	(115,000)	\$ 4,570,000
Bond Discount, Series 2022	(132,204)	-	5,748	(126,456)
Unlimited Tax Bonds, Series 2023	2,600,000	-	(60,000)	2,540,000
Bond Discount, Series 2023	(74,505)	-	3,104	(71,401)
Unlimited Tax Bonds, Series 2024	2,895,000	-	-	2,895,000
Bond Discount, Series 2024	(83,495)	-	3,340	(80,155)
Total Bond Indebtedness	\$ 9,889,796	-	(162,808)	\$ 9,726,988

Redemption

Series 2022 Bonds maturing on or after August 15, 2031, are subject to redemption at the option of the District prior to their maturity dates in whole, or from time to time, in part, on August 15, 2028, or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on August 15 in the years 2034, 2036, 2038, 2040 and 2047 are subject to mandatory sinking fund redemption.

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2025**

5. Bonds (continued)

Series 2023 Bonds maturing on or after August 15, 2029, are subject to redemption at the option of the District prior to their maturity dates in whole, or from time to time, in part, on August 15, 2028, or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on August 15 in the years 2031, 2034, 2037, 2039, 2041, 2043, 2045 and 2048 are subject to mandatory sinking fund redemption.

Series 2024 Bonds maturing on or after August 15, 2031, are subject to redemption at the option of the District prior to their maturity dates in whole, or from time to time, in part, on August 15, 2029, or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on August 15 in the years 2031, 2033, 2035, 2037, 2039, 2041 and 2044 are subject to mandatory sinking fund redemption.

Debt Service Requirements

<u>Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2026	\$ 230,000	\$ 488,726	\$ 718,726
2027	240,000	477,145	717,145
2028	250,000	465,088	715,088
2029	260,000	452,476	712,476
2030	275,000	439,220	714,220
2031-2035	1,575,000	1,970,463	3,545,463
2036-2040	2,005,000	1,547,918	3,552,918
2041-2045	2,580,000	1,006,487	3,586,487
2046-2050	2,590,000	304,075	2,894,075
Totals	\$ 10,005,000	\$ 7,151,598	\$ 17,156,598

6. Risk Management

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

7. Contingencies

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

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2025

8. Estimates

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

9. Summary of General Fund Items

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

	General Fund	Covered by	Contract	District
	<u>Total</u>	<u>Master District</u>	<u>Tax</u>	<u>Items</u>
<u>REVENUES</u>				
Transfer from Master District	\$ 107,019	\$ 107,019	\$ -	\$ -
Property Taxes	27,194	-	-	27,194
Contract Taxes	298,612	-	298,612	-
Interest	6,979	-	-	6,979
TOTAL REVENUES	439,804	107,019	298,612	34,173
<u>EXPENDITURES</u>				
Contract Tax to Master District	298,612	-	298,612	-
Legal Fees	16,916	16,916	-	-
Audit Fees	6,000	6,000	-	-
Accounting Fees	45,175	45,175	-	-
Engineering Fees	5,348	5,348	-	-
Management Fees	941	941	-	-
Fiscal Agent Fees	1,500	-	-	1,500
Director Salaries and Taxes	10,706	10,706	-	-
Insurance	2,683	2,683	-	-
Tax Assessor/Collector	13,864	13,864	-	-
Printing & Office Supplies	489	489	-	-
Postage & Delivery	322	322	-	-
Legal Notices	1,360	1,360	-	-
Travel	3,215	3,215	-	-
TOTAL EXPENDITURES	407,131	107,019	298,612	1,500
Excess (Deficit)	32,673	-	-	32,673
Fund Balance-Beginning of Year	164,602	-	-	164,602
Fund Balance-End of Year	\$ 197,275	\$ -	\$ -	\$ 197,275

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2025**

10. Subsequent Events

The District has evaluated subsequent events as of December 31, 2025, the date the financial statements were available to be issued.

