

CASH SPECIAL UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2020

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**CASH SPECIAL UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2020**

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**CASH SPECIAL UTILITY DISTRICT
ANNUAL FILING AFFIDAVIT**

State of Texas
County of Hunt

I, William C. Reese of the Cash Special Utility District hereby
(Name of Duly Authorized District Representative)

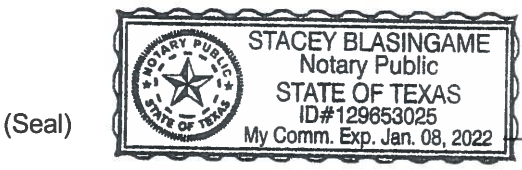
swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the 22 day of March, 2021 its annual audit report for the fiscal period ended December 31, 2020 and that copies of the annual report have been filed in the District's office, located at 172 FM 1564, Greenville, Texas 75402.

This filing affidavit and the attached copy of the audit report will be submitted to the Texas Commission on Environmental Quality to satisfy the annual filing requirements of Texas Water Code, Section 49.194.

Date March 22, 2021 By William C Reese
(Signature of District Representative)

William C. Reese President
(Printed Name and Title of District Representative)

Sworn to and Subscribed to before me this 22 day of March



Stacey Blasingame
(Signature of Notary)

My Commission Expires on: Jan. 8, 2022

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Members of the Board

We have audited the accompanying financial statements of the business type activities, which are the proprietary funds of the Cash Special Utility District (District), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant account estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities, which are the proprietary funds of the Cash Special Utility District as of December 31, 2020, and the respective changes in financial position and cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements as a whole. The schedules identified as Texas Supplementary Information are presented for the purpose of additional analysis, and are not a required part of the basic financial statements.

The Texas Supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



March 18, 2021
Greenville, Texas

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business type activities, which are the proprietary funds of the Cash Special Utility District (District), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 18, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Report on Internal Control – Continued

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Rutharbord, Taylor & Company PC". The signature is written in a cursive style.

March 18, 2021
Greenville, Texas

**CASH SPECIAL UTILITY DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020**

**Schedule
Reference
Number**

Findings

NONE

**CASH SPECIAL UTILITY DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020**

**Schedule
Reference
Number**

Prior Findings

NONE

CASH SPECIAL UTILITY DISTRICT
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2020

Schedule
Reference
Number

Actions Planned

NONE

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

This section of Cash Special Utility District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended December 31, 2020. Please read it in conjunction with the District's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net position was \$ 17,880,928 at December 31, 2020.
- During the year, the District's expenses were \$ 1,307,538 less than the \$ 6,917,410 generated from charges in services and other revenues for business-type activities.
- The District did not issue any new debt in the 2020 year.
- The District completed a new pump station and began the next phase of the Fate transmission line to provide enhanced water delivery infrastructure for customers.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements and required supplementary information. Management's Discussion and Analysis provides an overview of the financial activities of the District. The District is a special purpose government engaged in only business-type activities. The business-type fund is identified as an enterprise fund. The financial statements include three statements that present a financial view of the District: The Statement of Fund Net Position presents financial information, including assets and liabilities, representing a one day snapshot; the Statement of Revenues, Expenses and Changes in Fund Net Position presents a review of operating and non-operating activities for the fiscal period; the Statement of Cash Flows reflects the inflows and outflows of cash resources.

The basic financial statements also include notes to the financial statements that explain some of the information in the basic financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the basic financial statements. Special schedules as required by the Texas Commission on Environmental Quality (TCEQ) are included following the required supplementary information section.

FINANCIAL ANALYSIS OF THE DISTRICT

STATEMENT OF NET POSITION

Net position may serve over time as a useful indicator of an entity's financial position. The District's fund net position increased \$ 1,307,538 during the year to \$ 17,880,928.

A significant portion of the net position reflects its investment in capital assets. Capital assets are land, water production and distribution infrastructure, equipment, vehicles and other physical assets. The value of capital assets is reduced by accumulated depreciation to arrive at net capital assets. The investment in capital assets reflected in the net position section of the financial statement reflects the net value of the capital assets reduced by any debt used to construct or acquire the assets. The net investment in capital assets increased 7.96% during the year as the District used prior period accumulated unrestricted net assets to complete construction projects for the system.

The unrestricted net position \$ 4,952,799 is available for recurring operating expenses or other capital investments.

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT (Continued)

The following Table A-1 presents condensed financial information for comparative purposes:

	District's Net Position		Table A-1
	2020	2019	Total Percentage Change 2019 - 2020
Assets:			
Cash and Cash Equivalents	\$ -	\$ 222,767	-100.00%
Other Assets	360,795	301,265	19.76%
Restricted Assets	5,956,121	5,646,119	5.49%
Capital Assets, net of depreciation	18,988,129	18,989,656	-0.01%
Total Assets	\$ 25,305,045	\$ 25,159,807	0.58%
Deferred Outflows of Resources:	\$ -	\$ 94,855	-100.00%
Liabilities:			
Current Liabilities	\$ 2,379,206	\$ 2,633,391	-9.65%
Long-term Liabilities	5,024,477	5,991,453	-16.14%
Total Liabilities	\$ 7,403,683	\$ 8,624,844	-14.16%
Deferred Inflows of Resources:	\$ 44,337	\$ 56,428	-21.43%
Net Position:			
Net Investment in Capital Assets	\$ 12,928,129	\$ 11,975,478	7.96%
Unrestricted	4,952,799	4,597,912	7.72%
Total Net Position	\$ 17,880,928	\$ 16,573,390	7.89%

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSTION

The Statement of Revenues, Expenses and Changes in Fund Net Position presents information showing how the District's net position changed during the year. Operating revenues consists of water sales, and other fees related to the delivery of potable water. Operating expenses include salaries and related benefits; water production and delivery expenses including repairs, chemicals, supplies and materials; and other operating costs including depreciation and amortization. The non-operating revenues include sources of funds that are not dependent on the delivery of water to the District's customers and includes investment earnings and contributions. Non-operating expenses are limited to interest paid on debt issued by the District.

