

CY-CHAMP PUBLIC UTILITY DISTRICT
HARRIS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2023

CY-CHAMP PUBLIC UTILITY DISTRICT

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cy-Champ Public Utility District
Harris County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Cy-Champ Public Utility District (the "District") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Correction of Error

As described in Note 20 to the financial statements, the District's General Fund fund balance as of December 31, 2022, has been restated to correct certain misstatements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors
Cy-Champ Public Utility District

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked “Unaudited” on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

April 18, 2024

**CY-CHAMP PUBLIC UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Management’s discussion and analysis of the financial performance of Cy-Champ Public Utility District (the “District”) provides an overview of the District’s financial activities for the year ended December 31, 2023. Please read it in conjunction with the District’s financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. This report also includes 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 like 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 the District’s assets, liabilities, deferred inflows of resources, and deferred 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 three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

**CY-CHAMP PUBLIC UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$8,197,391 as of December 31, 2023. A portion of the District's net position reflects its net investment in capital assets (land and equipment, as well as the water and wastewater facilities, less any debt used to acquire those assets that is still outstanding). The following is a comparative analysis of government-wide changes in net position:

**CY-CHAMP PUBLIC UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2023	2022	Change Positive (Negative)
Current and Other Assets	\$ 23,830,909	\$ 17,952,120	\$ 5,878,789
Right-of-Use Asset (Net of Accumulated Amortization)	1,004,232	1,075,936	(71,704)
Capital Assets (Net of Accumulated Depreciation)	<u>18,004,058</u>	<u>15,471,670</u>	<u>2,532,388</u>
Total Assets	<u>\$ 42,839,199</u>	<u>\$ 34,499,726</u>	<u>\$ 8,339,473</u>
Due to Developer	\$ 1,332,886	\$	\$ (1,332,886)
Lease Payable	1,072,330	1,118,594	46,264
Bonds Payable	28,268,331	22,612,918	(5,655,413)
Other Liabilities	<u>805,434</u>	<u>717,064</u>	<u>(88,370)</u>
Total Liabilities	<u>\$ 31,478,981</u>	<u>\$ 24,448,576</u>	<u>\$ (7,030,405)</u>
Deferred Inflows of Resources	<u>\$ 3,162,827</u>	<u>\$ 2,890,450</u>	<u>\$ (272,377)</u>
Net Position:			
Net Investment in Capital Assets	\$ (4,266,003)	\$ (4,388,364)	\$ 122,361
Restricted	3,707,365	3,820,651	(113,286)
Unrestricted	<u>8,756,029</u>	<u>7,728,413</u>	<u>1,027,616</u>
Total Net Position	<u>\$ 8,197,391</u>	<u>\$ 7,160,700</u>	<u>\$ 1,036,691</u>

The following table provides a summary of the District's operations for the years ended December 31, 2023, and December 31, 2022. The District's net position increased by \$1,036,691 during the current fiscal year.

	Summary of Changes in the Statement of Activities		
	2023	2022	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 2,784,230	\$ 2,429,863	\$ 354,367
Charges for Services	2,308,416	2,167,256	141,160
Other Revenues	<u>1,318,489</u>	<u>916,649</u>	<u>401,840</u>
Total Revenues	<u>\$ 6,411,135</u>	<u>\$ 5,513,768</u>	<u>\$ 897,367</u>
Expenses for Services	<u>5,374,444</u>	<u>5,283,298</u>	<u>(91,146)</u>
Change in Net Position	\$ 1,036,691	\$ 230,470	\$ 806,221
Net Position, Beginning of Year	<u>7,160,700</u>	<u>6,930,230</u>	<u>230,470</u>
Net Position, End of Year	<u>\$ 8,197,391</u>	<u>\$ 7,160,700</u>	<u>\$ 1,036,691</u>

**CY-CHAMP PUBLIC UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of December 31, 2023, were \$16,308,265, an increase of \$5,788,002 from the prior fiscal year.

The General Fund fund balance increased by \$1,222,736, primarily due to property tax revenues, sales tax revenues and service revenues exceeding operating, capital and lease costs.

The Debt Service Fund fund balance decreased by \$38,446, primarily due to the structure of the District's outstanding debt service requirements.

The Capital Projects Fund fund balance increased by \$4,603,712, primarily due to unspent proceeds from the Series 2023 bonds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated General Fund budget for the current fiscal year. Actual revenues were \$170,967 more than budgeted revenues and actual expenditures were \$279,659 less than budgeted expenditures which resulted in a positive budget variance of \$450,625.

CAPITAL ASSETS

Capital assets as of December 31, 2023, total \$18,004,058 (net of accumulated depreciation) and also include land, buildings, equipment, water facilities, and wastewater facilities. Current year capital asset activity completed included the installation of a new water pump at Storm Station No. 2, the rehabilitation of trestle pipe coatings over Cypress Creek and detention and drainage improvements, including land acquisition.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2023	2022	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 6,966,526	\$ 6,079,268	\$ 887,258
Construction in Progress	1,499,889		1,499,889
Capital Assets, Net of Accumulated Depreciation:			
Infrastructure	7,977,025	7,701,604	275,421
Other Facilities	619,410	662,260	(42,850)
Interest in Joint Facilities	900,356	979,290	(78,934)
Impact Fees	40,852	49,248	(8,396)
Total Net Capital Assets	\$ 18,004,058	\$ 15,471,670	\$ 2,532,388

**CY-CHAMP PUBLIC UTILITY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

RIGHT-OF-USE ASSET

The District has entered into a lease agreement for building space for the purpose of providing meeting facilities and an office space dedicated to the use of the local constable deputies that patrol the District’s neighborhood areas. See Note 16. The lease is recorded as a right-of-use asset. As of December 31, 2023, the value of this asset totals \$1,004,232 (net of accumulated amortization).

LONG-TERM DEBT ACTIVITY

As of December 31, 2023, the District had total bonds payable of \$27,820,000. The changes in bonds payable during the year ended December 31, 2023, are summarized as follows:

Bond Debt Payable, January 1, 2023	\$ 22,140,000
Add: Bond Sale - Park Series 2023	6,470,000
Less: Bond Principal Paid	<u>790,000</u>
Bond Debt Payable, December 31, 2023	<u>\$ 27,820,000</u>

The District carries an underlying rating of “A1”. The District’s bonds carry insured ratings of “AA” or “A1” by virtue of bond insurance issued by either Assured Guaranty Municipal Corp. or Build America Mutual Assurance Company with the exception of the Series 2020 Refunding bonds which are private placement bonds and non-rated. Credit enhanced ratings provided through bond insurance policies are subject to change based on the rating of the bond insurance company.

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 Cy-Champ Public Utility District, c/o Young & Brooks, 10000 Memorial Drive, Suite 260, Houston, Texas 77024.

**CY-CHAMP PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2023**

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 1,179,091	\$ 570,629
Investments	3,392,261	3,991,969
Receivables:		
Property Taxes	1,372,605	1,162,756
Penalty and Interest on Delinquent Taxes		
Service Accounts	165,984	
Accrued Interest	3,759	9,603
Other		15,496
Due from Other Funds	805,257	
Prepaid Costs	49,147	
Due from Other Governmental Units	114,072	
Advance for Joint Operations	27,086	
Capital Contributions Receivable		
Chloramination Credits Receivable		
Right-of-Use Asset (Net of Accumulated Amortization)		
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	\$ 7,109,262	\$ 5,750,453

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

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 1,990,066	\$ 3,739,786	\$	\$ 3,739,786
6,004,314	13,388,544		13,388,544
	2,535,361		2,535,361
	165,984	15,051	15,051
	13,362		165,984
	15,496		13,362
	805,257	(805,257)	15,496
	49,147		49,147
	114,072		114,072
	27,086		27,086
		3,538,657	3,538,657
		228,363	228,363
		1,004,232	1,004,232
		6,966,526	6,966,526
		1,499,889	1,499,889
		9,537,643	9,537,643
<u>\$ 7,994,380</u>	<u>\$ 20,854,095</u>	<u>\$ 21,985,104</u>	<u>\$ 42,839,199</u>