11. Reconciliation of Government-wide and Fund Financial Statements

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

Governmental Funds Total Fund Balances	\$ 907,595
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	8,112,976
Long-term liabilities (bonds payable) are not due and payable in the current period and, therefore, are not reported in the funds	(9,726,988)
Interest is accrued on outstanding debt in the government-wide statements, whereas in the governmental funds, an interest expenditure is reported when made and not accrued in the funds	(61,120)
Deferred tax revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds	<u>2,481</u>
Total Net Position	<u><u>\$ (765,056)</u></u>

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT No. 4
OF EL PASO COUNTY
Notes to the Financial Statements
For the Year Ended September 30, 2025**

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

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

Governmental Funds Excess of Revenues over Expenditures	\$ (117,411)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	
Change in Deferred Tax Revenue	541
Governmental funds report capital outlays as expenditures	
however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense	
Capital Outlay	-
Depreciation Expense	(170,632)
Governmental funds report principal payments as expenditures	
however, in the Statement of Activities, these payments are not reported as operating expenses	
Bond Principal	175,000
Governmental funds do not report the change in accrued interest as an expenditure, however, in the Statement of Activities, this change in the amount accrued is reported as an expense	
Accrued Interest	(11,205)
Bond Proceeds are reported as other financing sources in the governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities	
Bond Proceeds	-
Change in Net Position	<u>\$ (123,707)</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>ORIGINAL BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Transfer From Master District	\$ 114,145	\$ 107,019	\$ (7,126)
Property Taxes	26,413	27,194	781
Contract Taxes	289,951	298,612	8,661
Interest	5,525	6,979	1,454
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	<u>436,034</u>	<u>439,804</u>	<u>3,770</u>
<u>EXPENDITURES</u>			
Current:			
Contract Tax Transfer To Master District	289,951	298,612	(8,661)
Legal Fees	18,000	16,916	1,084
Audit Fees	6,000	6,000	-
Accounting Fees	45,000	45,175	(175)
Engineering Fees	5,000	5,348	(348)
Management Fees	10,800	941	9,859
Fiscal Agent Fees	1,500	1,500	-
Director Salaries and Payroll Taxes	10,695	10,706	(11)
Insurance	1,500	2,683	(1,183)
Tax Assessor/Collector	11,000	13,864	(2,864)
Printing & Office Supplies	1,450	489	961
Postage & Delivery	300	322	(22)
Legal Notices	1,600	1,360	240
Travel & Miscellaneous	2,800	3,215	(415)
Capital Expenditures	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	<u>405,596</u>	<u>407,131</u>	<u>(1,535)</u>
Transfer (to) Other Funds	-	-	-
Excess (Deficit) of Revenues over Expenditures	30,438	32,673	2,235
Fund Balance - Beginning of Year	<hr/>	<hr/>	<hr/>
	164,602	164,602	-
Fund Balance - End of Year	<u><u>\$ 195,040</u></u>	<u><u>\$ 197,275</u></u>	<u><u>\$ 2,235</u></u>

See accompanying independent auditor's report

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
SUPPLEMENTARY INFORMATION

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

**INDEX OF SUPPLEMENTAL SCHEDULES REQUIRED
BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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

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

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

**SERVICES AND RATES
SEPTEMBER 30, 2025**

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

Retail Water	Drainage	Solid Waste
Retail Wastewater	Parks	

2. Retail Rates Based on 5/8" Meter

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

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

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

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

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

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

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

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

7. Location of District:

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

See accompanying independent auditor's report

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

**SCHEDULE OF GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Current:

Purchased Services for Resale

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

Professional Fees

Audit	6,000
Engineering	5,348
Legal	16,916
	<u>28,264</u>

Contracted Services

Accounting	45,175
Management	941
Fiscal Agent	1,500
Tax Appraisal/Collection	13,864
	<u>61,480</u>

Utilities

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

Administrative

Director Salaries and Payroll Taxes	10,706
Insurance	2,683
Printing and Office Supplies	489
Postage and Delivery	322
Legal Notices	1,360
Travel & Miscellaneous	3,215
	<u>18,775</u>

