

CASH SPECIAL UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2022

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**CASH SPECIAL UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2022**

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CASH SPECIAL UTILITY
DISTRICT

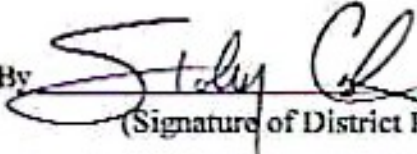
ANNUAL FILING AFFIDAVIT

State of Texas
County of Hunt

I, Staley Cash, President of the Cash Special Utility District hereby swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the 27 day of March, 2023, it's annual audit report for the fiscal period ended December 31, 2022 and that copies of the annual report have been filed in the District's office, located at 172 FM 1564, Greenville, Texas 75402.

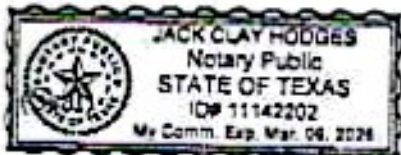
This filing affidavit and the attached copy of the audit report will be submitted to the Texas Commission on Environmental Quality to satisfy the annual filing requirements of Texas Water Code, Section 49.194.

Date: March 27, 2023

By 
(Signature of District Representative)

Staley Cash

Sworn to and Subscribed to before me this 27th day of March, 2023.




(Signature of Notary)

Commission Expires on: 3/6/2026

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Members of the Board

Opinion

We have audited 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, 2022, 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, accompanying 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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof 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.

Change in Accounting Principles

As described in Note K to the financial statements, in 2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently know 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 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 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 response 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 10, 2023
Greenville, Texas

**CASH SPECIAL UTILITY DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022**

**Schedule
Reference
Number**

Findings

NONE

**CASH SPECIAL UTILITY DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022**

**Schedule
Reference
Number**

Prior Findings

NONE

CASH SPECIAL UTILITY DISTRICT
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2022

Schedule
Reference
Number

Actions Planned

NONE

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022**

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, 2022. 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 \$ 22,159,263 at December 31, 2022.
- During the year, the District's expenses were \$ 2,663,634 less than the \$ 9,184,184 generated from charges in services and other revenues for business-type activities.
- The District did not issue any new debt in the 2022 year.
- The District completed the Fate Transmission Line project during the fiscal period which provides 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 \$ 2,663,364 during the year to \$ 22,159,263.

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 6.06% during the year as the District used prior period unrestricted net assets to complete construction projects for the system.

The unrestricted net position \$ 5,795,220 is available for recurring operating expenses or other capital investments.

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022**

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
	2022	2021	Total Percentage Change 2021 - 2022
Assets			
Cash and Cash Equivalents	\$ 93,444	\$ 384,894	-75.72%
Other Assets	1,053,529	599,156	75.84%
Restricted Assets	8,564,219	5,059,822	69.26%
Capital Assets, net of depreciation	20,469,043	20,518,456	-0.24%
Non-Current Assets	39,467	-	100.00%
Total Assets	\$ 30,219,702	\$ 26,562,328	13.77%
Liabilities			
Current Liabilities	\$ 5,009,760	\$ 3,035,973	65.01%
Long-term Liabilities	3,030,526	4,042,501	-25.03%
Total Liabilities	\$ 8,040,286	\$ 7,078,474	13.59%
Deferred Inflows of Resources	\$ 20,153	\$ 32,245	-37.50%
Net Position			
Net Investment in Capital Assets	\$ 16,364,043	\$ 15,428,456	6.06%
Unrestricted	5,795,220	4,023,153	44.05%
Total Net Position	\$ 22,159,263	\$ 19,451,609	13.92%

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 \$ 2,663,364 from the prior year due to better than anticipated revenues as well as managed costs.

Operating revenues totaled \$ 8,290,778. This represents an increase of \$ 1,720,888 from the prior year operating revenues of \$ 6,569,890 or 26.19%.

Operating expenses totaled \$ 6,404,569. This represents an increase of \$ 888,145 from the prior year expenses of \$ 5,516,424. 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 benefits.

Non-operating revenues increased due to expansion of services into areas of development where developers contributed to the District for the expanded infrastructure. At the same time, interest expense decreased \$ 21,730 from the prior year amount.

