

CASH SPECIAL UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2019

RUTHERFORD, TAYLOR & COMPANY, P.C.
Certified Public Accountants
3500 Joe Ramsey Blvd.
Greenville, Texas 75401
(903) 455-6252

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)

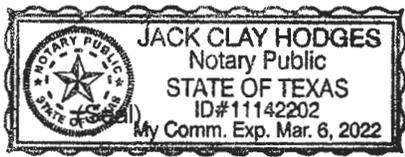
swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the 18 day of May, 2020 its annual audit report for the fiscal period ended December 31, 2019 and that copies of the annual report have been filed in the District's office, located 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 May 18, 2020 By William C Reese
(Signature of District Representative)

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

Sworn to and Subscribed to before me this 18 day of May, 2020



[Signature]
(Signature of Notary)

My Commission Expires on: March 6, 2022

**CASH SPECIAL UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2019**

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibits</u>
INTRODUCTORY SECTION		
Annual Filing Affidavit	3	
FINANCIAL SECTION		
<u>Independent Auditor's Reports:</u>		
Report on Basic Financial Statements Accompanied by Required Supplementary Information, Supplementary Information, and Other Information	5	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	7	
Schedule of Findings and Questioned Costs	9	
Status of Prior Audit Findings and Questioned Costs	10	
Corrective Action Plan	11	
Management's Discussion and Analysis (Required Supplementary Information)	12	
<u>Basic Financial Statements:</u>		
<u>Fund Financial Statements:</u>		
Statement of Fund Net Position – Proprietary Funds	16	
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	18	
Statement of Cash Flows – Proprietary Funds	19	
Notes to the Financial Statements	20	
<u>Other Supplementary Information:</u>		
TEXAS SUPPLEMENTARY INFORMATION (TSI)		
Supplementary Schedules Included Within This Report	27	
Independent Auditor's Report on Supplementary Schedules	28	
Budgetary Comparison Schedules – Enterprise Fund	29	
Services and Rates	30	TSI-1
Enterprise Fund Expenditures	32	TSI-2
Temporary Investments	33	TSI-3
Long-Term Debt Service Requirements by Years	34	TSI-5
Changes in Long-Term Bonded Debt	36	TSI-6
Comparative Schedule of Revenues and Expenses - Enterprise Fund - Five Years	37	TSI-7
Board Members, Key Personnel and Consultants	38	TSI-8

CASH SPECIAL UTILITY DISTRICT

ANNUAL FILING AFFIDAVIT

State of Texas
County of Hunt

I, _____ 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 _____ day of _____, _____ its annual audit report for the fiscal period ended December 31, 2019 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 _____, _____ By _____
(Signature of District Representative)

(Printed Name and Title of District Representative)

Sworn to and Subscribed to before me this _____ day of _____, _____

(Seal)

(Signature of Notary)

My Commission Expires on: _____, _____

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, 2019, 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, 2019, 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 20, 2020, 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 20, 2020
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, 2019, 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 20, 2020.

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.

Rutherford, Taylor & Company PC

March 20, 2020
Greenville, Texas

**CASH SPECIAL UTILITY DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019**

**Schedule
Reference
Number**

Findings

NONE

**CASH SPECIAL UTILITY DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019**

**Schedule
Reference
Number**

Prior Findings

NONE

CASH SPECIAL UTILITY DISTRICT
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2019

Schedule
Reference
Number

Actions Planned

NONE

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

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, 2019. 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 \$ 16,573,390 at December 31, 2019.
- During the year, the District's expenses were \$ 1,150,511 less than the \$ 6,455,941 generated from charges in services and other revenues for business-type activities.
- The District did not issue any new debt in the 2019 year.
- The District completed 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 \$ 1,150,511 during the year to \$ 16,573,390.

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 25.97% during the year as the District used prior period accumulated unrestricted net assets to complete construction projects for the system.

The unrestricted net position (\$ 4,597,912) is available for recurring operating expenses or other capital investments.

