

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT

FOR
THE FISCAL YEAR ENDED

March 31, 2021

General Manager
James Blodgett





ANNUAL FILING AFFIDAVIT

STATE OF TEXAS COUNTY OF HENDERSON COUNTY

I, Harry McCune of the

(Name of Duly Authorized District Representative)

East Cedar Creek Fresh Water Supply District

(Name of District)

hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of the Directors of the District on the 26th day of July, 2021 its annual audit report for the fiscal year or period ended March 31, 2021 and those copies of the annual audit report have been filed in the district office, located at:

115 Hammer Rd, Gun Barrel City, Texas 75156

(Address of District)

The annual filing affidavit and the attached copy of the audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of the annual filing requirements of Texas Water Code Section 49.194.

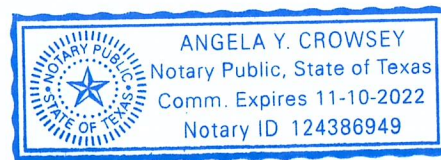
Date: 07/21/2021 By: Harry McCune
(Signature of District Representative)

HARRY McCUNE - PRESIDENT BOARD OF DIRECTORS
(Typed Name & Title of above District Representative)

Sworn to and Subscribed to before me by this 21st day of July, 2021
(SEAL)

Angela Y. Crowsey
(Signature of Notary)

My Commission Expires On: 11-10-2022
Notary Public in the State of Texas.



**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2021**

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INTRODUCTORY SECTION

East Cedar Creek Fresh Water Supply District

P.O. Box 309
Mabank, TX 75147

July 15, 2021

To the Board of Directors
East Cedar Creek Fresh Water Supply District
Mabank, Texas

Dear Board of Directors:

The Comprehensive Annual Financial Report ("CAFR") of the East Cedar Creek Fresh Water Supply District ("District"), for the year ended March 31, 2021, is submitted herewith.

Management assumes full responsibility for the completeness and reliability of the information contained in the report, based upon a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Mike Ward, CPA P.L.L.C. have issued an unmodified ("clean") opinion on the District's financial statements for the year ended March 31, 2021. The independent auditor's report is located in the beginning of the financial section of the CAFR.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements.

GENERAL INFORMATION – EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT

The East Cedar Creek Fresh Water Supply District is located in Henderson County in the Northeast region of Texas.

The Board of Directors is comprised of a President, Vice-President, Secretary, Treasurer and three Directors and is responsible for enacting rates, resolutions, and regulations governing the District, as well as appointing the members of various statutory and advisory boards. The General Manager is the administrator of the District and is responsible for the enforcement of the Board's decisions and supervision of each department of the District.

ECONOMIC CONDITIONS AND OUTLOOK

The District's pre-audit fiscal year ending 2020-2021 reflects a strong debt service ratio of 1.51, the post-audit fiscal year ending 2020-2021 reflects a strong debt service ratio of 1.90 (page 63). The Average Debt Running Ratio over the remaining years of bond debt payments is 3.33 (page 58). It is the goal of ECCFWSD to maintain a fiscal year debt service ratio of 1.25. If the District's fiscal year goal is below the 1.25 ratio management must provide supporting data as to why the goal was not met and report to the Board of Directors if the reason is significant enough to initiate a rate review. The economic condition of ECCFWSD is very sound and to ensure that this condition remains sound the District has monitoring procedures in place with measurable executive summaries to review.

Management provides to the Board of Directors monthly reports that are continuously monitored to provide the District's outlook for the fiscal year. If management projects a negative trend the three-Board member finance committee is notified, and committee meetings are scheduled. With the continuous threat of drought conditions throughout the State of Texas water for several seasons, conservation has been strongly promoted and becoming the new norm. Tarrant Regional Water District has decreased the District's estimated raw water purchase price from \$1.25539 in October of 2020 to \$1.25448 in October 2021 for TRWD Fiscal Year 2020, which reflects a decrease to the District for raw water. The finance committee calls for meetings with management to review water and sewer rates annually and evaluates the importance of maintaining the District's 1.25 debt service ratio. The finance committee reviews managements recommendations and concludes if to place on the board's agenda to adopt a revised customer service resolution to include increases to the water and sewer rates annually. There were no rate increases and the cost of water and sewer tap installations was increased to cover the cost of an increase in labor and materials.

The District secured revenue bonds in FY2018 in the amount of \$3,940,000.00 to fund multiple improvement projects throughout the system. The projects include a new Elevated Storage Tank on the northside (complete), a new Wastewater Plant on the southside to provide redundancy (Complete), updating the Brookshire WTP's Raw Water Pumping Station (Complete), new Lift Station 19 (Complete), and updating the District's means of efficient water meter reading by install an AMR system (. District's consulting engineering firm, KSA Engineer, provided plans on the mentioned projects to the Districts Board and had them approved through TCEQ. Most projects were completed in 2019. The AMR project was started in FY 20-21 but due to COVID-19 and a contract dispute with a vendor, the project must be rebid and completed in FY 21-22.

The District secured Revenue Refunding Bonds in FY 20-21 in the amount of \$4,898,023.86 to pay off the following Bonds: Series 2004A, Series 2007, Series 2011A, Series 2011B, and Series 2013.

MAJOR INITIATIVES

District office personnel continue to schedule time for scanning customer related files, and which are accessible by staff electronically. This program assists office staff in expediting records electronically for review during customer concern calls regarding history issues.

The District continues to utilize the dual electronic back-up program. To enhance this process, the District extracts data files from District computers and stores at an offsite location. The District then has a back-up process to restore the District's data collected if office files become corrupted.

The cross-training program for staff remains to be a key program and has proven to be beneficial during times of vacations, vacancies, and sick leave.

FINANCIAL INFORMATION

Accounting Procedures and Budgetary Controls

Accounting records for the District's water/wastewater utility and other proprietary activities are maintained on the economic measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the District's financial management staff, and expenditure estimates by each District department. Budgets are reviewed by the Board. As part of each year's budget development process, departments are required to update expenditure estimates for the current fiscal year. These estimates are reviewed by the Board, Bookkeeper, and the General Manager concurrent with review of the proposed budget. This re-estimated budget may require a supplemental appropriation and, if so, such supplemental appropriation is approved by a resolution adopted by the Board of Directors prior to the end of the current fiscal year.

OTHER INFORMATION

Independent Audit - East Cedar Creek Fresh Water Supply District has engaged the firm of Mike Ward CPA P.L.L.C. to perform the annual audit and their opinion has been included in this report. It should be noted that the auditors included all funds in their audit, performed their audit in accordance with generally accepted auditing standards, and stated that, in their opinion, the statements herein present fairly, in all material respects, the financial position of the District at March 31, 2021, and the changes in financial position and cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Acknowledgements

Many persons are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to the District's employees throughout the organization, especially those employees of the Accounting Department who were instrumental in the successful completion of this report.

Our appreciation is also extended to the Board Members of East Cedar Creek Fresh Water Supply District for providing the resources necessary to maintain the integrity of the District's financial affairs.

Respectfully submitted,

James E Blodgett Jr.

James Blodgett
GENERAL MANAGER

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
BOARD OF DIRECTORS
FOR THE YEAR ENDED MARCH 31, 2021**

East Cedar Creek Fresh Water Supply District
P. O. Box 309
Mabank, Texas 75147
(903) 887-7103

Board Member	Term of Office Elected/Expires or Date Hired	Title at End of Year	Resident of District
Harry McCune	Sept-07 Nov-24	President	Yes
Allen Brier	Dec-14 Nov-22	Vice-President	Yes
Joe Lomonaco	May-10 Nov-22	Secretary	Yes
Ted H. Bayless	Nov-12 Nov-24	Treasurer	Yes
Larry Bratton	Dec-14 Nov-22	Director	Yes
Jim Willi	Dec-16 Nov-24	Director	Yes
Jan Wynn	Mar-19 Nov-22	Director	Yes

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



FINANCIAL SECTION

Mike Ward Accounting & Financial Consulting, PLLC

Mike Ward, CPA
266 RCR 1397
Point, Texas 75472

(903) 269-6211

mward@mikewardcpa.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
East Cedar Creek Fresh Water Supply District
P.O. Box 309
Mabank, Texas 75147-0309

Report on the Financial Statements

I have audited the accompanying financial statements of the business-type activities of East Cedar Creek Fresh Water Supply District ("District"), as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of East Cedar Creek Fresh Water Supply District as of March 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

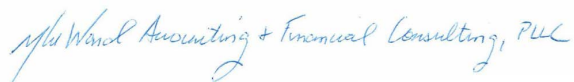
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 inquires of management about the methods of preparing the information, and comparing the information for consistency with management's responses to my inquires, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion, or provide any assurance on the information, because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the East Cedar Creek Fresh Water Supply District's basic financial statements. The introductory section, supplemental schedules required by the Texas Commission on Environmental Quality, statistical tables, and supplemental information listed in the table of contents are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

The introductory section, supplemental schedules required by the Texas Commission on Environmental Quality, statistical section, and supplemental information, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Mike Ward Accounting & Financial Consulting, PLLC". The signature is written in a cursive, flowing style.

Mike Ward Accounting & Financial Consulting, PLLC

Point, Texas
July 15, 2021

EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT MANAGEMENT DISCUSSION AND ANALYSIS MARCH 31, 2021

Within this section of the East Cedar Creek Fresh Water Supply District's ("District") annual financial report, management provides this narrative discussion and analysis of the financial activities of the District for for fiscal year ending March 31, 2021. Financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following the section.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the fiscal year by \$16,055,129 (net position). The portion of net position that can be used to meet the District's on-going obligations to citizens and creditors, the unrestricted net position, is \$3,070,956, or 19% of total net position.
- The District's total net position increased by \$853,881. This increase is due, in part, to increase in charges for services of \$788,841, or 13%, compared to the prior year.
- Net investments in capital assets totaled \$12,081,326. This amount includes property, equipment, and infrastructure less related accumulated depreciation, less outstanding debt used to purchase the capital assets, plus any unspent bond proceeds.
- The District's total net debt decreased by (\$959,286), or (7%), during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of two components; 1) fund financial statements, and 2) notes to the financial statements. The report also contains other supplementary information, in addition to the basic financial statements.

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
MARCH 31, 2021**

The financial statements are designed to provide readers with an overview of the District's finances, in a manner similar to a typical private-sector business.

The District operates as a proprietary fund type, and presents its financial statements using the economic resources measurement focus, and the accrual basis of accounting. The District's basic financial statements include:

- Proprietary Fund Type – Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows
- Notes to the Basic Financial Statements

The Statement of Net Position includes all of the District's assets and liabilities, with the difference between the two reported as net position. Net position is displayed in three categories:

- Net Investment in Capital Assets
- Restricted
- Unrestricted

Overview of the Financial Statements

The District operates as a proprietary fund type. All proprietary fund types are accounted for on a flow of economic resources measurement focus. Under the flow of economic measurement focus, all assets and liabilities associated with the operation of these funds are included within the Statement of Net Position. Proprietary fund type operating statements present increases, (revenues), and decreases, (expenses), in total net position.

All proprietary fund types utilize the accrual basis of accounting. Under this method, revenues are recognized when earned, regardless of when received, and expenses are recognized at the time the related liabilities are incurred, regardless of when paid.

Notes to the Financial Statements – The accompanying notes to the financial statements provide information that is essential to a complete understanding of the data provided within the basic financial statements. The notes to the financial statements begin immediately following the basic financial statements.