The net position of the District increased \$ 1,307,538 from the prior year due to better than anticipated revenues as well as managed costs.

Operating revenues totaled \$ 6,556,515. This represents an increase of \$ 534,374 from the prior year operating revenues of \$ 6,022,141 or 8.87%.

Operating expenses totaled \$ 5,450,040. This represents an increase of \$ 324,764 from the prior year expenses of \$ 5,125,276. The change represents the general increase of costs related to the operations of the District including water purchase costs and system repairs.

Non-operating revenues decreased due to the decrease in interest rates being paid on cash and investments. At the same time, interest expense decreased \$ 20,322 from the prior year amount.

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

The following Table A-2 presents condensed financial information for comparative purposes:

	Changes in the District's Net Position		Table A-2
	2020	2019	Total Percentage Change 2019 - 2020
Operating Revenues:			
Charges for Services	\$ 6,556,515	\$ 6,022,141	8.87%
Total Operating Revenues	<u>\$ 6,556,515</u>	<u>\$ 6,022,141</u>	8.87%
Operating Expenses:			
Water Utilities	\$ 5,450,040	\$ 5,125,276	6.34%
Total Operating Expenses	<u>\$ 5,450,040</u>	<u>\$ 5,125,276</u>	6.34%
Non-operating Revenues (Expenses):			
Interest Income	\$ 65,189	\$ 136,701	-52.31%
Interest Expense	(159,832)	(180,154)	-11.28%
Customer/Developer Contributions	295,706	297,099	-0.47%
Total Non-operating Revenues (Expenses)	<u>\$ 201,063</u>	<u>\$ 253,646</u>	-20.73%
Increase (Decrease) in Net Position	\$ 1,307,538	\$ 1,150,511	13.65%
Net Position - Beginning	16,573,390	15,422,879	7.46%
Net Position - Ending	<u>\$ 17,880,928</u>	<u>\$ 16,573,390</u>	7.89%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At year end, the District had invested \$ 33,086,355 in a broad range of capital assets, including land, water distribution systems, buildings, equipment and vehicles.

The District completed the construction of a new water transmission line connecting the western service area with the main center of the system. Additional pump stations were complete at year end to enhance the delivery of water throughout the system. Additional improvement projects should continue through the next year. Additional lines were added during the year to provide enhanced services to both new and current customers.

The following Table A-3 presents the breakdown of the capital assets of the District. Additional information on the capital asset activities occurring during the year are included in the notes to the basic financial statements.

	District's Capital Assets		Table A-3
	2020	2019	Total Percentage Change 2019 - 2020
Land and Improvements	\$ 500,868	\$ 500,868	0.00%
Construction in Progress	395,414	747,013	-47.07%
Buildings and Improvements	708,600	704,655	0.56%
Water Distribution System	30,081,717	28,554,379	5.35%
Vehicles and Equipment	1,321,494	1,321,494	0.00%
Office Equipment	78,262	68,601	14.08%
Totals at Historical Cost	<u>\$ 33,086,355</u>	<u>\$ 31,897,010</u>	3.73%
Total Accumulated Depreciation	<u>(14,098,226)</u>	<u>(12,907,354)</u>	9.23%
Net Capital Assets	<u>\$ 18,988,129</u>	<u>\$ 18,989,656</u>	-0.01%

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Long Term Debt

At year end, the District had \$ 6,060,000 in debt outstanding as shown in Table A-4. More detailed information about the District's debt is presented in the notes to the basic financial statements.

District's Long Term Debt			Table A-4
	2020	2019	Total Percentage Change 2019 - 2020
Bonds Payable	\$ 6,060,000	\$ 7,015,000	-13.61%
Total Debt Payable	<u>\$ 6,060,000</u>	<u>\$ 7,015,000</u>	-13.61%

BUDGET, ECONOMIC ENVIRONMENT AND RATES

At this time, the District is not aware of any decisions or conditions that would impact the District's operations through 2021. Rates will be reviewed for adjustment as has been completed in the past. Water purchasing costs continue to escalate as prior years and the District has calculated for rate increases in the 2021 budget.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Clay Hodges, General Manager for the District.

BASIC FINANCIAL STATEMENTS

CASH SPECIAL UTILITY DISTRICT
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2020

		Enterprise Fund
		Water Utilities
ASSETS		
Current Assets:		
Accounts Receivable	\$	256,758
Prepaid Expenses - Supplies and Materials		104,037
Prepaid Expenses - Other		23,903
Total Current Assets	\$	384,698
Restricted Assets:		
Cash - Debt Service	\$	551,732
Cash - Construction		4,130,531
Cash - Developer Capacity Fee		69,736
Cash - Customer Deposits		1,204,122
Total Restricted Assets	\$	5,956,121
Capital Assets, Net	\$	18,988,129
Total Assets	\$	25,328,948

The accompanying notes are an integral part of this statement.