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

**CY-CHAMP PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2023**

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	\$ 147,400	\$
Accrued Interest Payable		
Due to Developer		
Due to Other Funds		303,248
Due to Taxpayers		41,217
Security Deposits	255,890	
Long-Term Liabilities:		
Lease Payable, Due Within One Year		
Lease Payable, Due After One Year		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
	<u>\$ 403,290</u>	<u>\$ 344,465</u>
TOTAL LIABILITIES		
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 1,735,010	\$ 1,467,939
	<u>\$ 1,735,010</u>	<u>\$ 1,467,939</u>
FUND BALANCES		
Nonspendable:		
Prepaid Costs	\$ 49,147	\$
For Joint Operations	27,086	
Restricted for Authorized Construction		
Restricted for Debt Service		3,938,049
Unassigned	4,894,729	
	<u>\$ 4,970,962</u>	<u>\$ 3,938,049</u>
TOTAL FUND BALANCES		
	<u>\$ 4,970,962</u>	<u>\$ 3,938,049</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 7,109,262</u>	<u>\$ 5,750,453</u>
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 93,117	\$ 240,517	\$	\$ 240,517
		267,810	267,810
		1,332,886	1,332,886
502,009	805,257	(805,257)	
	41,217		41,217
	255,890		255,890
		49,855	49,855
		1,022,475	1,022,475
		825,000	825,000
		27,443,331	27,443,331
<u>\$ 595,126</u>	<u>\$ 1,342,881</u>	<u>\$ 30,136,100</u>	<u>\$ 31,478,981</u>
<u>\$ -0-</u>	<u>\$ 3,202,949</u>	<u>\$ (40,122)</u>	<u>\$ 3,162,827</u>
\$	\$ 49,147	\$ (49,147)	\$
	27,086	(27,086)	
7,399,254	7,399,254	(7,399,254)	
	3,938,049	(3,938,049)	
	4,894,729	(4,894,729)	
<u>\$ 7,399,254</u>	<u>\$ 16,308,265</u>	<u>\$ (16,308,265)</u>	<u>\$ -0-</u>
<u>\$ 7,994,380</u>	<u>\$ 20,854,095</u>		
		\$ (4,266,003)	\$ (4,266,003)
		3,707,365	3,707,365
		8,756,029	8,756,029
		<u>\$ 8,197,391</u>	<u>\$ 8,197,391</u>

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

**CY-CHAMP PUBLIC UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023**

Total Fund Balances - Governmental Funds		\$ 16,308,265
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital and leased assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		19,008,290
Amounts due for capital contributions made to the North Harris County Regional Water Authority and credits due for asset reimbursements are not current financial resources and, therefore, are not reported as assets in the governmental funds.		3,767,020
Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2022 and prior tax levies became part of recognized revenue in the governmental activities of the District.		55,173
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:		
Due to Developer	\$ (1,332,886)	
Accrued Interest Payable	(267,810)	
Lease Payable	(1,072,330)	
Bonds Payable	<u>(28,268,331)</u>	<u>(30,941,357)</u>
Total Net Position - Governmental Activities		<u>\$ 8,197,391</u>

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

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CY-CHAMP PUBLIC UTILITY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 1,542,161	\$ 1,239,044
Water Service	715,003	
Wastewater Service	462,441	
Regional Water Authority Fees	1,047,577	
Penalty and Interest	16,220	47,504
Sales Tax Revenue	313,804	
Tap Connection and Inspection Fees	4,620	
Capital and Chloramine Contribution Credits	411,585	
Investment Revenues	164,455	196,755
Miscellaneous Revenues	63,861	2,605
TOTAL REVENUES	\$ 4,741,727	\$ 1,485,908
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 282,135	\$ 14,305
Contracted Services	714,480	52,055
Purchased Water Service	915,273	
Purchased Wastewater Service	191,988	
Utilities	92,442	
Repairs and Maintenance	285,672	
Regional Water Authority Fees	232,803	
Parks and Recreational	427,687	
Depreciation		
Amortization		
Other	209,175	9,219
Capital Outlay	72,761	
Debt Service:		
Lease Principal	46,264	
Lease Interest	48,311	
Bond Issuance Costs		
Bond Principal		790,000
Bond Interest		658,775
TOTAL EXPENDITURES/EXPENSES	\$ 3,518,991	\$ 1,524,354
EXCESS (DEFICIENCY) OF REVENUES OVER		
EXPENDITURES/EXPENSES	\$ 1,222,736	\$ (38,446)
OTHER FINANCING SOURCES (USES)		
Long-Term Debt Issued	\$ -0-	\$ -0-
NET CHANGE IN FUND BALANCES	\$ 1,222,736	\$ (38,446)
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JANUARY 1, 2023,		
AS ADJUSTED	3,748,226	3,976,495
FUND BALANCES/NET POSITION - DECEMBER 31, 2023	\$ 4,970,962	\$ 3,938,049

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 2,781,205	\$ 3,025	\$ 2,784,230
	715,003		715,003
	462,441		462,441
	1,047,577		1,047,577
	63,724	15,051	78,775
	313,804		313,804
	4,620		4,620
	411,585	(204,471)	207,114
369,895	731,105		731,105
	66,466		66,466
<u>\$ 369,895</u>	<u>\$ 6,597,530</u>	<u>\$ (186,395)</u>	<u>\$ 6,411,135</u>
\$	\$ 296,440	\$	\$ 296,440
	766,535		766,535
	915,273		915,273
	191,988		191,988
	92,442		92,442
	285,672		285,672
	232,803		232,803
	427,687		427,687
		453,326	453,326
		71,704	71,704
20	218,414		218,414
1,580,067	1,652,828	(1,652,828)	
	46,264	(46,264)	
	48,311		48,311
656,096	656,096		656,096
	790,000	(790,000)	
	658,775	58,978	717,753
<u>\$ 2,236,183</u>	<u>\$ 7,279,528</u>	<u>\$ (1,905,084)</u>	<u>\$ 5,374,444</u>
\$ (1,866,288)	\$ (681,998)	\$ 1,718,689	\$ 1,036,691
<u>6,470,000</u>	<u>6,470,000</u>	<u>(6,470,000)</u>	<u>\$ -0-</u>
\$ 4,603,712	\$ 5,788,002	\$ (5,788,002)	\$
		1,036,691	1,036,691
<u>2,795,542</u>	<u>10,520,263</u>	<u>(3,359,563)</u>	<u>7,160,700</u>
<u>\$ 7,399,254</u>	<u>\$ 16,308,265</u>	<u>\$ (8,110,874)</u>	<u>\$ 8,197,391</u>

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

**CY-CHAMP PUBLIC UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Governmental Funds \$ 5,788,002

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. 3,025

Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed. 15,051

Governmental funds do not account for depreciation or amortization. However, in the Statement of Net Position, capital and leased assets are depreciated or amortized and expense is recorded in the Statement of Activities. (525,030)

The principal portion of the capital contribution and chloramine credits are reported as an increase in the governmental funds and as a reduction of long-term assets in governmental activities. (204,471)

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. 1,652,828

Governmental funds report bond and lease principal payments as expenditures. However, in the Statement of Net Position, bond and lease principal payments are reported as decreases in long-term liabilities. 836,264

Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end. (58,978)

Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position. (6,470,000)

Change in Net Position - Governmental Activities \$ 1,036,691

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

CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. CREATION OF DISTRICT

Cy-Champ Public Utility District (the “District”) was created by Special Act of the Texas Legislature, effective June 4, 1971, and codified as Chapter 8178 of the Special District Local Laws Code. The District is vested with all of the rights, privileges, authority, and functions conferred by the general laws of the State applicable to municipal utility districts, including without limitation those conferred by Chapters 49 and 54, Texas Water Code, as amended. The District is empowered to purchase, construct, operate, acquire, own, and maintain all water and wastewater facilities, roads, improvements and the control and diversion of storm water. The District may also operate and maintain recreational facilities and contract for its own peace officers with power to make arrests when necessary to prevent or abate the commission of any offense against the rules of the District or District property. The District is subject to the continuing supervisory jurisdiction of the Texas Commission on Environmental Quality (the “Commission”). The Board of Directors held its first meeting on January 20, 1972 and the first bonds were issued on December 15, 1972.

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 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 an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units. The District has entered into an agreement for wastewater treatment with other utility districts as described in Note 10.

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 in the following paragraphs.

CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 Governmental Funds Balance Sheet and a Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances.

**CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

The District has three governmental funds and considers each to be a major fund.

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

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

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

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year-end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include 2022 taxes collected during the period October 1, 2022, to December 31, 2023. In addition, taxes collected from January 1, 2023, to December 31, 2023 for the 2021 and prior tax levies are included in revenue. The 2023 tax levy has been fully deferred.

Amounts transferred from one fund to another fund are reported as other financing sources or use. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

As of December 31, 2023, the Debt Service Fund owed the General Fund \$303,248 for maintenance tax collections and the Capital Projects Fund owed the General Fund \$502,009 for capital and bond issuance costs.

**CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

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

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

	Years
Infrastructure	20-45
Other Facilities	10-20
Interest in Joint Facilities	20-45
Impact Fees	20

Right-of-Use Asset

In accordance with GASB Statement No. 87, the District has recorded its leased building space as a right-of-use asset (see Note 16). The right-of-use asset is being amortized through 2038 using the straight-line of amortization.

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 budgeted amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Directors are wages subject to federal income tax withholding for payroll tax purposes only.

CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

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

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.

CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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. LONG-TERM DEBT

	<u>Series 2019</u>	<u>Refunding Series 2020</u>	<u>Series 2020A</u>
Amount Outstanding – December 31, 2023	\$ 2,505,000	\$ 1,730,000	\$ 6,650,000
Interest Rates	2.00%-2.625%	2.17%	2.00%-2.25%
Maturity Dates – Serially Beginning/Ending	March 1, 2024/2047	March 1, 2024/2035	March 1, 2024/2047
Interest Payment Dates	March 1/ September 1	March 1/ September 1	March 1/ September 1
Callable Dates	March 1, 2025*	March 1, 2025*	March 1, 2025*
	<u>Refunding Series 2021</u>	<u>Refunding Park Series 2021A</u>	<u>Park Series 2023</u>
Amount Outstanding – December 31, 2023	\$ 5,635,000	\$ 4,830,000	\$ 6,470,000
Interest Rates	2.00% - 3.00%	2.00% - 3.00%	4.00% - 5.00%
Maturity Dates – Serially Beginning/Ending	March 1, 2024/2039	March 1, 2024/2043	March 1, 2038/2049
Interest Payment Dates	March 1/ September 1	March 1/ September 1	March 1/ September 1
Callable Dates	March 1, 2026*	March 1, 2026*	March 1, 2028*

CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3. LONG-TERM DEBT (Continued)

* Or any date thereafter at a price of par plus unpaid accrued interest to the date fixed for redemption. Series 2019 term bonds maturing on March 1, 2031, 2033, 2035, 2037, 2039, 2042, and 2047 are subject to mandatory redemption beginning March 1, 2030, 2032, 2034, 2036, 2038, 2040, and 2043, respectively. Series 2020A term bonds maturing on March 1, 2029, 2031, 2033, 2035, and 2047 are subject to mandatory redemption beginning March 1, 2027, 2030, 2032, 2034 and 2042, respectively. Series 2021 Refunding term bonds maturing on March 1, 2029, 2031, 2033, 2035, and 2039 are subject to mandatory redemption beginning March 1, 2028, 2030, 2032, 2034, and 2036, respectively. Series 2021A Park Refunding term bonds maturing on March 1, 2029, 2031, 2033, 2035, 2039, and 2043 are subject to mandatory redemption beginning March 1, 2028, 2030, 2032, 2034, 2036, and 2040, respectively. Series 2023 term bonds maturing on March 1, 2045, 2047, and 2049 are subject to mandatory redemption beginning March 1, 2044, 2046, and 2048, respectively.

The Series 2020 Refunding bonds are private placement bonds.

The following is a summary of transactions regarding bonds payable for the year ended December 31, 2023:

	January 1, 2023	Additions	Retirements	December 31, 2023
Bonds Payable	\$ 22,140,000	\$ 6,470,000	\$ 790,000	\$ 27,820,000
Unamortized Premiums	472,918		24,587	448,331
Total Long-Term Liabilities	\$ 22,612,918	\$ 6,470,000	\$ 814,587	\$ 28,268,331
			Amount Due Within One Year	\$ 825,000
			Amount Due After One Year	27,443,331
			Total Long-Term Liabilities	\$ 28,268,331

As of December 31, 2023, the debt service requirements on the outstanding bonds were as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 825,000	\$ 792,487	\$ 1,617,487
2025	885,000	769,829	1,654,829
2026	925,000	745,837	1,670,837
2027	945,000	721,007	1,666,007
2028	965,000	695,619	1,660,619
2029-2033	4,565,000	3,109,954	7,674,954
2034-2038	5,375,000	2,453,345	7,828,345
2039-2043	6,485,000	1,708,464	8,193,464
2044-2048	6,090,000	660,680	6,750,680
2049	760,000	16,150	776,150
	\$ 27,820,000	\$ 11,673,372	\$ 39,493,372

CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3. LONG-TERM DEBT (Continued)

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount, and are further payable from the net revenues from the operation of the District's waterworks and sanitary sewer systems.

The District levied an ad valorem debt service tax rate of \$0.16 per \$100 of assessed valuation, which resulted in a tax levy of \$1,445,864 on the adjusted taxable valuation of \$903,665,039 for the 2023 tax year. 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.

The District has \$28,435,000 of authorized but unissued bonds for water, sewer and drainage facilities and \$285,000 of authorized but unissued bonds for refunding purposes of such bonds. At an election on May 6, 2023, the voters of the District authorized the issuance of \$12,000,000 of bonds for recreational facilities and \$12,000,000 for refunding purposes of such bonds.

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

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

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

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or 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.

**CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

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 \$4,939,786 and the bank balance was \$5,221,112. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position for the year ended December 31, 2023, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 1,179,091	\$ 720,000	\$ 1,899,091
DEBT SERVICE FUND	570,629	480,000	1,050,629
CAPITAL PROJECTS FUND	1,990,066		1,990,066
TOTAL DEPOSITS	\$ 3,739,786	\$ 1,200,000	\$ 4,939,786

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.

CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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 TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measure all of its portfolio assets at amortized cost. The District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool. Certificates of deposit are valued at acquisition cost at the date of purchase.

As of December 31, 2023, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
TexPool	\$ 2,672,261	\$ 2,672,261
Certificates of Deposit	720,000	720,000
<u>DEBT SERVICE FUND</u>		
TexPool	3,511,969	3,511,969
Certificates of Deposit	480,000	480,000
<u>CAPITAL PROJECTS FUND</u>		
TexPool	6,004,314	6,004,314
TOTAL INVESTMENTS	<u><u>\$ 13,388,544</u></u>	<u><u>\$ 13,388,544</u></u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2023, the District's investments in TexPool were rated AAAM by Standard and Poor's. The District also manages credit risk by investing in certificates of deposit covered by FDIC insurance or other pledged collateral.

CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in TexPool to have maturities 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 have been significant changes in values. The District also manages interest rate risks by investing in certificates of deposit with maturities of less than one year.

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and cost of assessing and collecting taxes.

All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, is as follows:

	January 1, 2023	Increases	Decreases	December 31, 2023
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 6,079,268	\$ 887,258	\$	\$ 6,966,526
Construction in Progress		2,985,714	1,485,825	1,499,889
Total Capital Assets Not Being Depreciated	\$ 6,079,268	\$ 3,872,972	\$ 1,485,825	\$ 8,466,415
Capital Assets Subject to Depreciation				
Infrastructure	\$ 16,235,123	\$ 598,567	\$	\$ 16,833,690
Other Facilities	2,340,201			2,340,201
Interest in Joint Facilities	2,549,198			2,549,198
Impact Fees	167,925			167,925
Total Capital Assets Subject to Depreciation	\$ 21,292,447	\$ 598,567	\$ -0-	\$ 21,891,014
Less Accumulated Depreciation				
Infrastructure	\$ 8,533,519	\$ 323,146	\$	\$ 8,856,665
Other Facilities	1,677,941	42,850		1,720,791
Interest in Joint Facilities	1,569,908	78,934		1,648,842
Impact Fees	118,677	8,396		127,073
Total Accumulated Depreciation	\$ 11,900,045	\$ 453,326	\$ -0-	\$ 12,353,371
Total Depreciable Capital Assets, Net of Accumulated Depreciation	\$ 9,392,402	\$ 145,241	\$ -0-	\$ 9,537,643
Total Capital Assets, Net of Accumulated Depreciation	\$ 15,471,670	\$ 4,018,213	\$ 1,485,825	\$ 18,004,058

CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7. MAINTENANCE TAX

On November 3, 1981, the voters of the District approved the levy and collection of a maintenance tax for utility facilities not to exceed \$0.10 per \$100 of assessed valuation. On May 7, 2005, the voters of the District approved the levy and collection of a maintenance tax for recreational facilities not to exceed \$0.10 per \$100 of assessed valuation. During the year ended December 31, 2023, the District levied an ad valorem maintenance tax rate of \$0.19 (\$0.095 for utility facilities and \$0.095 for recreational facilities) per \$100 of assessed valuation, which resulted in a tax levy of \$1,716,964 on the adjusted taxable valuation of \$903,665,039 for the 2023 tax year.

NOTE 8. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

The District is located within the boundaries of the North Harris County Regional Water Authority (the "Authority"). The Authority's purpose is to provide for the conservation, preservation, protection, recharge, and reduction of groundwater withdrawals. The Authority currently charges \$3.60 per 1,000 gallons of water for pumpage fees and \$4.05 per 1,000 gallons of purchased surface water. During the current fiscal year, the District incurred costs totaling \$232,803 for pumpage fees and \$915,273 for purchased surface water.

Capital Contributions Receivable

On July 7, 2003 (amended effective October 2, 2003), the District and the Authority entered into a Capital Contribution Contract ("Contract 1"). In accordance with Contract 1, the District contributed \$1,808,791 to the Authority during the fiscal year ended December 31, 2003, to pay for its share of the costs of construction infrastructure to bring surface water to the District. Under the terms of Contract 1, the District will receive a credit in the amount of \$91,480 annually for the first six years, beginning in 2004, and \$131,819 annually for the next 24 years. This credit is to be applied: first, against the District's pumpage fee, if any; second, against any amounts due to the Authority for water purchases or any other reason; and third, paid to the District by the Authority in installments as payments are due, not less frequently than annually. The credit is based upon the amortization of the District's contribution at the interest rate of 5.0575% over 30 years.

On February 7, 2005, the District and the Authority entered into a Capital Contribution Contract ("Contract 2"). In accordance with Contract 2, the District contributed \$1,190,942 to the Authority during the fiscal year ended December 31, 2005, to pay for its share of the costs of constructing infrastructure to bring surface water to the District. Under the terms of Contract 2, the District will receive a credit in the amount of \$27,823 for 2005, \$57,269 annually for the next four years, and \$81,220 annually for the next 26 years. This credit is to be applied: first, against the District's pumpage fee, if any; second, against any amount due to the Authority for water purchases or any other reason; and, third, paid to the District by the Authority in installments as payments are due, not less frequently than annually. The credit is based upon the amortization of the District's contribution at the interest rate of 4.8087% over 31 years.

**CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**NOTE 8. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
(Continued)**

Capital Contributions Receivable (Continued)

On July 7, 2008, the District and the Authority entered into a Capital Contribution Contract (“Contract 3”). In accordance with Contract 3, the District contributed \$2,400,831 to the Authority during the fiscal year ended December 31, 2008, to pay for its share of the costs of construction infrastructure to bring surface water to the District. Under the terms of Contract 3, the District will receive a credit in the amount of \$129,410 for 2009, \$129,057 annually for the next four years, and \$176,812 annually for the next 25 years. This credit is to be applied: first, against the District’s pumpage fee, if any, second, against any amounts due to the Authority for water purchases or any other reason; and third, paid to the District by the Authority in installments as payments are due, not less frequently than annually. The credit is based upon the amortization of the District’s contribution at the interest rate of 5.3755% over 31 years.

During the current fiscal year, the District received total credits per these contracts of \$389,850 including a return of principal of \$196,892. Future repayments of capital contributions are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 206,983	\$ 182,867	\$ 389,850
2025	217,591	172,259	389,850
2026	228,744	161,107	389,851
2027	240,471	149,381	389,852
2028	252,799	137,052	389,851
2029-2033	1,472,250	477,005	1,949,255
2034-2038	919,819	140,667	1,060,486
	<u>\$ 3,538,657</u>	<u>\$ 1,420,338</u>	<u>\$ 4,958,995</u>

Chloramine Conversion Reimbursement

The Authority required the District to convert its water systems to chloramine disinfection for as long as it is connected to the Authority’s system. The District has completed its chloramine conversion system which included reimbursable costs of \$299,184. The Authority calculated the reimbursement at 6% interest over a 30-year period. Total credits earned in the current fiscal year were \$21,735. Of this amount, \$7,579 was a return of principal with the balance being applicable to interest. The following is a schedule of the remaining chloramine conversion credits to be received under the terms of the agreement.

**CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

**NOTE 8. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
(Continued)**

Chloramine Conversion Reimbursement (Continued)

Fiscal Year	Principal	Interest	Total
2024	\$ 8,034	\$ 13,701	\$ 21,735
2025	8,516	13,219	21,735
2026	9,027	12,708	21,735
2027	9,568	12,167	21,735
2028	10,142	11,593	21,735
2029-2033	60,604	48,071	108,675
2034-2038	81,100	27,575	108,675
2039-2041	41,372	3,816	45,188
	<u>\$ 228,363</u>	<u>\$ 142,850</u>	<u>\$ 371,213</u>

NOTE 9. STRATEGIC PARTNERSHIP AGREEMENT

Effective December 2, 2002, the District entered into a Strategic Partnership Agreement with the City of Houston, Texas, which has been amended on July 11, 2006, December 14, 2009, and November 4, 2010. The agreement provides that in accordance with Subchapter F of Chapter 43 of the Local Government Code and Act, the City shall annex a tract of land defined as the “Subject Tract” for the limited purposes of applying the City’s Planning, Zoning, Health, and Safety Ordinances within the Subject Tract within the boundaries of the District. The City imposes a sale and use tax within the boundaries of the Subject Tract at the rate of one percent or the rate specified under the future amendments to Chapter 321 of the Tax Code. The City pays the District an amount equal to one-half of all sales and use tax revenues generated within the boundaries of the Subject Tract. During the year ended December 31, 2023, the District recorded sales tax revenues of \$313,804 from the City of Houston of which \$91,070 was receivable at year end.

NOTE 10. KLEINWOOD JOINT POWERS BOARD

The District is a participant in the Kleinwood Regional Wastewater Treatment Plant (“Plant”) which provides wastewater treatment for the District and the following participants: Kleinwood Municipal Utility District, Harris County Water Control & Improvement District No.114, Klein Independent School District, Cypress Forest Public Utility District, Louetta North Public Utility District and Champions Municipal Utility District. The agreement creating the Kleinwood Joint Powers Board was effective April 9, 1992, and subsequently amended on June 1, 1993, September 8, 1997, July 25, 2005, September 9, 2013, and March 16, 2017. Unless terminated earlier by mutual agreement of all the participants, the agreement will continue in force and effect until April 9, 2047.

**CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10. KLEINWOOD JOINT POWERS BOARD (Continued)

The operating expenses of the Plant are allocated based on each participant’s number of connections. Capital costs are paid by each participant based on their ownership interest in the Plant. The District’s capacity ownership is 21.45%. Operating expenses of \$191,988 were incurred by the District for the year ended December 31, 2023. The following summary of financial data of the Plant is presented for the year ended May 31, 2023.

Total Assets	\$ 3,367,490
Total Liabilities	<u>3,251,003</u>
Total Fund Balance	<u>\$ 116,487</u>
Total Revenues	\$ 1,782,083
Total Expenditures	<u>1,782,083</u>
Net Change in Fund Balance	\$ -0-
Fund Balance – June 1, 2022	<u>116,487</u>
Fund Balance – May 31, 2023	<u>\$ 116,487</u>

On November 1, 2017, the District entered into an agreement with the Board to facilitate the production and distribution of reclaimed water from the Facilities. The Board intends to provide reclaimed water to Champions Municipal Utility District (“Champions”) and Cypress Forest Public Utility District (“Cypress Forest”). As a participant to the agreement, the District’s pro rate share of the construction costs and related engineering and technical fees for the reclaimed water facilities is 22.15%. The construction costs for the reclaimed water facilities were \$3,179,241, of which the District’s share was \$704,202. The District paid its estimated pro-rata share to the Board in prior fiscal years.

Pursuant to the agreement, Champions and Cypress Forest will reimburse the Board for all costs incurred in the construction of the reclaimed water facilities (“Capital Recovery Payments”). These Capital Recovery Payments will be credited to the participants based on their pro rata share of the facilities. During the current fiscal year, the District received \$74,688 of credits related to prior construction costs.

The Reclaimed Water Supply Agreement is made subject to approval and execution of an Alternative Water Use Agreement by and among the Board, Champions and Cypress Forest, and the North Harris County Regional Water Authority, providing for Alternative Water Use Credits that in the aggregate at least equal the capital costs to be incurred in connection with design and construction of the systems. Both the Alternative Water Use Agreement and the Reclaimed Water Supply Agreement were approved during the 2018 fiscal year.

**CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 11. PARKWAY MAINTENANCE AGREEMENT

The District and Harris County Municipal Utility District No. 191 entered into an agreement on September 22, 1997, for sharing the costs of landscaping irrigation and maintenance of recreational facilities between the two districts. For the current fiscal year, the District recorded \$50,051 in park maintenance reimbursements related to this agreement.

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 13. LAW ENFORCEMENT AGREEMENTS

The District has entered into a series of agreements with Harris County for security services to be provided by deputy constables patrolling within the District. The District incurred costs relating to the agreement of \$567,389 for the fiscal year ended December 31, 2023. At December 31, 2023, the District has also prepaid \$48,667 for January 2024 services.

NOTE 14. HIGHWAY FM 1960 GREENS MEDIAN AGREEMENT

On August 1, 2009, the District entered into a ten-year agreement with other districts bounding the Highway FM 1960 road in Harris County, Texas. The agreement continues after the initial period unless terminated according to the provisions of the agreement. This agreement provides for the establishment of the Green Medians Joint Powers Board, which is authorized to landscape and maintain the traffic islands on FM 1960. The District has committed up to \$1,050 per month for this project. Beginning in January 2011, this amount is subject to annual inflation adjustment increases to be approved by the Joint Powers Board, provided that no such annual increase shall exceed five percent. The current amount is \$1,103 per month. During the current fiscal year, the District recorded expenditures of \$13,283 per this agreement.

CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 15. UNREIMBURSED COSTS

The District has entered into certain financing and reimbursement agreements with a Developer within the District which provides for the Developer to make payments on behalf of the District for drainage facilities. The District has an obligation to reimburse the Developer for these costs from future bond issues to the extent approved by the Commission. The District has recorded a liability to the Developer of \$1,332,886 for completed projects as of December 31, 2023. The actual amounts owed, including developer interest, will be calculated at the time debt is issued to reimburse the Developer. See Note 19. The following table summarizes the current fiscal year activity related to unreimbursed developer costs for completed projects:

Due to Developer, beginning of year	\$	- 0 -
Additions		1,332,886
Reimbursements		<u>-0-</u>
Due to Developer, end of year	\$	<u>1,332,886</u>

NOTE 16. BUILDING SPACE LEASE

On December 6, 2017, the District entered into a lease agreement for building space for the purpose of providing district meeting facilities and an office space dedicated to the use of the local constable deputies that patrol the neighborhood areas. This lease is for 240-month term with payments commencing February 1, 2018. The lease agreement shall automatically be extended on a month-to-month basis after the initial term, unless otherwise terminated.

