

ANNUAL FINANCIAL REPORT

of the

**Chateau Woods
Municipal Utility District**

**For the Year Ended
September 30, 2019**

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Chateau Woods Municipal Utility District

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BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Chateau Woods Municipal Utility District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Chateau Woods Municipality District (the "District"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Chateau Woods Municipal Utility District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Chateau Woods Municipal Utility District's 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 an opinion 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 entity'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Chateau Woods Municipal Utility District, as of September 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 an opinion on the financial statements that collectively comprise Chateau Woods Municipal Utility District's basic financial statements. The accompanying Texas Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Texas Supplementary Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
February 24, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Chateau Woods

Municipal Utility District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2019

As management of the Chateau Woods Municipal Utility District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2019.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities (net position) at September 30, 2019 by \$4,036,140.
- The District's total net position increased by \$212,099. Unrestricted net position of \$1,936,066 makes up 48% of total net position.
- The District's governmental fund reported a combined ending fund balance of \$1,927,824 at September 30, 2019, and an increase of \$167,718 from the prior fiscal year. The general fund is the District's only governmental fund.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$1,927,824 or 197% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the District's assets and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

Chateau Woods
Municipal Utility District
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and utility service revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include general professional fees, water pumpage fees, garbage removal expenses, repairs and maintenance expenses, and administrative expenses. The District does not have any business-type activities.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's fund is considered to be a governmental fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the *governmental funds* and *governmental activities*.

The District maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is considered to be a major fund.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended September 30, 2019

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided to demonstrate compliance with the general fund budget.

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The fund financial statements provide more information about the District's most significant funds, not the District as a whole.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to basic financial statements and accompanying notes, this report also presents certain required supplementary information. A budgetary comparison schedule for the general fund has been included to comply with GASB Statement No. 34. Additionally, Texas Supplementary Information (TSI) has been included to comply with state reporting requirements.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$4,036,140 at the close of the most recent fiscal year.

An important portion of the District's net position, is \$2,100,074, which reflects its investments in capital assets (e.g., land, water plants, sanitary sewer system, equipment, etc.), less any debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

Chateau Woods
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MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		
	2019	2018	Variance
Current and other assets	\$ 2,114,914	\$ 1,916,521	\$ 198,393
Capital assets, net	2,100,074	2,054,438	45,636
Total Assets	4,214,988	3,970,959	244,029
Other liabilities	178,848	146,918	31,930
Total Liabilities	178,848	146,918	31,930
Net position:			
Net investment in capital assets	2,100,074	2,044,493	55,581
Unrestricted	1,936,066	1,779,548	156,518
Total Net Position	\$ 4,036,140	\$ 3,824,041	\$ 212,099

The District's net position increased \$212,099 to \$4,036,140. The District's net investment in capital assets increased when compared to the prior year due to capital asset additions during the current year. Current assets increased by \$198,393 due to positive cash flows from operations during the current year.

Chateau Woods
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MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

Statement of Activities:

The following table provides a summary of the District's changes in net position for the years ended September 30:

	Governmental Activities		
	2019	2018	Variance
Revenues			
Property taxes	\$ 310,570	\$ 287,382	\$ 23,188
Service revenues	812,085	797,862	14,223
Other revenues	22,963	16,334	6,629
Total Revenues	1,145,618	1,101,578	44,040
Expenses			
Professional fees	78,543	107,788	(29,245)
Garbage removal	133,276	133,683	(407)
Contracted services	120,771	89,400	31,371
Repairs and maintenance	216,370	181,830	34,540
Pumpage	132,627	130,458	2,169
Administration	43,073	10,996	32,077
Payroll	21,360	16,620	4,740
Utilities	54,930	50,360	4,570
Other	-	1,527	(1,527)
Depreciation	132,569	99,100	33,469
Interest	-	16,058	(16,058)
Total Expenses	933,519	837,820	95,699
Change in Net Position	212,099	263,758	(51,659)
Beginning Net Position	3,824,041	3,560,283	263,758
Ending Net Position	\$ 4,036,140	\$ 3,824,041	\$ 212,099

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended September 30, 2019

Property tax revenue increased by \$23,188 primarily due to an increase in the property tax rate and appraised property tax values.

