

CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
MONTGOMERY COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2021

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants

CHATEAU WOODS MUNICIPAL UTILITY DISTRICT

MONTGOMERY COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

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TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-6
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET	7
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION	8
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	9
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES	10
NOTES TO THE FINANCIAL STATEMENTS	11-19
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND	21
SUPPLEMENTARY INFORMATION – REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE	
NOTES REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE (Included in the notes to the financial statements)	
SERVICES AND RATES	23-25
GENERAL FUND EXPENDITURES	26
INVESTMENTS	27
TAXES LEVIED AND RECEIVABLE	28-29
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES GENERAL FUND - FIVE YEARS	30-31
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS	32-33

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Chateau Woods Municipal
Utility District
Montgomery County, Texas

We have audited the accompanying financial statements of the governmental activities and major fund of Chateau Woods Municipal Utility District (the "District"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Board of Directors
Chateau Woods Municipal
Utility District

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of September 30, 2021, 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.

Other Matters

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 be presented to supplement the basic financial statements. Such information, 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.

Other 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 any 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

January 27, 2022

**CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Management’s discussion and analysis of the financial performance of Chateau Woods Municipal Utility District (the “District”) provides an overview of the District’s financial activities for the fiscal year ended September 30, 2021. 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 Fund Balance Sheet and (2) the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. This report also includes required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District’s annual 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, liabilities and, if applicable, deferred inflows and outflows of resources 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 fiscal 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 one governmental fund type. The General Fund accounts for property tax revenues, customer service revenues, operating costs and general expenditures.

**CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

FUND FINANCIAL STATEMENTS (Continued)

The General Fund is reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental fund. 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 Fund Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance 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") and other supplementary information. A budgetary comparison schedule is included as RSI for the General 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 exceeded liabilities by \$6,398,017 as of September 30, 2021. A portion of the District's net position reflects its investment in capital assets (water system, wastewater system, building and equipment).

**CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in the Statement of Net Position are presented below:

	<u>Summary of Changes in the Statement of Net Position</u>		
	<u>2021</u>	<u>2020</u>	<u>Change Positive (Negative)</u>
Current and Other Assets	\$ 3,838,223	\$ 2,681,614	\$ 1,156,609
Capital Assets (Net of Accumulated Depreciation)	<u>2,839,919</u>	<u>2,296,938</u>	<u>542,981</u>
Total Assets	<u>\$ 6,678,142</u>	<u>\$ 4,978,552</u>	<u>\$ 1,699,590</u>
Total Liabilities	<u>\$ 280,125</u>	<u>\$ 341,921</u>	<u>\$ 61,796</u>
Net Position:			
Investment in Capital Assets	\$ 2,839,919	\$ 2,296,938	\$ 542,981
Unrestricted	<u>3,558,098</u>	<u>2,339,693</u>	<u>1,218,405</u>
Total Net Position	<u>\$ 6,398,017</u>	<u>\$ 4,636,631</u>	<u>\$ 1,761,386</u>

The following table provides a summary of the Statement of Activities for the fiscal years ending September 30, 2021, and September 30, 2020.

	<u>Summary of Changes in the Statement of Activities</u>		
	<u>2021</u>	<u>2020</u>	<u>Change Positive (Negative)</u>
Revenues:			
Property Taxes	\$ 346,556	\$ 335,276	\$ 11,280
Charges for Services	2,196,904	849,836	1,347,068
Other Revenues	<u>30,721</u>	<u>370,211</u>	<u>(339,490)</u>
Total Revenues	<u>\$ 2,574,181</u>	<u>\$ 1,555,323</u>	<u>\$ 1,018,858</u>
Expenses for Services	<u>812,795</u>	<u>954,832</u>	<u>142,037</u>
Change in Net Position	\$ 1,761,386	\$ 600,491	\$ 1,160,895
Net Position, Beginning of Year	<u>4,636,631</u>	<u>4,036,140</u>	<u>600,491</u>
Net Position, End of Year	<u>\$ 6,398,017</u>	<u>\$ 4,636,631</u>	<u>\$ 1,761,386</u>

**CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The General Fund fund balance increased by \$1,220,861 during the current fiscal year, primarily due to property tax revenues, service revenues and impact fees exceeding operating and capital costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated budget for the current fiscal year. Actual revenues were \$1,263,367 more than budgeted revenues and actual expenditures were \$49,166 more than budgeted expenditures which resulted in a positive variance of \$1,214,201. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of September 30, 2021, total \$2,839,919 (net of accumulated depreciation) and include the water system, wastewater system, buildings and equipment.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2021	2020	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land	\$ 15,137	\$ 15,137	\$
Construction in Progress	695,670	313,370	382,300
Capital Assets Subject to Depreciation:			
Buildings and Equipment	235,978	235,978	
Water System	2,504,348	2,265,165	239,183
Wastewater System	1,721,723	1,705,478	16,245
Less Accumulated Depreciation	(2,332,937)	(2,238,190)	(94,747)
Total Net Capital Assets	\$ 2,839,919	\$ 2,296,938	\$ 542,981

LONG-TERM DEBT ACTIVITY

The District has no outstanding long-term debt.

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 Chateau Woods Municipal Utility District, 10224 Fairview Drive, Conroe, Texas 77385.

CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2021

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	\$ 789,889	\$	\$ 789,889
Investments	2,980,000		2,980,000
Receivables:			
Property Taxes	8,900		8,900
Service Accounts	59,318		59,318
Accrued Interest	116		116
Land		15,137	15,137
Construction in Progress		695,670	695,670
Capital Assets (Net of Accumulated Depreciation)		2,129,112	2,129,112
TOTAL ASSETS	\$ 3,838,223	\$ 2,839,919	\$ 6,678,142
LIABILITIES			
Accounts Payable	\$ 151,190	\$	\$ 151,190
Security Deposits	128,935		128,935
TOTAL LIABILITIES	\$ 280,125	\$ -0-	\$ 280,125
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 8,900	\$ (8,900)	\$ -0-
FUND BALANCE			
Committed for Construction Projects	\$ 297,343	\$ (297,343)	\$
Unassigned	3,251,855	(3,251,855)	
TOTAL FUND BALANCE	\$ 3,549,198	\$ (3,549,198)	\$ -0-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
	\$ 3,838,223		
NET POSITION			
Investment in Capital Assets		\$ 2,839,919	\$ 2,839,919
Unrestricted		3,558,098	3,558,098
TOTAL NET POSITION		\$ 6,398,017	\$ 6,398,017

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

**CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Total Fund Balance - Governmental Fund \$ 3,549,198

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

Capital assets are not current financial resources and, therefore, are not reported as assets in the governmental funds. 2,839,919

Deferred inflows of resources related to property tax revenues for the 2020 and prior tax levies became part of recognized revenue in the governmental activities of the District. 8,900

Total Net Position - Governmental Activities \$ 6,398,017

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

CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
REVENUES			
Property Taxes	\$ 349,012	\$ (2,456)	\$ 346,556
Water Service	234,574		234,574
Wastewater Service	310,629		310,629
Impact Fees	1,388,469		1,388,469
Solid Waste Revenue	137,915		137,915
Groundwater Conservation District Fees	29,547		29,547
Tap Connection and Inspection Fees	95,770		95,770
Investment and Miscellaneous Revenues	<u>30,721</u>		<u>30,721</u>
TOTAL REVENUES	<u>\$ 2,576,637</u>	<u>\$ (2,456)</u>	<u>\$ 2,574,181</u>
EXPENDITURES/EXPENSES			
Service Operations:			
Professional Fees	\$ 68,651	\$	\$ 68,651
Contracted Services	247,515		247,515
Utilities	49,382		49,382
Groundwater Conservation District Fees	8,059		8,059
Repairs and Maintenance	211,724		211,724
Depreciation		94,747	94,747
Other	132,717		132,717
Capital Outlay	<u>637,728</u>	<u>(637,728)</u>	<u></u>
TOTAL EXPENDITURES/EXPENSES	<u>\$ 1,355,776</u>	<u>\$ (542,981)</u>	<u>\$ 812,795</u>
NET CHANGE IN FUND BALANCE	\$ 1,220,861	\$ (1,220,861)	\$
CHANGE IN NET POSITION		1,761,386	1,761,386
FUND BALANCE/NET POSITION - OCTOBER 1, 2020	<u>2,328,337</u>	<u>2,308,294</u>	<u>4,636,631</u>
FUND BALANCE/NET POSITION - SEPTEMBER 30, 2021	<u>\$ 3,549,198</u>	<u>\$ 2,848,819</u>	<u>\$ 6,398,017</u>

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

**CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Net Change in Fund Balance - Governmental Fund	\$	1,220,861
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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.		(2,456)
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In the Statement of Activities, depreciation expense is recorded on capital assets over the useful life of the asset.		(94,747)
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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.		<u>637,728</u>
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Change in Net Position - Governmental Activities	\$	<u>1,761,386</u>
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The accompanying notes to the financial statements are an integral part of this report.

CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1. CREATION OF DISTRICT

Chateau Woods Municipal Utility District, located in Montgomery County, Texas (the “District”) was created effective August 19, 1993, by an act of the State of Texas in accordance with the Texas Water Code. 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, wastewater 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying 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 Texas Commission on Environmental Quality (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.

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”).

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:

CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- 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 by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

Fund Financial Statements

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 Balance.

CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund

The District has one governmental fund and considers it to be a major fund.

General Fund - To account for property tax revenues, customer service revenues, operating costs and general expenditures.

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 period or soon enough thereafter to pay current liabilities. The District considers revenues reported in the 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.

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.

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 one year. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	<u>Years</u>
Buildings and Equipment	3-40
Water System	10-45
Wastewater System	10-45

CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgeting

An annual unappropriated budget is adopted for the General 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 not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original budget amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District does not have employees. The Internal Revenue Service has determined that the 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 are classified 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. The District does not have any nonspendable fund balances.

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. The District does not have any restricted fund balances.

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 fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District committed \$297,343 of its fund balance for construction projects.

CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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. The District 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.

NOTE 3. 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 fiscal year end, the carrying amount of the District's deposits was \$3,769,889 and the bank balance was \$3,916,821. The District was not exposed to custodial credit risk at year-end.

CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

The carrying values of the deposits are included in the Governmental Fund Balance Sheet and the Statement of Net Position at September 30, 2021, as listed below:

	Cash	Certificates of Deposit	Total
DEPOSITS - GENERAL FUND	\$ 789,889	\$ 2,980,000	\$ 3,769,889

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 certificates of deposit which are recorded at acquisition cost. As of September 30, 2021, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
Certificates of Deposit	\$ 2,980,000	\$ 2,980,000

CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District manages credit risk by typically investing in certificates of deposit with balances below FDIC coverage or those which are covered by pledged securities.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages interest rate risk by investing in certificates of deposit with maturities of less than one year.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2021 is as follows:

	October 1, 2020	Increases	Decreases	September 30, 2021
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 15,137	\$	\$	\$ 15,137
Construction in Progress	<u>313,370</u>	<u>637,728</u>	<u>255,428</u>	<u>695,670</u>
Total Capital Assets Not Being Depreciated	<u>\$ 328,507</u>	<u>\$ 637,728</u>	<u>\$ 255,428</u>	<u>\$ 710,807</u>
Capital Assets Subject to Depreciation				
Buildings and Equipment	\$ 235,978	\$	\$	\$ 235,978
Water System	2,265,165	239,183		2,504,348
Wastewater System	<u>1,705,478</u>	<u>16,245</u>		<u>1,721,723</u>
Total Capital Assets Subject to Depreciation	<u>\$ 4,206,621</u>	<u>\$ 255,428</u>	<u>\$ -0-</u>	<u>\$ 4,462,049</u>
Accumulated Depreciation				
Buildings and Equipment	\$ 29,898	\$ 6,629	\$	\$ 36,527
Water System	602,834	66,724		669,558
Wastewater System	<u>1,605,458</u>	<u>21,394</u>		<u>1,626,852</u>
Total Accumulated Depreciation	<u>\$ 2,238,190</u>	<u>\$ 94,747</u>	<u>\$ -0-</u>	<u>\$ 2,332,937</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 1,968,431</u>	<u>\$ 160,681</u>	<u>\$ -0-</u>	<u>\$ 2,129,112</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,296,938</u>	<u>\$ 798,409</u>	<u>\$ 255,428</u>	<u>\$ 2,839,919</u>

CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 5. MAINTENANCE TAX

In 1993, the voters of the District approved the levy and collection of a maintenance tax. During the fiscal year ended September 30, 2021, the District levied an ad valorem maintenance tax rate of \$0.335 per \$100 of assessed valuation, which resulted in a tax levy of \$347,724 on the adjusted taxable valuation of \$103,770,330 for the 2020 tax year. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater system.