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
MARCH 31, 2021**

Schedule of Net Position

	2021	2020
Current and other assets	<u>\$ 6,310,888</u>	<u>\$ 5,877,538</u>
Non current assets	<u>23,115,633</u>	<u>23,534,515</u>
Total assets	<u>29,426,521</u>	<u>29,412,053</u>
Other liabilities	1,377,503	1,278,507
Long-term liabilities	<u>11,993,888</u>	<u>12,932,298</u>
Total liabilities	<u>13,371,391</u>	<u>14,210,805</u>
Net position:		
Net investment in capital assets	12,081,326	11,638,818
Restricted	902,847	857,318
Unrestricted	<u>3,070,956</u>	<u>2,705,112</u>
Total net position	<u>\$ 16,055,129</u>	<u>\$ 15,201,248</u>

As noted earlier, net position may serve over time as one useful indicator of the District's financial condition. The net position of the District was \$16,055,129, as of March 31, 2021. The District's net position increased by \$853,881, or 5.6%, during the fiscal year.

Net investment in capital assets

The largest portion, \$12,081,326 or 75%, reflects the District's investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure), less any related debt still outstanding that was issued to acquire those items. The District uses these capital assets to provide services to customers; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of any outstanding related debt, the resources needed to repay that debt must be provided by other sources.

Restricted net position

The restricted net position of \$902,847, or 6%, of total net position, represents resources that are subject to external restriction on their use, or by enabling legislation. Restricted net position of the District is for debt obligations.

Unrestricted net position

Unrestricted net position of \$3,070,956, or 19%, of total net position is available to fund the District's programs to its customers and creditors.

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
MARCH 31, 2021**

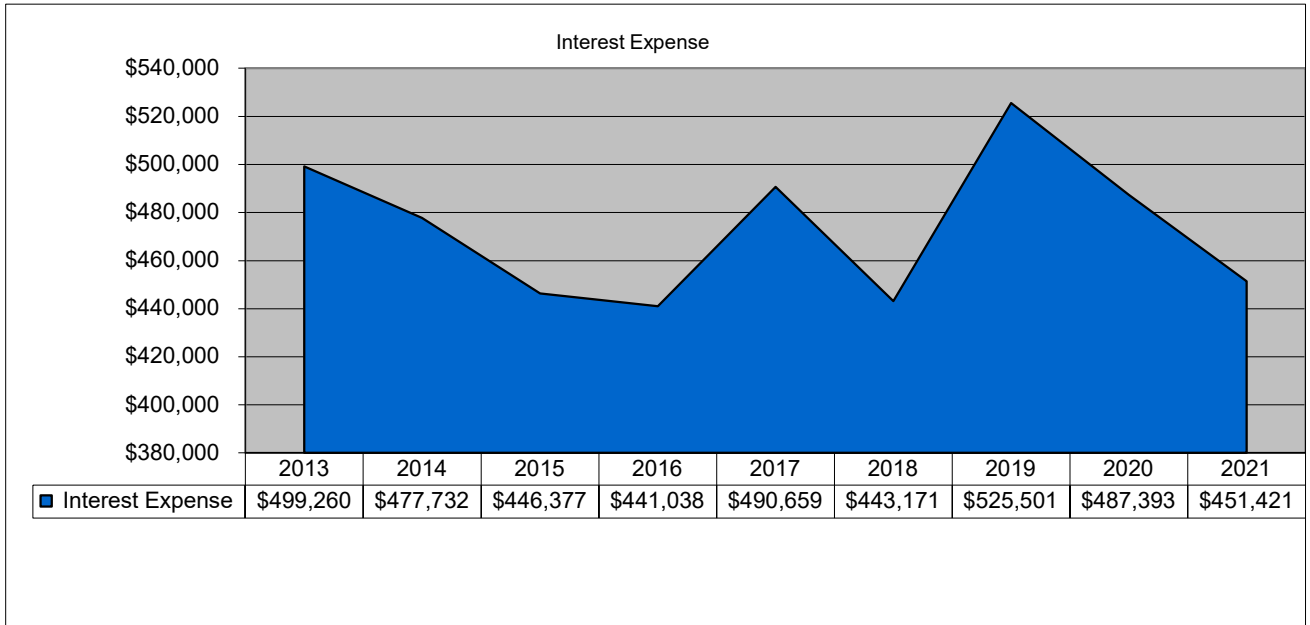
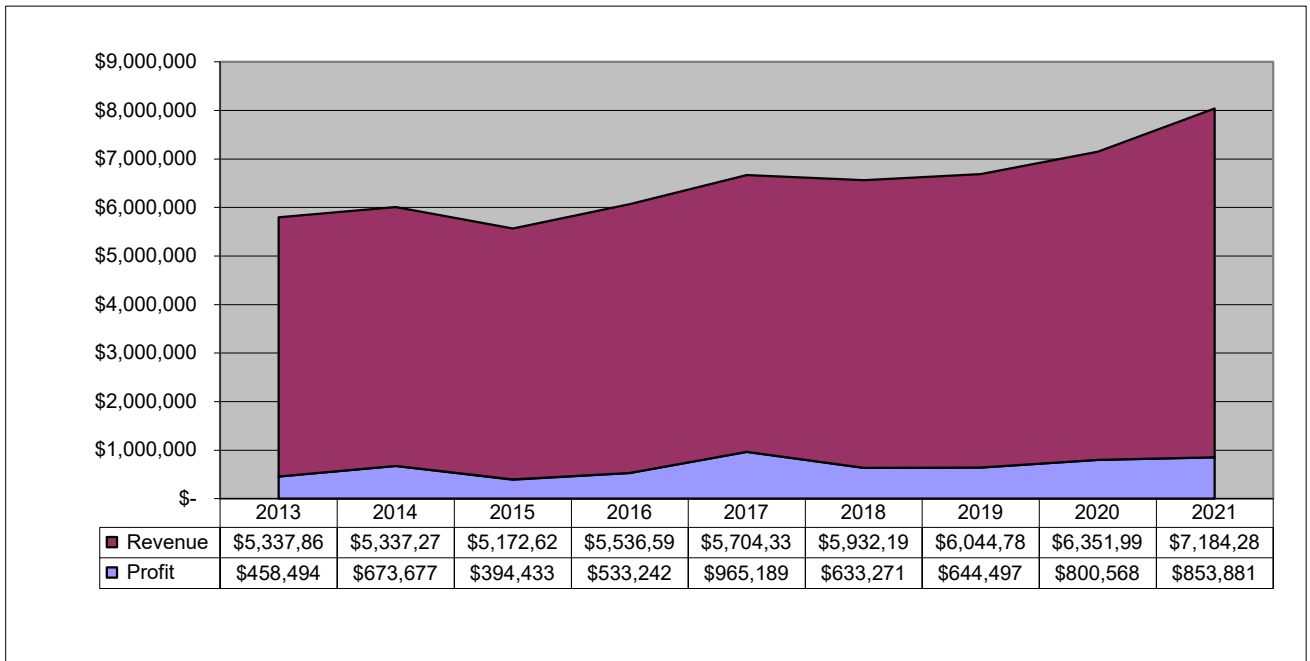
Changes in Net Position

	Business-type Activities		Total % Change
	2021	2020	
Revenues:			
Program Revenues:			
Charges for Services	\$ 7,078,917	\$ 6,290,076	12.54%
General Revenues:			
Miscellaneous	105,367	61,920	70.17%
Total Revenues	<u>7,184,284</u>	<u>6,351,996</u>	<u>13.10%</u>
Expenses:			
Program Expenses:			
Bulk Water Purchases	584,888	426,309	37.20%
Personnel Costs	1,788,682	1,675,515	6.75%
Professional Fees	23,265	17,014	36.74%
Printing and Office Supplies	16,066	13,865	15.87%
Vehicle Expense	42,232	25,369	66.47%
Chemicals	281,812	241,532	16.68%
Machinery & Equipment Expense	23,954	31,175	-23.16%
Operating Material & Supplies	1,049,128	761,791	37.72%
Sludge Control	36,836	37,408	-1.53%
Postage	60,750	59,513	2.08%
Utilities	280,931	269,139	4.38%
Insurance & Bond	19,401	24,507	-20.83%
Other Operating Expenses	187,216	259,663	-27.90%
Engineering Fees	5,203	1,050	395.54%
Testing	28,124	35,350	-20.44%
Depreciation & Amortization	1,293,148	1,264,639	2.25%
Total Expenses	<u>5,721,636</u>	<u>5,143,839</u>	<u>11.23%</u>
Excess of Revenues over Expenses	<u>1,462,647</u>	<u>1,208,157</u>	<u>21.06%</u>
Interest on Long-Term Debt	(451,421)	(487,393)	-7.38%
Investment Income	31,674	75,869	-58.25%
Gain(loss) on Disposal of Assets	-	3,935	-100.00%
Bond Issuance Costs	(189,019)	-	100.00%
Increase in Net Position	<u>853,881</u>	<u>800,568</u>	<u>6.66%</u>
Net Position, April 1	15,201,248	14,501,133	4.83%
Prior Period Adjustment	-	(100,453)	-100.00%
Net Position, March 31	<u>\$ 16,055,129</u>	<u>\$ 15,201,248</u>	<u>5.62%</u>

The District, as a whole, is primarily reliant on charges for services. Activities were 99% supported by charges for service, and 1% of revenues were derived from other sources.

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
FOR THE YEARS ENDED MARCH 31, 2013 - 2021**

REVENUES AND CHANGES IN NET POSITION



**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
MARCH 31, 2021**

Capital Assets - The District's investment in capital assets for its business-type activities, as of March 31, 2021, total \$23,115,633, net of accumulated depreciation. This investment in capital assets includes buildings, system infrastructure, land, machinery, and equipment. A net decrease in investment in capital assets of (1.78%) for the fiscal year occurred because of depreciation exceeding capital acquisitions.

Major capital improvements on-going during the fiscal year:

- South Waste Water Treatment Plant improvements.
- Water meter replacements.
- East side elevated storage tank improvements.
- Various equipment purchases.

**Capital Assets
(net of accumulated depreciation)**

	Business-type Activities	
	2021	2020
Land & Improvements	\$ 482,051	\$ 482,051
Machinery & Equipment	626,400	677,634
Buildings	161,424	161,060
Infrastructure	21,767,955	20,469,663
Construction in Progress	77,803	1,744,107
Total	\$ 23,115,633	\$ 23,534,515

More detailed information about the District's capital assets is presented in Note E to the financial statements.

Long-term Debt - As of March 31, 2021, the District had long-term debt outstanding of \$11,924,059. During the fiscal year, total debt decreased (\$959,286), or (7%).

**Outstanding Debt
as of March 31**

	Business-type Activities	
	2021	2020
Utility System Revenue Bonds	\$ 11,924,059	\$ 12,883,345

More detailed information about the District's long-term liabilities is presented in Note G to the financial statements.

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
MARCH 31, 2021**

Requests for Information

This report is designed to provide an overview of the District's finances for interested parties. Questions concerning the information found in this report, or requests for additional financial information, should be addressed to East Cedar Creek Fresh Water Supply District, P.O. Box 309, Mabank, TX 75147-0309.

