

CASH SPECIAL UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2025

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

**CASH SPECIAL UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2025**

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	
Schedule of Findings and Questioned Costs	7	
Status of Prior Audit Findings and Questioned Costs	8	
Corrective Action Plan	9	
 Management's Discussion and Analysis (Required Supplementary Information)	 10	
<u>Basic Financial Statements:</u>		
Fund Financial Statements:		
Statement of Fund Net Position – Proprietary Funds	15	
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	17	
Statement of Cash Flows – Proprietary Funds	18	
Notes to the Financial Statements	20	
<u>Other Supplementary Information:</u>		
TEXAS SUPPLEMENTARY INFORMATION (TSI)		
Supplementary Schedules Included Within This Report	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, Staley Cash of the Cash Special Utility District hereby
(Name of Duly Authorized District Representative)

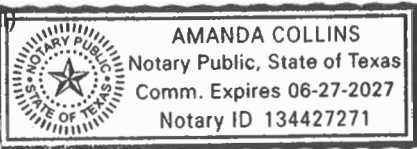
swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the 23rd day of March, 2026 its annual audit report for the fiscal period ended December 31, 2025 and that copies of the annual report have been filed in the District's office, located 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 3/23/26 By [Signature]
(Signature of District Representative)

Staley Cash President
(Printed Name and Title of District Representative)

Sworn to and Subscribed to before me this 23rd day of March, 2026

(Seal)  Amanda Collins
(Signature of Notary)

My Commission Expires on: 6-27-27

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Members of the Board

Opinion

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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, which are the proprietary funds of the Cash Special Utility District, as of December 31, 2025, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government 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

Management is responsible for the other information included in the annual report. The other information comprises the schedules identified as Texas Supplementary Information (TSI) but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the information exists, we are required to describe it in our report.



March 5, 2026
Greenville, Texas

**CASH SPECIAL UTILITY DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025**

**Schedule
Reference
Number**

Findings

NONE

**CASH SPECIAL UTILITY DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025**

**Schedule
Reference
Number**

Prior Findings

NONE

**CASH SPECIAL UTILITY DISTRICT
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2025**

**Schedule
Reference
Number**

Actions Planned

NONE

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025**

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, 2025. 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 \$ 33,021,928 at December 31, 2025.
- During the year, the District's expenses were \$ 2,921,976, less than the \$ 11,640,541 generated from charges in services and other revenues for business-type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – Managements 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 pupose 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 \$ 2,921,976 during the year to \$ 33,021,928.

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 1.70% during the year as the District used bond proceeds to complete construction projects for the system.

The unrestricted net position \$ 10,294,443 is available for recurring operating expenses or other capital investments.

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT (Continued)

The following Table A-1 presents condensed financial information on the District's Net Position for comparative purposes:

District's Net Position			Table A-1
	2025	2024	Total Percentage Change 2024 - 2025
Assets			
Cash and Cash Equivalents	\$ 763,647	\$ 456,539	67.27%
Other Assets	1,355,297	1,354,198	0.08%
Restricted Assets	10,735,140	14,766,419	-27.30%
Capital Assets, net of depreciation	35,352,578	30,193,459	17.09%
Non-Current Assets	70,329	76,974	-8.63%
Total Assets	\$ 48,276,991	\$ 46,847,589	3.05%
Liabilities			
Current Liabilities	\$ 2,187,445	\$ 3,431,910	-36.26%
Long-term Liabilities	13,067,618	13,315,727	-1.86%
Total Liabilities	\$ 15,255,063	\$ 16,747,637	-8.91%
Net Position			
Net Investment in Capital Assets	\$ 22,727,485	\$ 22,346,819	1.70%
Unrestricted	10,294,443	7,753,133	32.78%
Total Net Position	\$ 33,021,928	\$ 30,099,952	9.83%

Statement of Revenues Expenses and Changes in Fund Net Position

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 \$ 2,921,976 from the prior year due to better than anticipated revenues as well as managed costs. Contributions from developers and customers also contributed to the annual increase.

Operating revenues totaled \$ 8,878,188. This represents a decrease of \$ 143,992 from the prior year operating revenues of \$ 9,022,180 or 1.6%.

Operating expenses totaled \$ 8,140,343. This represents an increase of \$ 1,093,590 from the prior year expenses of \$ 7,046,753. The change represents costs related to increased service connections in addition to the general increase of costs related to the operations of the District including water purchase costs and payroll and related benefits.