Total expenses increased by \$95,699. Depreciation increased by \$33,469 primarily due to an increase from depreciation on the wastewater treatment plant in the current year.

Financial Analysis of Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's governing body.

General fund balance increased by \$167,718 due to current year revenues exceeding expenditures.

General Fund Budgetary Highlights

- Actual general fund revenues were under final budgeted revenues by \$42,127.
- Total general fund expenditures budgeted were over the actual expenditures by \$119,645.

Capital Assets

At the end of the year, the District had invested \$2,100,074 in a variety of capital assets and infrastructure, net of depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34.

Chateau Woods
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MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

Major capital asset events during the current year include the following:

- Water and sewer improvements for \$132,280
- Driveway and parking lot for office for \$37,100
- Playground enhancements for \$8,825

More detailed information about the District's capital assets is presented in the notes to the financial statements.

Economic Factors

The District is located in Conroe, Texas. The District remains financially viable allowing it to continue providing quality services to its residents.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to Chateau Woods Municipal Utility District, 10224 Fairview Dr., Conroe, Texas 77385, telephone (281) 298-6501.

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FINANCIAL STATEMENTS

Chateau Woods
Municipal Utility District
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
September 30, 2019

		Governmental Funds Balance Sheet	
		General	Total
Assets			
Cash		\$ 1,303,150	\$ 1,303,150
Investments		718,393	718,393
Receivables		93,371	93,371
Land		-	-
Capital assets (net of accumulated depreciation)		-	-
	Total Assets	\$ 2,114,914	\$ 2,114,914
Liabilities			
Accounts payable and accrued liabilities		\$ 85,247	\$ 85,247
Customer deposits		88,101	88,101
Builder deposits		5,500	5,500
	Total Liabilities	178,848	178,848
Deferred Inflows of Resources			
Unavailable revenue - property taxes		8,242	8,242
Fund balances/Net position			
Fund Balances:			
Unassigned		1,927,824	1,927,824
	Total Fund Balances	1,927,824	1,927,824
	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,114,914	\$ 2,114,914
Net Position:			
Net investment in capital assets			
Unrestricted			
			Total Net Position

See Notes to Financial Statements.

<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ -	\$ 1,303,150
-	718,393
-	93,371
15,137	15,137
<u>2,084,937</u>	<u>2,084,937</u>
<u>\$ 2,100,074</u>	<u>\$ 4,214,988</u>
\$ -	\$ 85,247
-	88,101
-	5,500
<u>-</u>	<u>178,848</u>
<u>(8,242)</u>	<u>-</u>
<u>(1,927,824)</u>	<u>-</u>
<u>(1,927,824)</u>	<u>-</u>
2,100,074	2,100,074
1,936,066	1,936,066
<u>\$ 4,036,140</u>	<u>\$ 4,036,140</u>

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STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Year Ended September 30, 2019

	Governmental Change in Fund Balances	
	General	Total
Revenues		
Charges for utility services	\$ 786,920	\$ 786,920
Property taxes	311,825	311,825
Tap and inspection fees	13,900	13,900
Penalties and interest	11,265	11,265
Investment income	20,242	20,242
Miscellaneous income	2,721	2,721
Total Revenues	1,146,873	1,146,873
Expenditures/Expenses		
Service Operations:		
Professional fees	78,543	78,543
Garbage removal	133,276	133,276
Contracted services	120,771	120,771
Repairs and maintenance	228,247	228,247
Administration	43,073	43,073
Payroll	21,360	21,360
Utilities	54,930	54,930
Pumpage	132,627	132,627
Depreciation	-	-
Capital Outlay	166,328	166,328
Total Expenditures/Expenses	979,155	979,155
Excess (Deficiency) of Revenues Over (Under) Expenditures	167,718	167,718
Net Change in Fund Balances/ Net Position	167,718	167,718
Beginning Fund Balances/ Net Position	1,760,106	1,760,106
Ending Fund Balances/ Net Position	\$ 1,927,824	\$ 1,927,824

See Notes to Financial Statements.