BASIC FINANCIAL STATEMENTS

EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
STATEMENT OF NET POSITION
MARCH 31, 2021

	Proprietary Fund
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 2,894,591
Restricted cash and cash equivalents	2,589,846
Receivables (net of allowance for uncollectibles)	412,997
Inventory	379,723
Prepaid expenses	33,731
Total Current Assets	<u>6,310,888</u>
Noncurrent Assets:	
Capital Assets (net of accumulated depreciation):	
Land	482,051
Buildings & improvements	283,051
Infrastructure	42,071,178
Machinery & equipment	1,557,774
Construction In progress	77,803
Less accumulated depreciation	<u>(21,356,226)</u>
Total Noncurrent Assets	<u>23,115,633</u>
Total Assets	<u><u>29,426,521</u></u>
LIABILITIES	
Current Liabilities:	
Accounts payable	433,132
Payroll liabilities	8,265
Customer deposits-restricted assets	797,245
Accrued interest payable	119,842
Other liabilities	19,020
Total Current Liabilities	<u>1,377,503</u>
Noncurrent Liabilities:	
Due within one year:	
Revenue bonds payable	1,075,000
Due in more than one year:	
Compensated absences	69,829
Revenue bonds payable	<u>10,849,059</u>
Total Noncurrent Liabilities	<u>11,993,888</u>
Total Liabilities	<u><u>13,371,391</u></u>
NET POSITION	
Net investment in capital assets	12,081,326
Restricted for:	
Debt	902,847
Unrestricted	<u>3,070,956</u>
Total Net Position	<u><u>\$ 16,055,129</u></u>

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

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2021**

	Proprietary Fund
OPERATING REVENUES	
Charges for sales and services:	
Customer service fees	\$ 5,977,950
Other services related fees	946,612
Service charges & penalties	154,355
Other revenues	105,367
Total Operating Revenues	7,184,284
OPERATING EXPENSES	
Bulk water purchases	584,888
Personnel costs	1,788,682
Professional fees	28,468
Printing and office supplies	16,066
Vehicle expenses	42,232
Chemicals	281,812
Machinery & equipment expense	23,954
Operating material & supplies	1,077,252
Sludge control	36,836
Postage	60,750
Utilities	280,931
Insurance	19,401
Other operating expenses	187,216
Depreciation and amortization	1,293,148
Total Operating Expenses	5,721,636
Operating Income (Loss)	1,462,647
NON-OPERATING REVENUES (EXPENSES)	
Investment income	31,674
Interest expense	(451,421)
Bond Issuance Costs	(189,019)
Total Non-operating Revenues (Expenses)	(608,766)
Change in Net Position	853,881
Net position - Beginning, April 1	15,201,248
Net position - Ending, March 31	\$ 16,055,129

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

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED MARCH 31, 2021**

	Proprietary Fund
Cash Flows from Operating Activities	
Cash received from customers	\$ 7,042,722
Cash received from other sources	105,367
Cash paid to employees	(1,767,807)
Cash paid to suppliers	(2,573,003)
Net Cash Provided by Operating Activities	<u>2,807,280</u>
Cash Flows from Capital and Related Financing Activities	
Interest paid on capital debt	(451,421)
Issuance cost of debt	(189,019)
Debt proceeds	4,565,000
Principal payments of capital debt	(1,100,000)
Principal refunding of capital debt	(4,665,000)
Discount and premium on bonds	187,405
Acquisition and construction of capital assets	(874,265)
Net Cash (Used) for Capital & Related Financing Activities	<u>(2,527,300)</u>
Cash Flows from Investing Activities	
Interest income	31,673
Net Cash Provided by Investing Activities	<u>31,673</u>
Net Increase (Decrease) in Cash and Cash Equivalents	311,652
Cash and Cash Equivalents at Beginning of Year	5,172,785
Cash and Cash Equivalents at End of Year	<u>\$ 5,484,437</u>
Reconciliation of Operating Income to Net Cash Provided by Operation Activities	
Operating income (loss)	\$ 1,462,647
Adjustment to reconcile operating income to net Cash provided by operating activities:	
Depreciation and amortization	1,293,148
Changes in Assets and Liabilities:	
(Increase) Decrease in Assets:	
Receivables	(63,764)
Prepaid Assets	(10,098)
Inventories	(47,836)
Increase (Decrease) in Liabilities:	
Accounts payable	153,853
Accrued liabilities	0
Compensated absences	20,875
Customer deposits	27,566
Accrued interest payable	8,931
Other liabilities	(38,041)
Total Adjustments	<u>1,344,632</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,807,280</u>

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

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Board of Directors, a seven-member body elected by qualified voters of the District, is the governing body responsible for all activities of the East Cedar Creek Fresh Water Supply District ("District"), located in Henderson County. The Directors serve four years, staggered terms, that expire in even number years. The District was created on June 25, 1977 by House Bill No. 2165 passed by the 65th Legislature in 1977, as a conservation and reclamation district under Article XVI, Section 59, of the Texas Constitution, and has the powers of a municipal utility district under Chapter 54 of the Texas Water Code, as amended. As a municipal utility district, the District has the authority to levy ad valorem taxes to pay maintenance and operation expenses, payments under contracts, and to pay unlimited tax bonds, all subject to voter approval. The District has not voted to levy ad valorem taxes or issue bonds payable from ad valorem taxes. The District receives funding from various local, state, and federal sources, and must comply with the requirements of these funding entities. The District, and its operations, are subject to regulatory control by the Texas Commission on Environmental Quality, pursuant to various provisions of the Texas Water Code. The District covers approximately 20 square miles.

The accounting and reporting policies of the District, relating to the funds included in the accompanying basic financial statements, conform to accounting principles generally accepted in the United States of America ("GAAP"), applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB"), the American Institute of Certified Public Accountants, in the publication entitled *State and Local Governments - Auditing and Accounting Guide*, and the Financial Accounting Standards Board, when applicable. The more significant accounting policies of the District are described below:

1. Reporting Entity

The District has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by GASB in its Statement No. 14, "The Financial Reporting Entity", as amended by GASB 39, "Determining Whether Certain Organizations are Component Units" under GASB 14. Component units are organizations for which the District is financially accountable and all other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. As of March 31, 2021, the District does not have any component units.

In addition, GASB Statement No. 61 considers an organization that does not meet the financial accountability criteria to be considered a component unit if management's professional judgment determines it to be necessary, and/or misleading, if omitted. This evaluation includes consideration of whether a financial benefit, or burden, exists in the relationship between the entities. Management has not identified any situations that fit this criteria.

2. Basis of Presentation, Basis of Accounting

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, net position, revenue, and expenses. The sole fund type utilized by the District is described below:

Proprietary Fund - used to account for the operations of supplying water, which is a self-supporting activity rendering services on a user-charge basis.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods, in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund consider the portion of tap fees intended to recover the cost of connecting new customers to the system as operating revenue. Operating expenses for the proprietary fund include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2. Basis of Presentation, Basis of Accounting (continued)

Proprietary Fund financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds are accounted for on a flow of economic resources measurement focus. The accounting objectives are a determination of net income, financial position, and changes in cash flows. All assets and liabilities associated with proprietary fund activities are included within the statement of net position.

Proprietary funds are financed and operated in a manner similar to a private business enterprise. The costs (expenses, including depreciation), of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. Periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The District presents their financial statements utilizing only the business-type fund. The District uses the accrual basis of accounting to prepare its financial statements. Revenues are recognized within the accounting period in which they are earned, and expenses are recognized when incurred. The District's operating activities are the sale of water and providing wastewater services to residential and commercial customers located in a limited geographical region. The statements, exhibits, and supporting schedules contained within the financial statements were prepared on the accrual basis of accounting, except for the statement of cash flows, which is a cash basis statement.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

b. Receivables, Inventory, and Amortization

Trade receivables are shown net of an allowance for uncollectible accounts.

Inventory is valued at cost using the first-in-first-out method. Inventory consists of expendable supplies held for consumption.

The costs incurred upon the creation of the District are being amortized on a straight-line method over 40 years.

c. Restricted Assets

Certain proceeds of the proprietary fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because of their use being limited by applicable bond covenants.

Customer deposits received for water and wastewater service are, by law, considered restricted assets.

d. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method.

e. Capital Assets

Capital assets, which include land, buildings, equipment, and improvements, purchased or acquired, are reported at cost. The District defines capital assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost, or estimated historical cost, if historical cost is not available. Contributed assets are recorded at fair market value as of the date donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed.

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3. Financial Statement Amounts (continued)

e. Capital Assets (continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-like activities is included as part of the capitalized value of the assets constructed, when found to be material. During the current fiscal year, no interest was capitalized.

Management elected not to retroactively report infrastructure assets within the scope of GASB 34.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	40 years
Buildings	40 years
Vehicles and Machinery	5-15 years
Office Equipment	5-10 years
Computer Equipment	5-10 years

f. Compensated Absences

District employees are entitled to certain compensated absences based on their length of employment. Regular full-time employees can accrue vacation as follows: 40 hours after one year of service, 80 hours after 2-4 years of service, 120 hours after 5-10 years, and 160 hours after 10 or more years of service. Sick leave can be accumulated and carried over from year-to-year, and 50% of a maximum 60 days is paid upon leaving the employment of the District.

g. Long-Term Obligations

Long-term debt, consisting of bonds to be repaid from revenues of the system, are included in these accounts. In all proprietary fund financial statements outstanding debt is reported as a liability. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Management has compared this method to the effective interest method and found the difference between the two methods to be immaterial. Bond issuance costs are expensed in the year they are incurred.

h. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets consists of capital assets, less accumulated depreciation, less the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets, plus any unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use, either through enabling legislation adopted by the District, or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments. Unrestricted net position for the proprietary fund represents the net position available for future operations or distributions. The District also has net position restricted by resolution for bond reserve and interest and sinking fund accumulations.

i. Budget

Prior to the start of the fiscal year, the governing board of the District adopts an operating budget for the upcoming fiscal year. The adopted budget and any subsequent amendments are approved by a resolution of the governing board, and documented in the governing board minutes. Budget amendments are required by the board only if events occur which prevent meaningful comparison of the budget to the actual results of operations. The adopted budget is not a spending limitation imposed by the Board. However, the governing board may adopt rules to limit the spending authority of the District's officers, in relation to the budget. A comparison of the actual budget, as amended, to actual results is presented in the Required Supplemental Section of this financial report. The budget is adopted under a modified accrual basis of accounting.

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3. Financial Statement Amounts (continued)

j. Comparative Data

Comparative data of current year actual results to budget has been presented within the required supplementary section of the financial statement in order to provide for a better understanding of the District's expense management process.

k. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management estimates.

l. Program Revenues

Certain revenues, such as charges for services, are included in program revenues.

m. Program Expenses

Certain indirect costs, such as administrative costs, are included in program expense, and reported for individual functional activities.

B. COMPLIANCE AND ACCOUNTABILITY

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

The following are funds having a deficit fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>
None reported	Not applicable

C. DEPOSITS AND INVESTMENTS

The District's funds are required to be deposited and invested under the terms of a depository contract, pursuant to the Statutes of the Texas Water Code. The depository bank deposits, for safekeeping and trust with the District's agent bank, approved pledged securities in an amount sufficient to protect the District's funds on a day-to-day basis during the period of the contract. The pledging of approved securities is waived only to the extent of Federal Deposit Insurance Corporation ("FDIC") coverage.

Cash Deposits

At March 31, 2021, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments, petty cash) was \$5,484,437 and the bank balance was \$5,406,877. The District's cash deposits at the fiscal year end, and during the fiscal year, were entirely covered by FDIC, or by pledged securities.

Restricted Cash	
Debt	\$ 902,848
Customer Deposits	\$ 797,245
Infrastructure Projects	889,753
	<u>\$ 2,589,846</u>
Unrestricted Cash	<u>\$ 2,894,591</u>
Total Cash	<u>\$ 5,484,437</u>

EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

Statutes authorize the District to invest in obligations of the United States, the State of Texas, certain state agencies, certificates of deposit of state or national banks, or savings and loan associations within the State. The District had a total \$2,658,363 in certificates of deposit and \$1,006,755 in money market accounts.

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

Interest Rate Risk

In order to limit interest and market rate risk from changes in interest rates, the District's adopted Investment Policy setting weighted average days to maturity to be less than 180 days, and the maximum allowable maturity of one year.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. All of the District's cash deposits were either fully insured with FDIC, or pledged security at year end.