Non-operating revenues increased as outside sources of funds for infrastructure expansion were greater in the current year. Interest earnings decreased because of reduced restricted cash balances (bond proceeds), while debt (revenue bonds) interest expense increased \$ 56,922 from the prior year amounts.

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025**

The following Table A-2 presents condensed financial information on the District's Changes in Net Position for comparative purposes:

Changes in the District's Net Position			Table A-2
	2025	2024	Total Percentage Change 2024 - 2025
Operating Revenues:			
Charges for Services	\$ 8,878,188	\$ 9,022,180	-1.60%
Total Operating Revenues	\$ 8,878,188	\$ 9,022,180	-1.60%
Operating Expenses:			
Water Utilities	\$ 8,140,343	\$ 7,046,753	15.52%
Total Operating Expenses	\$ 8,140,343	\$ 7,046,753	15.52%
Non-operating Revenues (Expenses):			
Interest Income	\$ 559,426	\$ 740,076	-24.41%
Interest Expense	(578,222)	(521,300)	10.92%
Gain (Loss) on Disposal of Fixed Assets	8,323	(26,068)	131.93%
Rental Income	8,750	-	100.00%
Debt Issuance Costs	-	(284,173)	100.00%
Customer/Developer Contributions	2,185,854	1,808,078	20.89%
Total Non-operating Revenues (Expenses)	\$ 2,184,131	\$ 1,716,613	27.23%
Increase (Decrease) in Net Position	\$ 2,921,976	\$ 3,692,040	-20.86%
Net Position - Beginning	30,099,952	26,407,912	13.98%
Net Position - Ending	\$ 33,021,928	\$ 30,099,952	9.73%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District invested \$ 55,852,699 in a broad range of capital assets, including land, water distribution systems, buildings, equipment, and vehicles.

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
	2025	2024	Total Percentage Change 2024 - 2025
Land and Improvements	\$ 534,713	\$ 534,713	0.00%
Construction in Progress	751,312	6,211,393	-87.90%
Buildings and Improvements	724,050	715,600	1.18%
Water Distribution System	52,224,998	40,121,547	30.17%
Vehicles and Equipment	1,515,807	1,440,216	5.25%
Office Equipment	101,819	101,819	0.00%
Totals at Historical Cost	\$ 55,852,699	\$ 49,125,288	13.69%
Total Accumulated Depreciation	(20,500,121)	(18,931,829)	8.28%
Net Capital Assets	\$ 35,352,578	\$ 30,193,459	17.09%

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025**

Long Term Debt

The District had \$ 13,480,000 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
	2025	2024	Total Percentage Change 2024 - 2025
Bonds Payable	\$ 13,480,000	\$ 13,965,000	-3.47%
Total Debt Payable	<u>\$ 13,480,000</u>	<u>\$ 13,965,000</u>	-3.47%

BUDGET, ECONOMIC ENVIRONMENT AND RATES

At this time, Cash Special Utility District is not aware of any conditions that would impact on the District's operations through 2026. Rates will be reviewed for adjustment as has been completed in the past. Water purchasing costs continue to escalate as in prior years and the District has calculated increased water revenue in 2026 budget.

The service area of the District continues to present opportunities for development of residential housing as well as commercial properties. The outlook for the area located in northeast Texas is for continued real estate development. The District continues to work with its water supply sources to ensure an uninterrupted supply which requires the continued evaluation, planning, and overview of the infrastructure in place. The District continues to have pressure from expanding municipalities on areas of it's CCN territory. The District will continue to work with the entities to maintain services to existing and new customers on the system.

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 Heath McGee, General Manager for the District.

BASIC FINANCIAL STATEMENTS

CASH SPECIAL UTILITY DISTRICT
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2025

	Enterprise Fund
	Water Utilities
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 763,647
Accounts Receivable	1,019,477
Prepaid Expenses - Supplies and Materials	277,041
Prepaid Expenses - Other	58,779
Total Current Assets	\$ 2,118,944
Restricted Assets:	
Cash and Cash Equivalents - Debt Service	\$ 1,157,612
Cash and Cash Equivalents - Construction	7,972,508
Cash and Cash Equivalents - Developer Capacity Fee	113,369
Cash and Cash Equivalents - Customer Deposits	1,491,651
Total Restricted Assets	\$ 10,735,140
Capital Assets, Net	\$ 35,352,578
Non Current Assets:	
Tower Rental Receivable	\$ 70,329
Total Non Current Assets	\$ 70,329
Total Assets	\$ 48,276,991

The accompanying notes are an integral part of this statement.