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

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
	2019	2018	Total Percentage Change 2018 - 2019
Assets:			
Cash and Cash Equivalents	\$ 222,767	\$ 289,207	-22.97%
Other Assets	283,388	312,278	-9.25%
Restricted Assets	5,646,119	6,626,996	-14.80%
Capital Assets, net of depreciation	18,989,656	17,446,876	8.84%
Total Assets	\$ 25,141,930	\$ 24,675,357	1.89%
Deferred Outflows of Resources:			
	\$ 94,855	\$ 168,327	-43.65%
Liabilities:			
Current Liabilities	\$ 2,633,391	\$ 2,408,856	9.32%
Long-term Liabilities	6,060,000	7,015,000	-13.61%
Total Liabilities	\$ 8,693,391	\$ 9,423,856	-7.75%
Deferred Inflows of Resources:			
	\$ 56,428	\$ 68,520	-17.65%
Net Position:			
Net Investment in Capital Assets	\$ 11,975,478	\$ 9,506,876	25.97%
Unrestricted	4,597,912	5,916,003	-22.28%
Total Net Position	\$ 16,573,390	\$ 15,422,879	7.46%

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 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 \$ 1,150,511 from the prior year due to better than anticipated revenues as well as managed costs.

Operating revenues totaled \$ 6,022,141. This represents an increase of \$ 148,191 from the prior year operating revenues of \$ 5,873,950 or 2.52%.

Operating expenses totaled \$ 5,125,276. This represents an increase of \$ 452,631 from the prior year expenses of \$ 4,672,645. 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 increased due expansion of services into areas of development where developers contributed to the District for the expanded infrastructure. At the same time the new debt required an increase in interest expense over the prior year.

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

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

Changes in the District's Net Position			Table A-2
	2019	2018	Total Percentage Change 2018 - 2019
Operating Revenues:			
Charges for Services	\$ 6,022,141	\$ 5,873,950	2.52%
Total Operating Revenues	\$ 6,022,141	\$ 5,873,950	2.52%
Operating Expenses:			
Water Utilities	\$ 5,125,276	\$ 4,672,645	9.69%
Total Operating Expenses	\$ 5,125,276	\$ 4,672,645	9.69%
Non-operating Revenues (Expenses):			
Interest Income	\$ 136,701	\$ 143,021	-4.42%
Interest Expense	(180,154)	(172,370)	4.52%
Gain (Loss) on Sale of Capital Assets	-	(2,731)	-100.00%
Customer/Developer Contributions	297,099	112,576	163.91%
Total Non-operating Revenues (Expenses)	\$ 253,646	\$ 80,496	215.10%
Increase (Decrease) in Net Position	\$ 1,150,511	\$ 1,281,801	-10.24%
Net Position - Beginning	15,422,879	14,141,078	9.06%
Net Position - Ending	\$ 16,573,390	\$ 15,422,879	7.46%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District had invested \$ 31,897,010 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 are being constructed at year end to enhance the delivery of water throughout the system. These 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 financial statement.

District's Capital Assets			Table A-3
	2019	2018	Total Percentage Change 2018 - 2019
Land and Improvements	\$ 500,868	\$ 500,868	0.00%
Construction in Progress	747,013	3,000,758	-75.11%
Buildings and Improvements	704,655	643,971	9.42%
Water Distribution System	28,554,379	24,221,947	17.89%
Vehicles and Equipment	1,321,494	902,649	46.40%
Office Equipment	68,601	68,601	0.00%
Totals at Historical Cost	\$ 31,897,010	\$ 29,338,794	8.72%
Total Accumulated Depreciation	(12,907,354)	(11,891,917)	8.54%
Net Capital Assets	\$ 18,989,656	\$ 17,446,877	8.84%

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

Long Term Debt

The District had \$ 7,015,000 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
	<u>2019</u>	<u>2018</u>	<u>Total Percentage Change 2018 - 2019</u>
Bonds Payable	<u>\$ 7,015,000</u>	<u>\$ 7,940,000</u>	-11.65%
Total Debt Payable	<u>\$ 7,015,000</u>	<u>\$ 7,940,000</u>	-11.65%

BUDGET, ECONOMIC ENVIRONMENT AND RATES

At this time, Cash Special Utility District is not aware of any decisions or conditions that would impact the District's operations through 2020. 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 2020 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, 2019

		Enterprise Fund
		Water Utilities
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$	222,767
Accounts Receivable		188,636
Prepaid Expenses - Supplies and Materials		94,752
Prepaid Expenses - Other		17,877
Total Current Assets	\$	524,032
Restricted Assets:		
Debt Service	\$	540,183
Construction		3,877,165
Developer Capacity Fee		69,113
Customer Deposits		1,159,658
Total Restricted Assets	\$	5,646,119
Capital Assets, Net	\$	18,989,656
Total Assets	\$	25,159,807
 DEFERRED OUTFLOW OF RESOURCES		
Debt Issuance Costs	\$	94,855
Total Deferred Outflow of Resources	\$	94,855

The accompanying notes are an integral part of this statement.