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022**

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
	2022	2021	Total Percentage Change 2021 - 2022
Operating Revenues:			
Charges for Services	\$ 8,290,778	\$ 6,569,890	26.19%
Total Operating Revenues	\$ 8,290,778	\$ 6,569,890	26.19%
Operating Expenses:			
Water Utilities	\$ 6,404,569	\$ 5,516,424	16.10%
Total Operating Expenses	\$ 6,404,569	\$ 5,516,424	16.10%
Non-operating Revenues (Expenses):			
Tower Rental Income	\$ 5,153	\$ 9,977	-48.35%
Interest Income	71,683	(3,100)	2412.35%
Interest Expense	(116,251)	(137,981)	15.75%
Gain (loss) on Disposal of Fixed Assets	-	(1,441)	100.00%
Customer/Developer Contributions	816,570	649,760	-25.67%
Total Non-operating Revenues (Expenses)	\$ 777,155	\$ 517,245	50.25%
Increase (Decrease) in Net Position	\$ 2,663,364	\$ 1,570,681	69.57%
Net Position - Beginning	\$ 19,451,609	\$ 17,880,928	8.78%
Prior Period Adjustment	44,290	-	100.00%
Net Position, Beginning, as restated	\$ 19,495,899	\$ 17,880,928	9.03%
Net Position - Ending	\$ 22,159,263	\$ 19,451,609	13.92%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District had invested \$ 36,888,903 in a broad range of capital assets, including land, water distribution systems, buildings, equipment, and vehicles.

The construction of the Fate transmission line phase II project was completed in the current year. These improvement projects completed in the current year 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
	2022	2021	Total Percentage Change 2021 - 2022
Land and Improvements	\$ 500,868	\$ 500,868	0.00%
Construction in Progress	629,701	2,591,320	-75.70%
Buildings and Improvements	715,600	708,600	0.99%
Water Distribution System	33,622,870	30,499,698	10.24%
Vehicles and Equipment	1,303,299	1,250,236	4.24%
Office Equipment	116,565	105,996	9.97%
Totals at Historical Cost	\$ 36,888,903	\$ 35,656,718	3.46%
Total Accumulated Depreciation	(16,419,860)	(15,138,262)	8.47%
Net Capital Assets	\$ 20,469,043	\$ 20,518,456	-0.24%

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022**

Long Term Debt

The District had \$ 4,105,000 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
	2022	2021	Total Percentage Change 2021 - 2022
Bonds Payable	\$ 4,105,000	\$ 5,090,000	-19.35%
Total Debt Payable	<u>\$ 4,105,000</u>	<u>\$ 5,090,000</u>	-19.35%

BUDGET, ECONOMIC ENVIRONMENT AND RATES

At this time, Cash Special Utility District is not aware of any conditions that would impact the District's operations through 2023. 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 2023 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.

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, 2022

		Enterprise Fund
		Water Utilities
		<hr/>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$	93,444
Accounts Receivable		594,290
Prepaid Expenses - Supplies and Materials		370,917
Prepaid Expenses - Other		88,322
Total Current Assets	<hr/>	<hr/> 1,146,973
Restricted Assets:		
Cash and Cash Equivalents - Debt Service	\$	598,893
Cash and Cash Equivalents - Construction		4,092,870
Cash and Cash Equivalents - Developer Capacity Fee		2,573,299
Cash and Cash Equivalents - Customer Deposits		1,299,157
Total Restricted Assets	<hr/>	<hr/> 8,564,219
Capital Assets, Net	<hr/>	<hr/> 20,469,043
Non Current Assets:		
Tower Rental Receivable	\$	39,467
Total Non Current Assets	<hr/>	<hr/> 39,467
Total Assets	<hr/>	<hr/> 30,219,702

The accompanying notes are an integral part of this statement.

CASH SPECIAL UTILITY DISTRICT
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2022

	Enterprise Fund
	Water Utilities
LIABILITIES	
Current Liabilities:	
Accrued Wages Payable	\$ 31,421
Payroll Liabilities Payable	1,670
Accounts Payable	94,190
TCEQ Assessment Payable	31,385
Total Current Liabilities	\$ 158,666
Current Liabilities (Payable from Restricted Assets):	
Accrued Interest Payable	\$ 37,092
Bonds Payable (Current Portion)	1,015,000
Customer Deposits	1,290,147
Developer Capacity Fees	2,508,855
Total Current Liabilities (Payable from Restricted Assets)	\$ 4,851,094
Non-Current Liabilities:	
Bonds Payable	\$ 3,090,000
Bond Issue Discounts	(59,474)
Total Non-Current Liabilities	\$ 3,030,526
Total Liabilities	\$ 8,040,286
DEFERRED INFLOW OF RESOURCES	
Gain on Refunding	\$ 20,153
Total Deferred Inflow of Resources	\$ 20,153
NET POSITION	
Net Investment in Capital Assets	\$ 16,364,043
Unrestricted	5,795,220
Total Net Position	\$ 22,159,263