CASH SPECIAL UTILITY DISTRICT
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2025

	Enterprise Fund
	Water Utilities
LIABILITIES	
Current Liabilities:	
Accrued Wages Payable	\$ 48,122
Payroll Liabilities Payable	4,129
Accounts Payable	193,474
TCEQ Assessment Payable	39,697
Total Current Liabilities	\$ 285,422
Current Liabilities (Payable from Restricted Assets):	
Accrued Interest Payable	\$ 184,544
Bonds Payable (Current Portion)	255,000
Customer Deposits	1,385,585
Developer Capacity Fee Escrow	76,894
Total Current Liabilities (Payable from Restricted Assets)	\$ 1,902,023
Non-Current Liabilities:	
Bonds Payable	\$ 13,225,000
Bond Issue Discounts	(157,382)
Total Non-Current Liabilities	\$ 13,067,618
Total Liabilities	\$ 15,255,063
NET POSITION	
Net Investment in Capital Assets	\$ 22,727,485
Unrestricted	10,294,443
Total Net Position	\$ 33,021,928

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, 2025

		Enterprise Fund
		Water Utilities
		<hr/>
OPERATING REVENUES		
Water/Sales	\$	7,711,964
Customer Charges/Fees		<hr/> 1,166,224
 Total Operating Revenues	 \$	 <hr/> 8,878,188
OPERATING EXPENSES		
Payroll and Benefits	\$	2,022,834
Water Purchases		1,834,842
Repairs and Maintenance		862,447
Supplies		810,245
Professional and Legal Fees		113,752
Insurance		358,521
Other Operating Costs		427,524
Amortization and Depreciation		<hr/> 1,710,178
 Total Operating Expenses	 \$	 <hr/> 8,140,343
 Net Operating Revenue (Expenses)	 \$	 <hr/> 737,845
NON-OPERATING REVENUE (EXPENSES)		
Interest Income	\$	559,426
Interest Expense		(578,222)
Rental Income		8,750
Gain (Loss) on Disposal of Capital Assets		8,323
Customer/Developer Contributions		<hr/> 2,185,854
 Net Non-Operating Revenue (Expenses)	 \$	 <hr/> 2,184,131
 Change in Net Position	 \$	 2,921,976
 Total Net Position - Beginning (January 1)		 <hr/> 30,099,952
 Total Net Position - Ending (December 31)	 \$	 <hr/> <hr/> 33,021,928

The accompanying notes are an integral part of this statement.

**CASH SPECIAL UTILITY DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025**

	Enterprise Fund
	Water Utilities
Cash Flows Provided by (Used for) Operating Activities:	
Cash Received from Customers	\$ 8,692,385
Cash Payments for Goods and Services	(4,315,958)
Cash Payments to Employees	(1,999,775)
	\$ 2,376,652
Cash Flows Provided by (Used for) Capital and Other Related Financing Activities:	
Cash Received for Disposal of Capital Assets	\$ 207,245
Principal Paid on Bonds	(485,000)
Interest Paid on Bonds	(580,181)
Acquisition and Construction of Capital Assets	(7,597,521)
	\$ (8,455,457)
Net Cash Provided by (Used for) Capital and Other Related Financing Activities	
	\$ (8,455,457)
Net Cash Provided by (Used for) Noncapital Financing Activities	
Change in Customer Deposits	\$ 25,533
Developer Capacity Fee Escrow	(431,574)
Customer/Developer Contributions	2,185,854
	\$ 1,779,813
Net Cash Provided by (Used for) Noncapital Financing Activities	
	\$ 1,779,813
Cash Flows Provided by (Used for) Investing Activities:	
Interest Earnings Received	\$ 559,426
Tower Rental Receipts	15,395
	\$ 574,821
Net Cash Provided by (Used for) Investing Activities	
	\$ 574,821
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (3,724,171)
Cash and Cash Equivalents - Beginning (January 1)	15,222,958
	\$ 11,498,787
Cash and Cash Equivalents - Ending (December 31)	
	\$ 11,498,787
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position	
Cash and Cash Equivalents in Current Assets	\$ 763,647
Restricted Cash and Cash Equivalents	10,735,140
	\$ 11,498,787
Total Cash and Cash Equivalents	\$ 11,498,787

The accompanying notes are an integral part of this statement.