CASH SPECIAL UTILITY DISTRICT
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2020

		Enterprise Fund
		Water Utilities
LIABILITIES		
Current Liabilities:		
Accrued Wages Payable	\$	18,418
Payroll Liabilities Payable		518
Accounts Payable		116,670
TCEQ Assessment Payable		26,132
Total Current Liabilities	\$	161,738
Current Liabilities (Payable from Restricted Assets):		
Accrued Interest Payable	\$	51,468
Bonds Payable (Current Portion)		970,000
Customer Deposits		1,196,000
Total Current Liabilities (Payable from Restricted Assets)	\$	2,217,468
Non-Current Liabilities:		
Bonds Payable	\$	5,090,000
Bond Issue Discounts		(65,523)
Total Non-Current Liabilities	\$	5,024,477
Total Liabilities	\$	7,403,683
DEFERRED INFLOW OF RESOURCES		
Gain on Refunding	\$	44,337
Total Deferred Inflow of Resources	\$	44,337
NET POSITION		
Net Investment in Capital Assets	\$	12,928,129
Unrestricted		4,952,799
Total Net Position	\$	17,880,928

The accompanying notes are an integral part of this statement.

CASH SPECIAL UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020

		Enterprise Fund
		Water Utilities
		<hr/>
OPERATING REVENUES		
Water/Sales	\$	5,805,788
Customer Charges/Fees		<hr/> 750,727
Total Operating Revenues	\$	<hr/>6,556,515
OPERATING EXPENSES		
Payroll and Benefits	\$	1,405,762
Water Purchases		1,187,299
Repairs and Maintenance		523,048
Supplies		212,823
Professional and Legal Fees		68,162
Insurance		246,668
Other Operating Costs		520,551
Amortization and Depreciation		<hr/> 1,285,727
Total Operating Expenses	\$	<hr/>5,450,040
Net Operating Revenue (Expenses)	\$	<hr/>1,106,475
NON-OPERATING REVENUE (EXPENSES)		
Interest Income	\$	65,189
Interest Expense		(159,832)
Customer/Developer Contributions		<hr/> 295,706
Net Non-Operating Revenue (Expenses)	\$	<hr/>201,063
Change in Net Position	\$	1,307,538
Total Net Position - Beginning (January 1)		<hr/> 16,573,390
Total Net Position - Ending (December 31)	\$	<hr/><hr/>17,880,928

The accompanying notes are an integral part of this statement.

**CASH SPECIAL UTILITY DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Enterprise Fund
	Water Utilities
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 6,488,393
Cash Payments for Goods and Services	(3,254,854)
Cash Payments to Employees	(1,264,236)
Net Cash Provided by (Used for) Operating Activities	\$ 1,969,303
Cash Flows from Capital and Other Related Financing Activities:	
Sale (Purchase) of Restricted Assets	\$ (310,002)
Principal Paid on Bonds	(955,000)
Interest Paid on Bonds	(176,148)
Acquisition and Construction of Capital Assets	(1,189,345)
Net Cash Provided by (Used for) Capital and Other Related Financing Activities	\$ (2,630,495)
Net Cash Provided by (Used for) Noncapital Financing Activities:	
Change in Customer Deposits	\$ 54,487
Customer/Developer Contributions	294,772
Net Cash Provided by (Used for) Noncapital Financing Activities	\$ 349,259
Cash Flows from Investing Activities:	
Interest Received	\$ 65,189
Net Cash Provided by (Used for) Investing Activities	\$ 65,189
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (246,744)
Cash and Cash Equivalents - Beginning (January 1)	222,767
Cash and Cash Equivalents - Ending (December 31)	\$ (23,977)
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Net Operating Revenue (Expenses)	\$ 1,106,475
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Amortization and Depreciation	1,285,727
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivables	(68,122)
(Increase) Decrease in Prepaid Expenses - Supplies and Materials	(9,285)
(Increase) Decrease in Prepaid Expenses	(307,180)
Increase (Decrease) in Accounts Payable	(6,025)
Increase (Decrease) in Accrued Wages Payable	(36,891)
Increase (Decrease) in Payroll Liabilities	1,716
Increase (Decrease) in TCEQ Assessment Payable	2,888
Net Cash Provided by (Used for) Operating Activities	\$ 1,969,303

The accompanying notes are an integral part of this statement.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

A. Summary of Significant Accounting Policies

Cash Special Utility District was created under Chapter 49 and 65 of the Texas Water Code by order of the Texas Commission of Environmental Quality (TCEQ) on March 11, 2003.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

1. Reporting Entity

The Board of Directors (Board), a nine member group constituting an on-going entity, is the level of government which has governance responsibilities over all activities related to providing water services within the jurisdiction of the Cash Special Utility District. Members of the Board are elected by the public, have the authority to make decisions, appoint administrators and managers, and significantly influence operations; and have the primary accountability for fiscal matters. The District is not included in any other governmental "Reporting Entity" as defined by GASB Statement No. 14, *The Financial Reporting Entity*. There are no component units presented.

2. Basis of Presentation

The District is a special purpose government engaged in only business-type activities. In accordance with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the District is required to present only financial statements for enterprise funds, along with management's discussion and analysis (MD&A), notes of the financial statements and other required supplementary information (RSI).