<u>Adjustments</u>	<u>Statement of Activities</u>
\$ -	\$ 786,920
(1,255)	310,570
-	13,900
-	11,265
-	20,242
-	2,721
(1,255)	1,145,618
-	78,543
-	133,276
-	120,771
(11,877)	216,370
-	43,073
-	21,360
-	54,930
-	132,627
132,569	132,569
(166,328)	-
(45,636)	933,519
44,381	212,099
44,381	212,099
2,063,935	3,824,041
\$ 2,108,316	\$ 4,036,140

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Chateau Woods
Municipal Utility District
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

NOTE 1 – CREATION OF DISTRICT

Chateau Woods Municipal Utility District (the “District”) was created legislatively with House Bill No. 2815, effective August 19, 1993. The Board of Directors held its first meeting August 23, 1993. Until this date, all water, sewer, and garbage services were administered by the City of Chateau Woods (the “City”). Pursuant to an election held August 14, 1993, the City of Chateau Woods was abolished and the creation of the District was confirmed. The District shares the same boundaries as the City and is successor in interest to the assets and obligations of the City that were related to the City’s water and sewer system.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements and accounting policies of the District are prepared in conformity with generally accepted accounting principles for local governmental units as prescribed by the Governmental Accounting Standards Board, which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District’s significant accounting policies are described below.

A. Reporting Entity

The District has adopted Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity*. In accordance with this statement, a financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The District is a political subdivision of the State of Texas governed by an elected five-member board. As required by generally accepted accounting principles, these financial statements present the activities of the District, which is considered to be the primary government as well as the reporting entity. There are no other organizations which meet the criteria for inclusion herein as part of the financial reporting entity.

Chateau Woods
Municipal Utility District
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

B. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

C. Basis of presentation – fund financial statements

The fund financial statements provide information about the government's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government reported the following major governmental fund:

The *general fund* is used to account for the operations of the District and all other financial transactions not properly includable in other funds. The principal sources of revenue are related to utility service operations and property tax. Expenditures include all costs associated with the daily operations of the District.

D. Measurement Focus and Basis of Accounting

The government-wide statements of net position and statement of activities are accounted for on a flow of economic resources measurement focus, accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operations of these activities are included on the balance sheet.

The accounting and financial reporting treatment applied to a fund is determined by the measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Chateau Woods
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

The District utilizes the modified accrual basis of accounting in the governmental fund type. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues available if they are collected within 60 days of the end of the current period. Revenues susceptible to accrual include charges for services and interest on temporary investments.

Property taxes and interest associated with the current period are considered to be susceptible to accrual and so have been recognized as revenues of the current period. Other receipts and other taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Under modified accrual accounting, expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for interest on general long-term debt, which is recognized when due.

E. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. *Cash and cash equivalents*

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. *Investments*

Temporary investments consist of certificates of deposit are stated at cost, which approximates market value.

Applicable state laws and regulations allow the District to invest its funds in direct or indirect obligations of the United States, the State, or any county, city, school district, or other political subdivision of the State. Funds may also be placed in certificates of deposit of state or national banks or savings and loan associations (depository institutions) domiciled within the State. Related state statutes and provisions included in the District's bond resolutions require that all funds invested in depository institutions be guaranteed by federal depository insurance and/or be secured in the manner provided by law for the security of public funds.

Chateau Woods

Municipal Utility District

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2019

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the District reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940 are reported using the pools' share price.

Credit Risk – Investments. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At year end, the District's investment included money market funds and certificates of deposit.

Interest Rate Risk – Investments. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in the money market funds to have a maturity of less than one year due to the fact the share positions can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value.

3. *Fair Value*

The District has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

4. *Receivables and Interfund Transactions*

During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are classified as "due from other funds" or "due to other funds" on the combined balance sheet.