The District recognizes over-concentration of assets by market sector, or maturity, as a risk to the portfolio. The District's Investment Policy establishes diversification as a major objective of the investment program, and sets diversification limits for all authorized investment types, which are monitored at least on a monthly basis. In the opinion of management, the District was not exposed to a significant amount of credit risk at March 31, 2021.

D. RECEIVABLES

Receivables as of year end for the Proprietary fund, including the applicable allowances for uncollectible accounts, are as follows:

Receivables:	
Fees & Services	\$ 452,572
Allowance for uncollectibles	(39,575)
Net Receivables	\$ 412,997

E. CAPITAL ASSETS

Capital asset activity for the period ended March 31, 2021 was as follows:

	Beginning Balances	Additions	Decreases	Ending Balances
Business-type Activities				
Capital assets, not being depreciated				
Land	\$ 482,051	\$ -	\$ -	\$ 482,051
Construction in progress	2,390,301	77,803	(2,390,301)	77,803
Total capital assets, not being depreciated	\$ 2,872,352	\$ 77,803	\$ (2,390,301)	\$ 559,854
Capital assets, being depreciated				
Infrastructure	\$ 38,995,702	\$ 685,175	\$ 2,390,301	\$ 42,071,178
Buildings & Improvements	273,041	10,010	-	283,051
Machinery & Equipment	1,456,498	101,276	-	1,557,774
Total assets, being depreciated	\$ 40,725,241	\$ 796,461	\$ 2,390,301	\$ 43,912,003
Less accumulated depreciation for:				
Infrastructure	\$ (19,172,230)	\$ (1,130,992)	\$ -	\$ (20,303,222)
Buildings & Improvements	(111,980)	(9,646)	-	(121,626)
Machinery & Equipment	(778,866)	(152,510)	-	(931,376)
Total accumulated depreciation	\$ (20,063,076)	\$ (1,293,148)	\$ -	\$ (21,356,224)
Total capital assets, being depreciated, net	20,662,165	(496,687)	2,390,301	22,555,779
Business-type activities capital assets, net	\$ 23,534,517	\$ (418,884)	\$ -	\$ 23,115,633

EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

F. ORGANIZATION COSTS

The District, in accordance with requirements of the Texas Water Commission, capitalizes organizational costs incurred during the creation of the District. The District amortizes these organizational costs on a straight-line basis over forty years.

	Fees	Prior Years Amortization Expense	Current Year Amortization Expense	3/31/2021 Balance
Organization Costs	\$ 90,477	\$ (90,477)	\$ -	\$ -

G. LONG-TERM OBLIGATIONS

	Beginning 3/31/2020	Increase	Decrease	Ending 3/31/2021	Due Within One Year
<i>Business-type Activities</i>					
Water & Sewer					
Revenue Bonds	\$ 12,910,000	\$ 4,565,000	\$ (5,765,000)	\$ 11,710,000	\$ 1,075,000
Plus: Premiums	-	239,311	-	239,311	-
Less: Discounts	(26,655)	-	1,403	(25,252)	-
Total Bonds Payable	12,883,345	4,804,311	(5,763,597)	11,924,059	1,075,000
Compensated Absences	62,872	75,446	(68,489)	69,829	-
Business-type activity					
Long-term liabilities	\$ 12,946,217	\$ 4,879,757	\$ (5,832,086)	\$ 11,993,888	\$ 1,075,000

Changes in Business-type Long-term Debt

	Interest Rate	Amounts Original Issue	Amounts Outstanding March 31, 2020	Issued	Retired/ Refunded	Amounts Outstanding March 31, 2021	Due Within One Year
Revenue Bonds	Payable						
Series 2001	5.125%	\$ 5,970,000	\$ 105,000	\$ -	\$ -	\$ 105,000	\$ -
Series 2004	4.05%	5,175,000	685,000	-	(340,000)	345,000	345,000
Series 2004-A	3.05%	1,500,000	480,000	-	(480,000)	-	-
Series 2007	2.6%	730,000	355,000	-	(355,000)	-	-
Series 2011-A	2.0%	6,740,000	1,690,000	-	(1,690,000)	-	-
Series 2011-B	4.5%	1,760,000	1,385,000	-	(1,385,000)	-	-
Series 2013	3.0%	1,435,000	1,335,000	-	(1,335,000)	-	-
Series 2015	4.0%	3,095,000	2,950,000	-	(150,000)	2,800,000	155,000
Series 2018	3.5% to 5%	3,940,000	3,925,000	-	(30,000)	3,895,000	30,000
Series 2020	2% to 3%	4,565,000	-	4,565,000	-	4,565,000	545,000
Total Bonds Payable		34,910,000	12,910,000	4,565,000	(5,765,000)	11,710,000	1,075,000
Plus: Premiums		-	-	239,311	-	239,311	-
Less: Discounts		-	(26,655)	-	1,403	(25,252)	-
Total Net Bonds Payable		34,910,000	12,883,345	4,804,311	(5,763,597)	11,924,059	1,075,000
Compensated Absences			62,872	75,446	(68,489)	69,829	-
Total Long-Term Obligations		\$ 34,910,000	\$ 12,946,217	\$ 4,879,757	\$ (5,832,086)	\$ 11,993,888	\$ 1,075,000

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

G. LONG-TERM OBLIGATIONS (continued)

Debt service requirements are as follows:

Year Ending March 31:	Principal	Interest	Total Requirements
2022	1,075,000	374,325	1,449,325
2023	1,140,000	310,570	1,450,570
2024	1,170,000	274,270	1,444,270
2025	835,000	236,714	1,071,714
2026	780,000	213,938	993,938
2027-2031	3,560,000	774,633	4,334,633
2032-2036	2,550,000	323,075	2,873,075
Thereafter	600,000	31,306	631,306
Totals	\$ 11,710,000	\$ 2,538,831	\$ 14,248,831

A brief discussion of each bond issuance are as follows:

\$5,970,000 Utility System Revenue Bonds issued December 27, 2001 for the purpose of refunding Bond Series 1979 and Bond Series 1987.

\$5,175,000 Utility System Revenue Bonds issued July 15, 2004 for the purchase of refunding 1996 Bond Series.

\$1,500,000 Utility System Revenue Bonds issued November 9, 2004 for the purpose of improvements to the sewer system infrastructure. This debt was refunded during the fiscal year with the issuance of Series 2020 Refunding Bonds.

\$730,000 Utility System Revenue Bonds issued March 27, 2007 for the purpose of improvements to the water system infrastructure. This debt was refunded during the fiscal year with the issuance of Series 2020 Refunding Bonds.

\$6,740,000 Utility System Revenue Bonds issued January 15, 2011 for the purpose of refunding Bond Series 1994, 1999A, and a portion of Bond Series 2001. This debt was refunded during the fiscal year with the issuance of Series 2020 Refunding Bonds.

\$1,760,000 Utility System Revenue Bonds issued October 1, 2011 for the purpose of purchasing, constructing, acquiring, owning, operating, repairing, improving or extending any districts works, improvements facilities, plants, equipment and appliances with respect to the District's Utility System, including the acquisition of land and right-of-ways, and to pay the costs associated with the issuance of the Bonds. This debt was refunded during the fiscal year with the issuance of Series 2020 Refunding Bonds.

\$1,435,000 Utility System Revenue Bonds issued February 20, 2013 for the purpose of purchasing, constructing, acquiring, owning, operating, repairing, improving or extending any District works, improvements, facilities, plants, equipment and appliances with respect to the District's Waterworks and Sewer System, including the acquisition of land and right-of-ways and to pay the costs associated with the issuance of the 2013 Series Bonds. This debt was refunded during the fiscal year with the issuance of Series 2020 Refunded Bonds.

\$3,095,000 Utility System Revenue Bonds issued November 1, 2015 for the purpose of purchasing, constructing, acquiring, owning, operating, repairing, improving or extending any District works, improvements, facilities, plants, equipment and appliances with respect to the District's Waterworks and Sewer System, including the acquisition of land and right-of-ways and to pay the costs associated with the issuance of the 2015 Series Bonds.

\$3,940,000 Utility System Revenue Bonds issued February 21, 2018 for the purpose of purchasing, constructing, acquiring, owning, operating, repairing, improving or extending any District works, improvements, facilities, plants, equipment and appliances with respect to the District's Waterworks and Sewer System, including the acquisition of land, right-of-ways, and to pay the costs associated with the issuance of the 2015 Series Bonds.

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

G. LONG-TERM OBLIGATIONS (continued)

\$4,565,000 Utility System Revenue Refunding Bonds, Series 2020 issued September 16, 2020 for the purpose of refunding a portion of the District's outstanding debt, debt savings, and to pay the costs associated with the issuance of the Bonds.

H. DEFERRED COMPENSATION PLAN

Deferred compensation plans described in IRC section 457 are available for certain state and local governments and non-governmental entities, and are tax exempt under IRC 501. Plans eligible under 457b allow employees of sponsoring organizations to defer income taxation on retirement savings into future years.

The District implemented a 457b Deferred Compensation Plan for its employees. Under Section 457b of the Internal Revenue Code, an employee may defer a maximum of pre-deferred taxable income of \$19,000 per year. Effective January 1, 1997, the District may elect to make loans available to participants of the Plan. An employee becomes 100% vested after five years.

The employee may withdraw assets from his/her account either upon retirement, leaving employment, or severe financial hardship. The employee must begin receiving benefit payments no later than April 1 of the calendar year end he/she reaches the age of 70 1/2 or the year in which he/she retires, if later.

Payments may be paid as follows:

1. Lump sum distribution
2. Periodic payments over a specified number of years
3. Periodic payments over the determined life expectancy
4. A periodic payment of a specified amount per month, or year, until the account is exhausted
5. Purchase of a lifetime annuity

In the event of death, the designated beneficiary is eligible to withdraw the deferred compensation plan benefit.

The plan is administered by ICMA/RC Retirement Corporation ("RC"). RC is a not-for-profit, independent corporation, founded by public sector employees in 1972 to provide retirement plans exclusively for state and local government employees.

The Plan summary is as follows:

	FYE 3/31/2020	FYE 3/31/2021
Beginning Fund Balance, April 1	\$ 785,679	\$ 517,308
Contributions	95,402	61,368
Earnings/(Loss)	(31,030)	174,540
Distributions & Fees	(332,743)	(37,552)
Ending Fund Balance, March 31	<u>\$ 517,308</u>	<u>\$ 715,664</u>

I. HEALTH CARE COVERAGE

During the year ended March 31, 2021, employees of the District were covered by a health insurance plan. The District pays 100% per month per employee, and 50% of the cost for dependent coverage. Employees are authorized to direct payroll to withhold for dependent coverage. All contributions were paid to Blue Cross Blue Shield of Texas. The Plan is approved by article 3.51-2, Texas Insurance Code, and documented by contractual agreement.

J. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District had general liability coverage at a cost the District considers to be economically justifiable by joining together with other governmental entities within the State, as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The District pays an annual premium to TML for its coverage. The agreement for the formation of TML, provides that TML will be self-sustaining through member premiums, and will reinsure through commercial insurance for claims in excess of acceptable risk levels; however each category of coverage has its own level of reinsurance. The District continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year, and settled claims resulting from these risks have not exceeded coverage in any of the past four years.

The District estimates that the amount of actual or potential claims against it, as of March 31, 2021, will not materially affect the financial condition of the District. Therefore, the accompanying financial statements do not contain a provision for any such claims.

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

K. LITIGATION

The District may be subject to certain legal proceedings in the normal course of operations. In the opinion of management, the aggregate liability, if any, with respect to potential legal actions, would not materially affect the District's financial position, results of operations, or cash flows.

L. ENGINEERING REPORT

There is no special provision of the bond resolutions regarding engineering reports. The engineer is available to review the operations and physical conditions of the system.