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenue and expenses. The fund type utilized by the District is described below:

Proprietary fund types include the following –

The *Enterprise Fund* is used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) the governing body has decided periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary fund types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and liabilities associated with the operation of these funds are included in the balance sheet. Fund equity is identified as net position.

4. Budget

The Board adopts an annual budget for the Enterprise Fund. The budget for the Enterprise Fund is adopted under a basis consistent with GAAP. The Board approves amendments to the annual budget as prepared by the General Manager of the District.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

A. Summary of Significant Accounting Policies (Continued)

5. Capital Assets

Additions to the utility system are recorded at cost or, if contributed property, at its estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of capital assets is recovered by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Office Equipment	3-7 years
Equipment and Vehicles	5-10 years
Water Distribution System	20-40 years

6. Prepaid Expenses - Supplies and Materials

Prepaid expenses consist of items or services paid for in the current period to be utilized in following accounting periods. Prepaid supplies and materials consist of supplies and repair parts for the distribution system, valued at cost. The cost of supplies and materials is recorded as an expense when consumed rather than when purchased.

7. Cash and Cash Equivalents

Cash and Cash Equivalents are comprised of deposits in financial institutions, including time deposits. For the purpose of the statement of cash flows, a cash equivalent is considered any highly liquid investment with a maturity of ninety days or less. Restricted assets are not included.

8. Contributions from Customers / Developers

The District requires customers and developers to provide funds to make distribution system storage and line improvements. These funds are collected prior to the improvement planning or construction. Major improvements require engineering and other costs to determine the impact on the existing system. Upon completion of the engineering services, cost estimates are provided to the customer/developer. The customer/developer places funds with the District and the District completes the expansion of the required infrastructure. Upon completion of the expansion, excess funds are returned to the customer/ developer. The District recognizes the funds collected for the project as other non-operating revenues.

9. Compensated Absences

District employees are entitled to certain compensated absences based on their length of employment. Sick leave accumulates, but does not vest, and will only be expensed when used.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

B. Capital Assets

The following is a summary of changes in capital assets for the year:

	Beginning Balances	Additions and Reclassifications	Disposals	Ending Balances
Land	\$ 500,868	\$ -	\$ -	\$ 500,868
Construction in Progress	747,013	395,414	747,013	395,414
Water Distribution System	28,554,379	1,527,338	-	30,081,717
Buildings and Improvements	704,655	3,945	-	708,600
Vehicles and Equipment	1,321,494	-	-	1,321,494
Office Equipment	68,601	9,661	-	78,262
Totals at Historical Cost	\$ 31,897,010	\$ 1,936,358	\$ 747,013	\$ 33,086,355
Less Accumulated Depreciation for:				
Water Distribution System	\$ 11,882,261	\$ 1,053,177	\$ -	\$ 12,935,438
Buildings and Improvements	257,526	24,312	-	281,838
Vehicles and Equipment	700,363	110,840	-	811,203
Office Equipment	67,204	2,543	-	69,747
Total Accumulated Depreciation	\$ 12,907,354	\$ 1,190,872	\$ -	\$ 14,098,226
Net Capital Assets	\$ 18,989,656	\$ 745,486	\$ 747,013	\$ 18,988,129

C. Deposits, Securities and Investments

The District's funds are deposited and invested under the terms of an agreement with a financial institution. The agreement requires the depository to pledge approved securities in an amount significant to protect the District's day-to-day balances. The pledge is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. At December 31, 2020, all District cash deposits appear to be covered by FDIC insurance or by pledged collateral held by the depository in the District's name. The District's deposits appear to have been properly secured throughout the fiscal year.

The District's investment policies and types of investments are governed by the Public Funds Investment Act. The Act requires specific training, reporting and establishment of local policies. The District appears to be in compliance with the requirements of the Act.

State statutes and local policy authorize the District to invest in the following types of investment goods:

- a. obligations of the U.S. or its agencies or instrumentalities,
- b. obligations of the State of Texas or its agencies,
- c. obligations guaranteed by the U.S. or State of Texas or their agencies or instrumentalities,
- d. obligations of other states, agencies or political subdivisions having a national investment rating of "A" or greater,
- e. guaranteed or secured certificates of deposit issued by a bank domiciled in the State of Texas, or
- f. fully collateralized repurchase agreements.

District investments include deposits in TexSTAR, an external investment pool, and investments held with Edward Jones. These investments are reported at share price (fair value) and are presented as Restricted Assets.

Texas Short Term Asset Reserve Program (TexSTAR) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities (Participants) to invest their public funds and funds under their control through the investment pools.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

C. Deposits, Securities and Investments (Continue)

J. P. Morgan Investment Management, Inc. (JPMIM) and First Southwest Asset Management, Inc. (FSAM) serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors (Board). JPMIM provides investment services, and FSAM provides participant services and marketing. Custodial, transfer agency, fund accounting and depository services are provided by JPMorgan Chase Bank and/or its subsidiary J.P. Morgan Investor Services Co.

The Board may establish separate Funds within TexSTAR from time to time. Participants choose the Funds in which their deposits are invested. Participants' assets in the Funds are represented by units of beneficial interest (units). The Board may issue an unlimited number of units in each Fund.

TexSTAR is rated AAAM by Standard & Poor's rating agency. This rating and the fund's operational settings allow the fund to comply with the requirement of the Public Funds Investment Act.