All trade receivables are shown net of any allowance for uncollectible amounts.

5. *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., water plants, sanitary sewer system, and water distribution system), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an

Chateau Woods

Municipal Utility District

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the Year Ended September 30, 2019

initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with the construction of governmental fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful years:

Asset Description	Estimated Useful Life
Buildings	40 years
Water system	10 to 50 years
Sanitary Sewer System	10 to 25 years
All other equipment	5 to 20 years

6. *Inventories and prepaid items*

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories are valued at the lower of cost or market using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

7. *Deferred outflows/inflows of resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. An example is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Chateau Woods
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

8. *Net position flow assumption*

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

9. *Fund balance flow assumptions*

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. *Long-term obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists of bonds payable.

Chateau Woods
Municipal Utility District
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

11. *Estimates*

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts 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/expenses during the reporting period. Actual results could differ from those estimates.

F. Revenues and expenditures/expense

1. *Program revenues*

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Chateau Woods
Municipal Utility District
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

2. *Property taxes*

Property taxes attach as an enforceable lien on real property and are levied as of October 1st. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1st of the year following the year in which imposed. On February 1st of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Uncollected amounts at year end are reported as deferred inflows of resources. Delinquent property taxes collected within 60 days subsequent to year end were not considered material.

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources, and, therefore, are not reported in the funds.

Total fund balance		\$ 1,927,824
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		2,100,074
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		8,242
Net Position of Governmental Activities	\$	4,036,140

Chateau Woods
Municipal Utility District
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities states that, “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated lives and reported as depreciation expense.”

Net change in fund balances - total governmental funds	\$ 167,718
Governmental funds report capital outlays as expenditures.	
However, in the statement of activities, the cost of those assets is allocated over their estimated lives and reported as depreciation expense.	
Capital outlay	178,205
Depreciation expense	(132,569)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,255)
Change in Net Position - Governmental Activities	\$ 212,099

NOTE 4 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The original budget is adopted by the Board of Directors prior to the beginning of the year. Management may not amend the budget without the approval of the Board.

The District has adopted a non-appropriated budget in accordance with Title 30 of the Texas Administrative Code, Section 293.97. The budget is prepared using the same method of accounting as for financial reporting and a budgetary comparison schedule for the general fund is presented as supplementary information to the basic financial statements.

Chateau Woods
Municipal Utility District
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

A. Expenditures Exceeding Appropriations

For the year ended September 30, 2019, expenditures exceeded appropriations for the following areas within the general fund:

Garbage removal	\$ 3,276
Contracted services	11,271
Capital outlay	88,328
Principal	60
	\$ 102,935

NOTE 5 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District requires funds on deposit at the depository bank to be collateralized by securities. As of yearend, the District’s bank balances were fully insured by FDIC and pledged securities.

Interest rate risk: In compliance with the District’s Investment Policy, as of September 30, 2019, the District minimized the interest rate risk, related to current events market turmoil in the portfolio by: limiting the effective duration of security types not to exceed two years with the exception of securities purchases related to reserve funds; structuring the investment portfolio so that securities matured to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market prior to maturity; monitoring credit ratings of portfolio positions to assure compliance with rating requirements imposed by the Public Funds Investment Act; and investing operating funds primarily in certificates of deposit and money market funds.

As of September 30, 2019, the District had the following investments:

Investment Type	Value	Weighted Average Maturity (years)
Certificates of Deposits	\$ 718,393	0.94
Money Market Funds	1,236,562	0.00
	\$ 1,954,955	

Chateau Woods
Municipal Utility District
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

B. Fair Value Measurement

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. Investments that are remeasured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The District's financial instruments consist of cash and cash equivalents, investments in certificates, money market funds and accounts receivable. The estimated fair value of cash, cash equivalents, investments, accounts payable, and accounts receivable approximate their carrying amounts due to the short-term nature of these instruments.