**CASH SPECIAL UTILITY DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025**

**Reconciliation of Change in Equity to Net Cash
Provided by (Used for) Operating Activities**

Net Operating Revenue (Expenses)	\$	737,845
Adjustments to Reconcile Operating Income to Net Cash		
Provided by (Used for) Operating Activities:		
Amortization and Depreciation		1,710,178
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivables		(185,803)
(Increase) Decrease in Prepaid Expenses, Supplies and Materials		181,732
(Increase) Decrease in Prepaid Expenses - Other		2,972
Increase (Decrease) in Accounts Payable		(95,018)
Increase (Decrease) in Payroll Liabilities		4,457
Increase (Decrease) in TCEQ Assessment Payable		1,687
Increase (Decrease) in Accrued Wages		18,602
		18,602
Net Cash Provided by (Used for) Operating Activities	\$	2,376,652

The accompanying notes are an integral part of this statement.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

A. Summary of Significant Accounting Policies

Cash Special Utility District (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 proprietary fund types utilized by the District is described below:

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, 2025**

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. Right of Use Assets and Liabilities

GASB Statement 87, *Leases* created new financial statement accounts "Right of Use" assets and similar offsetting liabilities. A "right of use" asset accounts for the net present value of future payments attached to a leased asset. Common examples of "Right of Use" assets are copiers, printers, and other types of equipment that the District does not take ownership of but use under the lease agreement. The asset value will be amortized over the life of the lease using a straight-line method. The liability offsetting the "Right of Use" asset is presented as lease payable.

GASB Statement 87 also impacts on the District's rental agreements (leases) related to property and equipment. Rental agreements that extend beyond a twelve (12) month period are recognized as earned when executed with an offsetting long term receivable. Future collection are offset against the receivable.

7. Prepaid Expenses - Supplies and Materials

Prepaid expenses – supplies and materials consist of items 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.

8. Prepaid Expenses

Prepaid expenses consist of services or fees paid for in the correct period that relate to use in the following period. Typical prepayments include annual licensing fees as well as future travel events requiring advance payment.

9. 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.

10. 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.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

A. Summary of Significant Accounting Policies (Continued)

11. 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.

12. Subscription-Based Information Technology Arrangements (SBITA)

GASB Statement 96, *Subscription-Based Information Technology Arrangements* created new financial statement assets and offsetting liabilities. A SBITA asset accounts for the net present value of future payments required for right of use of subscription assets. To the extent relevant, the standards for SBITA's are based on the standards established by GASB Statement 87, *Leases*. A SBITA is defined as a contract that conveys control of the right of use of another party's information technology (software) as specified in the contract for a period of time in an exchange or exchange-like transaction. The asset will be amortized over the life of the contract allowing the use of the information technology over a straight line method. The asset is included in the financial statement caption right of use asset with the offsetting liability identified as SBITA payable.

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	\$ 534,713	\$ -	\$ -	\$ 534,713
Construction in Progress	6,211,393	6,241,579	11,701,660	751,312
Water Distribution System	40,121,547	12,154,359	50,908	52,224,998
Buildings and Improvements	715,600	8,450	-	724,050
Vehicles and Equipment	1,440,216	365,491	289,900	1,515,807
Office Equipment	101,819	-	-	101,819
Totals at Historical Cost	\$ 49,125,288	\$ 18,769,879	\$ 12,042,468	\$ 55,852,699
Less Accumulated Depreciation for:				
Water Distribution System	\$ 17,553,009	\$ 1,540,501	\$ -	\$ 19,093,510
Buildings and Improvements	373,296	22,329	-	395,625
Vehicles and Equipment	933,148	142,850	141,886	934,112
Office Equipment	72,376	4,498	-	76,874
Total Accumulated Depreciation	\$ 18,931,829	\$ 1,710,178	\$ 141,886	\$ 20,500,121
Net Capital Assets	\$ 30,193,459	\$ 17,059,701	\$ 11,900,582	\$ 35,352,578

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 year end, 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.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

C. Deposits, Securities, and Investments (Continued)

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.