The District recognized a lease liability and an intangible right-to-use leased asset in the amount of \$1,147,269, which is measured at the present value remaining lease payments at January 1, 2022 using an estimated incremental borrowing rate of 4.398998%. The remaining balance of the liability at December 31, 2023 is \$1,072,330. The District is responsible for all ordinary expense related to repairing and maintaining the equipment. Total annual payments were \$94,575, which includes principal of \$46,264 and interest of \$48,311.

Right-of-use assets, current year amortization expense an accumulated amortization is summarized below:

	January 1, 2023	Increases	Decreases	December 31, 2023
Right-of-Use Asset Subject to Amortization				
Infrastructure	\$ 1,147,269	\$ -0-	\$ -0-	\$ 1,147,269
Less Accumulated Amortization				
Infrastructure	\$ 71,333	\$ 71,704	\$ -0-	\$ 143,037
Right-of-Use Asset, Net of Accumulated Amortization	<u>\$ 1,075,936</u>	<u>\$ (71,704)</u>	<u>\$ -0-</u>	<u>\$ 1,004,232</u>

**CY-CHAMP PUBLIC UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 16. BUILDING SPACE LEASE (Continued)

The changes in lease liability during the current fiscal year are summarized as follows:

Lease Payable, January 1, 2023	\$	1,118,594
Less: Lease Principal Paid		46,264
Lease Payable, December 31, 2023	\$	1,072,330

Future lease payments are summarized below:

Fiscal Year	Principal	Interest	Total
2024	\$ 49,855	\$ 46,175	\$ 96,030
2025	52,093	43,937	96,030
2026	54,432	41,598	96,030
2027	56,875	39,155	96,030
2028	64,862	36,503	101,365
2029-2033	381,598	135,654	517,252
2034-2038	412,615	38,921	451,536
	\$ 1,072,330	\$ 391,943	\$ 1,454,273

NOTE 17. EMERGENCY WATER SUPPLY AGREEMENTS

On March 3, 1983, the District entered into an emergency water supply agreement with Harris County Municipal Utility District No. 191. The contract provides for emergency water to be provided at a price of either the resupply of water in the identical quantity taken by the party using the interconnect or the payment at the lowest rate at which water is supplied by the party to be compensated to its customers outside its boundaries or if it has no outside customers then the rate it charges its commercial customers within its district. The choice as to method of payment shall be made by the party making payment. The contract was originally in effect for 25 years from the date of contract execution, but automatically renews for one year periods unless either district gives written notice of termination one full year prior to the expiration of the original term.

On August 25, 1997, the District entered into an emergency water supply contract with Champions Municipal Utility District (formerly known as Harris County Fresh Water Supply District No. 52). The contract provides for emergency water to be provided at a rate of \$150 per day or in kind by redelivery of a like quantity of water to the supplying district. The choice as to the method of payment shall be made by the party making payment. The original term of the contract was for a period of 10 years from the date of contract execution. The contract continues on a year to year basis subject to termination by either district giving 60 days written notice to the other district.

**CY-CHAMP PUBLIC UTILITY DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2023**

NOTE 17. EMERGENCY WATER SUPPLY AGREEMENTS (Continued)

On May 21, 2004, the District entered into an emergency water supply contract with Cypress Forest Public Utility District. The contract provides for emergency water received to be repaid in kind or repaid at the rate of water charged at the time by the supplying district to its residential users plus any fees assessed by the North Harris County Regional Water Authority. The choice as to the method of payment shall be made by the party making payment. The contract shall remain in effect for a period of 20 years, and shall renew annually from year to year until terminated upon 60 days written notice by either party. However, at any time either party may terminate the contract by giving written notice one year prior to termination.

NOTE 18. BOND SALE

On March 23, 2023, the District issued \$6,470,000 of Unlimited Tax Park Bonds, Series 2023. Proceeds from the bonds are being used to pay for construction and engineering costs for park and recreational improvements serving the District. Additional proceeds were used to pay for issuance costs of the bonds.

NOTE 19. SUBSEQUENT EVENT – BOND SALE

On March 20, 2024, subsequent to year end, the District issued \$8,350,000 of Unlimited Tax Bonds, Series 2024. Proceeds from the bonds were used to reimburse a Developer for construction and engineering costs for detention and drainage facilities and to also reimburse for land and easement acquisition costs. Proceeds are also being used to finance various District projects for water, wastewater, drainage and park facilities. Additional proceeds were used to pay for issuance costs of the bonds.

NOTE 20. PRIOR PERIOD ADJUSTMENTS

Prior to this current fiscal year, the District had been recording capital contributions receivable from the Authority as a current asset. This accounting is incorrect as these amounts are due to the District over many years out into the future and should only be recorded as a government-wide receivable. Additionally, the District has been recording sales taxes receivable from the City of Houston that are not collected within 60 days from the end of the fiscal year as a deferred inflow of resources. This accounting is unnecessary as the amounts are generally immaterial and tracking this is burdensome. The effect of making these adjustments are as follows:

General Fund fund balance, January 1, 2023	\$ 7,422,704
Effect of Adjustments - Capital Contributions	(3,735,550)
Sales Taxes	<u>61,072</u>
General Fund fund balance, January 1, 2023, As Adjusted	<u>\$ 3,748,226</u>

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CY-CHAMP PUBLIC UTILITY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2023

CY-CHAMP PUBLIC UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 1,549,500	\$ 1,542,161	\$ (7,339)
Water Service	700,000	715,003	15,003
Wastewater Service	460,000	462,441	2,441
Regional Water Authority Fees	1,025,000	1,047,577	22,577
Penalty and Interest	23,000	16,220	(6,780)
Sales Tax Revenue	295,000	313,804	18,804
Tap Connection and Inspection Fees	6,400	4,620	(1,780)
Capital and Chloramine Contribution Credits	411,586	411,585	
Investment Revenues	40,000	164,455	124,455
Miscellaneous Revenues	<u>60,275</u>	<u>63,861</u>	<u>3,586</u>
TOTAL REVENUES	<u>\$ 4,570,761</u>	<u>\$ 4,741,727</u>	<u>\$ 170,967</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 341,000	\$ 282,135	\$ 58,865
Contracted Services	708,000	714,480	(6,480)
Purchased Water Service	916,000	915,273	727
Purchased Wastewater Service	210,000	191,988	18,012
Utilities	74,200	92,442	(18,242)
Repairs and Maintenance	329,400	285,672	43,728
Regional Water Authority Fees	229,000	232,803	(3,803)
Parks and Recreational	638,000	427,687	210,313
Other	188,850	209,175	(20,325)
Capital Outlay	60,000	72,761	(12,761)
Lease Costs	<u>104,200</u>	<u>94,575</u>	<u>9,625</u>
TOTAL EXPENDITURES	<u>\$ 3,798,650</u>	<u>\$ 3,518,991</u>	<u>\$ 279,659</u>
NET CHANGE IN FUND BALANCE	<u>\$ 772,111</u>	<u>\$ 1,222,736</u>	<u>\$ 450,625</u>
FUND BALANCE - JANUARY 1, 2023	<u>3,748,226</u>	<u>3,748,226</u>	
FUND BALANCE - DECEMBER 31, 2023	<u>\$ 4,520,337</u>	<u>\$ 4,970,962</u>	<u>\$ 450,625</u>

See accompanying independent auditor's report.

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CY-CHAMP PUBLIC UTILITY DISTRICT
SUPPLEMENTARY INFORMATION – REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE
DECEMBER 31, 2023

**CY-CHAMP PUBLIC UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED DECEMBER 31, 2023**

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>1,117</u>	<u>1,117</u>	x 1.0	<u>1,117</u>
1"	<u>49</u>	<u>49</u>	x 2.5	<u>123</u>
1½"	<u>17</u>	<u>17</u>	x 5.0	<u>85</u>
2"	<u>52</u>	<u>52</u>	x 8.0	<u>416</u>
3"	<u>1</u>	<u>1</u>	x 15.0	<u>15</u>
4"	<u>2</u>	<u>2</u>	x 25.0	<u>50</u>
6"	<u>3</u>	<u>3</u>	x 50.0	<u>150</u>
8"	<u>1</u>	<u>1</u>	x 80.0	<u>80</u>
10"	_____	_____	x 115.0	_____
Total Water Connections	<u><u>1,242</u></u>	<u><u>1,242</u></u>		<u><u>2,036</u></u>
Total Wastewater Connections	<u><u>1,171</u></u>	<u><u>1,171</u></u>	x 1.0	<u><u>1,171</u></u>

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

Gallons pumped into system:	58,352,000	Water Accountability Ratio: 94.7 % (Gallons billed/Gallons pumped and purchased)
Gallons billed to customers:	265,758,000	
Gallons purchased:	222,132,000	From: <u>North Harris County Regional Water Authority</u>

See accompanying independent auditor's report.

**CY-CHAMP PUBLIC UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes X No _____

County in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely _____ Partly _____ Not at all X

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

Entirely X Partly _____ Not at all _____

ETJ in which District is located:

City of Houston, Texas

Are Board Members appointed by an office outside the District?