C. Receivables

The following comprise the receivable balances at year end:

	General
Property taxes	\$ 8,242
Utility service accounts	88,939
Allowance for doubtful accounts	(3,810)
	\$ 93,371

Chateau Woods
Municipal Utility District
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

D. Capital Assets

A summary of changes in capital assets for the year ended September 30, 2019 is as follows:

	Beginning Balances	Increases	Reclassifications (Decreases)	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 15,137	\$ -	\$ -	\$ 15,137
Total capital assets not being depreciated	15,137	-	-	15,137
Capital assets, being depreciated:				
Land improvements	16,150	-	-	16,150
Buildings	163,326	37,100	-	200,426
Water plants	1,313,007	-	-	1,313,007
Sanitary sewer system	1,618,488	86,990	-	1,705,478
Water distribution system	887,249	45,290	-	932,539
Office equipment	4,475	-	-	4,475
Playground equipment	6,102	8,825	-	14,927
Total capital assets being depreciated	4,008,797	178,205	-	4,187,002
Less accumulated depreciation	(1,969,496)	(132,569)	-	(2,102,065)
Net capital assets being depreciated	2,039,301	45,636	-	2,084,937
Total Capital Assets	\$ 2,054,438	\$ 45,636	\$ -	\$ 2,100,074

NOTE 6 – OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries insurance coverage. There have been no significant reductions in coverage from the prior year.

B. Maintenance Tax

In 1993, the voters of the District approved the levy and collection of a maintenance tax in an amount per \$100 of assessed valuation of taxable property within the District.

Chateau Woods
Municipal Utility District
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

During the current fiscal year, the District levied an ad valorem maintenance tax rate of \$0.2950 per \$100 of assessed valuation, which resulted in a tax levy of \$307,005 on the taxable valuation of \$104,069,560 for the 2018 tax year. This maintenance tax is to be used by the general fund to pay expenditures of operating the District's waterworks and sanitary sewer system.

The District's tax calendar is as follows:

Levy Date October 1, or as soon thereafter as practicable

Lien Date January 1

Due Date Not later than January 31

Delinquent Date February 1, at which time the taxpayer is liable for penalty and interest

NOTE 7 – SUBSEQUENT EVENTS

We have evaluated subsequent events through February 24, 2020, the date the financial statements were available to be issued. There were no subsequent events through this date which materially impact the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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Chateau Woods
Municipal Utility District
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2019

	Original & Final Budget ¹	Actual	Variance Positive (Negative)
Revenues			
Charges for water/sewer service	\$ 705,000	\$ 651,118	\$ (53,882)
Charges for trash service	136,000	135,802	(198)
Property taxes	310,000	311,825	1,825
Tap and inspection fees	6,000	13,900	7,900
Penalties and interest	12,000	11,265	(735)
Investment income	10,000	20,242	10,242
Miscellaneous income	10,000	2,721	(7,279)
Total Revenues	1,189,000	1,146,873	(42,127)
Expenditures			
Professional fees	148,500	78,543	69,957
Garbage removal	130,000	133,276	(3,276) *
Contracted services	109,500	120,771	(11,271) *
Repairs and maintenance	350,000	228,247	121,753
Pumpage	140,000	132,627	7,373
Administration	61,500	43,073	18,427
Payroll	21,300	21,360	(60) *
Utilities	60,000	54,930	5,070
Capital Outlay	78,000	166,328	(88,328) *
Total Expenditures	1,098,800	979,155	119,645
	\$ 90,200	\$ 167,718	\$ 77,518
Beginning Fund Balance		1,760,106	
Ending Fund Balance		\$ 1,927,824	

Notes to required supplementary information:

* Expenditures exceeded appropriations at the legal level of control.

1 - The Districted noted a budget amendment within their April 2019 board of director meeting minutes. However, insufficient detail was maintained for determining the nature and extent of the budget amendment. Therefore, no changes to the original budget are reported.