CASH SPECIAL UTILITY DISTRICT
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2019

	Enterprise Fund
	Water Utilities
LIABILITIES	
Current Liabilities:	
Accrued Wages Payable	\$ 55,309
Payroll Liabilities Payable	(1,198)
Accounts Payable	330,599
TCEQ Assessment Payable	23,244
Total Current Liabilities	\$ 407,954
Current Liabilities (Payable from Restricted Assets):	
Construction Retainage Payable	\$ 69,274
Accrued Interest Payable	58,716
Bonds Payable (Current Portion)	955,000
Customer Deposits	1,141,513
Developer Capacity Fees	934
Total Current Liabilities (Payable from Restricted Assets)	\$ 2,225,437
Non-Current Liabilities:	
Bonds Payable	\$ 6,060,000
Bond Issue Discounts	(68,547)
Total Non-Current Liabilities	\$ 5,991,453
Total Liabilities	\$ 8,624,844
DEFERRED INFLOW OF RESOURCES	
Gain on Refunding	\$ 56,428
Total Deferred Inflow of Resources	\$ 56,428
NET POSITION	
Net Investment in Capital Assets	\$ 11,975,478
Unrestricted	4,597,912
Total Net Position	\$ 16,573,390

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, 2019

		Enterprise Fund
		Water Utilities
OPERATING REVENUES		
Water/Sales	\$	5,270,177
Customer Charges/Fees		751,964
Total Operating Revenues	\$	6,022,141
OPERATING EXPENSES		
Payroll and Benefits	\$	1,343,216
Water Purchases		1,151,390
Repairs and Maintenance		511,432
Supplies		216,978
Professional and Legal Fees		36,727
Insurance		274,040
Other Operating Costs		502,584
Amortization and Depreciation		1,088,909
Total Operating Expenses	\$	5,125,276
Net Operating Revenue (Expenses)	\$	896,865
NON-OPERATING REVENUE (EXPENSES)		
Interest Income	\$	136,701
Interest Expense		(180,154)
Customer/Developer Contributions		297,099
Net Non-Operating Revenue (Expenses)	\$	253,646
Change in Net Position	\$	1,150,511
Total Net Position - Beginning (January 1)		15,422,879
Total Net Position - Ending (December 31)	\$	16,573,390

The accompanying notes are an integral part of this statement.

**CASH SPECIAL UTILITY DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Enterprise Fund
	Water Utilities
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 6,025,203
Cash Payments for Goods and Services	(2,702,743)
Cash Payments to Employees	(1,073,527)
	2,248,933
Net Cash Provided by (Used for) Operating Activities	\$ 2,248,933
Cash Flows from Capital and Other Related	
Financing Activities:	
Sale (Purchase) of Restricted Assets	\$ 972,230
Principal Paid on Bonds	(925,000)
Interest Paid on Bonds	(186,691)
Acquisition and Construction of Capital Assets	(2,644,363)
	(2,783,824)
Net Cash Provided by (Used for) Capital and Other Related Financing Activities	\$ (2,783,824)
Net Cash Provided by (Used for) Noncapital Financing Activities	
Change in Customer Deposits	\$ 37,213
Developer Capacity Fee	(2,141)
Customer/Developer Contributions	297,099
	332,171
Net Cash Provided by (Used for) Noncapital Financing Activities	\$ 332,171
Cash Flows from Investing Activities:	
Interest Received	\$ 136,280
	136,280
Net Cash Provided by (Used for) Investing Activities	\$ 136,280
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (66,440)
Cash and Cash Equivalents - Beginning (January 1)	289,207
	222,767
Cash and Cash Equivalents - Ending (December 31)	\$ 222,767
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Net Operating Revenue (Expenses)	\$ 896,865
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Amortization and Depreciation	1,088,909
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivables	3,062
(Increase) Decrease in Prepaid Expenses, Supplies and Materials	7,951
Increase (Decrease) in Accounts Payable	202,062
Increase (Decrease) in Accrued Wages Payable	50,756
Increase (Decrease) in Payroll Liabilities	(1,199)
Increase (Decrease) in TCEQ Assessment Payable	527
	2,248,933
Net Cash Provided by (Used for) Operating Activities	\$ 2,248,933