M. WATER AND WASTEWATER SERVICES

Waterworks System

The District's utility system is comprised of two water treatment plants, water storage facilities, distribution lines, and two wastewater treatment plants, and related collection facilities. The District serves water and sewer customers within its boundaries, and outside its boundaries in the areas designated in separate certificates of convenience and necessity issued by TCEQ.

The District's source of raw water is Cedar Creek Reservoir, pursuant to separate contracts with Tarrant Regional Water District ("TRWD"), and the City of Trinidad, Texas. The contract with TRWD does not limit the amount of water the District may buy. The contract with the City of Trinidad, Texas is limited to 750 acre/feet per year but at a lesser cost. Raw water is pumped from Cedar Creek Reservoir directly to the plants, with screening in place to prevent debris from entering the plants.

The District operates two conventional water treatment plants. The McKay Water Treatment Plant ("McKay WTP") provides water to customers in the southern portion of the District, and the Brookshire Water Treatment Plant ("Brookshire WTP") services customers in the northern section.

McKay WTP, located off Hwy 198 just prior to entering the Town of Enchanted Oaks, has been in operation for approximately 20 years. The McKay WTP has a water treatment capacity of 1.73 million gallons per day. Two ground storage tanks and one elevated water tower provide a treated water storage capacity of 637,000 gallons.

Brookshire WTP, located off Welch Lane in Gun Barrel City, is more than 25 years old. Brookshire WTP has a water treatment capacity of 4.0 million gallons per day. Two ground storage tanks and one elevated water tower provide a treated water storage capacity of 1,570,000 gallons.

Wastewater System

The District operates two wastewater treatment plants ("WWTP"). The south WWTP is located along the east side of Hwy 198 just north of the entrance to the Town of Enchanted Oaks, and serves the southern area of the District. The north WWTP is located in an unincorporated area on Hammer Road, just off Welch Lane in Gun Barrel City, and serves the District's northern sector.

The south WWTP is approximately 20 years old with a permitted capacity of 196,000 gallons per day, or 0.196 million gallons per day, as stated within the permit. Less than one-third of the plant's capacity is used daily. This WWTP sits on a 178-acre tract with 1.34 acres dedicated toward water irrigation from the plant. Treated water effluent from the plant is processed to a large holding pond, and then utilized as irrigation source water. The residual sludge is processed for disposal to a sanitary landfill.

The District has contracted for the cutting, bailing, and selling of hay from the plant's irrigated acreage. The District received \$5,647 in hay sales during the current fiscal year.

The north WWTP was built in 1979 with a treatment capacity of 0.626 million gallons per day ("MGD"), with a surge capacity of 1.3 MGD for a period not to exceed two hours. With upgrades over the years, the District is now permitted for a treatment capacity of 0.750 MGD, which will satisfy the District's needs for approximately 10 years. The new permit imposes more challenges to the treatment process due to new and more stringent water quality discharge limits. The major portion of the latest upgrades was due to the need to construct a 1-MGD tertiary clarifier to treat and reduce phosphorous limits to a 1 part per million or less prior to discharging effluent from the treatment facility directly to Cedar Creek Lake.

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

Additional Services

The District collects water and sewer franchise fees for the City of Gun Barrel, Town of Enchanted Oaks, and Payne Springs. These funds are paid to the three entities once a year - City of Gun Barrel is paid in August of each year, the Town of Enchanted Oaks and Paynes Springs are paid in January of each year. The District does not charge an administrative fee for this service.

N. CONSTRUCTION COMMITMENTS

The North Side project, Phase II, a water and sewer infrastructure improvement project was completed during the fiscal year.

The District had the following active construction projects as of March 31, 2021.

Project	Spent-to-date	Estimated Remaining Commitment
1. Water tower construction, 300,000 gallon capacity.	972,058	128,942
2. Southside wastewater treatment plant improvements.	1,200,902	68,298
3. System-wide meter replacements.	27,030	4,970
Total	\$ 2,199,990	\$ 202,210

O. SUBSEQUENT EVENTS

The District has evaluated all events or transactions that occurred after March 31, 2021 through July 15, 2021, the date the financial statements were available to be issued. During this period, the District was not aware of any significant events requiring disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
 PROPRIETARY FUND
 SCHEDULE OF FUNCTIONAL EXPENSES COMPARISON TO BUDGET
 FOR THE YEAR ENDED MARCH 31, 2021**

	Final Budget	Actual	Variance with Final Budget
<u>Administration</u>			
Payroll Costs	456,170	\$ 444,297	\$ 11,873
Supplies	17,500	10,332	7,168
Professional Services	52,300	32,201	20,099
Maintenance	1,500	1,479	21
Utilities	35,000	15,358	19,642
Vehicle	15,400	1,608	13,792
Other	212,664	157,633	55,031
Total Administration Expenses	790,534	662,908	127,626
<u>Operations</u>			
Payroll Costs	688,429	569,234	119,196
Water Purchases	628,600	584,888	43,712
Operation	1,259,440	1,364,798	(105,358)
Contract Services	64,500	35,958	28,542
Maintenance	29,500	20,842	8,658
Sludge	38,000	36,836	1,164
Utilities	251,300	258,238	(6,938)
Vehicle	2,100	3,000	(900)
Sundry	16,900	35,969	(19,069)
Total Operations Expenses	2,978,769	2,909,763	69,006
<u>Field</u>			
Payroll Costs	1,031,046	775,152	255,894
Utilities	-	7,335	(7,335)
Contract Services	-	7,834	(7,834)
Maintenance	3,000	1,632	1,368
Vehicle	25,000	37,624	(12,624)
Sundry	-	26,240	(26,240)
Total Field Expenses	1,059,046	855,818	203,228
Total Expenses	\$ 4,828,349	\$ 4,428,489	\$ 399,860

Note: The District prepares the Proprietary Fund annual budget on a modified accrual basis, which differs from Generally Accepted Accounting Principles (GAAP basis). The budget, and all transactions, are presented in accordance with the District's method, (modified accrual basis), in the above schedule to provide a meaningful comparison of actual results with the budget.

Adjustments necessary to convert the Proprietary Fund's expenses on the modified accrual basis to a GAAP basis are provided below:

Expenses - Modified Accrual Basis	\$ 4,428,489
Expenses recognized for GAAP:	
Depreciation and Amortization	1,293,148
Interest costs	451,421
Bond issue costs	189,019
Operating Expenses - GAAP Basis	<u>\$ 6,362,077</u>

SUPPLEMENTAL SCHEDULES
(Unaudited)

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
TEN YEARS ENDED MARCH 31**

	Years Ended March 31			
	2021	2020	2019	2018
Operating Revenues:				
Customer Service Fees	\$ 5,977,950	\$ 5,551,257	\$ 5,461,359	\$ 5,348,921
Other Service Related Fees	946,612	603,898	346,423	342,662
Service Charges & Penalties	154,355	134,921	136,359	138,833
Grant Revenue	-	-	-	-
Other Revenue	105,367	61,920	100,647	101,778
Total Operating Revenues	7,184,284	6,351,996	6,044,788	5,932,194
Operating Expenses:				
Bulk Water Purchases	584,888	426,309	460,992	362,339
Personnel Costs	1,788,682	1,675,515	1,643,532	1,553,376
Professional Fees	23,265	17,014	12,550	15,259
Contracted Services	16,066	13,865	13,596	-
Printing, Office Supplies, Postage	60,750	59,513	59,129	69,370
Vehicles	42,232	25,369	37,867	29,895
Chemicals	281,812	241,532	236,846	212,997
Machinery & Equipment Expenses	23,954	31,175	22,351	25,027
Operating Materials & Supplies	1,077,252	797,141	646,197	747,338
Sludge Control	36,836	37,408	34,143	34,297
Telephone & Utilities	280,931	269,139	304,068	298,117
Insurance & Bond	19,401	24,507	23,217	19,161
Engineering Fees	5,203	1,050	8,169	1,986
Uncollectible Accounts	-	-	-	-
Other Operating Expenses	159,092	224,313	137,990	148,968
Testing	28,124	35,350	35,589	33,315
Depreciation and amortization	1,293,148	1,264,638	1,258,440	1,109,220
Total Operating Expenses	5,721,636	5,143,838	4,934,676	4,660,665
Operating Income	1,462,647	1,208,158	1,110,112	1,271,529
Non-Operating Revenue (Expenses):				
Interest Revenue	31,674	75,869	58,416	20,634
Insurance Refund	-	-	-	-
Interest Expense	(451,421)	(487,393)	(525,501)	(443,171)
Bond Issuance Costs	(189,019)	-	-	(221,969)
Gain(loss) on disposal of assets	-	3,935	1,470	6,248
Extraordinary expense	-	-	-	-
Total Non-Operating Revenue (Expense)	(608,766)	(407,589)	(465,615)	(638,258)
Change in Net Position	\$ 853,881	\$ 800,569	\$ 644,497	\$ 633,271

Years Ended March 31					
2017	2016	2015	2014	2013	2012
\$ 5,184,106	\$ 5,110,083	\$ 4,754,402	\$ 4,932,766	\$ 4,851,319	\$ 4,832,021
230,725	136,071	181,056	192,809	259,710	255,009
130,947	140,193	126,611	128,985	130,152	123,147
-	-	-	-	-	-
141,998	140,416	102,564	51,202	56,869	42,583
5,687,776	5,526,763	5,164,633	5,305,762	5,298,050	5,252,760
436,085	439,056	451,688	401,430	464,749	205,818
1,596,546	1,467,521	1,419,109	1,373,295	1,251,681	1,292,496
10,455	24,409	15,986	13,124	41,140	11,868
-	-	-	-	-	4,562
67,586	56,298	61,811	57,654	55,408	54,348
56,483	48,963	48,818	40,546	29,438	17,083
201,772	190,479	197,310	103,504	131,128	164,353
37,789	30,677	27,114	34,072	35,558	27,638
642,671	674,351	503,537	478,078	584,210	520,365
34,575	38,220	58,676	152,191	150,580	140,082
295,054	280,792	384,251	421,313	417,337	361,899
16,761	15,615	15,389	17,827	14,953	23,287
1,853	6,911	3,614	628	10,255	13,619
-	-	-	-	-	17,579
119,790	113,001	133,821	137,180	137,991	142,949
36,925	31,340	29,595	27,143	26,340	32,591
1,096,237	1,026,349	978,250	949,697	924,439	888,380
4,650,582	4,443,982	4,328,969	4,207,682	4,275,207	3,918,917
1,037,194	1,082,781	835,664	1,098,080	1,022,843	1,333,843
16,561	9,829	7,988	31,514	8,290	12,737
-	-	-	62,760	33,204	-
(490,658)	(441,038)	(446,377)	(477,732)	(499,260)	(426,668)
-	(120,000)	-	-	(104,900)	(35,444)
7,426	1,670	(2,842)	(40,945)	(1,683)	1,600
394,666	-	-	-	-	-
(72,005)	(549,539)	(441,231)	(424,403)	(564,349)	(447,775)
\$ 965,189	\$ 533,242	\$ 394,433	\$ 673,677	\$ 458,494	\$ 886,068

EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
TEN YEARS ENDED MARCH 31
(continued)