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	Interest Rate	Fair Value
TexSTAR	AAAM	3.82%	\$ 10,537,499
Edward Jones	AAA	.01 - 6.50%	197,640
Total			\$ 10,735,139

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.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

C. Deposits, Securities, and Investments (Continued)

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.

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	\$ 13,965,000	\$ -	\$ 485,000	\$ 13,480,000	\$ 255,000
Unamortized Discount	(164,274)	-	(6,891)	(157,383)	-
Totals	\$ 13,800,726	\$ -	\$ 478,109	\$ 13,322,617	\$ 255,000

Bonds

The District issued revenue and refunding bonds to finance infrastructure improvements and expansions. These bonds mature annually with semiannual interest payments. The bonds will fully mature in the 2053 fiscal year. Bonds incur various rate of interest over the life of the debt. As revenue bonds, the District is required to generate debt retirement funds from the revenues of the system.

The following schedule presents outstanding bonded debt at year end:

Description	Maturity Date	Interest Rate	Original Amount	Outstanding Amount
Revenue Bonds, Series 2018	9/1/2042	4.21%	\$ 2,560,000	\$ 1,970,000
Revenue Bonds, Series 2024	9/1/2053	4.24%	11,925,000	11,510,000
Totals				<u>\$ 13,480,000</u>

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

D. Long - Term Obligations (Continued)

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

Year Ending December 31	Principal	Interest	Total Requirements
2026	\$ 255,000	\$ 553,631	\$ 808,631
2027	270,000	540,880	810,880
2028	280,000	527,380	807,380
2029	295,000	515,181	810,181
2030	310,000	502,331	812,331
2031-2035	1,815,000	2,295,103	4,110,103
2036-2040	2,355,000	1,897,944	4,252,944
2041-2045	2,570,000	1,408,056	3,978,056
2046-2050	3,035,000	873,206	3,908,206
2051-2053	2,295,000	198,000	2,493,000
Totals	<u>\$ 13,480,000</u>	<u>\$ 9,311,712</u>	<u>\$ 22,791,712</u>

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 \$ 1,385,585.

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 2025, 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 5, 2026, the date on 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 eligible employee.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

J. Pension Plans (Continued)

Employees are eligible for contributions after attaining 500 hours of work and are employed full time. 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	60%
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 participant's balances and then to various other purposes allowed in the plan document.

There is no liability at year end to the Plan.

K. Subsequent Events

In accordance with the capital improvement master plan, the District is in the process of issuing additional revenue bonds to provide funding for improvements to the water production, storage, and delivery infrastructure. The bonds totaling \$ 4,280,000 were set to be delivered March 23, 2026.

TEXAS SUPPLEMENTARY INFORMATION (TSI)
(Other Supplementary Information)

**CASH SPECIAL UTILITY DISTRICT
SUPPLEMENTARY SCHEDULES INCLUDED WITHIN THIS REPORT
YEAR ENDED DECEMBER 31, 2025**

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, 2025**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
OPERATING REVENUES				
Water/Sales	\$ 8,180,000	\$ 7,482,000	\$ 7,711,964	\$ 229,964
Customer Charges/Fees	983,800	1,003,800	1,166,224	162,424
Total Operating Revenues	\$ 9,163,800	\$ 8,485,800	\$ 8,878,188	\$ 392,388
OPERATING EXPENSES				
Payroll and Benefits	\$ 2,089,000	\$ 2,060,000	\$ 2,022,834	\$ 37,166
Water Purchased	1,730,030	1,866,530	1,834,842	31,688
Repairs and Maintenance	875,000	975,000	862,447	112,553
Supplies	700,000	808,000	810,245	(2,245)
Professional and Legal Fees	-	122,000	113,752	8,248
Insurance	450,000	440,000	358,521	81,479
Other Operating Costs	450,000	407,000	427,524	(20,524)
Amortization and Depreciation	1,800,000	1,800,000	1,710,178	89,822
Total Operating Expenses	\$ 8,094,030	\$ 8,478,530	\$ 8,140,343	\$ 338,187
NONOPERATING REVENUES (EXPENSES)				
Tower Rental Income	\$ 10,000	\$ 10,000	\$ 8,750	\$ (1,250)
Interest Income	100,000	400,000	559,426	159,426
Interest Expense	(582,000)	(582,000)	(578,222)	3,778
Gain (Loss) on Disposal of Capital Asset	-	-	8,323	8,323
Developer / Customer Contributions	500,000	950,000	2,185,854	1,235,854
Net Nonoperating Revenues (Expenses)	\$ 28,000	\$ 778,000	\$ 2,184,131	\$ 1,406,131
Change in Net Position	\$ 1,097,770	\$ 785,270	\$ 2,921,976	\$ 2,136,706
Net Position - Beginning (January 1)	30,099,952	30,099,952	30,099,952	-
Net Position - Ending (December 31)	\$ 31,197,722	\$ 30,885,222	\$ 33,021,928	\$ 2,136,706
OTHER ITEMS:				
Capital Construction Transfers	\$ (1,097,770)	\$ (785,270)	\$ (1,827,828)	\$ (1,042,558)