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, 2022

		Enterprise	
		Fund	
			Water
			Utilities
OPERATING REVENUES			
Water/Sales	\$	7,135,137	
Customer Charges/Fees			1,155,641
Total Operating Revenues	\$	8,290,778	
OPERATING EXPENSES			
Payroll and Benefits	\$	1,751,200	
Water Purchases			1,407,642
Repairs and Maintenance			769,465
Supplies			426,954
Professional and Legal Fees			66,022
Insurance			309,955
Other Operating Costs			372,663
Amortization and Depreciation			1,300,668
Total Operating Expenses	\$	6,404,569	
Net Operating Revenue (Expenses)	\$	1,886,209	
NON-OPERATING REVENUE (EXPENSES)			
Tower Rental Income	\$	5,153	
Interest Income			71,683
Interest Expense			(116,251)
Customer/Developer Contributions			816,570
Net Non-Operating Revenue (Expenses)	\$	777,155	
Change in Net Position	\$	2,663,364	
Total Net Position - Beginning (January 1)	\$	19,451,609	
Prior Period Adjustment			44,290
Total Net Position - Beginning as restated	\$	19,495,899	
Total Net Position - Ending (December 31)	\$	22,159,263	

The accompanying notes are an integral part of this statement.

**CASH SPECIAL UTILITY DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

		Enterprise Fund Water Utilities
Cash Flows Provided by (Used for) Operating Activities:		
Cash Received from Customers	\$	7,966,124
Cash Payments for Goods and Services		(3,503,485)
Cash Payments to Employees		(1,746,580)
Change in Customer Deposits		63,772
		63,772
Net Cash Provided by (Used for) Operating Activities	\$	2,779,831
Cash Flows Provided by (Used for) Capital and Other Related Financing Activities:		
Principal Paid on Bonds	\$	(985,000)
Interest Paid on Bonds		(132,339)
Acquisition and Construction of Capital Assets		(1,441,963)
		(1,441,963)
Net Cash Provided by (Used for) Capital and Other Related Financing Activities	\$	(2,559,302)
Net Cash Provided by (Used for) Noncapital Financing Activities		
Developer Capacity Fee	\$	2,094,190
Customer/Developer Contributions		816,570
		816,570
Net Cash Provided by (Used for) Noncapital Financing Activities	\$	2,910,760
Cash Flows Provided by (Used for) Investing Activities:		
Interest Received	\$	71,683
Tower Rental Receipts		9,975
		9,975
Net Cash Provided by (Used for) Investing Activities	\$	81,658
Net Increase (Decrease) in Cash and Cash Equivalents	\$	3,212,947
Cash and Cash Equivalents - Beginning (January 1)		5,444,716
		5,444,716
Cash and Cash Equivalents - Ending (December 31)	\$	8,657,663
		8,657,663
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position		
Cash and Cash Equivalents in Current Assets	\$	93,444
Restricted Cash and Cash Equivalents		8,564,219
		8,564,219
Total Cash and Cash Equivalents	\$	8,657,663
		8,657,663

The accompanying notes are an integral part of this statement.

**CASH SPECIAL UTILITY DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

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

Net Operating Revenue (Expenses)	\$	1,886,209
Adjustments to Reconcile Operating Income to Net Cash		
Provided by (Used for) Operating Activities:		
Amortization and Depreciation		1,300,668
Change in Customer Deposit		63,772
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivables		(324,654)
(Increase) Decrease in Prepaid Expenses, Supplies and Materials		(129,719)
Increase (Decrease) in Accounts Payable		(25,235)
Increase (Decrease) in Accrued Wages Payable		5,281
Increase (Decrease) in Payroll Liabilities		(661)
Increase (Decrease) in TCEQ Assessment Payable		4,170
		4,170
Net Cash Provided by (Used for) Operating Activities	\$	2,779,831

The accompanying notes are an integral part of this statement.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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, 2022**

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 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 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.

8. 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.

9. 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.