The accompanying notes are an integral part of this statement.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

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 in its 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, 2019**

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, 2019**

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	3,000,758	747,013	3,000,758	747,013
Water Distribution System	24,221,947	4,332,432	-	28,554,379
Buildings and Improvements	643,971	60,684	-	704,655
Vehicles and Equipment	902,649	418,845	-	1,321,494
Office Equipment	68,601	-	-	68,601
Totals at Historical Cost	\$ 29,338,794	\$ 5,558,974	\$ 3,000,758	\$ 31,897,010
Less Accumulated Depreciation for:				
Water Distribution System	\$ 10,987,347	\$ 894,914	\$ -	\$ 11,882,261
Buildings and Improvements	234,336	23,190	-	257,526
Vehicles and Equipment	604,411	95,952	-	700,363
Office Equipment	65,823	1,381	-	67,204
Total Accumulated Depreciation	\$ 11,891,917	\$ 1,015,437	\$ -	\$ 12,907,354
Net Capital Assets	\$ 17,446,877	\$ 4,543,537	\$ 3,000,758	\$ 18,989,656

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, 2019, 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, 2019**

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	\$ 4,610,889
Edward Jones	AAA	1,035,230
Total		\$ 5,646,119

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, 2019**

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	\$ 7,940,000	\$ -	\$ 925,000	\$ 7,015,000	\$ 955,000
Unamortized Discount	(71,571)	-	(3,024)	(68,547)	-
Totals	\$ 7,868,429	\$ -	\$ 921,976	\$ 6,946,453	\$ 955,000

The following schedule presents outstanding debt at year end:

Description	Interest Rate	Original Amount	Outstanding Balance
Revenue Refunding and Improvement Bonds 2014	2.13%	\$ 8,695,000	\$ 4,575,000
Revenue Bonds, Series 2019	4.21%	\$ 2,560,000	2,440,000
Totals			\$ 7,015,000

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

Year Ending December 31	Principal	Interest	Total Requirements
2020	\$ 955,000	\$ 176,148	\$ 1,131,148
2021	970,000	154,403	1,124,403
2022	985,000	132,339	1,117,339
2023	1,015,000	111,457	1,126,457
2024	1,035,000	89,742	1,124,742
2025-2029	445,000	309,050	754,050
2030-2034	530,000	237,250	767,250
2035-2039	630,000	145,231	775,231
2040-2042	450,000	31,850	481,850
Totals	\$ 7,015,000	\$ 1,387,470	\$ 8,402,470

E. Refunding Penalty

In 2004, the District issued Revenue Refunding and Improvement Bonds, Series 2004, in the amount of \$ 14,300,000, which they utilized, in part, to refund their notes payable to CoBank, ACB. As a condition of the original debt agreement with CoBank, the District was obligated to pay a refunding penalty in the amount of \$ 1,362,645, amortized over a fifteen-year period. The fifteen-year period ended during 2019 fiscal year and the remaining balance was expensed.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

F. 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 \$ 1,141,513.

G. Litigation

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

H. Joint Agreements

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

I. 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 2019, 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.

J. Subsequent Events

The District's management has evaluated subsequent events through March 20, 2020, the date which the financial statements were available for issue.

K. 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. For the year ended December 31, 2019, the District contributed \$ 76,206 to the Plan.

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%

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 participants 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, 2019**

Exhibit ID	Exhibit Title	Page
	Budgetary Comparison – Enterprise Fund	29
TSI-1	Services and Rates	30
TSI-2	Enterprise Fund Expenditures	32
TSI-3	Temporary Investments	33
TSI-5	Long-Term Debt Service Requirements by Years	34
TSI-6	Changes in Long-Term Bonded Debt	36
TSI-7	Comparative Schedule of Revenues and Expenses Enterprise Fund - Five Years	37
TSI-8	Board Members, Key Personnel and Consultants	38