**CASH SPECIAL UTILITY DISTRICT
SERVICES AND RATES
YEAR ENDED DECEMBER 31, 2025**

1. Services provided by the District:

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

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

Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1000 Gallons Over Minimum	Usage Levels in Gallons
\$ 37.69	0	N	5.05	0 to 10,000
			6.31	10,001 to 20,000
			7.89	20,001 to 30,000
			9.86	30,001 to unlimited

District employs winter averaging for wastewater usage. Yes No X

Total charges per 10,000 gallons usage: Water \$ 88.19 Wastewater \$ N/A

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unbilled	0	0	1.0	0
≤ 3/4"	0	0	1.0	0
1"	43	33	2.5	83
5/8"	8,573	7,774	1.0	7,774
1 1/2"	0	0	5.0	0
2"	35	28	8.0	224
3"	4	4	15.0	60
4"	1	1	25.0	25
12"	1	1	115.0	115
Total Water	8,657	7,841	[REDACTED]	8,281

**CASH SPECIAL UTILITY DISTRICT
SERVICES AND RATES
YEAR ENDED DECEMBER 31, 2025**

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

Gallons pumped into system: 785,000,000

Gallons billed to customers: 703,000,000

Water Accountability %: 89.6%

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 X

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

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

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

ETJ's in which district is located. Greenville, Lone Oak, Cumby, Quinlan, Caddo Mills,
Royse City and Union Valley

Is the general membership of the Board appointed by an office outside the district?
Yes ___ No X

If Yes, by whom? n/a

**CASH SPECIAL UTILITY DISTRICT
ENTERPRISE FUND EXPENSES
YEAR ENDED DECEMBER 31, 2025**

Payroll and Benefits	\$	2,022,834
Professional and Legal Fees		113,752
Water Purchased		1,834,842
Repairs and Maintenance		862,447
Supplies		810,245
Other Operating Costs		427,524
Insurance		358,521
Amortization and Depreciation		1,710,178
Interest Expense		578,222
Total Expenses	\$	8,718,565

Number of persons employed by the District:

Full Time	25
Part Time	0

**CASH SPECIAL UTILITY DISTRICT
TEMPORARY INVESTMENTS
YEAR ENDED DECEMBER 31, 2025**

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at Year End
TexSTAR Investments *	1160010300	4.39%	Monthly	\$ 853,483	-
TexSTAR Investments *	1160010230	4.39%	Monthly	886,297	-
TexSTAR Investments *	1160010400	4.39%	Monthly	4,843,006	-
TexSTAR Investments *	1160015660	4.39%	Monthly	110,218	-
TexSTAR Investments *	1160022990	4.39%	Monthly	1,297,160	-
TexSTAR Investments *	1160030000	4.39%	Monthly	271,315	-
TexSTAR Investments *	1160010301	4.39%	Monthly	2,276,019	-
Edward Jones *	MMA	0.01%	Monthly	1,711	-
Edward Jones *	MMA	0.01%	Monthly	14,483	-
Edward Jones *	535705	6.50%	2/1/2031	296	-
Edward Jones *	687399	6.00%	12/1/2032	507	-
Edward Jones *	684199	6.00%	1/1/2033	151	-
Edward Jones *	555667	5.50%	7/1/2033	485	-
Edward Jones *	003094	6.00%	6/20/2031	555	-
Edward Jones *	003052	6.00%	3/20/2031	1,310	-
Edward Jones *	555000	6.00%	10/1/2032	609	-
Edward Jones *	C01491	6.00%	2/1/2033	1,398	-
Edward Jones *	604245	5.50%	4/15/2033	1,846	-
Edward Jones *	256552	5.50%	1/1/2037	2,528	-
Edward Jones *	003865	6.00%	6/20/2036	1,716	-
Edward Jones *	004559	5.00%	10/20/2039	3,385	-
Edward Jones *	004680	5.50%	4/20/2040	3,181	-
Edward Jones *	004802	5.00%	9/20/2040	3,943	-
Edward Jones *	004924	5.00%	1/20/2041	4,439	-
Edward Jones *	005234	4.50%	11/20/2041	6,856	-
Edward Jones *	MA1224	3.50%	8/20/2043	13,233	-
Edward Jones *	MA1223	3.00%	8/20/2043	14,617	-
Edward Jones *	MA0154	3.50%	6/20/2042	11,083	-
Edward Jones *	MA1676	3.00%	2/20/2044	13,933	-
Edward Jones *	MA2446	4.00%	12/20/2044	7,299	-
Edward Jones *	MA2892	3.50%	6/20/2045	8,468	-
Edward Jones *	MA3037	5.00%	8/20/2045	12,364	-
Edward Jones *	AS4582	4.00%	3/1/2045	23,055	-
Edward Jones *	MA4452	4.00%	5/20/2047	11,367	-
Edward Jones *	MA1600	3.50%	10/1/2043	20,658	-
Edward Jones *	MA5019	3.50%	2/20/2048	12,164	-
Total				\$ 10,735,138	\$ -