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 6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District carries commercial insurance for its fidelity bonds and participates in the Texas Municipal League Intergovernmental Risk Pool (TML) to provide general liability, automobile, and errors and omissions coverage. The District, along with other participating entities, contributes annual amounts determined by TML's management. As claims arise, they are submitted and paid by TML. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 7. LONESTAR GROUNDWATER CONSERVATION DISTRICT

The District is located within the boundaries of the Lone Star Groundwater Conservation District (the "Conservation District"). The Conservation District was created under Article 16, Section 59 of the Texas Constitution by House Bill 1842 (the "Act"), as passed by the 77th Texas Legislature, in 2001. The Act empowers the Conservation District for purposes including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, and the control of subsidence caused by withdrawal of water from those groundwater reservoirs or their subdivisions. The Conservation District charges fees to the owners of wells located within the boundaries of the Conservation District, unless exempted. The District recorded \$8,059 for fees paid in the current fiscal year.

CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8. 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 significant decreases 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.

CHATEAU WOODS MUNICIPAL UTILITY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2021

CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 421,770	\$ 349,012	\$ (72,758)
Water Service	230,000	234,574	4,574
Wastewater Service	310,000	310,629	629
Impact Fees		1,388,469	1,388,469
Solid Waste Revenue	133,000	137,915	4,915
Groundwater Conservation/Water Authority Fees	130,000	29,547	(100,453)
Tap Connection and Inspection Fees	64,000	95,770	31,770
Investment and Miscellaneous Revenues	<u>24,500</u>	<u>30,721</u>	<u>6,221</u>
TOTAL REVENUES	<u>\$ 1,313,270</u>	<u>\$ 2,576,637</u>	<u>\$ 1,263,367</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 75,250	\$ 68,651	\$ 6,599
Contracted Services	235,500	247,515	(12,015)
Utilities	61,500	49,382	12,118
Groundwater Conservation/Water Authority Fees	130,000	8,059	121,941
Repairs and Maintenance	190,000	211,724	(21,724)
Other	123,310	132,717	(9,407)
Capital Outlay	<u>491,050</u>	<u>637,728</u>	<u>(146,678)</u>
TOTAL EXPENDITURES	<u>\$ 1,306,610</u>	<u>\$ 1,355,776</u>	<u>\$ (49,166)</u>
NET CHANGE IN FUND BALANCE	\$ 6,660	\$ 1,220,861	\$ 1,214,201
FUND BALANCE - OCTOBER 1, 2020	<u>2,328,337</u>	<u>2,328,337</u>	<u></u>
FUND BALANCE - SEPTEMBER 30, 2021	<u>\$ 2,334,997</u>	<u>\$ 3,549,198</u>	<u>\$ 1,214,201</u>

See accompanying independent auditor's report.

CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
SUPPLEMENTARY INFORMATION – REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE
SEPTEMBER 30, 2021

**CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

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

2. RETAIL SERVICE PROVIDERS

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

Based on the rate order effective November 25, 2020.

	<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:	\$ 10.05	3,000	N	\$ 1.51	3,001 to 6,000
				\$ 1.76	6,001 to 9,000
				\$ 2.01	9,001 to 12,000
				\$ 2.26	12,001 to 15,000
				\$ 2.51	15,001 and up

WASTEWATER \$ 25.13 N/A Y

GARBAGE \$ 19.32

SURCHARGE:

Lone Star GCD \$ 0.11 per 1,000 gallons
Fees

District employs winter averaging for wastewater usage?

<u> </u>	<u> X </u>
Yes	No

Note: District add \$0.005 to water and sewer rates for TCEQ regulatory charges.

Total monthly charges per 10,000 gallons usage: Water: \$21.87 Wastewater: \$25.13 Surcharge: \$20.42

See accompanying independent auditor's report.

**CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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	
≤ ³ / ₄ "	<u>877</u>	<u>859</u>	x 1.0	<u>859</u>
1"	<u>7</u>	<u>7</u>	x 2.5	<u>18</u>
1½"			x 5.0	
2"	<u>2</u>	<u>1</u>	x 8.0	<u>8</u>
3"			x 15.0	
4"	<u>2</u>	<u>1</u>	x 25.0	<u>25</u>
6"	<u>1</u>	<u>1</u>	x 50.0	<u>50</u>
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u>889</u>	<u>869</u>		<u>960</u>
Total Wastewater Connections	<u>866</u>	<u>846</u>	x 1.0	<u>846</u>

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

Gallons billed to customers:	70,834,000	Water Accountability Ratio: 93.6%
		(Gallons billed/Gallons pumped)
Gallons pumped:	75,650,000	

See accompanying independent auditor's report.

**CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

Does the District have Debt Service standby fees? Yes No

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No

County in which District is located:

Montgomery County, Texas

Is the District located within a city?