Maintenance

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

Master District Expenses

Contract Tax Transfer To Master District	298,612
	<u>298,612</u>

TOTAL EXPENDITURES	<u><u>\$ 407,131</u></u>
---------------------------	---------------------------------

Number of persons employed by the District: -0-

See accompanying independent auditor's report

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

**TEMPORARY INVESTMENTS
SEPTEMBER 30, 2025**

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
State Investment Pool	****0003	4.30%	N/A	\$ 165,349	\$ -
Total				165,349	-
<u>DEBT SERVICE FUND</u>					
State Investment Pool	****0001	4.30%	N/A	5	-
State Investment Pool	****0002	4.30%	N/A	651,931	-
State Investment Pool	****0007	4.30%	N/A	18	-
Total				651,954	-
<u>CAPITAL PROJECTS FUND</u>					
State Investment Pool	****0004	4.30%	N/A	35,040	-
State Investment Pool	****0006	4.30%	N/A	23,325	-
Total				58,365	-
TOTALS - ALL FUNDS				<u>\$ 875,668</u>	<u>\$ -</u>

See accompanying independent auditor's report

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

**ANALYSIS OF TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	GENERAL FUND		DEBT SERVICE FUND		
	MAINTENANCE TAXES	CONTRACT TAXES	CONTRACT TAXES	DEBT SERVICE TAXES	TOTALS
Taxes Receivable, Beginning of Period	\$ 65	\$ 750	\$ -	\$ 1,125	\$ 1,940
2024 Original Levy	27,165	298,274	15,585	470,680	811,704
Adjustments	(38)	(447)	-	(672)	(1,157)
Add: Penalty & Interest	85	947	40	1,480	2,552
Total to be accounted for	27,277	299,524	15,625	472,613	815,039
Tax collections:					
Current year	27,152	298,129	15,577	470,451	811,309
Prior years	42	483	-	724	1,249
Total Collections	27,194	298,612	15,577	471,175	812,558
Taxes Receivable, End of Period	83	912	\$ 48	\$ 1,438	\$ 2,481
	2024	2023	2022	2021	2020
Property Valuations:					
Land & Improvements	108,227,205	81,713,976	53,257,475	17,685,022	3,532,024
Tax Rates Per \$100 Valuation:					
Debt Service tax rates	\$ 0.4349	\$ 0.4349	\$ 0.4349	\$ -	\$ -
Contract Debt Service tax rates	\$ 0.0144	\$ 0.2900	\$ 0.2900	\$ 0.2900	\$ 0.2900
Contract Tax tax rates	\$ 0.2756	\$ 0.2900	\$ 0.2900	\$ 0.2900	\$ 0.2900
Maintenance tax rates	\$ 0.0251	\$ 0.0251	\$ 0.0251	\$ 0.4600	\$ 0.4600
Totals	\$ 0.7500	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
Original Tax Levy	\$ 811,704	\$ 849,825	\$ 553,878	\$ 183,924	\$ 36,733

See accompanying independent auditor's report

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

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR 2022 SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2026	120,000	214,726	334,726
2027	125,000	209,926	334,926
2028	130,000	204,926	334,926
2029	135,000	199,726	334,726
2030	145,000	194,158	339,158
2031	150,000	187,995	337,995
2032	160,000	181,620	341,620
2033	165,000	174,620	339,620
2034	175,000	167,195	342,195
2035	185,000	159,320	344,320
2036	195,000	150,810	345,810
2037	205,000	141,840	346,840
2038	215,000	132,205	347,205
2039	225,000	122,100	347,100
2040	235,000	111,413	346,413
2041	245,000	100,250	345,250
20242	260,000	88,000	348,000
2043	270,000	75,000	345,000
2044	285,000	61,500	346,500
2045	300,000	47,250	347,250
2046	315,000	32,250	347,250
2047	330,000	16,500	346,500
2048	-	-	-
2049	-	-	-
2050	-	-	-
	<u>\$ 4,570,000</u>	<u>\$ 2,973,330</u>	<u>\$ 7,543,330</u>

See accompanying independent auditor's report

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

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR 2023 SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2026	65,000	140,356	205,356
2027	70,000	136,781	206,781
2028	70,000	132,931	202,931
2029	75,000	129,081	204,081
2030	75,000	124,956	199,956
2031	80,000	120,831	200,831
2032	80,000	116,431	196,431
2033	90,000	112,031	202,031
2034	90,000	107,081	197,081
2035	95,000	102,131	197,131
2036	95,000	96,906	191,906
2037	100,000	91,681	191,681
2038	105,000	86,181	191,181
2039	110,000	80,406	190,406
2040	120,000	74,356	194,356
2041	125,000	67,756	192,756
20242	130,000	60,881	190,881
2043	140,000	53,731	193,731
2044	145,000	46,031	191,031
2045	155,000	38,056	193,056
2046	165,000	29,531	194,531
2047	175,000	20,250	195,250
2048	185,000	10,406	195,406
2049	-	-	-
2050	-	-	-
	<u>\$ 2,540,000</u>	<u>\$ 1,978,782</u>	<u>\$ 4,518,782</u>