10. 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, 2022**

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	2,591,320	813,724	2,775,343	629,701
Water Distribution System	30,499,698	3,123,432	260	33,622,870
Buildings and Improvements	708,600	7,000	-	715,600
Vehicles and Equipment	1,250,236	68,422	15,359	1,303,299
Office Equipment	105,996	14,020	3,451	116,565
Totals at Historical Cost	\$ 35,656,718	\$ 4,026,598	\$ 2,794,413	\$ 36,888,903
Less Accumulated Depreciation for:				
Water Distribution System	\$ 14,041,261	\$ 1,170,361	\$ 260	\$ 15,211,362
Buildings and Improvements	306,413	23,351	-	329,764
Vehicles and Equipment	717,752	101,433	15,359	803,826
Office Equipment	72,836	5,523	3,451	74,908
Total Accumulated Depreciation	\$ 15,138,262	\$ 1,300,668	\$ 19,070	\$ 16,419,860
Net Capital Assets	\$ 20,518,456	\$ 2,725,930	\$ 2,775,343	\$ 20,469,043

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, 2022, 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, 2022**

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	Interest Rate	Fair Value
TexSTAR	AAAm	4.20%	\$ 8,264,805
Edward Jones	AAA	.01 - 6.50%	299,414
Total			\$ 8,564,219

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, 2022**

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	\$ 5,090,000	\$ -	\$ 985,000	\$ 4,105,000	\$ 1,015,000
Unamortized Discount	(62,499)	-	(3,024)	(59,475)	-
Totals	\$ 5,027,501	\$ -	\$ 981,976	\$ 4,045,525	\$ 1,015,000

Bonds

The District issued revenue and refunding bonds in prior years to finance infrastructure improvements and expansions. These bonds mature annually with semiannual interest payments. The bonds will fully mature in the 2042 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 Refunding Bonds, Series 2014	9/1/2024	2.13%	\$ 8,695,000	\$ 1,890,000
Revenue Bonds, Series 2018	9/1/2024	4.21%	2,560,000	2,215,000
Totals				\$ 4,105,000

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

Year Ending December 31	Principal	Interest	Total Requirements
2023	\$ 1,015,000	\$ 111,457	\$ 1,126,457
2024	1,035,000	89,741	1,124,741
2025	85,000	66,999	151,999
2026	85,000	64,450	149,450
2027	90,000	61,900	151,900
2028-2032	490,000	267,650	757,650
2033-2037	590,000	185,031	775,031
2038-2042	715,000	77,350	792,350
Totals	\$ 4,105,000	\$ 924,578	\$ 5,029,578

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 \$ 1,290,147.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

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 2022, 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 10, 2023, the date which the financial statements were available for issue.

J. Pension Plans

457(b) Deferred Compensation Plan

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

Cash Special Utility District Profit Sharing Plan

The District contributes to the Cash Special Utility District Profit Sharing Plan (Plan), a defined contribution pension plan, for its full time employees. The Plan is administered by the District's Board with Edward Jones acting as the trustee. Benefit terms, including contribution requirements, for the Plan are established and may be amended by the District's Board. The District is required to contribute 7% of employee's annual compensation to individual employee accounts for each participating employee. The District contributed \$ 102,551 to the Plan.

Employees are eligible for contributions after attaining 500 hours of work and 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.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

K. Change in Accounting Principle

The Governmental Accounting Standards Board (GASB) issued Statement 87, *Leases* in June 2017 with an effective date of fiscal beginning after June 15, 2021 (as postponed). This required the District to implement the provisions of the Statement during the year. The statement replaced operating leases with recognition of "right of use" assets and liabilities. As such there are new financial statement captions on the proprietary type fund financial statements. The Statement requires retroactive restatement of assets and liabilities with the difference modifying the beginning fund net position.

L. Prior Period Adjustments

During the year, the District implemented GASB Statement 87, *Leases*, which required the reclassification and establishment of new asset or liability accounts. The change requires an adjustment to the beginning net position. Beginning net position has increased by \$ 44,290. The change in accounting principles increased the beginning fund net position by \$ 44,290 from \$ 19,451,609 to \$ 19,495,899.