	Years Ended March 31									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating Revenues:										
Customer Service Fees	83.2%	87.4%	90.3%	90.2%	91.1%	92.5%	92.1%	93.0%	91.6%	92.0%
Other Service Related Fees	13.18	9.51	5.73	5.78	4.06	2.46	3.51	3.63	4.90	4.85
Service Charges & Penalties	2.15	2.12	2.26	2.34	2.30	2.54	2.45	2.43	2.46	2.34
Grant Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Revenue	1.47	0.97	1.67	1.72	2.50	2.54	1.99	0.97	1.07	0.81
Total Operating Revenues	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Operating Expenses:										
Bulk Water Purchases	8.1	6.7	7.6	6.1	7.7	7.9	8.7	7.6	8.8	3.9
Personnel Costs	24.9	26.4	27.2	26.2	28.1	26.6	27.5	25.9	23.6	24.6
Professional Fees	0.3	0.3	0.2	0.3	0.2	0.4	0.3	0.2	0.8	0.2
Contracted Services	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Postage	0.8	0.9	1.0	1.2	1.2	1.0	1.2	1.1	1.0	1.0
Vehicles	0.6	0.4	0.6	0.5	1.0	0.9	0.9	0.8	0.6	0.3
Chemicals	3.9	3.8	3.9	3.6	3.5	3.4	3.8	2.0	2.5	3.1
Machinery & Equipment Expenses	0.3	0.5	0.4	0.4	0.7	0.6	0.5	0.6	0.7	0.5
Operating Materials & Supplies	15.0	12.5	10.7	12.6	11.3	12.2	9.7	9.0	11.0	9.9
Sludge Control	0.5	0.6	0.6	0.6	0.6	0.7	1.1	2.9	2.8	2.7
Telephone & Utilities	3.9	4.2	5.0	5.0	5.2	5.1	7.4	7.9	7.9	6.9
Insurance & Bond	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Engineering Fees	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.0	0.2	0.3
Uncollectible Accounts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Operating Expenses	2.2	3.5	2.3	2.5	2.1	2.0	2.6	2.6	2.6	2.7
Testing	0.4	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.6
Depreciation	18.0	19.9	20.8	18.7	19.3	18.6	18.9	17.9	17.4	16.9
Total Operating Expenses	79.6	81.0	81.6	78.6	81.8	80.4	83.8	79.3	80.7	74.6
Operating Income	20.4	19.0	18.4	21.4	18.2	19.6	16.2	20.7	19.3	25.4
Non-Operating Revenue (Expenses)										
Interest Revenue	0.4	1.2	1.0	0.3	0.3	0.2	0.2	0.6	0.2	0.2
Insurance Refund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2	0.6	0.0
Interest Expense	-6.3	-7.7	-8.7	-7.5	-8.6	-8.0	-8.6	-9.0	-9.4	-8.1
Bond Issuance Costs	-2.6	0.0	0.0	-3.7	0.0	-2.2	0.0	0.0	-2.0	-0.7
Gain (loss) on sale of asset	0.0	0.1	0.0	0.1	0.1	0.0	-0.1	-0.8	0.0	0.0
Extraordinary expense	0.0	0.0	0.0	0.0	6.9	0.0	0.0	0.0	0.0	0.0
Total Non-Operating Revenue (Expense)	(8.5)	(6.4)	(7.7)	(10.8)	(1.3)	(9.9)	(8.5)	(8.0)	(10.7)	(8.5)
Change in Net Position	11.9	12.6	10.7	10.7	17.0	9.6	7.6	12.7	8.7	16.9

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED MARCH 31, 2021**

1. Services Provided by the District:
- | | | |
|---|---|-------------------------------------|
| <input checked="" type="checkbox"/> Retail Water | <input type="checkbox"/> Wholesale Water | <input type="checkbox"/> Drainage |
| <input checked="" type="checkbox"/> Retail Wastewater | <input type="checkbox"/> Wholesale Wastewater | <input type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks/Recreation | <input type="checkbox"/> Fire Protection | <input type="checkbox"/> Security |
| <input type="checkbox"/> Solid Waste/Garbage | <input type="checkbox"/> Flood Control | <input type="checkbox"/> Roads |
| <input type="checkbox"/> Participants in joint venture, regional system and/or wastewater service (other than emergency interconnect) | | |
| <input type="checkbox"/> Other (specify): | | |

2. Retail Rates Based on 5/8" Meter: ☐ Retail Rates Not Applicable

Most prevalent type of meter (if not 5/8"): 5/8"

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1,000 Gallons Over Minimum	Usage Levels
WATER	\$ 20.75	-	N	\$ 4.05	-0- to 3000 gallons
WASTEWATER	\$ 28.29	-	N	\$ 4.36	0 to \$46.65 maximum

District employs winter averaging for wastewater usage? ☐ Yes ☒ No

Total water and wastewater charges per 10,000 gallons usage (including surcharges) \$ 112.12

3. Standby Fees:
- Does the District assess standby fees?
- | | | | | |
|-----------------------|---------------|----------------|---|---|
| Yes | _____ | No | <input checked="" type="checkbox"/> _____ | If yes, specify amount and basis of the assessment. |
| \$ - | Per Lot | \$ - | Per Acre | \$ - Other of Non-Uniform Rate |
| (Check One) | _____ Per Lot | _____ Per Acre | _____ Per Month | |
| Percent allocated to: | General Fund | _____ % | | |
| | Debt Service | _____ % | | |

EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
SERVICES AND RATES (continued)
FOR THE YEAR ENDED MARCH 31, 2021

Have the standby fees been approved by the Texas Water Commission:

 Yes x No

Have standby fees been levied in accordance with Water Code Section 50.056,
thereby, Constituting a lien on property:

Yes
No x

4. Total water consumption during the fiscal year:

Gallons pumped into system: 528,390,000

Gallons billed to customers: 352,678,200

5. Number of retail water and/or wastewater* connections within the District as of the fiscal year end.

Connections	Active Connections	Inactive** Connections
Single Family	<u> 6,240 </u>	<u> 1,054 </u>
Multi-Family	<u> 149 </u>	<u> 6 </u>
Commercial	<u> 296 </u>	<u> 71 </u>
Other - Recreational Centers, Gov & VFD	<u> 36 </u>	<u> 4 </u>
TOTAL	<u> 6,722 </u>	<u> 1,135 </u>

* Number of connections relates to water service, if provided. Otherwise, the number of
wastewater connections should be provided.

** "Inactive" means that water and wastewater connections were made, but service is not
being provided.

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
SERVICES AND RATES (continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2021**

6. Anticipated sources of funds to be used for debt service payments in the District's following years:

a. Debt Service Tax Receipts	\$ -
b. Surplus Construction Funds	-
c. Water Revenue	7,184,284
d. Standby Fees	-
e. Debt Service Fund Balance to be Used	902,847
f. Interest Revenues	31,674
g. Other (Describe)	-
TOTAL ANTICIPATED FUNDS TO BE USED	<u>\$ 8,118,805</u>

7. Location of District:

County(ies) in which District is located.

Henderson

Is the District located entirely within one county?

☒ Yes

☐ No

Is the District located within a city?

☐ Entirely

☒ Partly

☐ Not at all

City(ies) in which district is located.

Gun Barrel City, Enchanted Oaks, Payne Springs

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

☐ Entirely

☒ Partly

☐ Not at all

ETJ's in which District is located.

Gun Barrel City, Payne Springs, Enchanted Oaks, Mabank

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

☐ Yes

☒ No

If Yes, by whom?

N/A

EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
SCHEDULE OF RATES
FOR THE FISCAL YEAR ENDED MARCH 31, 2020
(unaudited)

Resident Rates:				
Water:	5/8" Meter	\$ 20.75	Base charge	
		4.05	0-3,000 Gallons	
		4.32	3,001-10,000 Gallons	
	3/4" Meter	4.58	over 10,000 Gallons	
		28.69	Base charge	
		4.05	0-3,000 Gallons	
Wastewater:	5/8" Meter	4.32	3,001-10,000 Gallons	
		4.58	over 10,000 Gallons	
		\$ 28.29	Base charge	
	3/4" Meter	4.36	per 1,000 Gallons	
		48.98	Maximum	
		40.55	Base charge	
Commercial Rates:	3/4" Meter	4.36	per 1,000 Gallons	
		97.44	Maximum	
	Water:	3/4" Meter	\$ 28.69	Base charge
			4.05	0-3,000 Gallons
			4.32	3,001-10,000 Gallons
		1" Meter	4.58	over 10,000 Gallons
			44.51	Base charge
			4.05	per 1,000 Gallons
		1 1/2" Meter	84.14	Base charge
			4.05	per 1,000 Gallons
			131.67	Base charge
2" Meter		4.05	per 1,000 Gallons	
		258.43	Base charge	
		4.05	per 1,000 Gallons	
3" Meter	359.01	Base charge		
	4.05	per 1,000 Gallons		
	4.05	per 1,000 Gallons		
Wastewater:	3/4" Meter	\$ 40.55	Base charge	
		4.36	per 1,000 Gallons	
		65.08	Base charge	
	1" Meter	4.36	per 1,000 Gallons	
		126.39	Base charge	
		4.36	per 1,000 Gallons	
	1 1/2" Meter	199.97	Base charge	
		4.36	per 1,000 Gallons	
		396.18	Base charge	
	2" Meter	4.36	per 1,000 Gallons	
		616.92	Base charge	
		4.36	per 1,000 Gallons	
3" Meter				

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
SCHEDULE OF EXPENSES - PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED MARCH 31, 2021**

Current:		
Personnel		
	(Including Benefits)	\$ 1,788,682
Professional Fees:		
	Auditing	12,000
	Engineering	5,203
	Other	11,266
Purchased Services for Resale:		
	Bulk Water & Sewer Service Purchases	584,888
Contracted Services:		
	Other Contracted Services	-
Utilities		280,931
Repairs and Maintenance		1,462,086
Administrative Expenses:		
	Office Supplies	76,816
	Insurance	19,401
Other Expenses		<u>187,215</u>
TOTAL EXPENSES		<u><u>\$ 4,428,489</u></u>

Number of persons employed by the District:	<u>38</u>	Full Time
	<u>-</u>	Part Time

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
SCHEDULE OF INVESTMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021**

<u>Item</u>	<u>Account Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balances at End of Year</u>
Unrestricted:				
Operating Checking	11006733	0.05%	N/A	\$ 925,800
Cash on Hand				580
Payroll Checking	11020924	-	N/A	1,132
Managers Account Checking	11020916	-	N/A	2,054
Money Market Checking				
Emergency - Special	13640908	0.25%	N/A	193,858
Certificate of Deposit				
Improvement Fund	177000430	2.30%	6/27/2021	1,064,400
Certificate of Deposit				
Emergency Fund	210912	0.23%	6/4/2021	99,081
Certificate of Deposit				
Operating Reserve	177000353	0.60%	6/23/2021	112,612
Certificate of Deposit				
Emergency Fund	230723	0.20%	8/28/2021	413,159
Certificate of Deposit				
Emergency Fund	228801	0.23%	6/14/2021	99,277
Money Market Checking				
Operating Reserve	2154226	0.05%	N/A	779,883
Total Unrestricted				<u>\$ 3,691,836</u>
Restricted:				
Certificate of Deposit				
Debt Service	10007278	0.106%	9/12/2021	869,834
Money Market Checking				
Bond System Fund Reserve	11028554	0.50%	N/A	33,014
2018 Bonds Fund	1801228	0.28%	N/A	889,753
Total Restricted				<u>1,792,601</u>
TOTAL INVESTMENTS				<u><u>\$ 5,484,437</u></u>

EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
ANALYSIS OF CHANGES IN FIXED ASSETS AND INTANGIBLE ASSETS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021
(unaudited)

	Balance 3/31/20	Additions	Other Additions Deletions, Reclassifications	Balance 3/31/21
<u>Physical Facilities:</u>				
Land	\$ 482,051	\$ -	\$ -	\$ 482,051
Bldgs. & Improvements	273,041	10,010	-	283,051
Infrastructure	38,995,702	685,175	2,390,301	42,071,178
Machinery & Equipment	1,456,498	101,276	-	1,557,774
Construction In Progress	2,390,301	77,803	(2,390,301)	77,803
Total Fixed Assets	<u>\$43,597,593</u>	<u>\$ 874,264</u>	<u>\$ -</u>	<u>\$44,471,857</u>