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TEXAS SUPPLEMENTARY INFORMATION

Chateau Woods Municipal Utility District

TSI-1 SERVICES AND RATES

For the Year Ended September 30, 2019

1. Services provided by the District:

<u>X</u>	Retail Water	<u>X</u>	Wholesale Water	<u> </u>	Drainage
<u>X</u>	Retail Sewer	<u> </u>	Wholesale Sewer	<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. a. Retail rates based on 5/8" meter

The most prevalent type of meter (if not a 5/8"):

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons Over Minimum</u>	<u>Usage Levels</u>
Water	<u>\$ 10.05</u>	<u>3,000</u>	<u>N</u>	<u>\$1.51</u>	<u>3,000 to 6,000</u>
				<u>\$1.76</u>	<u>6,000 to 9,000</u>
				<u>\$2.01</u>	<u>9,000 to 12,000</u>
				<u>\$2.26</u>	<u>12,000 to 15,000</u>
				<u>\$2.51</u>	<u>Remainder</u>
Wastewater	<u>\$ 25.13</u>	<u> </u>	<u>Y</u>	<u> </u>	<u> </u>
District employs winter averaging for wastewater usage?					<u>Yes</u> <u>No</u> <u>X</u>
Total water and sewer charges per 10,000 gallons usage					
	Water	<u>\$ 21.87</u>		Wastewater	<u>\$ 25.13</u>

b. Retail Connections: Number of retail water and/or wastewater connections * within the District as of the fiscal year end. Provide actual numbers and single family equivalents (ESFC) as noted:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
< 3/4"	830	820	x 1.0	803
1"	7	7	x 2.5	18
1 1/2"	-	-	x 5.0	-
2"	2	1	x 8.0	16
3"	-	-	x 15.0	-
4"	2	1	x 25.0	25
6"	1	1	x 50.0	50
8"	-	-	x 80.0	-
10"	-	-	x 115.0	-
Total water	<u>842</u>	<u>830</u>		<u>912</u>
Total wastewater	<u>833</u>	<u>812</u>	x 1.0	<u>800</u>

Chateau Woods Municipal Utility District

TSI-1 SERVICES AND RATES

For the Year Ended September 30, 2019

3. Total Water Consumption (In Thousands) During the Fiscal Year:

Gallons pumped into system:	71,434	Water Accountability Ratio:
Gallons billed to customers:	66,889	93.6%

4. Standby Fees: Does the District assess standby fees? Yes No

For the most recent full fiscal year:

Debt Service:

Total levy	\$	
Total collected	\$	
Percentage collected	%	
Operation & Maintenance	\$	
Total collected	\$	
Percentage collected	%	

Have standby fees been levied in accordance with Water Code Section 49.231, thereby constituting a lien on property? Yes No

5. Location of District:

County in which District is located.

Is the District located entirely within one county?

Is the District located within a city?

City in which District is located.

Montgomery		
Yes	<input checked="" type="checkbox"/>	No
Yes	<input type="checkbox"/>	No
n/a		

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

Entirely Partly Not at all

ETJ's in which District is located.

City of Oak Ridge North / Conroe

Is the general membership of the Board appointed by an office outside the District?

If yes, by whom?

Yes No

Chateau Woods
Municipal Utility District
TSI-2 GENERAL FUND EXPENDITURES
For the Years Ended September 30, 2019 and 2018

<u>Current</u>	2019	2018
Professional Fees:		
Auditing	\$ 10,000	\$ 15,100
Legal	18,006	26,827
Election expenses	1,558	3,653
Engineering	33,165	50,253
Bookkeeper	12,863	9,400
Appraisal district	2,951	2,554
	78,543	107,787
Payroll		
Directors fees	18,600	15,450
Payroll taxes on director's fees	2,760	1,170
	21,360	16,620
Administration		
Insurance	12,759	1,006
License/Permit fees	5,127	1,862
Office and other	25,187	8,128
	43,073	10,996
Contracted Services		
Water billing	47,470	34,175
Sewer billing	47,256	28,359
Tap connection and inspections	19,929	19,298
Office maintenance and operation	6,116	7,444
Office cleaning	-	125
	120,771	89,401
Garbage Removal	133,276	133,683
Utilities	54,930	50,360
Repairs and Maintenance		
Parks	16,645	8,875
Water and sewer system	183,361	106,362
Meters and boxes	28,241	21,587
	228,247	136,824
Debt Service	-	713,259
Capital Outlay	166,328	356,169
Pumpage	132,627	130,458
Other Expenditures	-	1,527
Total Expenditures	\$ 979,155	\$ 1,747,084