TEXAS SUPPLEMENTARY INFORMATION (TSI)
(Other Supplementary Information)

**CASH SPECIAL UTILITY DISTRICT
 SUPPLEMENTARY SCHEDULES INCLUDED WITHIN THIS REPORT
 YEAR ENDED DECEMBER 31, 2022**

Exhibit ID	Exhibit Title	Page
	Budgetary Comparison – Enterprise Fund	31
TSI-1	Services and Rates	32
TSI-2	Enterprise Fund Expenditures	34
TSI-3	Temporary Investments	35
TSI-5	Long-Term Debt Service Requirements by Years	36
TSI-6	Changes in Long-Term Bonded Debt	38
TSI-7	Comparative Schedule of Revenues and Expenses Enterprise Fund - Five Years	39
TSI-8	Board Members, Key Personnel and Consultants	40

The following schedules are not applicable to this District.

TSI-4	Analysis of Taxes Levied and Receivable
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**CASH SPECIAL UTILITY DISTRICT
ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
OPERATING REVENUES				
Water/Sales	\$ 6,028,240	\$ 6,883,455	\$ 7,135,137	\$ 251,682
Customer Charges/Fees	723,000	1,030,000	1,155,641	125,641
Total Operating Revenues	\$ 6,751,240	\$ 7,913,455	\$ 8,290,778	\$ 377,323
OPERATING EXPENSES				
Payroll and Benefits	\$ 1,908,923	\$ 1,926,120	\$ 1,751,200	\$ 174,920
Water Purchased	1,250,000	1,420,000	1,407,642	12,358
Repairs and Maintenance	625,000	1,075,000	769,465	305,535
Supplies	610,000	660,000	426,954	233,046
Professional and Legal Fees	60,000	60,000	66,022	(6,022)
Insurance	416,300	416,300	309,955	106,345
Other Operating Costs	390,000	390,000	372,663	17,337
Amortization and Depreciation	1,300,000	1,300,000	1,300,668	(668)
Total Operating Expenses	\$ 6,560,223	\$ 7,247,420	\$ 6,404,569	\$ 842,851
NONOPERATING REVENUES (EXPENSES)				
Tower Rental Income	\$ -	\$ 10,300	\$ 5,153	\$ (5,147)
Interest Income	55,000	10,000	71,683	61,683
Interest Expense	(132,340)	(132,340)	(116,251)	16,089
Customer Contributions	150,000	500,000	816,570	316,570
Net Nonoperating Revenues (Expenses)	\$ 72,660	\$ 387,960	\$ 777,155	\$ 389,195
Change in Net Position	\$ 263,677	\$ 1,053,995	\$ 2,663,364	\$ 1,609,369
Net Position - Beginning (January 1)	\$ 19,451,609	\$ 19,451,609	\$ 19,451,609	\$ -
Prior Period Adjustment	44,290	44,290	44,290	-
Net Position - Beginning as restated	\$ 19,495,899	\$ 19,495,899	\$ 19,495,899	\$ -
Net Position - Ending (December 31)	\$ 19,759,576	\$ 20,549,894	\$ 22,159,263	\$ 1,609,369
OTHER ITEMS:				
Capital Construction Transfers	\$ 263,677	\$ 1,053,995	\$ 1,550,000	\$ -

**CASH SPECIAL UTILITY DISTRICT
SERVICES AND RATES
YEAR ENDED DECEMBER 31, 2022**

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
WATER:	\$ 33.24	0	N	4.00	0 to 5,000
				4.95	5,001 to 10,000
				5.50	10,001 to 15,000
				6.50	15,001 to 20,000
				7.25	20,001 to 25,000
				8.00	25,001 to unlimited

District employs winter averaging for wastewater usage. Yes No X

Total charges per 10,000 gallons usage: Water \$ 77.99 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"	1	1	x 1.0	1
1"	37	36	x 2.5	90
5/8"	8,044	7,213	x 1.0	7,213
1 1/2"	0	0	x 5.0	0
2"	25	24	x 8.0	192
3"	8	5	x 15.0	75
4"	0	0	x 25.0	0
6"	0	0	x	0
Total Water	8,115	7,279	 	7,571

**CASH SPECIAL UTILITY DISTRICT
SERVICES AND RATES
YEAR ENDED DECEMBER 31, 2022**

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

Gallons pumped into system: 872,952,000

Gallons billed to customers: 786,113,000

Water Accountability %: 90%

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

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, 2022**

Payroll and Benefits	\$	1,751,200
Professional and Legal Fees		66,022
Water Purchased		1,407,642
Repairs and Maintenance		769,465
Supplies		426,954
Other Operating Costs		372,663
Insurance		309,955
Amortization and Depreciation		1,300,668
Interest Expense		116,251
Total Expenses	\$	6,520,820