The following table categorizes the District's investments at year end:

	Credit Rating	Fair Value
TexSTAR	AAAm	\$ 4,876,727
Edward Jones	AAA	1,079,394
Total		\$ 5,956,121

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

a. Credit Risk

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

b. Custodial Credit Risk

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

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

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District does not appear to be exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District does not appear to be exposed to interest rate risk.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

C. Deposits, Securities and Investments (Continue)

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District does not appear to be exposed to foreign currency risk.

D. Long - Term Obligations

The following schedule presents changes in long-term debt for the year:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds Payable	\$ 7,015,000	\$ -	\$ 955,000	\$ 6,060,000	\$ 970,000
Unamortized Discount	(68,547)	-	(3,024)	(65,523)	-
Totals	\$ 6,946,453	\$ -	\$ 951,976	\$ 5,994,477	\$ 970,000

The following schedule presents outstanding debt at year end:

Description	Interest Rate	Original Amount	Outstanding Balance
Revenue Refunding and Improvement Bonds, Series 2014	2.13%	\$ 8,695,000	\$ 3,695,000
Revenue Bonds, Series 2018	4.21%	2,560,000	2,365,000
Totals			\$ 6,060,000

Debt service requirements to maturity on bonds at year end are as follows:

Year Ending December 31	Principal	Interest	Total Requirements
2021	\$ 970,000	\$ 154,404	\$ 1,124,404
2022	985,000	132,339	1,117,339
2023	1,015,000	111,456	1,126,456
2024	1,035,000	89,742	1,124,742
2025	85,000	67,000	152,000
2025-2029	460,000	295,700	755,700
2030-2034	550,000	220,794	770,794
2035-2039	655,000	123,788	778,788
2040-2042	305,000	16,100	321,100
Totals	\$ 6,060,000	\$ 1,211,323	\$ 7,271,323

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

E Customer Deposits

The District requires each new customer to pay \$ 200, which is held as a refundable deposit to secure payment of the customer's final water bill. At year end, the District's obligation for refundable deposits owed to water customers totaled \$ 1,196,000.

F. Litigation

The District does not appear to be involved in any litigation at year end.

G. Joint Agreements

The District has entered into equity agreements with North Texas Municipal Water District (NTMWD) and Sabine River Authority (SRA).

H. 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; injuries to employees; and natural disasters. During fiscal year 2020, the District purchased commercial insurance to cover these liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance for each of the past three fiscal years.

I. Subsequent Events

The District's management has evaluated subsequent events through March 18, 2021, the date which the financial statements were available for issue.

J. Pension Plans

457(b) Deferred Compensation Plan

The District established a 457(b) deferred compensation plan for the employees of the District. The plan is a voluntary program where employees can elect to defer portions of their annual compensation. There is no responsibility of the District to match elective deferrals made by the employees.

Cash Special Utility District Profit Sharing Plan

The District contributes to the Cash Special Utility District Profit Sharing Plan (Plan), a defined contribution pension plan, for its full time employees. The Plan is administered by the District's Board with Edward Jones acting as the trustee. Benefit terms, including contribution requirements, for the Plan are established and may be amended by the District's Board. The District is required to contribute 7% of employee's annual compensation to individual employee accounts for each participating employee. The District contributed \$ 83,759 to the plan during the year.

Employees are eligible for contributions after attaining age 16, employed full time, and completing two years of service. The Plan has a vesting schedule in place as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 1	-0-
1	-0-
2	20%
3	40%
4	40%
5	80%
6 or more	100%

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

J. Pension Plans (Continued)

Non-vested contributions are forfeited upon termination of employment and such forfeitures are allowed to pay administrative expenses of the Plan. Any remaining forfeitures will be used to restore rehired participant's balances and then to various other purposes allowed in the plan document.

There is no liability at year end to the Plan.

TEXAS SUPPLEMENTARY INFORMATION (TSI)
(Other Supplementary Information)

**CASH SPECIAL UTILITY DISTRICT
SUPPLEMENTARY SCHEDULES INCLUDED WITHIN THIS REPORT
YEAR ENDED DECEMBER 31, 2020**

Exhibit ID	Exhibit Title	Page
	Budgetary Comparison – Enterprise Fund	29
TSI-1	Services and Rates	30
TSI-2	Enterprise Fund Expenditures	33
TSI-3	Temporary Investments	34
TSI-5	Long-Term Debt Service Requirements by Years	35
TSI-6	Changes in Long-Term Bonded Debt	37
TSI-7	Comparative Schedule of Revenues and Expenses Enterprise Fund - Five Years	38
TSI-8	Board Members, Key Personnel and Consultants	39

The following schedules are not applicable to this District.