Entirely Partly Not at all

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

Entirely Partly Not at all

ETJ in which District is located:

City of Oak Ridge North, Texas and City of Conroe, Texas

Are the Board Members appointed by an office outside the District?

Yes No

See accompanying independent auditor's report.

**CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

PROFESSIONAL FEES:	
Auditing	\$ 10,500
Engineering	31,023
Legal	<u>27,128</u>
TOTAL PROFESSIONAL FEES	<u>\$ 68,651</u>
CONTRACTED SERVICES:	
Appraisal District	\$ 2,632
Bookkeeping	14,143
Operations and Billing	94,231
Solid Waste Disposal	<u>136,509</u>
TOTAL CONTRACTED SERVICES	<u>\$ 247,515</u>
UTILITIES:	
Electricity	\$ 42,307
Telephone	<u>7,075</u>
TOTAL UTILITIES	<u>\$ 49,382</u>
REPAIRS AND MAINTENANCE	<u>\$ 211,724</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 21,638
Insurance	13,434
Membership Fees	1,102
Lonestar Groundwater Conservation District Fees	8,059
Website, Legal Notices, Office and Other	<u>10,835</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 55,068</u>
CAPITAL OUTLAY	<u>\$ 637,728</u>
TAP CONNECTIONS	<u>\$ 48,248</u>
OTHER EXPENDITURES:	
Laboratory Fees	\$ 7,586
Permit Fees	4,133
Regulatory Assessment	2,679
Sludge Removal	<u>23,062</u>
TOTAL OTHER EXPENDITURES	<u>\$ 37,460</u>
TOTAL EXPENDITURES	<u>\$ 1,355,776</u>

See accompanying independent auditor's report.

**CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
INVESTMENTS
SEPTEMBER 30, 2021**

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<u>GENERAL FUND</u>					
Certificate of Deposit	XXXX1015	0.04%	02/22/22	\$ 2,480,000	\$ 111
Certificate of Deposit	XXXX0902	0.04%	03/22/22	<u>500,000</u>	<u>5</u>
TOTAL GENERAL FUND				<u>\$ 2,980,000</u>	<u>\$ 116</u>

See accompanying independent auditor's report.

**CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Maintenance Taxes	
TAXES RECEIVABLE -		
OCTOBER 1, 2020	\$ 11,356	
Adjustments to Beginning		
Balance	(1,168)	\$ 10,188
Original 2020 Tax Levy	\$ 315,248	
Adjustment to 2020 Tax Levy	32,476	347,724
TOTAL TO BE		
ACCOUNTED FOR		\$ 357,912
 TAX COLLECTIONS:		
Prior Years	\$ 5,699	
Current Year	343,313	349,012
 TAXES RECEIVABLE -		
SEPTEMBER 30, 2021		\$ 8,900
 TAXES RECEIVABLE BY		
YEAR:		
2020		\$ 4,411
2019		1,925
2018		1,086
2017		364
2016		361
2015 and prior		753
TOTAL		\$ 8,900

See accompanying independent auditor's report.

**CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 103,770,330</u>	<u>\$ 97,797,781</u>	<u>\$ 104,069,560</u>	<u>\$ 102,061,298</u>
TAX RATES PER \$100 VALUATION:				
Maintenance	<u>\$ 0.335</u>	<u>\$ 0.335</u>	<u>\$ 0.2741</u>	<u>\$ 0.2473</u>
ADJUSTED TAX LEVY*	<u>\$ 347,724</u>	<u>\$ 327,623</u>	<u>\$ 285,255</u>	<u>\$ 252,398</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>98.73 %</u>	<u>99.41 %</u>	<u>99.62 %</u>	<u>99.86 %</u>

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

See accompanying independent auditor's report.

**CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS**

	Amounts		
	2021	2020	2019
REVENUES			
Property Taxes	\$ 349,012	\$ 332,162	\$ 311,825
Service Revenues	712,665	811,786	786,920
Impact Fees	1,388,469	342,701	
Tap Connection and Inspection Fees	95,770	28,303	13,900
Investment and Miscellaneous Revenues	30,721	37,257	34,228
TOTAL REVENUES	\$ 2,576,637	\$ 1,552,209	\$ 1,146,873
EXPENDITURES			
Professional Fees	\$ 68,651	\$ 99,281	\$ 61,171
Contracted Services	247,515	247,833	243,816
Utilities	49,382	60,525	54,930
Repairs and Maintenance	211,724	183,510	235,433
Other	132,717	226,164	217,477
Debt Service			
Capital Outlay	637,728	334,383	166,328
TOTAL EXPENDITURES	\$ 1,355,776	\$ 1,151,696	\$ 979,155
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,220,861	\$ 400,513	\$ 167,718
OTHER FINANCING SOURCES (USES)			
Proceeds from Note	\$ -0-	\$ -0-	\$ -0-
NET CHANGE IN FUND BALANCE	\$ 1,220,861	\$ 400,513	\$ 167,718
BEGINNING FUND BALANCE	2,328,337	1,927,824	1,760,106
ENDING FUND BALANCE	\$ 3,549,198	\$ 2,328,337	\$ 1,927,824
TOTAL ACTIVE RETAIL WATER CONNECTIONS	869	830	830
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	846	812	812

See accompanying independent auditor's report.

		Percentage of Total Revenues				
<u>2018</u>	<u>2017</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 289,528	\$ 241,107	13.5 %	21.4 %	27.2 %	26.3 %	22.9 %
757,547	765,275	27.7	52.3	68.6	68.6	72.6
		53.9	22.1			
28,785	20,260	3.7	1.8	1.2	2.6	1.9
27,864	27,908	1.2	2.4	3.0	2.5	2.6
<u>\$ 1,103,724</u>	<u>\$ 1,054,550</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 92,180	\$ 64,709	2.7 %	6.4 %	5.3 %	8.3 %	6.1 %
208,171	213,347	9.6	16.0	21.3	18.9	20.2
50,360	49,427	1.9	3.9	4.8	4.6	4.7
136,824	282,928	8.2	11.8	20.5	12.4	26.8
190,121	84,624	5.2	14.6	19.0	17.2	8.0
713,259	9,161				64.6	0.9
356,169	724,881	24.8	21.5	14.5	32.3	68.7
<u>\$ 1,747,084</u>	<u>\$ 1,429,077</u>	<u>52.7 %</u>	<u>74.2 %</u>	<u>85.4 %</u>	<u>158.3 %</u>	<u>135.4 %</u>
<u>\$ (643,360)</u>	<u>\$ (374,527)</u>	<u>47.3 %</u>	<u>25.8 %</u>	<u>14.6 %</u>	<u>(58.3) %</u>	<u>(35.4) %</u>
<u>\$ -0-</u>	<u>\$ 700,000</u>					
\$ (643,360)	\$ 325,473					
<u>2,403,466</u>	<u>2,077,993</u>					
<u>\$ 1,760,106</u>	<u>\$ 2,403,466</u>					
<u>814</u>	<u>799</u>					
<u>800</u>	<u>785</u>					

See accompanying independent auditor's report.

**CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2021**

District Mailing Address - Chateau Woods Municipal Utility District
10224 Fairview Drive
Conroe, Texas 77385

District Telephone Number - (281) 298-6501

Board Members:	Term of Office (Elected or Appointed)	Fees of Office for the year ended <u>September 30, 2021</u>	Expense Reimbursements for the year ended <u>September 30, 2021</u>	<u>Title</u>
David Schoop	11/20 11/24 (Elected)	\$ 6,300	\$ 80	President
Steven Mitschke	11/18 11/22 (Elected)	\$ 4,050	\$ -0-	Vice President
Cassandra Merceri	11/18 11/22 (Elected)	\$ 4,350	\$ -0-	Secretary
Alanna Hardage	11/20 11/24 (Elected)	\$ 3,000	\$ -0-	Treasurer
Shane Ramsour	12/20 11/24 (Appointed)	\$ 2,400	\$ -0-	Director

Note: 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 Developer or with any of the District's consultants.

Submission Date of most recent District Registration Form: March 20, 2020

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

**CHATEAU WOODS MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2021**

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended September 30, 2021</u>	<u>Title</u>
Darden, Fowler, & Creighton, LLP	08/01/93	\$ 27,128	General Counsel
McCall Gibson Swedlund Barfoot PLLC	02/25/21	\$ -0-	Auditor
Brooks Watson & Co., PLLC	07/25/18- 02/25/21	\$ 10,500	Prior Auditor
L&S District Services, LLC	02/28/19	\$ 15,000	Bookkeeper
L Squared Engineering LLC	07/24/14	\$ 305,827	Engineer
Debra Loggins	02/28/19	\$ -0-	Investment Officer
A-1 Utility and Construction Services, Inc.	08/01/93	\$ 290,687	Operator

See accompanying independent auditor's report.