Yes _____ No X

See accompanying independent auditor's report.

**CY-CHAMP PUBLIC UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023**

PROFESSIONAL FEES:	
Auditing	\$ 25,000
Engineering	141,918
Legal	114,017
Financial Advisor	<u>1,200</u>
TOTAL PROFESSIONAL FEES	<u>\$ 282,135</u>
 PURCHASED SERVICES FOR RESALE:	
Purchased Water Service	\$ 915,273
Purchased Wastewater Service	<u>191,988</u>
TOTAL PURCHASED SERVICES FOR RESALE	<u>\$ 1,107,261</u>
 CONTRACTED SERVICES:	
Bookkeeping	\$ 42,218
Operations and Billing	104,873
Security	<u>567,389</u>
TOTAL CONTRACTED SERVICES	<u>\$ 714,480</u>
 UTILITIES:	
Telephone	\$ 1,756
Electricity	<u>90,686</u>
TOTAL UTILITIES	<u>\$ 92,442</u>
 REPAIRS AND MAINTENANCE	<u>\$ 285,672</u>
 ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 21,968
Insurance	44,019
Office Supplies and Postage	28,360
Payroll Taxes	1,681
Election Costs	21,350
Travel and Meetings	1,333
Regional Water Authority Assessments	232,803
Other	<u>34,067</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 385,581</u>

See accompanying independent auditor's report.

**CY-CHAMP PUBLIC UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023**

CAPITAL OUTLAY	<u>\$ 72,761</u>
PARKS AND RECREATION	<u>\$ 427,687</u>
OTHER EXPENDITURES:	
Chemicals	\$ 18,453
Laboratory Fees	8,753
Permit Fees	11,367
Reconnection Fees	4,500
Inspection Fees	7,460
Regulatory Assessment	<u>5,864</u>
TOTAL OTHER EXPENDITURES	<u>\$ 56,397</u>
DEBT SERVICE:	
Capital Lease Principal	46,264
Capital Lease Interest	<u>48,311</u>
TOTAL DEBT SERVICE	<u>\$ 94,575</u>
TOTAL EXPENDITURES	<u><u>\$ 3,518,991</u></u>

See accompanying independent auditor's report.

**CY-CHAMP PUBLIC UTILITY DISTRICT
INVESTMENTS
DECEMBER 31, 2023**

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
TexPool	XXXX0001	Varies	Daily	\$ 2,178,618	\$
TexPool	XXXX0013	Varies	Daily	493,643	
Certificate of Deposit	XXXX0450	5.44%	11/18/24	240,000	2,074
Certificate of Deposit	XXXX8121	5.50%	12/20/24	240,000	398
Certificate of Deposit	XXXX2661	5.00%	11/22/24	<u>240,000</u>	<u>1,287</u>
TOTAL GENERAL FUND				<u>\$ 3,392,261</u>	<u>\$ 3,759</u>
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0005	Varies	Daily	\$ 3,511,969	\$
Certificate of Deposit	XXXX8113	5.00%	02/22/24	240,000	4,866
Certificate of Deposit	XXXX0477	5.50%	02/22/24	<u>240,000</u>	<u>4,737</u>
TOTAL DEBT SERVICE FUND				<u>\$ 3,991,969</u>	<u>\$ 9,603</u>
<u>CAPITAL PROJECTS FUND</u>					
TexPool	XXXX0015	Varies	Daily	<u>\$ 6,004,314</u>	<u>\$ -0-</u>
TOTAL - ALL FUNDS				<u><u>\$ 13,388,544</u></u>	<u><u>\$ 13,362</u></u>

See accompanying independent auditor's report.

**CY-CHAMP PUBLIC UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Maintenance Taxes		Debt Service Taxes
TAXES RECEIVABLE -			
JANUARY 1, 2023	\$ 1,010,159		\$ 819,926
Adjustments to Beginning			
Balance	<u>(50,622)</u>	\$ 959,537	<u>(41,707)</u> \$ 778,219
Original 2023 Tax Levy	\$ 1,556,496		\$ 1,310,733
Adjustment to 2023 Tax Levy	<u>160,468</u>	<u>1,716,964</u>	<u>135,131</u> <u>1,445,864</u>
TOTAL TO BE			
ACCOUNTED FOR		\$ 2,676,501	\$ 2,224,083
TAX COLLECTIONS:			
Prior Years	\$ 941,490		\$ 756,144
Current Year	<u>362,406</u>	<u>1,303,896</u>	<u>305,183</u> <u>1,061,327</u>
TAXES RECEIVABLE -			
DECEMBER 31, 2023		<u>\$ 1,372,605</u>	<u>\$ 1,162,756</u>
TAXES RECEIVABLE BY			
YEAR:			
2023		\$ 1,354,558	\$ 1,140,681
2022		12,820	10,309
2021		1,602	1,201
2020		610	1,525
2019		429	1,159
2018 and Prior		<u>2,586</u>	<u>7,881</u>
TOTAL		<u>\$ 1,372,605</u>	<u>\$ 1,162,756</u>

See accompanying independent auditor's report.

**CY-CHAMP PUBLIC UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
PROPERTY VALUATIONS:				
Land	\$ 167,354,752	\$ 161,431,102	\$ 157,465,657	\$ 136,235,289
Improvements	703,702,019	655,801,711	500,446,371	496,752,038
Personal Property	187,918,627	163,007,281	167,798,673	217,371,623
Exemptions	<u>(155,310,359)</u>	<u>(154,397,450)</u>	<u>(128,836,014)</u>	<u>(127,793,332)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 903,665,039</u>	<u>\$ 825,842,644</u>	<u>\$ 696,874,687</u>	<u>\$ 722,565,618</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.16	\$ 0.156	\$ 0.15	\$ 0.25
Maintenance	<u>0.19</u>	<u>0.194</u>	<u>0.20</u>	<u>0.10</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.35</u>	<u>\$ 0.350</u>	<u>\$ 0.35</u>	<u>\$ 0.35</u>
ADJUSTED TAX LEVY*	<u>\$ 3,162,828</u>	<u>\$ 2,890,450</u>	<u>\$ 2,439,061</u>	<u>\$ 2,528,980</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>21.11 %</u>	<u>99.20 %</u>	<u>99.89 %</u>	<u>99.92 %</u>

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

Maintenance Tax – Maximum tax rate of \$0.10 per \$100 of assessed valuation for utility facilities approved by voters on November 3, 1981 and maximum tax rate of \$0.10 per \$100 of assessed valuation for recreational facilities approved by voters on May 7, 2005.

See accompanying independent auditor's report.

**CY-CHAMP PUBLIC UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023**

S E R I E S - 2 0 1 9

Due During Fiscal Years Ending December 31	Principal Due March 1	Interest Due March 1/ September 1	Total
2024	\$ 25,000	\$ 59,913	\$ 84,913
2025	50,000	59,163	109,163
2026	50,000	58,163	108,163
2027	50,000	57,163	107,163
2028	50,000	56,163	106,163
2029	75,000	54,913	129,913
2030	75,000	53,413	128,413
2031	75,000	51,913	126,913
2032	75,000	50,319	125,319
2033	100,000	48,350	148,350
2034	100,000	46,100	146,100
2035	100,000	43,850	143,850
2036	100,000	41,538	141,538
2037	125,000	38,866	163,866
2038	125,000	35,819	160,819
2039	125,000	32,694	157,694
2040	125,000	29,569	154,569
2041	125,000	26,444	151,444
2042	150,000	23,006	173,006
2043	150,000	19,163	169,163
2044	150,000	15,225	165,225
2045	150,000	11,288	161,288
2046	175,000	7,022	182,022
2047	180,000	2,363	182,363
2048			
2049			
	<u>\$ 2,505,000</u>	<u>\$ 922,420</u>	<u>\$ 3,427,420</u>

See accompanying independent auditor's report.

**CY-CHAMP PUBLIC UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023**

REFUNDING SERIES - 2020

Due During Fiscal Years Ending December 31	Principal Due March 1	Interest Due March 1/ September 1	Total
2024	\$ 255,000	\$ 34,774	\$ 289,774
2025	255,000	29,241	284,241
2026	265,000	23,599	288,599
2027	270,000	17,794	287,794
2028	275,000	11,881	286,881
2029	50,000	8,355	58,355
2030	55,000	7,215	62,215
2031	60,000	5,968	65,968
2032	60,000	4,665	64,665
2033	60,000	3,364	63,364
2034	60,000	2,062	62,062
2035	65,000	705	65,705
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
	<u>\$ 1,730,000</u>	<u>\$ 149,623</u>	<u>\$ 1,879,623</u>

See accompanying independent auditor's report.