Amounts Provided By:

General Revenues	\$ 9,739,738	\$ 874,264	\$ -	\$10,614,002
Bond Proceeds	33,299,104	-	-	33,299,104
Government Grants	558,751	-	-	558,751
Total Amounts Provided	<u>\$43,597,593</u>	<u>\$ 874,264</u>	<u>\$ -</u>	<u>\$44,471,857</u>

Organizational Costs:

Election Costs	\$ 674	\$ -	\$ -	\$ 674
Fees, Permits, Etc.	754	-	-	754
Legal Fees	42,305	-	-	42,305
Operating Costs	34,683	-	-	34,683
Bond Issue Expense	21,173	-	-	21,173
Bond Interest Expense	100,000	-	-	100,000
Interest on Investment	(108,889)	-	-	(108,889)
Contribution	(223)	-	-	(223)
Total Intangible Assets	<u>\$ 90,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,477</u>

Amounts Provided By:

General Revenues	\$ (9,523)	\$ -	\$ -	\$ (9,523)
Bond Proceeds	100,000	-	-	100,000
Total Amounts Provided	<u>\$ 90,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,477</u>

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
REVENUE BONDS PAYABLE - BY YEARS
FOR THE YEAR ENDED MARCH 31, 2021**

Annual Requirements for All Series			
Due During Fiscal Year Ending	Principal Due Jan/July	Interest Due Jan/July	Total
2022	1,075,000	374,325	1,449,325
2023	1,140,000	310,570	1,450,570
2024	1,170,000	274,270	1,444,270
2025	835,000	236,714	1,071,714
2026	780,000	213,938	993,938
2027	700,000	190,257	890,257
2028	720,000	173,332	893,332
2029	690,000	155,332	845,332
2030	715,000	137,232	852,232
2031	735,000	118,482	853,482
2032	600,000	99,182	699,182
2033	625,000	82,119	707,119
2034	510,000	64,050	574,050
2035	530,000	47,476	577,476
2036	285,000	30,250	315,250
2037	295,000	20,631	315,631
2038	305,000	10,675	315,675
	<u>\$ 11,710,000</u>	<u>\$ 2,538,831</u>	<u>\$ 14,248,831</u>

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
REVENUE BONDS PAYABLE - BY YEARS
FOR THE YEAR ENDED MARCH 31, 2021**

Series 2001				
Due During Fiscal Year Ending	Principal Due January 1	Interest Due July 1	Interest Due January 1	Total
2022	-	2,691	2,691	5,381
2023	-	2,691	2,691	5,381
2024	-	2,691	2,691	5,381
2025	-	2,691	2,691	5,381
2026	105,000	2,691	2,691	110,381
	<u>\$ 105,000</u>	<u>\$ 13,453</u>	<u>\$ 13,453</u>	<u>\$ 131,906</u>

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
REVENUE BONDS PAYABLE - BY YEARS
FOR THE YEAR ENDED MARCH 31, 2021**

Series 2004				
Due During Fiscal Year Ending	Principal Due January 1	Interest Due January 1	Interest Due July 1	Total
2022	345,000	6,987	6,987	358,974
	<u>\$ 345,000</u>	<u>\$ 6,987</u>	<u>\$ 6,987</u>	<u>\$ 358,974</u>

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
REVENUE BONDS PAYABLE - BY YEARS
FOR THE YEAR ENDED MARCH 31, 2021**

Series 2015				
Due During Fiscal Year Ending	Principal Due January 1	Interest Due January 1	Interest Due July 1	Total
2022	155,000	40,938	40,938	236,876
2023	160,000	37,838	37,838	235,676
2024	165,000	36,238	36,238	237,476
2025	170,000	34,485	34,485	238,970
2026	180,000	32,572	32,572	245,144
2027	185,000	30,322	30,322	245,644
2028	195,000	27,547	27,547	250,094
2029	200,000	24,622	24,622	249,244
2030	210,000	21,622	21,622	253,244
2031	220,000	18,472	18,472	256,944
2032	225,000	15,172	15,172	255,344
2033	235,000	11,797	11,797	258,594
2034	245,000	8,125	8,125	261,250
2035	255,000	4,144	4,144	263,288
	<u>\$ 2,800,000</u>	<u>\$ 343,894</u>	<u>\$ 343,894</u>	<u>\$ 3,487,788</u>

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
REVENUE BONDS PAYABLE - BY YEARS
FOR THE YEAR ENDED MARCH 31, 2021**

Series 2018				
Due During Fiscal Year Ending	Principal Due January 1	Interest Due January 1	Interest Due July 1	Total
2022	30,000	63,531	63,531	157,063
2023	185,000	62,781	62,781	310,563
2024	195,000	58,156	58,156	311,313
2025	200,000	53,281	53,281	306,563
2026	210,000	50,781	50,781	311,563
2027	215,000	48,156	48,156	311,313
2028	220,000	45,469	45,469	310,938
2029	230,000	42,444	42,444	314,888
2030	235,000	38,994	38,994	312,988
2031	240,000	35,469	35,469	310,938
2032	250,000	31,869	31,869	313,738
2033	260,000	27,963	27,963	315,925
2034	265,000	23,900	23,900	312,800
2035	275,000	19,594	19,594	314,188
2036	285,000	15,125	15,125	315,250
2037	295,000	10,316	10,316	315,631
2038	305,000	5,338	5,338	315,675
	<u>\$ 3,895,000</u>	<u>\$ 633,166</u>	<u>\$ 633,166</u>	<u>\$ 5,161,331</u>

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
REVENUE BONDS PAYABLE - BY YEARS
FOR THE YEAR ENDED MARCH 31, 2021**

Series 2020				
Due During Fiscal Year Ending	Principal Due January 1	Interest Due January 1	Interest Due July 1	Total
2022	545,000	73,016	73,016	691,032
2023	795,000	51,975	51,975	898,950
2024	810,000	40,050	40,050	890,100
2025	465,000	27,900	27,900	520,800
2026	285,000	20,925	20,925	326,850
2027	300,000	16,650	16,650	333,300
2028	305,000	13,650	13,650	332,300
2029	260,000	10,600	10,600	281,200
2030	270,000	8,000	8,000	286,000
2031	275,000	5,300	5,300	285,600
2032	125,000	2,550	2,550	130,100
2033	130,000	1,300	1,300	132,600
	<u>\$ 4,565,000</u>	<u>\$ 271,916</u>	<u>\$ 271,916</u>	<u>\$ 5,108,832</u>

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
ANALYSIS OF CHANGES IN REVENUE BONDS PAYABLE
REVENUE BONDS PAYABLE - BY SERIES
AS OF MARCH 31, 2021**

	Bond Issues										Total
	Series 2001	Series 2004	Series 2004A	Series 2007	Series 2011A	Series 2011B	Series 2013	Series 2015	Series 2018	Series 2020	
Interest Rate	4% - 5.125%	4.05%	1.45% - 4.10%	2.55% - 3.15%	2% - 4.75%	2.5% - 4.5%	3% - 3.25%	2.00% - 4.00%	3.50% - 5.00%	2.00% - 3.00%	
Date Interest Payable	1-1/7-1	1-1/7-1	1-1/7-1	1-1/7-1	1-1/7-1	1-1/7-1	1-1/7-1	1-1/7-1	1-1/7-1	1-1/7-1	
Maturity Dates	01/01/03 to 01/01/26	01/01/05 to 01/01/22	03/31/06 to 03/31/25	01/01/08 to 03/31/28	07/01/2011 to 01/01/2025	01/01/2013 to 01/01/2031	07/01/2013 to 01/01/2033	01/01/2016 to 07/01/2035	01/01/2018 to 07/01/2039	07/01/2021 to 01/01/2033	
Bonds Outstanding at Beginning of Current Year ^r	\$ 105,000	\$ 685,000	\$ 480,000	\$ 355,000	\$ 1,690,000	\$ 1,385,000	\$ 1,335,000	\$ 2,950,000	\$ 3,925,000	\$ -	\$ 12,910,000
Bond Issuance	-	-	-	-	-	-	-	-	-	4,565,000	4,565,000
Retirements:											
Principal Paid	-	340,000	-	40,000	355,000	105,000	80,000	150,000	30,000	-	1,100,000
Principal Refunded	-	-	480,000	315,000	1,335,000	1,280,000	1,255,000	-	-	-	4,665,000
Bonds Outstanding at End of Current Year	\$ 105,000	\$ 345,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,800,000	\$ 3,895,000	\$ 4,565,000	\$ 11,710,000
Retirements:											
Interest Paid or Accrued ^d	\$ 5,481	\$ 27,512	\$ 9,496	\$ 5,415	\$ 44,863	\$ 25,263	\$ 21,838	\$ 90,150	\$ 133,683	\$ 4,677	\$ 368,378
Interest Refunded	-	-	6,223	4,525	30,219	22,638	19,438	-	-	-	83,043
Current Year Interest^t	\$ 5,481	\$ 27,512	\$ 15,719	\$ 9,940	\$ 75,082	\$ 47,901	\$ 41,276	\$ 90,150	\$ 133,683	\$ 4,677	\$ 451,421
Bond Authority:											
Amount Authorized	\$5,970,000	\$5,175,000	\$1,500,000	\$730,000	\$6,740,000	\$1,760,000	\$1,435,000	\$3,095,000	\$3,940,000	\$4,565,000	\$34,910,000
Amount Issued	\$5,970,000	\$5,175,000	\$1,500,000	\$730,000	\$6,740,000	\$1,760,000	\$1,435,000	\$3,095,000	\$3,940,000	\$4,565,000	\$34,910,000

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
SCHEDULE OF INSURANCE COVERAGE
FOR THE YEAR ENDED MARCH 31, 2021
(unaudited)**

Type of Coverage	From	To	Amount of Coverage	Insurer	Type of Corp. Stock/Mutual
Position Schedule Bond:	6/1/2020	6/1/2021		Victor Schinnerer	Stock
Board of Directors (6)			\$10,000		
Board Treasurer (1)			\$10,000		
			\$10,000	TML Intergovernmental Risk Pool	
Workers Compensation:	10/1/2020	10/1/2021			
Bodily Injury:				TML Intergovernmental Risk Pool	Pool
By Accident			\$100,000 Each Accident	Contract 5546	
By Disease			\$100,000 Each Employee		
By Disease			\$500,000 Policy Limit		
Public Employee Dishonesty:	10/1/2018	10/1/2021	\$10,000 Limit	TML Intergovernmental	
Real and Personal Property:	10/1/2018	10/1/2021	\$11,374,583	Risk Pool	
				Contract 5546	Pool
Fire, Lightening and			\$10,000,000		
Extended Coverage			\$1,000		
Deductible			\$10,000,000		
Blanket Limit			474429		
Mobile Equipment			\$1,000		
Deductible			\$3,423,440		
Boiler and Machinery			\$1,000		
Deductible			\$10,000		
Sublimits:			\$10,000		
Valuable Papers			\$10,000		
Accounts Receivable			\$50,000		
Loss of Revenues			\$5,000		
Personal Effects			\$5,000		
Leasehold Interest					
Outdoor Trees and			\$10,000		
Shrubs (\$250 each)			\$1,000,000		
Newly Acquired Property			\$20,000 each premises		
Pollutant Cleanup and Removal					

EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
SCHEDULE OF INSURANCE COVERAGE (continued)
FOR THE YEAR ENDED MARCH 31, 2021
(unaudited)