TSI-4 Analysis of Taxes Levied and Receivable

**CASH SPECIAL UTILITY DISTRICT
ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
OPERATING REVENUES				
Water/Sales	\$ 4,930,000	\$ 5,181,000	\$ 5,805,788	\$ 624,788
Customer Charges/Fees	657,300	745,000	750,727	5,727
 Total Operating Revenues	 <u>\$ 5,587,300</u>	 <u>\$ 5,926,000</u>	 <u>\$ 6,556,515</u>	 <u>\$ 630,515</u>
OPERATING EXPENSES				
Payroll and Benefits	\$ 1,475,000	\$ 1,475,000	\$ 1,405,762	\$ 69,238
Water Purchased	1,177,000	1,177,000	1,187,299	(10,299)
Repairs and Maintenance	550,000	750,000	523,048	226,952
Supplies	465,000	475,000	212,823	262,177
Professional and Legal Fees	360,000	400,000	68,162	331,838
Insurance	-	-	246,668	(246,668)
Other Operating Cost	300,000	358,000	520,551	(162,551)
Amortization and Depreciation	1,030,000	1,030,000	1,285,727	(255,727)
 Total Operating Expenses	 <u>\$ 5,357,000</u>	 <u>\$ 5,665,000</u>	 <u>\$ 5,450,040</u>	 <u>\$ 214,960</u>
NONOPERATING REVENUES (EXPENSES):				
Interest Income	\$ 130,000	\$ 130,000	\$ 65,189	\$ (64,811)
Interest Expense	(177,000)	(177,000)	(159,832)	17,168
Customer Contributions	85,000	108,000	295,706	187,706
 Net Nonoperating Revenues (Expenses)	 <u>\$ 38,000</u>	 <u>\$ 61,000</u>	 <u>\$ 201,063</u>	 <u>\$ 140,063</u>
 Change in Net Position	 <u>\$ 268,300</u>	 <u>\$ 322,000</u>	 <u>\$ 1,307,538</u>	 <u>\$ 985,538</u>
Net Position - Beginning (January 1)	16,573,390	16,573,390	16,573,390	-
 Net Position - Ending (December 31)	 <u>\$ 16,841,690</u>	 <u>\$ 16,895,390</u>	 <u>\$ 17,880,928</u>	 <u>\$ 985,538</u>
 Other Items:				
Capital Constructions Transfers	\$ 200,000	\$ 300,000	\$ -	\$ 300,000

**CASH SPECIAL UTILITY DISTRICT
SERVICES AND RATES
YEAR ENDED DECEMBER 31, 2020**

1. Services provided by the District:

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

2. a. Retail Rates Based on 5/8" Meter:

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1000 Gallons Over Minimum		Usage Levels	
WATER:	\$ 30.54	0	N	4.00	0	to	5,000
				4.95	5,001	to	10,000
				5.50	10,001	to	15,000
				6.50	15,001	to	20,000
				7.20	20,001	to	25,000
				8.00	25,001	to	unlimited
WASTEWATER:	\$ n/a	0	N	\$ n/a	n/a	to	n/a
	\$ n/a	0	N	\$ n/a	n/a	to	n/a

District employs winter averaging for wastewater usage? Yes ___ No X

Total charges per 10,000 gallons usage: Water \$ 71.29 Wastewater \$ n/a

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unbilled	<u>0</u>	<u>0</u>		<u>0</u>
≤ 3/4"	<u>7,529</u>	<u>6,818</u>	x 1.0	<u>6,818</u>
1"	<u>34</u>	<u>34</u>	x 2.5	<u>85</u>
1 1/2"	<u>0</u>	<u>0</u>	x 5.0	<u>0</u>
2"	<u>17</u>	<u>16</u>	x 8.0	<u>128</u>
3"	<u>5</u>	<u>0</u>	x 15.0	<u>0</u>
4"	<u>N/A</u>	<u>N/A</u>	x 25.0	<u>0</u>
6"	<u>N/A</u>	<u>N/A</u>	x	<u>0</u>
Total Water	<u>7,585</u>	<u>6,868</u>		<u>7,031</u>
Total Wastewater	<u>N/A</u>	<u>N/A</u>	x 1.0	<u>0</u>

**CASH SPECIAL UTILITY DISTRICT
SERVICES AND RATES
YEAR ENDED DECEMBER 31, 2020**

3. Total water consumption (rounded to the nearest 1,000) during the fiscal year:

Gallons pumped into system:	<u>611,824,000</u>
Gallons billed to customers:	<u>529,257,277</u>
Water Accountability %:	<u>13.5%</u>

4. Standby Fees: District does not levy standby fees.

5. Location of District:

County(ies) in which district is located. Hunt, Hopkins, Rains and Rockwall

Is the District located entirely in one county? Yes No

Is the District located within a city? Entirely Partly Not at all

City(ies) in which district is located. n/a

Is the District located within a city's extra territorial jurisdiction (ETJ)?
Entirely Partly Not at all

ETJ's in which district is located. Greenville

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

Yes No

If Yes, by whom? n/a

**CASH SPECIAL UTILITY DISTRICT
ENTERPRISE FUND EXPENSES
YEAR ENDED DECEMBER 31, 2020**

Payroll and Benefits	\$	1,405,762
Professional and Legal Fees		68,162
Water Purchased		1,187,299
Repairs and Maintenance		523,048
Supplies		212,823
Other Operating Costs		520,551
Insurance		246,668
Amortization and Depreciation		1,285,727
Interest Expense		<u>159,832</u>
Total Expenses	<u>\$</u>	<u><u>5,609,872</u></u>

Number of persons employed by the District:

Full Time	<u>23</u>
Part Time	<u>0</u>

**CASH SPECIAL UTILITY DISTRICT
TEMPORARY INVESTMENTS
YEAR ENDED DECEMBER 31, 2020**

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at Year End
<u>Enterprise Fund</u>					
TexSTAR Investments *	1160010230	1.5643%	Monthly	157,277	-
TexSTAR Investments *	1160010400	1.5643%	Monthly	4,130,531	-
TexSTAR Investments *	1160015660	1.5643%	Monthly	60,203	-
TexSTAR Investments *	1160022990	1.5643%	Monthly	134,261	-
TexSTAR Investments *	1160030000	1.5643%	Monthly	394,455	-
Edward Jones *	MMA	0.0100%	Monthly	3,974	-
Edward Jones *	MMA	0.0100%	Monthly	523,783	-
Edward Jones *	535705	6.5000%	2/1/2031	1,481	-
Edward Jones *	687399	6.0000%	12/1/2032	1,954	-
Edward Jones *	684199	6.0000%	1/1/2033	614	-
Edward Jones *	555667	5.5000%	7/1/2033	1,510	-
Edward Jones *	003094	6.0000%	6/20/2031	1,730	-
Edward Jones *	C01491	6.0000%	3/20/2031	4,697	-
Edward Jones *	303826	6.0000%	3/1/2026	3,734	-
Edward Jones *	555000	6.0000%	10/1/2032	2,178	-
Edward Jones *	C01491	6.0000%	2/1/2033	4,674	-
Edward Jones *	604245	5.5000%	4/15/2033	6,027	-
Edward Jones *	256552	5.5000%	1/1/2037	7,939	-
Edward Jones *	003865	6.0000%	6/20/2036	4,281	-
Edward Jones *	004559	5.0000%	10/20/2039	9,160	-
Edward Jones *	004680	5.5000%	4/20/2040	8,976	-
Edward Jones *	004802	5.0000%	9/20/2040	10,189	-
Edward Jones *	004924	5.0000%	1/20/2041	10,884	-
Edward Jones *	005234	4.5000%	11/20/2041	18,612	-
Edward Jones *	MA1224	3.5000%	8/20/2043	38,148	-
Edward Jones *	MA1223	3.0000%	8/20/2043	40,622	-
Edward Jones *	MA0154	3.5000%	6/20/2042	30,645	-
Edward Jones *	MA1676	3.0000%	2/20/1944	33,605	-
Edward Jones *	MA2446	4.0000%	12/20/2044	21,223	-
Edward Jones *	MA2892	3.5000%	6/20/2045	28,676	-
Edward Jones *	G13596	4.0000%	7/1/2024	5,090	-
Edward Jones *	MA3037	5.0000%	8/20/2045	32,052	-
Edward Jones *	AS4582	4.0000%	3/1/2045	67,428	-
Edward Jones *	MA4452	4.0000%	5/20/2030	45,276	-
Edward Jones *	MA1600	3.5000%	10/1/2043	59,896	-
Edward Jones *	MA5019	3.5000%	2/20/2048	50,336	-
Total				<u>\$ 5,956,121</u>	<u>\$ -</u>

* The District's interest-bearing investments do not accrue interest due to interest being paid monthly.

**CASH SPECIAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SERIES 2014 - BY YEAR
YEAR ENDED DECEMBER 31, 2020**

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2021	\$ 895,000	\$ 78,704	\$ 973,704
2022	910,000	59,640	969,640
2023	935,000	40,257	975,257
2024	955,000	20,342	975,342
Total	<u>\$ 3,695,000</u>	<u>\$ 198,943</u>	<u>\$ 3,893,943</u>

**CASH SPECIAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SERIES 2018 - BY YEAR
YEAR ENDED DECEMBER 31, 2020**

Year Ending December 31	Principal	Interest	Total Requirements
2021	75,000	75,700	150,700
2022	75,000	72,700	147,700
2023	80,000	71,200	151,200
2024	80,000	69,400	149,400
2025	85,000	67,000	152,000
2026	85,000	64,450	149,450
2027	90,000	61,900	151,900
2028	90,000	59,200	149,200
2029	95,000	56,500	151,500
2030	100,000	53,650	153,650
2031	100,000	50,650	150,650
2032	105,000	47,650	152,650
2033	110,000	44,369	154,369
2034	115,000	40,932	155,932
2035	120,000	37,194	157,194
2036	120,000	33,294	153,294
2037	125,000	29,244	154,244
2038	130,000	25,025	155,025
2039	135,000	20,475	155,475
2040	145,000	15,750	160,750
2041	150,000	10,675	160,675
2042	155,000	5,425	160,425
Totals	2,365,000	1,012,383	3,377,383

**CASH SPECIAL UTILITY DISTRICT
CHANGES IN LONG-TERM BONDED DEBT
YEAR ENDED DECEMBER 31, 2020**

	<u>Bond Issues</u> Series 2014	<u>Bond Issues</u> Series 2018
Interest Rate	2.13%	4.21%
Dates Interest Payable	3/1 - 9/1	3/1 - 9/1
Maturity Date	9/1/2024	9/1/2042
Beginning Bonds Outstanding	\$ 4,575,000	\$ 2,440,000
Bonds Sold During the Fiscal Year	-	-
Bonds Retired During the Fiscal Year	<u>880,000</u>	<u>75,000</u>
Ending Bonds Outstanding	<u>\$ 3,695,000</u>	<u>\$ 2,365,000</u>
Interest Paid During the Fiscal Year	\$ 97,448	\$ 78,700

Paying Agent's Name and City:

Series 2014 Refunding	The Bank of New York Trust Co, N.A., Dallas, Texas
Series 2018 Revenue	UMB, N.A., Austin, Texas

Bond Authority:	<u>Tax Bonds</u>	<u>Other Bonds</u>	<u>Refunding Bonds</u>
Amount Authorized	\$ -	\$ -	\$ -
Amount Issued	\$ -	\$ -	\$ -
Remaining To Be Issued	\$ -	\$ -	\$ -