*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 2018 - BY YEAR
YEAR ENDED DECEMBER 31, 2025**

Year Ending December 31	Principal	Interest	Total Requirements
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	\$ 1,970,000	\$ 656,382	\$ 2,626,382

**CASH SPECIAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SERIES 2024 - BY YEAR
YEAR ENDED DECEMBER 31, 2025**

Year Ending December 31	Principal	Interest	Total Requirements
2026	\$ 170,000	\$ 489,181	\$ 659,181
2027	180,000	478,981	658,981
2028	190,000	468,181	658,181
2029	200,000	458,681	658,681
2030	210,000	448,681	658,681
2031	225,000	438,181	663,181
2032	240,000	426,931	666,931
2033	250,000	414,931	664,931
2034	265,000	402,431	667,431
2035	285,000	391,832	676,832
2036	300,000	380,431	680,431
2037	320,000	368,431	688,431
2038	340,000	355,631	695,631
2039	360,000	342,031	702,031
2040	380,000	327,631	707,631
2041	400,000	312,431	712,431
2042	425,000	296,431	721,431
2043	450,000	279,431	729,431
2044	480,000	261,431	741,431
2045	510,000	242,231	752,231
2046	540,000	221,831	761,831
2047	570,000	199,556	769,556
2048	605,000	176,044	781,044
2049	640,000	151,088	791,088
2050	680,000	124,688	804,688
2051	720,000	96,638	816,638
2052	765,000	66,938	831,938
2053	810,000	34,425	844,425
Totals	<u>\$ 11,510,000</u>	<u>\$ 8,655,329</u>	<u>\$ 20,165,329</u>

**CASH SPECIAL UTILITY DISTRICT
COMPARATIVE STATEMENT OF REVENUES AND EXPENSES
ALL PROPRIETARY FUND TYPES
FIVE YEARS ENDED DECEMBER 31, 2025**