Number of persons employed by the District:

Full Time	24
Part Time	0

**CASH SPECIAL UTILITY DISTRICT
TEMPORARY INVESTMENTS
YEAR ENDED DECEMBER 31, 2022**

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	4.20%	Monthly	\$ 159,707	-
TexSTAR Investments *	1160010400	4.20%	Monthly	4,092,869	-
TexSTAR Investments *	1160015660	4.20%	Monthly	2,569,457	-
TexSTAR Investments *	1160022990	4.20%	Monthly	1,003,585	-
TexSTAR Investments *	1160030000	4.20%	Monthly	439,187	-
Edward Jones *	MMA	0.01%	Monthly	43,887	-
Edward Jones *	MMA	0.01%	Monthly	661	-
Edward Jones *	535705	6.50%	2/1/2031	768	-
Edward Jones *	687399	6.00%	12/1/2032	1,105	-
Edward Jones *	684199	6.00%	1/1/2033	370	-
Edward Jones *	555667	5.50%	7/1/2033	938	-
Edward Jones *	003094	6.00%	6/20/2031	1,052	-
Edward Jones *	003052	6.00%	3/20/2031	2,879	-
Edward Jones *	303826	6.00%	3/1/2026	1,050	-
Edward Jones *	555000	6.00%	10/1/2032	1,139	-
Edward Jones *	C01491	6.00%	2/1/2033	2,563	-
Edward Jones *	604245	5.50%	4/15/2033	3,515	-
Edward Jones *	256552	5.50%	1/1/2037	3,811	-
Edward Jones *	003865	6.00%	6/20/2036	2,609	-
Edward Jones *	004559	5.00%	10/20/2039	4,735	-
Edward Jones *	004680	5.50%	4/20/2040	4,727	-
Edward Jones *	004802	5.00%	9/20/2040	5,414	-
Edward Jones *	004924	5.00%	1/20/2041	6,159	-
Edward Jones *	005234	4.50%	11/20/2041	9,661	-
Edward Jones *	MA1224	3.50%	8/20/2043	18,284	-
Edward Jones *	MA1223	3.00%	8/20/2043	19,748	-
Edward Jones *	MA0154	3.50%	6/20/2042	15,094	-
Edward Jones *	MA1676	3.00%	2/20/1944	18,923	-
Edward Jones *	MA2446	4.00%	12/20/2044	9,850	-
Edward Jones *	MA2892	3.50%	6/20/2045	11,608	-
Edward Jones *	G13596	4.00%	7/1/2024	1,141	-
Edward Jones *	MA3037	5.00%	8/20/2045	15,625	-
Edward Jones *	AS4582	4.00%	3/1/2045	31,639	-
Edward Jones *	MA4452	4.00%	5/20/247	15,532	-
Edward Jones *	MA1600	3.50%	10/1/2043	28,194	-
Edward Jones *	MA5019	3.50%	2/20/2048	16,733	-
Total				<u>\$ 8,564,219</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, 2022**

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2023	\$ 935,000	\$ 40,256	\$ 975,256
2024	955,000	20,342	975,342
Totals	<u>\$ 1,890,000</u>	<u>\$ 60,598</u>	<u>\$ 1,950,598</u>

**CASH SPECIAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SERIES 2018 - BY YEAR
YEAR ENDED DECEMBER 31, 2022**

Year Ending December 31	Principal	Interest	Total Requirements
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	33,293	153,293
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	<u>\$ 2,215,000</u>	<u>\$ 863,981</u>	<u>\$ 3,078,981</u>

**CASH SPECIAL UTILITY DISTRICT
COMPARATIVE STATEMENT OF REVENUES AND EXPENSES
ALL PROPRIETARY FUND TYPES
FIVE YEARS ENDED DECEMBER 31, 2022**