**CY-CHAMP PUBLIC UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023**

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

Due During Fiscal Years Ending December 31	Principal Due March 1	Interest Due March 1/ September 1	Total
2024	\$ 50,000	\$ 141,344	\$ 191,344
2025	50,000	140,344	190,344
2026	50,000	139,344	189,344
2027	50,000	138,344	188,344
2028	50,000	137,344	187,344
2029	100,000	135,844	235,844
2030	100,000	133,844	233,844
2031	100,000	131,844	231,844
2032	100,000	129,844	229,844
2033	100,000	127,844	227,844
2034	100,000	125,844	225,844
2035	100,000	123,844	223,844
2036	400,000	118,844	518,844
2037	425,000	110,594	535,594
2038	425,000	102,094	527,094
2039	450,000	93,344	543,344
2040	450,000	84,063	534,063
2041	475,000	74,234	549,234
2042	475,000	63,844	538,844
2043	500,000	52,875	552,875
2044	500,000	41,625	541,625
2045	525,000	30,094	555,094
2046	525,000	18,281	543,281
2047	550,000	6,188	556,188
2048			
2049			
	<u>\$ 6,650,000</u>	<u>\$ 2,401,708</u>	<u>\$ 9,051,708</u>

See accompanying independent auditor's report.

**CY-CHAMP PUBLIC UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023**

REFUNDING SERIES - 2021

Due During Fiscal Years Ending December 31	Principal Due March 1	Interest Due March 1/ September 1	Total
2024	\$ 280,000	\$ 153,050	\$ 433,050
2025	315,000	144,125	459,125
2026	320,000	134,600	454,600
2027	330,000	124,850	454,850
2028	340,000	114,800	454,800
2029	370,000	104,150	474,150
2030	380,000	92,900	472,900
2031	385,000	81,425	466,425
2032	420,000	69,350	489,350
2033	425,000	56,675	481,675
2034	430,000	43,850	473,850
2035	460,000	30,500	490,500
2036	350,000	20,100	370,100
2037	350,000	13,100	363,100
2038	230,000	7,300	237,300
2039	250,000	2,500	252,500
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
	<u>\$ 5,635,000</u>	<u>\$ 1,193,275</u>	<u>\$ 6,828,275</u>

See accompanying independent auditor's report.

**CY-CHAMP PUBLIC UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023**

PARK REFUNDING SERIES - 2021A

Due During Fiscal Years Ending December 31	Principal Due March 1	Interest Due March 1/ September 1	Total
2024	\$ 215,000	\$ 127,187	\$ 342,187
2025	215,000	120,737	335,737
2026	240,000	113,912	353,912
2027	245,000	106,637	351,637
2028	250,000	99,212	349,212
2029	255,000	91,637	346,637
2030	265,000	83,838	348,838
2031	270,000	75,813	345,813
2032	300,000	67,263	367,263
2033	310,000	58,113	368,113
2034	310,000	48,813	358,813
2035	315,000	39,438	354,438
2036	270,000	32,013	302,013
2037	265,000	26,663	291,663
2038	170,000	22,313	192,313
2039	170,000	18,913	188,913
2040	190,000	15,075	205,075
2041	185,000	10,856	195,856
2042	185,000	6,694	191,694
2043	205,000	2,306	207,306
2044			
2045			
2046			
2047			
2048			
2049			
	<u>\$ 4,830,000</u>	<u>\$ 1,167,433</u>	<u>\$ 5,997,433</u>

See accompanying independent auditor's report.

**CY-CHAMP PUBLIC UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023**

P A R K S E R I E S - 2 0 2 3

Due During Fiscal Years Ending December 31	Principal Due March 1	Interest Due March 1/ September 1	Total
2024	\$	\$ 276,219	\$ 276,219
2025		276,219	276,219
2026		276,219	276,219
2027		276,219	276,219
2028		276,219	276,219
2029		276,219	276,219
2030		276,219	276,219
2031		276,219	276,219
2032		276,219	276,219
2033		276,219	276,219
2034		276,219	276,219
2035		276,219	276,219
2036		276,219	276,219
2037		276,219	276,219
2038	100,000	274,219	374,219
2039	100,000	270,219	370,219
2040	510,000	255,469	765,469
2041	530,000	231,787	761,787
2042	555,000	209,409	764,409
2043	580,000	186,000	766,000
2044	610,000	161,075	771,075
2045	635,000	134,619	769,619
2046	665,000	106,994	771,994
2047	695,000	78,094	773,094
2048	730,000	47,812	777,812
2049	760,000	16,150	776,150
	<u>\$ 6,470,000</u>	<u>\$ 5,838,913</u>	<u>\$ 12,308,913</u>

See accompanying independent auditor's report.

**CY-CHAMP PUBLIC UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023**

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending December 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2024	\$ 825,000	\$ 792,487	\$ 1,617,487
2025	885,000	769,829	1,654,829
2026	925,000	745,837	1,670,837
2027	945,000	721,007	1,666,007
2028	965,000	695,619	1,660,619
2029	850,000	671,118	1,521,118
2030	875,000	647,429	1,522,429
2031	890,000	623,182	1,513,182
2032	955,000	597,660	1,552,660
2033	995,000	570,565	1,565,565
2034	1,000,000	542,888	1,542,888
2035	1,040,000	514,556	1,554,556
2036	1,120,000	488,714	1,608,714
2037	1,165,000	465,442	1,630,442
2038	1,050,000	441,745	1,491,745
2039	1,095,000	417,670	1,512,670
2040	1,275,000	384,176	1,659,176
2041	1,315,000	343,321	1,658,321
2042	1,365,000	302,953	1,667,953
2043	1,435,000	260,344	1,695,344
2044	1,260,000	217,925	1,477,925
2045	1,310,000	176,001	1,486,001
2046	1,365,000	132,297	1,497,297
2047	1,425,000	86,645	1,511,645
2048	730,000	47,812	777,812
2049	760,000	16,150	776,150
	<u>\$ 27,820,000</u>	<u>\$ 11,673,372</u>	<u>\$ 39,493,372</u>

See accompanying independent auditor's report.

**CY-CHAMP PUBLIC UTILITY DISTRICT
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED DECEMBER 31, 2023**

Description	Original Bonds Issued	Bonds Outstanding January 1, 2023
Cy Champ Public Utility District Unlimited Tax Bonds - Series 2019	\$ 4,240,000	\$ 2,530,000
Cy Champ Public Utility District Unlimited Tax Refunding Bonds - Series 2020	3,550,000	1,970,000
Cy Champ Public Utility District Unlimited Tax Bonds - Series 2020A	8,085,000	6,700,000
Cy Champ Public Utility District Unlimited Tax Refunding Bonds - Series 2021	7,225,000	5,910,000
Cy Champ Public Utility District Unlimited Tax Refunding Park Bonds - Series 2021A	9,050,000	5,030,000
Cy Champ Public Utility District Unlimited Tax Park Bonds - Series 2023	<u>6,470,000</u>	<u> </u>
TOTAL	<u><u>\$ 38,620,000</u></u>	<u><u>\$ 22,140,000</u></u>

See accompanying independent auditor's report.

Current Year Transactions				Bonds Outstanding December 31, 2023	Paying Agent
Bonds Sold	Retirements				
	Principal	Interest			
\$	\$ 25,000	\$ 60,413	\$ 2,505,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX	
	240,000	40,145	1,730,000	Amegy Bank Houston, TX	
	50,000	142,344	6,650,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX	
	275,000	161,375	5,635,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX	
	200,000	133,412	4,830,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX	
<u>6,470,000</u>		<u>121,086</u>	<u>6,470,000</u>	The Bank of New York Mellon Trust Company, N.A. Dallas, TX	
<u>\$ 6,470,000</u>	<u>\$ 790,000</u>	<u>\$ 658,775</u>	<u>\$ 27,820,000</u>		

See accompanying independent auditor's report.

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**CY-CHAMP PUBLIC UTILITY DISTRICT
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED DECEMBER 31, 2023**

Bond Authority:	<u>Tax Bonds*</u>	<u>Refunding Bonds</u>	<u>Recreational Facilities Bonds</u>	<u>Recreational Facilities Refunding Bonds</u>
Amount Authorized by Voters	\$ 63,360,000	\$ 8,000,000	\$ 24,600,000	\$ 12,000,000
Amount Issued	<u>34,925,000</u>	<u>7,715,000</u>	<u>12,600,000</u>	<u> </u>
Remaining to be Issued	<u>\$ 28,435,000</u>	<u>\$ 285,000</u>	<u>\$ 12,000,000</u>	<u>\$ 12,000,000</u>

Debt Service Fund cash and investment balances as of December 31, 2023: \$ 4,562,598

Average annual debt service payment (principal and interest) for remaining term
of all debt: \$ 1,518,976

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

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

See accompanying independent auditor's report.