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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
OPERATING REVENUES				
Water/Sales	\$ 4,785,000	\$ 4,780,000	\$ 5,270,177	\$ 490,177
Customer Charges/Fees	662,300	732,000	751,964	19,964
Total Operating Revenues	\$ 5,447,300	\$ 5,512,000	\$ 6,022,141	\$ 510,141
OPERATING EXPENSES				
Payroll and Benefits	\$ 1,338,000	\$ 1,338,000	\$ 1,343,216	\$ (5,216)
Water Purchased	1,160,000	1,160,000	1,151,390	8,610
Repairs and Maintenance	470,000	555,000	511,432	43,568
Supplies	455,000	500,000	216,978	283,022
Other Operating Costs	398,000	423,000	502,584	(79,584)
Professional and Legal Fees	-	-	36,727	(36,727)
Insurance	340,000	340,000	274,040	65,960
Amortization and Depreciation	950,000	926,000	1,088,909	(162,909)
Total Operating Expenses	\$ 5,111,000	\$ 5,242,000	\$ 5,125,276	\$ 116,724
NONOPERATING REVENUES (EXPENSES):				
Interest Income	\$ 120,000	\$ 148,000	\$ 136,701	\$ (11,299)
Interest Expense	(197,000)	(197,000)	(180,154)	16,846
Customer Contributions	120,000	120,000	297,099	177,099
Net Nonoperating Revenues (Expenses)	\$ 43,000	\$ 71,000	\$ 253,646	\$ 182,646
Change in Net Position	\$ 379,300	\$ 341,000	\$ 1,150,511	\$ 809,511
Net Position - Beginning (January 1)	15,422,879	15,422,879	15,422,879	-
Net Position - Ending (December 31)	\$ 15,802,179	\$ 15,763,879	\$ 16,573,390	\$ 809,511
Other Items:				
Capital Constructions Transfers	\$ 350,000	\$ 300,000	\$ -	\$ 300,000
Principal Payments	\$ 925,000	\$ 925,000	\$ 925,000	\$ -

**CASH SPECIAL UTILITY DISTRICT
SERVICES AND RATES
YEAR ENDED DECEMBER 31, 2019**

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:	\$ 28.70	0	N	\$ 3.95	0 to 5,000
				4.00	5,001 to 10,000
				5.00	10,001 to 15,000
				5.00	15,001 to 20,000
				6.00	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 \$ 71.02 Wastewater \$ n/a

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unbilled	0	0	x 1.0	0
≤ 3/4"	0	0	x 1.0	0
1"	38	38	x 2.5	95
5/8"	7,484	6,779	x 2.5	16,948
1 1/2"	0	0	x 5.0	0
2"	17	16	x 8.0	128
3"	0	0	x 15.0	0
4"	0	0	x 25.0	0
6"	0	0	x	0
Total Water	7,539	6,833		17,171
Total Wastewater			x 1.0	0

**CASH SPECIAL UTILITY DISTRICT
SERVICES AND RATES
YEAR ENDED DECEMBER 31, 2019**

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

Gallons pumped into system:	<u>733,070,000</u>
Gallons billed to customers:	<u>611,824,000</u>
Water Accountability %:	<u>83.46%</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, 2019**

Payroll and Benefits	\$	1,343,216
Professional and Legal Fees		36,727
Water Purchased		1,151,390
Repairs and Maintenance		511,432
Supplies		216,978
Other Operating Costs		502,584
Insurance		274,040
Amortization and Depreciation		1,088,909
Interest Expense		180,154
Total Expenses	\$	5,305,430

Number of persons employed by the District:

Full Time	25
Part Time	0

**CASH SPECIAL UTILITY DISTRICT
TEMPORARY INVESTMENTS
YEAR ENDED DECEMBER 31, 2019**

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	\$ 156,530	-
TexSTAR Investments *	1160010400	1.5643%	Monthly	3,877,165	-
TexSTAR Investments *	1160015660	1.5643%	Monthly	59,917	-
TexSTAR Investments *	1160022990	1.5643%	Monthly	133,624	-
TexSTAR Investments *	1160030000	1.5643%	Monthly	383,653	-
Edward Jones *	MMA	1.0300%	Monthly	2,547	-
Edward Jones *	MMA	1.0300%	Monthly	287,461	-
Edward Jones *	535705	6.5000%	2/1/2031	1,918	-
Edward Jones *	687399	6.0000%	12/1/2032	2,283	-
Edward Jones *	684199	6.0000%	1/1/2033	672	-
Edward Jones *	555667	5.5000%	7/1/2033	1,776	-
Edward Jones *	003094	6.0000%	6/20/2031	2,009	-
Edward Jones *	003052	6.0000%	3/20/2031	5,426	-
Edward Jones *	303826	6.0000%	3/1/2026	4,449	-
Edward Jones *	555000	6.0000%	10/1/2032	2,406	-
Edward Jones *	001491	6.0000%	2/1/2033	5,484	-
Edward Jones *	604245	5.5000%	4/15/2033	6,901	-
Edward Jones *	256552	5.5000%	1/1/2037	9,325	-
Edward Jones *	003865	6.0000%	6/20/2036	5,182	-
Edward Jones *	004559	5.0000%	10/20/2039	11,468	-
Edward Jones *	004680	5.5000%	4/20/2040	10,842	-
Edward Jones *	004802	5.0000%	9/20/2040	12,732	-
Edward Jones *	004924	5.0000%	1/20/2041	13,131	-
Edward Jones *	005234	4.5000%	11/20/2041	23,512	-
Edward Jones *	MA1224	3.5000%	8/20/2043	49,500	-
Edward Jones *	MA1223	3.0000%	8/20/2043	53,402	-
Edward Jones *	MA0154	3.5000%	6/20/2042	40,514	-
Edward Jones *	MA1676	3.0000%	2/20/1944	42,612	-
Edward Jones *	MA2446	4.0000%	12/20/2044	27,370	-
Edward Jones *	MA2892	3.5000%	6/20/2045	40,824	-
Edward Jones *	G13596	4.0000%	7/1/2024	8,173	-
Edward Jones *	MA3037	5.0000%	8/20/2045	39,747	-
Edward Jones *	AS4582	4.0000%	3/1/2045	90,574	-
Edward Jones *	MA4452	4.0000%	5/20/2030	71,413	-
Edward Jones *	MA1600	3.5000%	10/1/2043	82,649	-
Edward Jones *	MA5019	3.5000%	2/20/2048	78,928	-
Total				<u>\$ 5,646,119</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, 2019**

Year Ending December 31	Principal	Interest	Total Requirements
2020	\$ 880,000	\$ 97,448	\$ 977,448
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>\$ 4,575,000</u>	<u>\$ 296,390</u>	<u>\$ 4,871,390</u>

**CASH SPECIAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SERIES 2018 - BY YEAR
YEAR ENDED DECEMBER 31, 2019**

Year Ending September 30	Principal	Interest	Total Requirements
2020	75,000	78,700	153,700
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	40,931	155,931
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	2,440,000	1,091,081	3,531,081

**CASH SPECIAL UTILITY DISTRICT
CHANGES IN LONG-TERM BONDED DEBT
YEAR ENDED DECEMBER 31, 2019**

	Bond Issues Series 2014	Bond Issues 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	\$ 5,430,000	\$ 2,510,000	
Bonds Sold During the Fiscal Year	-	-	
Bonds Retired During the Fiscal Year	855,000	70,000	
Ending Bonds Outstanding	\$ 4,575,000	\$ 2,440,000	
Interest Paid During the Fiscal Year	\$ 115,659	\$ 80,100	
Paying Agent's Name and City	The Bank of New York Trust Co, N.A., Dallas, Texas		
Paying Agent's Name and City	UMB, N.A., Austin, Texas		
Bond Authority:	Tax Bonds	Other Bonds	Refunding Bonds
Amount Issued	\$ -	\$ -	\$ -
Remaining To Be Issued	\$ -	\$ -	\$ -
Debt Service Fund cash and temporary investment balances as of December 31, 2019:			\$ 540,183
Average annual debt service payment (Principal and Interest) for remaining term of all debt:			\$ 1,127,803

**CASH SPECIAL UTILITY DISTRICT
COMPARATIVE STATEMENT OF REVENUES AND EXPENSES
ALL PROPRIETARY FUND TYPES
FIVE YEARS ENDED DECEMBER 31, 2019**