Chateau Woods
Municipal Utility District
TSI-3 CASH AND TEMPORARY INVESTMENTS
September 30, 2019

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>Balance</u>
<u>General Fund</u>				
Central Bank - Electronic	3294071	-	N/A	\$ 35,732
Central Bank - General	3300781	-	N/A	30,856
Compass BBVA Money Mkt	0021388971	0.25%	N/A	216,838
Central Bank - Special Money Mkt	3294181	-	N/A	986,497
Central Bank - Tax Money Mkt	3326191	1.00%	N/A	33,227
Certificate of Deposit	5006432	1.25%	8/8/2020	218,393
Certificate of Deposit	66000902	2.10%	9/21/2020	<u>500,000</u>
Total General Fund				<u>2,021,543</u>
Total All Funds				<u>\$ 2,021,543</u>

All interest has been received as of year end.

Chateau Woods Municipal Utility District

TSI-4 ANALYSIS OF TAXES LEVIED AND RECEIVABLE

For the Year Ended September 30, 2019

Taxes receivable - October 1, 2018

2019 Adjusted tax roll

Total to be Accounted For

Tax Collections

Current year

Prior years

Total Collections

Total Adjustments

Taxes Receivable - September 30, 2019

Taxes Receivable - By Year

2018

2017

2016

2015

2014

2013

2012

2011

2010

2009

Taxes Receivable - September 30, 2019

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Assessed				
Property Valuations	\$ 104,069,560	\$ 102,061,298	\$ 97,752,034	\$ 88,729,812
Tax Rates (Per \$100				
Valuations)				
Debt service	\$ -	\$ -	\$ -	\$ -
Maintenance	0.2950	0.2741	0.2473	0.2498
Total Tax Rate (per				
\$100 Valuation)	<u>\$ 0.2950</u>	<u>\$ 0.2741</u>	<u>\$ 0.2473</u>	<u>\$ 0.2498</u>
Tax Rolls**	<u>\$ 307,005</u>	<u>\$ 279,750</u>	<u>\$ 241,741</u>	<u>\$ 221,647</u>

For the Year Ended September 30, 2019

Percent of current taxes collected to current taxes levied (as adjusted)

** As adjusted

**General
Fund**

\$	9,497
	307,005
	316,502
	302,193
	5,425
	307,618
	(642)
\$	8,242

\$	4,812
	938
	565
	425
	266
	103
	105
	149
	137
	742
\$	8,242

2014

\$	79,216,732
----	------------

\$	-
	0.2616

\$	0.2616
----	--------

\$	207,231
----	---------

All Taxes

98.4%

Chateau Woods Municipal Utility District

TSI-6 COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES GENERAL FUND Last Five Years

	Amounts				
	2019	2018	2017	2016	2015
<u>General Fund Revenues</u>					
Service revenues	\$ 786,920	\$ 757,547	\$ 765,275	\$ 764,001	\$ 739,230
Property taxes	311,825	289,528	241,107	222,150	206,694
Tap and inspection fees	13,900	28,785	20,260	17,095	36,600
Penalties and interest	11,265	11,530	13,132	14,493	13,904
Investment revenues	20,242	15,832	7,104	5,183	5,187
Miscellaneous revenues	2,721	502	7,672	38,174	7,048
Total Revenues	<u>1,146,873</u>	<u>1,103,724</u>	<u>1,054,550</u>	<u>1,061,096</u>	<u>1,008,663</u>
<u>General Fund Expenditures</u>					
Professional fees	78,543	107,788	64,709	276,034	111,429
Purchased and contract services	614,921	491,892	530,054	587,592	541,712
Recurring operating	119,363	77,976	91,111	93,226	75,347
Debt service	-	713,259	9,161	83	-
Capital outlay	166,328	356,169	734,042	79,231	31,004
Total Expenditures	<u>979,155</u>	<u>1,747,084</u>	<u>1,429,077</u>	<u>1,036,166</u>	<u>759,492</u>
Revenues Over (Under) Expenditures	<u>\$ 167,718</u>	<u>\$ (643,360)</u>	<u>\$ (374,527)</u>	<u>\$ 24,930</u>	<u>\$ 249,171</u>
Total Active Retail Water and/or Sewer Connections	<u>830</u>	<u>820</u>	<u>816</u>	<u>N/A</u>	<u>N/A</u>