See accompanying independent auditor's report

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

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR 2024 SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2026	45,000	133,644	178,644
2027	45,000	130,438	175,438
2028	50,000	127,231	177,231
2029	50,000	123,669	173,669
2030	55,000	120,106	175,106
2031	55,000	116,188	171,188
2032	60,000	112,269	172,269
2033	60,000	107,994	167,994
2034	65,000	103,719	168,719
2035	65,000	101,038	166,038
2036	75,000	98,356	173,356
2037	75,000	95,263	170,263
2038	80,000	92,169	172,169
2039	85,000	88,869	173,869
2040	85,000	85,363	170,363
2041	95,000	81,856	176,856
20242	100,000	77,938	177,938
2043	105,000	73,813	178,813
2044	110,000	69,481	179,481
2045	115,000	64,944	179,944
2046	120,000	60,200	180,200
2047	125,000	55,250	180,250
2048	475,000	49,938	524,938
2049	700,000	29,750	729,750
2050	-	-	-
	<u>\$ 2,895,000</u>	<u>\$ 2,199,486</u>	<u>\$ 5,094,486</u>

See accompanying independent auditor's report

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

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR ALL SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2026	230,000	488,726	718,726
2027	240,000	477,145	717,145
2028	250,000	465,088	715,088
2029	260,000	452,476	712,476
2030	275,000	439,220	714,220
2031	285,000	425,014	710,014
2032	300,000	410,320	710,320
2033	315,000	394,645	709,645
2034	330,000	377,995	707,995
2035	345,000	362,489	707,489
2036	365,000	346,072	711,072
2037	380,000	328,784	708,784
2038	400,000	310,555	710,555
2039	420,000	291,375	711,375
2040	440,000	271,132	711,132
2041	465,000	249,862	714,862
2042	490,000	226,819	716,819
2043	515,000	202,544	717,544
2044	540,000	177,012	717,012
2045	570,000	150,250	720,250
2046	600,000	121,981	721,981
2047	630,000	92,000	722,000
2048	660,000	60,344	720,344
2049	700,000	29,750	729,750
2050	-	-	-
	<u>\$ 10,005,000</u>	<u>\$ 7,151,598</u>	<u>\$ 17,156,598</u>

See accompanying independent auditor's report

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

**ANALYSIS OF CHANGES IN GENERAL LONG TERM DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	SERIES 2022	SERIES 2023	SERIES 2024	TOTALS
Interest Rate	2.00 - 4.00%	5.50 - 5.625%	4.125 - 7.125%	
Dates Interest Payable	2/15 : 8/15	2/15 : 8/15	2/15 : 8/15	
Maturity Dates	8/15/24-8/15/47	8/15/25-8/15/48	8/15/26-8/15/49	
Bonds-Beginning of Year	\$ 4,685,000	\$ 2,600,000	\$ 2,895,000	\$ 10,180,000
Bonds Sold During the Year	-	-	-	-
Bonds Defeased During the Year	-	-	-	-
Retirements During the Year	(115,000)	(60,000)	-	(175,000)
Bonds-End of Year	<u>\$ 4,570,000</u>	<u>\$ 2,540,000</u>	<u>\$ 2,895,000</u>	<u>\$ 10,005,000</u>
Interest Paid During the Year	\$ 219,326	\$ 143,656	\$ 131,417	\$ 494,399
Change In Accrued Interest	(575)	(412)	-	(987)
Amortization of Bond Discount	5,748	3,104	3,340	12,192
Interest on Financial Statements	<u>\$ 224,499</u>	<u>\$ 146,348</u>	<u>\$ 134,757</u>	<u>\$ 505,604</u>
Paying Agent:	BOKF			
	<u>Tax Bonds</u>	<u>Refunding Bonds</u>	<u>Other Bonds</u>	
Bond Authority:				
Authorized By Voters	\$ 30,000,000	\$ 30,000,000	\$ -	
Amount Issued	\$ 10,285,000	\$ -	\$ -	
Remaining To Be Issued	\$ 19,715,000	\$ 30,000,000	\$ -	
Debt Service Fund Cash and Temporary Investments balances as of September 30, 2025				<u>\$ 651,954</u>
Average annual debt service payment (principal & interest) for remaining term of all debt				<u>\$ 714,858</u>