Debt Service Fund cash and temporary investment balances as of December 31, 2020:	\$ 551,732
Average annual debt service payment (Principal and Interest) for remaining term of all debt:	\$ 381,930

**CASH SPECIAL UTILITY DISTRICT
COMPARATIVE STATEMENT OF REVENUES AND EXPENSES
ALL PROPRIETARY FUND TYPES
FIVE YEARS ENDED DECEMBER 31, 2020**

	AMOUNTS					PERCENT OF FUND TOTAL REVENUE				
	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016
OPERATING REVENUE										
Water Sales	\$ 5,805,788	5,270,177	\$ 5,188,784	\$ 4,582,672	\$ 4,480,991	88.55%	87.51%	88.34%	86.16%	87.70%
Customer Charges/Fees	750,727	751,964	685,166	735,837	628,390	11.45%	12.49%	11.66%	13.84%	12.30%
TOTAL OPERATING REVENUE	\$ 6,556,515	6,022,141	\$ 5,873,950	\$ 5,318,509	\$ 5,109,381	100.00%	100.00%	100.00%	100.00%	100.00%
OPERATING EXPENSES										
Payroll and Benefits	\$ 1,405,762	\$ 1,343,216	\$ 1,220,518	\$ 1,227,457	\$ 1,134,477	21.44%	22.30%	20.78%	23.08%	22.20%
Water Purchased	1,187,299	1,151,390	1,062,410	1,023,385	952,913	18.11%	19.12%	18.09%	19.24%	18.65%
Repairs and Maintenance	523,048	511,432	381,038	309,154	196,603	7.98%	8.49%	6.49%	5.81%	3.85%
Supplies	212,823	216,978	263,839	328,093	288,725	3.25%	3.60%	4.49%	6.17%	5.65%
Professional Fees	68,162	36,727	21,483	128,044	29,319	1.04%	0.61%	0.37%	2.41%	0.57%
Insurance	246,668	274,040	214,926	257,085	205,101	3.76%	4.55%	3.66%	4.83%	4.01%
Other Operating Costs	520,551	502,584	488,476	444,881	431,168	7.94%	8.35%	8.32%	8.36%	8.44%
Amortization and Depreciation	1,285,727	1,088,909	1,019,955	1,005,733	985,840	19.61%	18.08%	17.36%	18.91%	19.29%
TOTAL OPERATING EXPENSES	\$ 5,450,040	5,125,276	\$ 4,672,645	\$ 4,723,832	\$ 4,224,146	83.12%	85.11%	79.55%	88.82%	82.67%
NET OPERATING REVENUE (EXPENSES)	\$ 1,106,475	896,865	\$ 1,201,305	\$ 594,677	\$ 885,235	16.88%	14.89%	20.45%	11.18%	17.33%
NONOPERATING REVENUE (EXPENSES)										
Gain (Loss) on Sale of Capital Assets	\$ -	-	\$ (2,731)	\$ 1,267	\$ 1,878	0.00%	0.00%	-0.05%	0.02%	0.04%
Interest Income	65,189	136,701	143,021	62,231	43,149	0.99%	2.27%	2.43%	1.17%	0.84%
Interest Expense	(159,832)	(180,154)	(172,370)	(133,174)	(150,534)	-2.44%	-2.99%	-2.93%	-2.50%	-2.95%
Customer/Developer Contributions	295,706	297,099	112,576	124,244	439,260	4.51%	4.93%	1.92%	2.34%	8.60%
NET NONOPERATING REVENUE (EXPENSES)	\$ 201,063	253,646	\$ 80,496	\$ 54,568	\$ 333,753	3.07%	4.21%	1.37%	1.03%	6.53%
NET REVENUE (EXPENSES)	\$ 1,307,538	1,150,511	\$ 1,281,801	\$ 649,245	\$ 1,218,988	19.94%	19.10%	21.82%	12.21%	23.86%

**CASH SPECIAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
YEAR ENDED DECEMBER 31, 2020**

Complete District Mailing Address: P.O. Box 8129, Greenville, Texas 75404-8129
 District Business Telephone Number: 903-883-2695
 Submission Date of the most recent District Registration Form: 10/30/2020

	Term of Office (Elected or Appointed or Date Hired)	Fees of Office Paid 12/31/2020	Expense Reimbursements 12/31/2020	Title at Year End
Board Members:				
William Reese	2018 - 2023	\$ 400	\$ -	President
Kevin Chilcoat	2016 - 2022	\$ 400	\$ -	Vice-President
James Fortenberry	2018 - 2023	\$ 200	\$ -	Sec/Tres
David Lindsey	2018 - 2023	\$ 400	\$ -	Director
Craig Driggers	2016 - 2022	\$ 250	\$ -	Director
Bryan Delgado	2016 - 2022	\$ 350	\$ -	Director
Norris Mayberry	2018 - 2021	\$ 250	\$ -	Director
Staley Cash	2018 - 2021	\$ 350	\$ -	Director
Bill Watkins	2018 - 2021	\$ 400	\$ -	Director
Key Administrative Personnel:				
Clay Hodges		\$ 162,525	\$ 303	General Manager
Consultants:				
McLean & Howard, LLP		\$ 5,200		Attorney
James D. Bradbury, PLLC		\$ 2,385		Attorney
Rutherford, Taylor & Company, P.C.		\$ 12,025		Auditor
Velvin & Weeks, P.C.		\$ 52,664		Engineer