Type of Coverage	From	To	Amount of Coverage	Insurer	Stock/Mutual
Commercial General Liability:	10/1/2020	10/1/2021	\$1,000,000 Each Occurrence	TML Intergovernmental Risk Pool Contract 5546	Pool
General Aggregate Limit			\$2,000,000 Annual		
Sudden Events Involving Pollution			\$1,000,000 Each Occurrence		
Deductible			\$1,000 Each Occurrence		
Commercial Auto:	10/1/2020	10/1/2021		TML Intergovernmental Risk Pool Contract 5546	Pool
Liability			\$1,000,000 Each Occurrence		
Medical			\$25,000 Each Person		
Deductible			\$1,000 Each Occurrence		
Errors and Omissions:	10/1/2020	10/1/2021		TML Intergovernmental Risk Pool Contract 5546	Pool
Liability			\$1,000,000 Each Act		
			\$2,000,000 Aggregate		
Deductible			\$1,000 Each Act		
Auto Physical Damage:	10/1/2020	10/1/2021		TML Intergovernmental Risk Pool Contract 5546	Pool
Limits of Coverage			Actual Cash Value		
Deductible			\$1,000 Per Vehicle		
Deductible			\$10,000 Each Occurrence		
Information Security and Privacy Liability	10/1/2020	10/1/2021		TML Intergovernmental Risk Pool Contract 5546	Pool
Website Media Content Liability					
Limits of Coverage			\$1,000,000 Aggregate		
Deductible			\$0 Each Claim		

EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
SCHEDULE OF INSURANCE COVERAGE (continued)
FOR THE YEAR ENDED MARCH 31, 2021
(unaudited)

Privacy Breach Response Services	10/1/2020	10/1/2021		TML Intergovernmental Risk Pool Contract 5546	Pool
Limits of Coverage			\$25,000 Aggregate		
Deductible			\$1,250 Each Incident		
Regulatory Defense and Penalties	10/1/2020	10/1/2021		TML Intergovernmental Risk Pool Contract 5546	Pool
Payment Card Industry Fines, Expenses and Costs					
Cyber Extortion					
First Party Data Protection					
First Party Network Business Interruption					
Limits of Coverage			\$50,000 Aggregate		
Deductible			\$2,500 Each Claim		
			\$5,000 Each Claim		
Loss of Income Deductible					

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
KEY PERSONNEL AND CONSULTANTS
FOR THE YEAR ENDED MARCH 31, 2021
(unaudited)**

East Cedar Creek Fresh Water Supply District
P. O. Box 309
Mabank, Texas 75147
(903) 887-7200

Name and Address	Term of Office Elected/Expires or Date Hired	Fees & Expense Reim- bursement	Title at End of Year	Resident of District
Key Administrative Personnel:				
James Blodgett	April 1, 2020	\$ 76,913	Manager	Yes
Consultants:				
KSA Engineers	2010	44,144	Engineer	No
Mike Ward, CPA	2020	12,000	Auditor	No
Paul Terrill	2019	3,765	Attorney	No

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____	Yes	<u> x </u> No
Reportable condition(s) identified that are not considered to be material weaknesses?	<u> x </u>	Yes	_____ No
Noncompliance material to financial statements noted?	_____	Yes	<u> x </u> No

Federal Awards

Identification of major programs:	None		
Dollar threshold used to identify major programs:	\$750,000		
Auditee qualified as low-risk auditee?	_____	Yes	<u> n/a </u> No

Section II - Financial Statement Findings

No Matters Reported

Section III - Federal Awards Findings and Questioned Costs

N/A

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

[illegible]

I, the undersigned, Mike Ward Accounting and Financial Consulting, PLLC, DO HEREBY MAKE the following report:

- 1) According to the books and records of the Waterworks and Sewer System ("System") of the East Cedar Creek Fresh Water Supply District, the gross revenues, operation and maintenance expense, net earnings, 2020 debt requirements and times coverage of the System for the fiscal year ending March 31, 2020 are as follows:

Gross Revenues	Maintenance and Operating Expenses	Net Revenues	2021 Debt Requirements	Times Coverage
\$ 7,184,284	\$ 4,428,489	\$ 2,755,795	\$1,449,325	1.90

- 2) In my opinion, the net earnings of the System for such fiscal year are equal to at least 1.9 times the annual principal and interest requirements of the outstanding debt of the East Cedar Creek Fresh Water Supply District at March 31, 2021.

Mike Ward Accounting & Financial Consulting, PLLC
Certified Public Accountant

By: _____

SWORN TO AND SUBSCRIBED BEFORE ME, this the _____ day of _____, 2021.

Notary Public, State of Texas

EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
DEBT COVERAGE RATIO
FOR THE YEAR ENDED MARCH 31, 2021

Annual Requirements for All Series

Fiscal Year Ending	Principal Due Jan/July	Interest Due Jan/July	Total
2022	1,075,000	374,325	1,449,325
2023	1,140,000	310,570	1,450,570
2024	1,170,000	274,270	1,444,270
2025	835,000	236,714	1,071,714
2026	780,000	213,938	993,938
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2035	530,000	47,476	577,476
2036	285,000	30,250	315,250
2037	295,000	20,631	315,631
2038	305,000	10,675	315,675
	<u>\$ 11,710,000</u>	<u>\$ 2,538,831</u>	<u>\$ 14,248,831</u>

$\$14,248,831 / 17 = \$838,167$ Average Yearly Payments

\$ 853,881	Increase in Net Position
1,293,148	Depreciation & Amortization Expense
<u>640,440</u>	Bond Interest Expense & Issuance Costs
<u>\$ 2,787,469</u>	Net Revenue for Debt Coverage

$\$2,787,469$ Net Revenue for Debt Coverage / $\$838,167$ Average Yearly Payment

3.33 Total Debt Ratio



STATISTICAL INFORMATION

(Unaudited)

STATISTICAL SECTION

(unaudited)

This part of the East Cedar Creek Fresh Water Supply Districts' Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and supplementary information says about the Water Supply District' overall financial health. This information has not been audited by the independent auditor.

Contents

Table #s

Financial Trends

This table contains trend information to help the reader understand how the Water Supply's financial performance and well-being have changed over time.

1

Debt Capacity

This table presents information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

2

Economic and Demographic Information

This table offers economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place.

3

Operating Information

These tables contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides.

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Source: Unless otherwise noted, the information in these tables are derived from the Comprehensive Annual Financial Reports for the relevant year.

EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 1

	FISCAL YEAR				
	2012	2013	2014	2015	2016
Business-type activities					
Net investment in capital assets	\$ 7,239,272	\$ 8,526,582	\$ 8,835,168	\$ 9,291,769	\$ 9,771,372
Restricted	990,000	1,312,328	1,454,390	1,378,063	1,566,290
Unrestricted	2,634,042	817,914	1,040,943	1,055,102	920,514
Total business-type activities net position	<u>\$ 10,863,314</u>	<u>\$ 10,656,824</u>	<u>\$ 11,330,501</u>	<u>\$ 11,724,934</u>	<u>\$ 12,258,176</u>

	FISCAL YEAR				
	2017	2018	2019	2020	2021
Business-type activities					
Net investment in capital assets	\$ 10,230,453	\$ 11,174,083	\$ 11,529,630	\$ 11,638,818	\$ 12,081,326
Restricted	1,370,620	649,816	836,577	857,318	902,847
Unrestricted	1,622,292	2,032,737	2,134,926	2,705,112	3,070,956
Total business-type activities net position	<u>\$ 13,223,364</u>	<u>\$ 13,856,636</u>	<u>\$ 14,501,133</u>	<u>\$ 15,201,248</u>	<u>\$ 16,055,129</u>

- The restricted assets for the District are comprised of legally required fund balances per debt
- The District's assets consist primarily of water treatment and distribution facilities.

EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(unaudited)

Table 2

<u>Fiscal Year</u>	<u>Total Revenues ^a</u>	<u>Less: Operating Expenses ^b</u>	<u>Net Available Revenue</u>	<u>Annual Requirements</u>	<u>Times Coverage</u>
2012	5,252,760	3,030,537	2,222,223	1,639,596	1.36
2013	5,298,050	3,350,768	1,947,282	1,480,719	1.32
2014	5,368,522	3,257,985	2,110,537	1,476,841	1.43
2015	5,164,633	3,350,719	1,813,914	1,511,085	1.20
2016	5,526,763	3,417,633	2,109,130	1,536,038	1.38
2017	5,787,957	3,554,344	2,233,613	1,627,816	1.37
2018	5,932,194	3,551,444	2,380,750	1,633,227	1.46
2019	6,044,788	3,676,234	2,368,554	1,736,264	1.36
2020	6,351,996	3,879,201	2,472,795	1,633,061	1.51
2021	7,184,284	4,428,489	2,755,795	1,449,325	1.90

Note: ^a Total Revenues do not include non-operating revenues

^b Operating Expenses only - excludes depreciation and amortization

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
TEN LARGEST WATER CUSTOMERS
MARCH 31, 2021
(unaudited)**

Table 3

Customer	Water Billings	% of Total Customer Usage	Gallons Consumed
Bullet express Car Wash	\$ 9,855	0.63% #	2,076,000
Stephen Hudson	6,982	0.45%	1,502,300
Silverleaf at GBC - Irrigation	7,522	0.45%	1,478,500
Saibaba Hotels, LLC	6,562	0.39%	1,277,600
Walmart	7,572	0.34%	1,130,700
Lowe's #4540	6,029	0.34%	1,117,400
Southern Multifoods	4,815	0.33%	1,087,400
Cedar Creek Farms	8,776	0.30%	1,002,600
ETMCRHS East Texas Medical Center	8,135	0.26%	867,800
GBC Car Care, LLC Kwik Car	4,451	0.26%	866,600
		<u>3.75%</u>	<u>12,406,900</u>
 Total Customer Consumption		 <u>100.00%</u>	 <u>330,768,100</u>

Source: East Cedar Creek Water Supply District's service records

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
FULL-TIME EQUIVALENT EMPLOYEES BY
FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)**

Table 4

Function / Program	MARCH 31									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Management	3	3	4	4	4	4	4	4	4	4
Utility Administration	4	4	4	4	4	4	4	4	4	5
Water Systems Operations	3	3	3	3	3	3	4	4	4	4
Field Operations	17	17	17	17	17	17	17	15	15	19
WWTR Systems Operations	5	4	5	5	5	5	5	5	5	6

Source: Staff

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(unaudited)**

Table 5

Function	MARCH 31				
	2012	2013	2014	2015	2016
Number of water customers	6,347	6,297	6,340	6,367	6,398
Number of services added	40	40	30	18	10
Average daily water consumption	999,968	976,127	974,354	869,617	919,346
Month of peak consumption	September	July	September	September	August
Peak monthly consumption (gallons)	47,507,900	43,288,400	48,398,536	35,736,400	44,788,100
Maximum storage capacity	2,137,000	2,137,000	2,137,000	2,137,000	2,137,000

Function	MARCH 31				
	2017	2018	2019	2020	2021
Number of water customers	6,416	6,458	6,529	6,566	6,722
Number of services added	16	55	52	70	102
Average daily water consumption	880,626	889,102	920,513	878,146	966,242
Month of peak consumption	July	Sept	July	Aug	July
Peak monthly consumption (gallons)	47,252,000	41,309,000	50,781,000	53,411,000	56,978,000
Maximum storage capacity	2,137,000	2,137,000	2,137,000	2,137,000	2,137,000

Source: East Cedar Creek Water Supply District's service records

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(unaudited)**

Table 6

	2012	2013	2014	2015	2016
Function					
Miles of pipeline	160	160	160	160	160
Treatment Plants - Water	2	2	2	2	2
Treatment Plants - Wastewater	2	2	2	2	2

	2017	2018	2019	2020	2021
Function					
Miles of pipeline	212.7	212.7	212.7	212.7	212.7
Treatment Plants - Water	2	2	2	2	2
Treatment Plants - Wastewater	2	2	2	2	2

Source: East Cedar Creek Water Supply District's service records