See accompanying independent auditor's report

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

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	AMOUNTS				
	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
REVENUES					
Transfer From Master District	\$ 107,019	\$ 108,974	\$ 83,978	\$ 66,905	\$ 59,507
Property Tax	27,194	20,507	13,336	81,739	16,250
Contract Tax	298,612	236,931	154,638	51,531	10,245
Interest	6,979	6,710	4,862	535	11
TOTAL REVENUES	439,804	373,122	256,814	200,710	86,013
EXPENDITURES					
Current:					
Contract Tax To Master District	298,612	236,931	154,638	51,531	10,245
Legal Fees	16,916	15,106	14,203	15,594	14,771
Audit Fees	6,000	5,500	5,500	4,000	4,000
Accounting Fees	45,175	45,089	31,763	21,843	19,457
Engineering Fees	5,348	4,547	3,928	3,289	2,605
Management Fees	941	10,840	10,324	9,910	9,287
Fiscal Agent Fees	1,500	1,500	1,500	-	-
Director Salaries & Payroll Tax	10,706	11,895	7,589	5,652	5,813
Insurance	2,683	1,533	949	948	885
Tax Assessor/Collector	13,864	10,184	6,351	2,263	493
Printing & Office Supplies	489	607	638	559	328
Postage & Delivery	322	142	243	116	265
Legal Notices	1,360	1,360	1,360	1,510	1,040
Travel	3,215	2,171	1,130	1,221	563
TOTAL EXPENDITURES	407,131	347,405	240,116	118,436	69,752
Transfer (to) Other Funds	-	(2,163)	-	-	-
Excess (Deficit) of					
Revenues over Expenditures	\$ 32,673	\$ 23,554	\$ 16,698	\$ 82,274	\$ 16,261
TOTAL ACTIVE					
WATER CONNECTIONS	-	-	-	-	-
WW CONNECTIONS	-	-	-	-	-

See accompanying independent auditor's report

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

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	PERCENT OF REVENUES				
	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
<u>REVENUES</u>					
Transfer From Master District	24%	29%	33%	33%	69%
Property Tax	6%	5%	5%	41%	19%
Contract Tax	68%	63%	60%	26%	12%
Interest	2%	2%	2%	0%	0%
TOTAL REVENUES	100%	100%	100%	100%	100%
<u>EXPENDITURES</u>					
Current:					
Contract Tax To Master District	68%	63%	60%	26%	12%
Legal Fees	4%	4%	6%	8%	17%
Audit Fees	1%	1%	2%	2%	5%
Accounting Fees	10%	12%	12%	11%	23%
Engineering Fees	1%	1%	2%	2%	3%
Management Fees	0%	3%	4%	5%	11%
Fiscal Agent Fees	0%	0%	1%	0%	0%
Director Salaries & Payroll Tax	2%	3%	3%	3%	7%
Insurance	1%	0%	0%	0%	1%
Tax Assessor/Collector	3%	3%	2%	1%	1%
Printing & Office Supplies	0%	0%	0%	0%	0%
Postage & Delivery	0%	0%	0%	0%	0%
Legal Notices	0%	0%	1%	1%	1%
Travel	1%	1%	0%	1%	1%
TOTAL EXPENDITURES	93%	93%	93%	59%	81%
Transfer (to) Other Funds	0%	-1%	0%	0%	0%
Excess (Deficit) of Revenues over Expenditures	7%	6%	7%	41%	19%
TOTAL ACTIVE					
WATER CONNECTIONS	-	-	-	-	-
WW CONNECTIONS	-	-	-	-	-