	AMOUNTS					PERCENT OF FUND TOTAL REVENUE				
	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
OPERATING REVENUE										
Water Sales	\$ 7,135,137	\$ 5,700,893	\$ 5,805,788	\$ 5,270,177	\$ 5,188,784	86.06%	86.77%	88.55%	87.51%	88.34%
Customer Charges/Fees	1,155,641	868,997	750,727	751,964	685,166	13.94%	13.23%	11.45%	12.49%	11.66%
TOTAL OPERATING REVENUE	\$ 8,290,778	\$ 6,569,890	\$ 6,556,515	\$ 6,022,141	\$ 5,873,950	100.00%	100.00%	100.00%	100.00%	100.00%
OPERATING EXPENSES										
Payroll and Benefits	\$ 1,751,200	\$ 1,514,220	\$ 1,405,762	\$ 1,343,216	\$ 1,220,518	21.12%	23.05%	21.44%	22.30%	20.78%
Water Purchased	1,407,642	1,228,188	1,187,299	1,151,390	1,062,410	16.98%	18.69%	18.11%	19.12%	18.09%
Repairs and Maintenance	769,465	419,573	523,048	511,432	381,038	9.28%	6.39%	7.98%	8.49%	6.49%
Supplies	426,954	428,122	212,823	216,978	263,839	5.15%	6.52%	3.25%	3.60%	4.49%
Professional Fees	66,022	62,324	68,162	36,727	21,483	0.80%	0.95%	1.04%	0.61%	0.37%
Insurance	309,955	321,451	246,668	274,040	214,926	3.74%	4.89%	3.76%	4.55%	3.66%
Other Operating Costs	372,663	313,306	520,551	502,584	488,476	4.49%	4.77%	7.94%	8.35%	8.32%
Amortization and Depreciation	1,300,668	1,229,240	1,285,727	1,088,909	1,019,955	15.69%	18.71%	19.61%	18.08%	17.36%
TOTAL OPERATING EXPENSES	\$ 6,404,569	\$ 5,516,424	\$ 5,450,040	\$ 5,125,276	\$ 4,672,645	77.25%	83.97%	83.12%	85.11%	79.55%
NET OPERATING REVENUE (EXPENSES)	\$ 1,886,209	\$ 1,053,466	\$ 1,106,475	\$ 896,865	\$ 1,201,305	22.75%	16.03%	16.88%	14.89%	20.45%
NONOPERATING REVENUE (EXPENSES)										
Gain (Loss) on Disposal of Capital Assets	\$ -	\$ (1,441)	\$ -	\$ -	\$ (2,731)	0.00%	-0.02%	0.00%	0.00%	-0.05%
Interest Income	71,683	(3,100)	65,189	136,701	143,021	0.86%	-0.05%	0.99%	2.27%	2.43%
Interest Expense	(116,251)	(137,981)	(159,832)	(180,154)	(172,370)	-1.40%	-2.10%	-2.44%	-2.99%	-2.93%
Tower Rental Income	5,153	9,977	-	-	-	0.06%	0.15%	0.00%	0.00%	0.00%
Customer/Developer Contributions	816,570	649,760	295,706	297,099	112,576	9.85%	9.89%	4.51%	4.93%	1.92%
NET NONOPERATING REVENUE (EXPENSES)	\$ 777,155	\$ 517,215	\$ 201,063	\$ 253,646	\$ 80,496	9.37%	7.87%	3.07%	4.21%	1.37%
NET REVENUE (EXPENSES)	\$ 2,663,364	\$ 1,570,681	\$ 1,307,538	\$ 1,150,511	\$ 1,281,801	32.12%	23.91%	19.94%	19.10%	21.82%

**CASH SPECIAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
YEAR ENDED DECEMBER 31, 2022**

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: 9/30/2021

	Term of Office (Elected or Appointed or Date Hired)	Fees of Office Paid 12/31/2022	Expense Reimbursements 12/31/2022	Title at Year End
Board Members:				
Staley Cash	2021-2024	\$ 550	\$ -	President
Gary Pendergrass	2021-2023	\$ 500	\$ -	Vice-President
Bill Watkins	2021-2023	\$ 600	\$ -	Sec/Tres
David Lindsey	2020-2023	\$ 550	\$ -	Director
Craig Driggers	2019-2022	\$ 500	\$ -	Director
Bryan Delgado	2019-2022	\$ 450	\$ -	Director
Norris Mayberry	2021-2024	\$ 450	\$ -	Director
Micah Fry	2022-2023	\$ 100	\$ -	Director
Dee Hart	2022-2024	\$ 600	\$ -	Director

Key Administrative Personnel:

Clay Hodges	\$ 171,219	\$ 3,253	General Manager
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Consultants:

McLean & Howard, LLP	\$ 870	Attorney
James D. Bradbury, PLLC	\$ 3,940	Attorney
Rutherford, Taylor & Company, P.C.	\$ 13,995	Auditor
Velvin & Weeks, P.C.	\$ 264,277	Engineer
Modrall Sperling Lawyers	\$ 48	Attorney