CY-CHAMP PUBLIC UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

	Amounts		
	2023	2022	2021
REVENUES			
Property Taxes	\$ 1,542,161	\$ 1,396,650	\$ 731,400
Water Service	715,003	676,403	596,111
Wastewater Service	462,441	420,097	373,092
Regional Water Authority Fees	1,047,577	1,003,035	1,059,165
Penalty and Interest	16,220	22,121	19,036
Sales Tax Revenue	313,804	279,902	304,747
Tap Connection and Inspection Fees	4,620	13,462	127,281
Capital and Chloramine Contribution Credits	411,585	202,556	211,685
Investment Revenues	164,455	45,106	3,564
Fallen Warriors Memorial Donation		80,000	382,526
Miscellaneous Revenues	63,861	180,946	62,610
TOTAL REVENUES	\$ 4,741,727	\$ 4,320,278	\$ 3,871,217
EXPENDITURES			
Professional Fees	\$ 282,135	\$ 404,715	\$ 391,788
Contracted Services	714,480	711,984	757,985
Purchased Water Services	915,273	1,043,401	1,282,883
Purchased Wastewater Services	191,988	207,912	196,111
Utilities	92,442	84,522	101,813
Repairs and Maintenance	285,672	575,002	423,292
Parks and Recreational	427,687	190,420	86,839
Regional Water Authority Assessments	232,803	229,020	68,639
Other	209,175	169,038	138,222
Capital Outlay	72,761		964,675
Debt Service:			
Lease Principal and Interest	94,575	78,570	104,892
TOTAL EXPENDITURES	\$ 3,518,991	\$ 3,694,584	\$ 4,517,139
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,222,736	\$ 625,694	\$ (645,922)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	\$ - 0 -	\$ - 0 -	\$ 96,249
NET CHANGE IN FUND BALANCE	\$ 1,222,736	\$ 625,694	\$ (549,673)
BEGINNING FUND BALANCE	3,748,226	6,797,010	7,346,683
PRIOR PERIOD ADJUSTMENT		(3,674,478)	
ENDING FUND BALANCE	\$ 4,970,962	\$ 3,748,226	\$ 6,797,010

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2020	2019	2023	2022	2021	2020	2019
\$ 651,786	\$ 591,039	32.5 %	32.3 %	18.8 %	22.0 %	22.8 %
542,296	509,270	15.1	15.7	15.4	18.3	19.8
250,390	202,575	9.8	9.7	9.6	8.5	7.9
822,436	657,956	22.1	23.2	27.4	27.8	25.5
12,407	14,654	0.3	0.5	0.5	0.4	0.6
245,348	233,303	6.6	6.5	7.9	8.3	9.1
131,685	2,660	0.1	0.3	3.3	4.4	0.1
220,368	228,628	8.7	4.7	5.5	7.4	8.9
16,929	54,627	3.5	1.0	0.1	0.6	2.1
68,100	82,939	1.3	1.9	9.9		
			4.2	1.6	2.3	3.2
<u>\$ 2,961,745</u>	<u>\$ 2,577,651</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 191,960	\$ 227,018	6.0 %	9.4 %	10.1 %	6.5 %	8.8 %
720,372	638,606	15.1	16.5	19.6	24.3	24.8
813,224	666,317	19.3	24.2	33.1	27.5	25.8
193,773	161,474	4.0	4.8	5.1	6.5	6.3
70,591	80,171	1.9	2.0	2.6	2.4	3.1
252,956	282,549	6.0	13.3	10.9	8.5	11.0
222,273	147,146	9.0	4.4	2.2	7.5	5.7
125,063	345,266	4.9	5.3	1.8	4.2	13.4
149,927	140,024	4.4	3.9	3.6	5.1	5.4
15,656	391,820	1.5		24.9	0.5	15.2
102,637	103,884	2.0	1.8	2.7	3.5	4.0
<u>\$ 2,858,432</u>	<u>\$ 3,184,275</u>	<u>74.1 %</u>	<u>85.6 %</u>	<u>116.6 %</u>	<u>96.5 %</u>	<u>123.5 %</u>
<u>\$ 103,313</u>	<u>\$ (606,624)</u>	<u>25.9 %</u>	<u>14.4 %</u>	<u>(16.6) %</u>	<u>3.5 %</u>	<u>(23.5) %</u>
<u>\$ 147,413</u>	<u>\$ 569,328</u>					
\$ 250,726	\$ (37,296)					
7,095,957	7,133,253					
<u>\$ 7,346,683</u>	<u>\$ 7,095,957</u>					

See accompanying independent auditor's report.

CY-CHAMP PUBLIC UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND – FIVE YEARS

	Amounts		
	2023	2022	2021
REVENUES			
Property Taxes	\$ 1,239,044	\$ 1,055,584	\$ 1,794,582
Penalty and Interest	47,504	35,533	30,062
Investment Revenues	196,755	60,280	6,847
Miscellaneous Revenues	2,605	144	289
TOTAL REVENUES	\$ 1,485,908	\$ 1,151,541	\$ 1,831,780
EXPENDITURES			
Tax Collection Expenditures	\$ 72,579	\$ 66,978	\$ 70,090
Debt Service Principal	790,000	625,000	675,000
Debt Service Interest and Fees	661,775	691,177	476,399
Paid to Refunding Bond Escrow Agent			124,456
Bond Issuance Costs			439,385
TOTAL EXPENDITURES	\$ 1,524,354	\$ 1,383,155	\$ 1,785,330
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (38,446)	\$ (231,614)	\$ 46,450
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	\$	\$	\$ 11,255,000
Paid to Refunding Bond Escrow Agent			(11,330,544)
Bond Premium			522,092
TOTAL OTHER FINANCING SOURCES (USES)	\$ - 0 -	\$ - 0 -	\$ 446,548
NET CHANGE IN FUND BALANCE	\$ (38,446)	\$ (231,614)	\$ 492,998
BEGINNING FUND BALANCE	3,976,495	4,208,109	3,715,111
ENDING FUND BALANCE	\$ 3,938,049	\$ 3,976,495	\$ 4,208,109
TOTAL ACTIVE RETAIL WATER CONNECTIONS	1,242	1,242	1,242
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	1,171	1,171	1,171

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2020	2019	2023	2022	2021	2020	2019
\$ 1,750,812	\$ 1,596,077	83.4 %	91.7 %	98.0 %	97.8 %	94.6 %
14,249	22,544	3.2	3.1	1.6	0.8	1.3
19,308	68,476	13.2	5.2	0.4	1.1	4.1
5,344		0.2			0.3	
<u>\$ 1,789,713</u>	<u>\$ 1,687,097</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 53,869	\$ 53,545	4.9 %	5.8 %	3.8 %	3.0 %	3.2 %
610,000	605,000	53.2	54.3	36.8	34.1	35.9
505,750	474,325	44.5	60.0	26.0	28.3	28.1
				6.8		
71,094				24.0	4.0	
<u>\$ 1,240,713</u>	<u>\$ 1,132,870</u>	<u>102.6 %</u>	<u>120.1 %</u>	<u>97.4 %</u>	<u>69.4 %</u>	<u>67.2 %</u>
\$ 549,000	\$ 554,227	<u>(2.6) %</u>	<u>(20.1) %</u>	<u>2.6 %</u>	<u>30.6 %</u>	<u>32.8 %</u>
\$ 2,230,000	\$ 61,662					
(2,160,000)						
<u>\$ 70,000</u>	<u>\$ 61,662</u>					
\$ 619,000	\$ 615,889					
3,096,111	2,480,222					
<u>\$ 3,715,111</u>	<u>\$ 3,096,111</u>					
<u>1,240</u>	<u>1,239</u>					
<u>1,170</u>	<u>1,169</u>					

See accompanying independent auditor's report.

**CY-CHAMP PUBLIC UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
DECEMBER 31, 2023**

District Mailing Address - Cy-Champ Public Utility District
Young & Brooks
10000 Memorial Drive, Suite 260
Houston, TX 77024

District Telephone Number - (713) 951-0800

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended <u>December 31, 2023</u>	Expense Reimbursements for the year ended <u>December 31, 2023</u>	<u>Title</u>
Ron Walkoviak	11/23 11/27 (Elected)	\$ 4,815	\$ -0-	President
Richard M. Spurlock	11/21 11/25 (Elected)	\$ 7,570	\$ 802	Vice President
Shelley Serres	11/23 11/27 (Elected)	\$ 4,010	\$ -0-	Secretary
Harold W. Greer	11/23 11/27 (Elected)	\$ 2,305	\$ -0-	Assistant Secretary
Polly Looper	11/21 11/25 (Elected)	\$ 3,268	\$ 280	Security Coordinator

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

Submission date of most recent District Registration Form: December 22, 2023

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year. During the current fiscal year, a director was inadvertently overpaid fees of office in the amount of \$370 due to an accounting error. This will be rectified by the director foregoing fees in this amount for work performed in the next fiscal year.

See accompanying independent auditor's report.

**CY-CHAMP PUBLIC UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
DECEMBER 31, 2023**

Consultants:	Date Hired	Fees for the year ended December 31, 2023	Title
Young & Brooks	01/72	\$ 115,517 \$ 14,305 \$ 166,750	General Counsel Delinquent Tax Attorney Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	01/24	\$ -0-	Auditor
McGrath & Co., PLLC	2009	\$ 26,250	Prior Auditor
L&S District Services, LLC	08/21	\$ 43,418	Bookkeeper
Sander Engineering Corporation	12/91	\$ 625,307	Engineer
The GMS Group, L.L.C.	12/95	\$ 132,330	Financial Advisor
Eagle Water Management, Inc.	08/02	\$ 316,567	Operator
Bob Leared Interests	07/95	\$ 35,254	Tax Assessor/ Collector
Clark Condon Associates, Inc.	09/21	\$ 242,505	Landscape Architect

See accompanying independent auditor's report.