See accompanying independent auditor's report

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

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	AMOUNTS				
	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
<u>REVENUES</u>					
Property Tax	\$ 486,752	\$ 355,314	\$ 231,951	\$ -	\$ -
Interest	47,073	50,519	29,643	-	-
TOTAL REVENUES	533,825	405,833	261,594	-	-
<u>EXPENDITURES</u>					
Current:					
Contract Tax to Master District	15,885	-	-	-	-
Fiscal Agent Fees	1,000	600	130	-	-
Principal	175,000	105,000	-	-	-
Interest	494,399	331,668	184,409	-	-
Miscellaneous	-	-	-	-	-
TOTAL EXPENDITURES	686,284	437,268	184,539	-	-
<u>OTHER SOURCES</u>					
Bond Proceeds (Net)	-	279,126	-	-	-
Excess (Deficit) of Revenues over Expenditures	<u>\$ (152,459)</u>	<u>\$ 247,691</u>	<u>\$ 77,055</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report

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

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	PERCENT OF REVENUES				
	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
<u>REVENUES</u>					
Property Tax	91%	88%	89%	N/A	N/A
Interest	9%	12%	11%	N/A	N/A
TOTAL REVENUES	100%	100%	100%	0%	0%
<u>EXPENDITURES</u>					
Current:					
Tax Assessor/Collector	3%	0%	0%	N/A	N/A
Fiscal Agent Fees	0%	0%	0%	N/A	N/A
Principal	33%	26%	0%	N/A	N/A
Interest	93%	82%	70%	N/A	N/A
Miscellaneous	0%	0%	0%	N/A	N/A
TOTAL EXPENDITURES	129%	108%	71%	N/A	N/A
OTHER SOURCES					
Bond Proceeds (Net)	0%	69%	0%	N/A	N/A
Excess (Deficit) of Revenues over Expenditures	-29%	61%	29%	N/A	N/A

See accompanying independent auditor's report

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

**BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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

DISTRICT BUSINESS TELEPHONE NUMBER: (915) 545-1133

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

<u>NAMES</u>	<u>TERM OF OFFICE</u>	<u>SALARY FYE 9/30/25</u>	<u>REIMBURSEMENTS FYE 9/30/25</u>	<u>TITLE AT YEAR END</u>
<u>DIRECTORS</u>				
Carlos Lascurain	Elected 5/25-5/29	\$ 2,210	\$ -	President
Joanne Campbell	Elected 5/23-5/27	1,105	-	Vice-President
Irasema Gonzalez	Elected 5/23-5/27	2,210	-	Secretary
Judith Franco	Appointed 7/23-5/27	2,431	-	Asst Sec
Hector Lopez	Appointed 6/25-5/29	884	-	Asst Sec
Payments to Former Directors		1,105	-	Former Director
		<u>\$ 9,945</u>	<u>\$ -</u>	

CONSULTANTS

Gordon Davis Johnson & Shane	\$ 16,916	\$ -	Attorney
TRE & Associates	\$ 5,348	\$ -	Engineer
Municipal Accounts & Consulting	\$ 45,175	\$ -	Accountant
West, Davis & Company	\$ 6,000	\$ -	Auditor
Inframark	\$ 941	\$ -	Operator

See accompanying independent auditor's report

OTHER INFORMATION

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

**PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2025**

Taxpayer	Taxable Assessed Value	% of 2025 Certified Taxable Assessed Value
EPT Bella Custom Dream Homes, LLC	\$ 4,215,263	2.81%
MECFE, LLC	1,945,578	1.30%
Cullers Homes, LLC	1,880,933	1.25%
Palo Verde Homes	1,632,740	1.09%
The Overlook at Mission Ridge Association, Inc.	1,498,573	1.00%
Hunt Mission Ridge, LLC	1,347,949	0.90%
LEH Homes, LLC	1,130,587	0.75%
Horizon Desert Breeze, LLC	918,667	0.61%
ZIA Homes of El Paso, LLC	879,018	0.59%
Diamond Homes, LLC	827,075	0.55%
Total	\$ 16,276,383	10.85%

* Project Developer and related entities.

**ASSESSED VALUE BY CLASSIFICATION
SEPTEMBER 30, 2025**

Type of Property	2025 Taxable Assessed Value
Land	\$ 32,760,663
Improvements	144,123,975
Personal Property	47,919
Total Assessed Valuation	176,932,557
Exemptions	26,886,695
Total Taxable Appraised Valuation	\$ 150,045,862

See accompanying independent auditor's report