	AMOUNTS					PERCENT OF FUND TOTAL REVENUE				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
OPERATING REVENUE										
Water Sales	\$ 7,711,964	\$ 8,010,097	\$ 7,085,134	\$ 7,135,137	\$ 5,700,893	86.86%	88.78%	88.83%	86.06%	86.77%
Customer Charges/Fees	1,166,224	1,012,083	890,584	1,155,641	868,997	13.14%	11.22%	11.17%	13.94%	13.23%
TOTAL OPERATING REVENUE	\$ 8,878,188	\$ 9,022,180	\$ 7,975,718	\$ 8,290,778	\$ 6,569,890	100.00%	100.00%	100.00%	100.00%	100.00%
OPERATING EXPENSES										
Payroll and Benefits	\$ 2,022,834	\$ 1,781,387	\$ 1,733,602	\$ 1,751,200	\$ 1,514,220	22.78%	19.74%	21.74%	86.06%	86.77%
Water Purchased	1,834,842	1,596,635	1,499,276	1,407,642	1,228,188	20.67%	17.70%	18.80%	13.94%	13.23%
Repairs and Maintenance	862,447	632,000	487,313	769,465	419,573	9.71%	7.00%	6.11%	9.28%	6.39%
Supplies	810,245	630,830	764,641	426,954	428,122	9.13%	6.99%	9.59%	5.15%	6.52%
Professional Fees	113,752	49,676	18,279	66,022	62,324	1.28%	0.55%	0.23%	0.80%	0.95%
Insurance	358,521	345,448	338,752	309,955	321,451	4.04%	3.83%	4.25%	3.74%	4.89%
Other Operating Costs	427,524	421,542	401,084	372,663	313,306	4.82%	4.67%	5.03%	4.49%	4.77%
Amortization and Depreciation	1,710,178	1,589,235	1,400,434	1,300,668	1,229,240	19.26%	17.61%	17.6%	15.69%	18.71%
TOTAL OPERATING EXPENSES	\$ 8,140,343	\$ 7,046,753	\$ 6,643,381	\$ 6,404,569	\$ 5,516,424	91.69%	78.10%	83.30%	139.15%	142.22%
NET OPERATING REVENUE (EXPENSES)	\$ 737,845	\$ 1,975,427	\$ 1,332,337	\$ 1,886,209	\$ 1,053,466	8.31%	21.90%	16.70%	-39.15%	-42.22%
NONOPERATING REVENUE (EXPENSES)										
Gain (Loss) on Disposal of Capital Assets	\$ 8,323	\$ (26,068)	\$ 5,042	\$ -	\$ (1,441)	0.09%	-0.29%	0.06%	0.00%	-0.02%
Interest Income	559,426	740,076	318,517	71,683	(3,100)	6.30%	8.20%	3.99%	0.86%	-0.05%
Interest Expense	(578,222)	(521,300)	(95,211)	(116,251)	(137,981)	-6.51%	-5.78%	-1.19%	-1.40%	-2.10%
Debt Issuance Cost	-	(284,173)	-	-	-	0.00%	-3.15%	0.00%	0.00%	0.00%
Tower Rental Income	8,750	-	58,644	5,153	9,977	0.10%	0.00%	0.74%	0.06%	0.15%
Customer/Developer Contributions	2,185,854	1,808,078	2,629,320	816,570	649,760	24.62%	20.04%	32.97%	9.85%	9.89%
NET NONOPERATING REVENUE (EXPENSES)	\$ 2,184,131	\$ 1,716,613	\$ 2,916,312	\$ 777,155	\$ 517,215	24.60%	19.03%	36.56%	9.37%	7.87%
NET REVENUE (EXPENSES)	\$ 2,921,976	\$ 3,692,040	\$ 4,248,649	\$ 2,663,364	\$ 1,570,681	32.91%	40.92%	53.27%	-29.77%	-34.35%

**CASH SPECIAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
YEAR ENDED DECEMBER 31, 2025**

Complete District Mailing Address: 172 FM 1564 E., Greenville, Texas 75402
 District Business Telephone Number: 903-883-2695
 Submission Date of the most recent District Registration Form: 5/31/2025

	Term of Office (Elected or Appointed or Date Hired)	Fees of Office Paid 12/31/2025	Expense Reimbursements 12/31/2025	Title at Year End
Board Members:				
Staley Cash	2025-2028	\$ 450	\$ -	President
Gary Pendergrass	2023-2026	\$ 450	\$ -	Vice-President
Bill Watkins	2025-2028	\$ 550	\$ -	Sec/Tres
David Lindsey	2023-2026	\$ 400	\$ -	Director
Craig Driggers	2022-2025	\$ 500	\$ -	Director
Bryan Delgado	2022-2025	\$ 500	\$ -	Director
Norris Mayberry	2025-2028	\$ 400	\$ -	Director
Micah Fry	2022-2025	\$ 400	\$ -	Director
Dee Hart	2023-2026	\$ 550	\$ -	Director

Key Administrative Personnel:

Clay Hodges	\$ 280,662	\$ 3,362	General Manager - Retired
Heath McGee	\$ 116,497	\$ 3,427	General Manager

Consultants:

McLean & Howard, LLP	\$ 7,875	Attorney
Rutherford, Taylor & Company, P.C.	\$ 19,126	Auditor
Velvin & Weeks, P.C.	\$ 199,537	Engineer
James D. Bradbury, PLLC	\$ 1,900	Attorney
Dunaway Associates, LLC	\$ 244,410	Engineer