	AMOUNTS					PERCENT OF FUND TOTAL REVENUE				
	2019	2018	2017	2016	2015	2019	2018	2017	2016	2015
OPERATING REVENUE										
Water Sales	\$ 5,270,177	\$ 5,188,784	\$ 4,582,672	\$ 4,480,991	\$ 4,362,550	87.51%	88.34%	86.16%	87.70%	88.94%
Customer Charges/Fees	751,964	685,166	735,837	628,390	542,743	12.49%	11.66%	13.84%	12.30%	11.06%
TOTAL OPERATING REVENUE	\$ 6,022,141	\$ 5,873,950	\$ 5,318,509	\$ 5,109,381	\$ 4,905,293	100.00%	100.00%	100.00%	100.00%	100.00%
OPERATING EXPENSES										
Payroll and Benefits	\$ 1,343,216	\$ 1,220,518	\$ 1,227,457	\$ 1,134,477	\$ 1,063,287	22.30%	20.78%	23.08%	22.20%	21.68%
Water Purchased	1,151,390	1,062,410	1,023,385	952,913	881,847	19.12%	18.09%	19.24%	18.65%	17.98%
Repairs and Maintenance	511,432	381,038	309,154	196,603	232,826	8.49%	6.49%	5.81%	3.85%	4.75%
Supplies	216,978	263,839	328,093	288,725	310,071	3.60%	4.49%	6.17%	5.65%	6.32%
Professional Fees	36,727	21,483	128,044	29,319	33,837	0.61%	0.37%	2.41%	0.57%	0.69%
Insurance	274,040	214,926	257,085	205,101	195,366	4.55%	3.66%	4.83%	4.01%	3.98%
Other Operating Costs	502,584	488,476	444,881	431,168	447,735	8.35%	8.32%	8.36%	8.44%	9.13%
Amortization and Depreciation	1,088,909	1,019,955	1,005,733	985,840	954,472	18.08%	17.36%	18.91%	19.29%	19.46%
TOTAL OPERATING EXPENSES	\$ 5,125,276	\$ 4,672,645	\$ 4,723,832	\$ 4,224,146	\$ 4,119,441	85.11%	79.55%	88.82%	82.67%	83.98%
NET OPERATING REVENUE (EXPENSES)	\$ 896,865	\$ 1,201,305	\$ 594,677	\$ 885,235	\$ 785,852	14.89%	20.45%	11.18%	17.33%	16.02%
NONOPERATING REVENUE (EXPENSES)										
Gain (Loss) on Sale of Capital Assets	\$ -	\$ (2,731)	\$ 1,267	\$ 1,878	\$ -	0.00%	-0.05%	0.02%	0.04%	0.00%
Interest Income	136,701	143,021	62,231	43,149	24,496	2.27%	2.43%	1.17%	0.84%	0.50%
Interest Expense	(180,154)	(172,370)	(133,174)	(150,534)	(166,988)	-2.99%	-2.93%	-2.50%	-2.95%	-3.40%
Grant Proceeds	-	-	-	-	19,671	0.00%	0.00%	0.00%	0.00%	0.40%
Customer/Developer Contributions	297,099	112,576	124,244	439,260	129,270	4.93%	1.92%	2.34%	8.60%	2.64%
NET NONOPERATING REVENUE (EXPENSES)	\$ 253,646	\$ 80,496	\$ 54,568	\$ 333,753	\$ 6,449	4.21%	1.37%	1.03%	6.53%	0.13%
NET REVENUE (EXPENSES)	\$ 1,150,511	\$ 1,281,801	\$ 649,245	\$ 1,218,988	\$ 792,301	19.10%	21.82%	12.21%	23.86%	16.15%

**CASH SPECIAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
YEAR ENDED DECEMBER 31, 2019**

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: 9/23/2019

	Term of Office (Elected or Appointed or Date Hired)	Fees of Office Paid 12/31/2019	Expense Reimbursements 12/31/2019	Title at Year End
Board Members:				
William Reese	2018 - 2020	\$ 400	\$ 342	President
Kevin Chilcoat	2016 - 2019	\$ 450	\$ 61	Vice-President
James Fortenberry	2018 - 2020	\$ 400	-	Sec/Tres
David Lindsey	2018 - 2020	\$ 500	-	Director
Craig Driggers	2016 - 2019	\$ 350	-	Director
Bryan Delgado	2016 - 2019	\$ 400	-	Director
Norris Mayberry	2018 - 2021	\$ 300	-	Director
Staley Cash	2018 - 2021	\$ 300	-	Director
Bill Watkins	2018 - 2020	\$ 450	-	Director

Key Administrative Personnel:

Clay Hodges			\$ 576	General Manager
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Consultants:

McLean & Howard, LLP	\$ 3,875	Attorney
James D. Bradbury, PLLC	-	Attorney
Rutherford, Taylor & Company, P.C.	\$ 11,525	Auditor