Percent of Total Fund Revenues

2019	2018	2017	2016	2015
68.6 %	68.6 %	72.6 %	72.0 %	73.3 %
27.2	26.2	22.9	20.9	20.5
1.2	2.6	1.9	1.6	3.6
1.0	1.0	1.2	1.4	1.4
1.8	1.4	0.7	0.5	0.5
0.2	0.0	0.7	3.6	0.7
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
6.8	9.8	6.1	26.0	11.0
53.6	44.6	50.3	55.4	53.7
10.4	7.1	8.6	8.8	7.5
-	64.6	0.9	0.0	0.0
14.5	32.3	69.6	7.5	0.0
<u>85.4</u>	<u>158.3</u>	<u>135.5</u>	<u>97.6</u>	<u>72.2</u>
<u>14.6 %</u>	<u>(58.3) %</u>	<u>(35.6) %</u>	<u>2.4 %</u>	<u>27.8 %</u>

Chateau Woods
Municipal Utility District
TSI-7 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
September 30, 2019

District's Mailing Address: Chateau Woods Municipal Utility District
10224 Fairview Drive
Conroe, Texas 77385

District's Business Telephone Number: (281) 298-6501

<u>Board Members</u>	<u>Term</u>	<u>Fees</u>	<u>Expenses</u>	<u>Title</u>
1. Kenneth Smith*	11/16- 11/20	\$ 450	\$ -	Former President
2. David Schoop	11/16- 11/20	\$ 5,550	\$ -	President
3. Keith Polk*	11/14- 11/18	\$ 450	\$ -	Former Secretary
4. Dick Forrester*	11/14- 11/18	\$ 600	\$ -	Former Treasurer
5. Nicklaus Costello*	06/18- 11/20	\$ 2,550	\$ -	Former Assistant Secretary
6. Bob Bagley*	12/18- 11/20	\$ 3,600	\$ -	Director
7. Steven Mitschke	11/18- 11/22	\$ 2,250	\$ -	Treasurer
8. Cassandra Merceri	11/18- 11/22	\$ 3,150	\$ -	Secretary

* Keith Polk was not re-elected in November 2018

* Dick Forrester was not re-elected in November 2018

* Kenneth Smith resigned from the Board effective November 30, 2018

* Bob Bagley was appointed to the Board on December 6, 2018 to fill vacancy left by Kenneth Smith

* Nicklaus Costello resigned from the Board effective January of 2020

Name and Address	Date Hired	Fees and Expenses	Title
<u>Consultants</u>			
A-1 Utility & Construction Services	8/1/1993	\$ 223,245	Operator
Darden, Fowler, & Creighton, LLP	8/1/1993	\$ 17,580	Attorney
Lloyd Gosselink Attorney at Law	10/2/2018	\$ 426	Attorney
L-Squared Engineering	2014	\$ 33,165	Engineer
Charlene McCullar	2/1/2017	\$ 3,600	Bookkeeper
L & S District, LLC	2/28/2019	\$ 9,263	Bookkeeper
Waste Management	12/1/2004	\$ 133,276	Trash Collector
BrooksWatson & Co., PLLC	7/5/2018	\$ 10,000	Independent Auditor

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