

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE  
EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
FOR  
THE FISCAL YEAR ENDED  
March 31, 2024

General Manager  
James Blodgett



**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED MARCH 31, 2024**

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FOR THE YEAR ENDED MARCH 31, 2024**

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## ANNUAL FILING AFFIDAVIT

STATE OF TEXAS COUNTY OF HENDERSON COUNTY

I, Jim Willi 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 17th day of July, 2024 its annual audit report for the fiscal year or period ended March 31, 2024 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

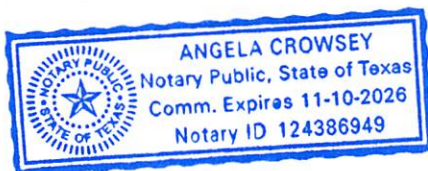
(Address of District)

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: 7/17/24 By: Jim Willi  
(Signature of District Representative)

Jim Willi  
(Typed Name & Title of above District Representative)

Sworn to and Subscribed to before me by this 17th day of July, 2024  
(SEAL)



Angela Y. Crow  
(Signature of Notary)

My Commission Expires On: 11-10-2026  
Notary Public in the State of Texas.



## INTRODUCTORY SECTION

# East Cedar Creek Fresh Water Supply District

P.O. Box 309  
Mabank, TX 75147

July 17, 2024

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, 2024, 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, 2024. 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 2023-2024 reflects a strong debt service ratio of 3.70, the post-audit fiscal year ending 2023-2024 reflects a strong debt service ratio of 2.06 (page 58). The Average Debt Running Ratio over the remaining years of bond debt payments is 2.75 (page 59). 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 the Board of Director's 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. The District promotes conservation to its customers, and this is becoming the new norm. Tarrant Regional Water District has increased the District's estimated raw water purchase price from \$1.29191 in September of 2023 to \$1.35479 in March 2024 for TRWD Fiscal Year 2023, which reflects an increase 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 management's 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 was an increase of 3% to both monthly minimums and rates this fiscal year.

The District secured revenue bonds in FY2022 in the amount of \$9,870,000.00 to fund multiple improvement projects throughout the system. The projects include two (2) new ground storage tank at the Brookshire WTP, replacement of two (2) lift stations, installation of twenty-five hundred (2,500) AMR meters in the Districts southside, replacement of the North WWTP oxidation ditch catwalk, generators for both WTP's and both Raw Water Intakes, Rehab of the old South WWTP, and the North and South Side Master Plans. The Districts engineering firm, KSA Engineering, works with management and the Board to develop plans. After the plans have been developed, they must be submitted to the TCEQ for approval. Once TCEQ approves the plans, the District can move forward with securing a bond. Since the bond was secured in November of 2022, here are their current status: Brookshire WTP GST's (construction to begin mid 2024), Master Plan (complete), South WWTP Rehab (to begin mid 2024), Southside AMR Meter Installation (the District purchased the meters and should complete installation mid 2024), LS57 & LS 59 Rehab (under design and review), Generators (the District is receiving ARPA funding through Henderson County – Currently in design phase), and NWWTP Catwalk (currently no work completed).

## MAJOR INITIATIVES

District office personnel continue to schedule time for scanning customer related files which are accessible by staff electronically. This program assists office staff in expediting records electronically for review during customer concern calls regarding historical data or 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, Office Manager, 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, 2024, 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 people 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, 2024**

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

<b>Board Member</b>	<b>Term of Office Elected/Expires or Date Hired</b>	<b>Title at End of Year</b>	<b>Resident of District</b>
Jim Willi	Dec-16 Nov-24	President	Yes
Larry Bratton	Dec-14 Nov-26	Vice-President	Yes
Bill Goheen	Nov-21 Nov-26	Treasurer	Yes
Joe Lomonaco	May-10 Nov-26	Secretary	Yes
Terry Bradley	Mar-24 Nov-24	Director	Yes
Ted H. Bayless	Nov-12 Feb-24	Director	Yes
Rob Rea	Dec-21 Nov-24	Director	Yes
Patrick Mullaney	Dec-22 Nov-26	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

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## Mike Ward Accounting & Financial Consulting, PLLC

Mike Ward, CPA  
266 RCR 1397  
Point, Texas 75472

(903) 269-6211

[mward@mikewardcpa.com](mailto:mward@mikewardcpa.com)

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### INDEPENDENT AUDITOR'S REPORT

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

#### Opinions

I have audited the accompanying financial statements of the business-type activities of the East Cedar Creek Fresh Water Supply District ("District") as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the District as of March 31, 2024, and the changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis of Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

#### Responsibilities of Management for the Financial Statements

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test

basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement that basis financial statements. Such information is the responsibility of management and, 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 the 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, 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**

Management is responsible for the other information included in the annual report. The other information comprises 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 but does not include the basic financial statements and my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

Respectfully Submitted,

*Mike Ward Accounting & Financial Consulting, PLLC*

**Mike Ward Accounting & Financial Consulting, PLLC**

Point, Texas  
July 17, 2024

## **EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT MANAGEMENT DISCUSSION AND ANALYSIS MARCH 31, 2024**

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, 2024. 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 \$18,983,181 (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 \$4,326,991, or 23% of total net position.
- The District's total net position increased by \$1,678,045. This increase is due, in part, to a decrease in operating expenditures of (\$257,935), or (3.42%), and an increase in operating of \$120,166, or 1.34%.
- Net investments in capital assets totaled \$13,707,332. 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 (\$1,188,541), or (6%), 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, 2024**

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, 2024**

**Schedule of Net Position**

	<b>2024</b>	<b>2023</b>
Current and other assets	<u>\$ 16,131,490</u>	<u>\$ 16,403,842</u>
Non current assets	<u>23,092,127</u>	<u>22,043,674</u>
Total assets	<u>39,223,617</u>	<u>38,447,516</u>
Other liabilities	1,785,858	1,508,761
Long-term liabilities	<u>18,454,578</u>	<u>19,633,619</u>
Total liabilities	<u>20,240,436</u>	<u>21,142,380</u>
Net position:		
Net investment in capital assets	13,707,332	12,418,703
Restricted	948,857	881,170
Unrestricted	<u>4,326,991</u>	<u>4,005,263</u>
Total net position	<u>\$ 18,983,181</u>	<u>\$ 17,305,136</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 \$18,983,181, as of March 31, 2024. The District's net position increased by \$1,678,045, or 9.7%, during the fiscal year.

***Net investment in capital assets***

The largest portion, \$13,707,332 or 72%, 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 \$948,857, or 5%, 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 \$4,326,991, or 23%, 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, 2024**

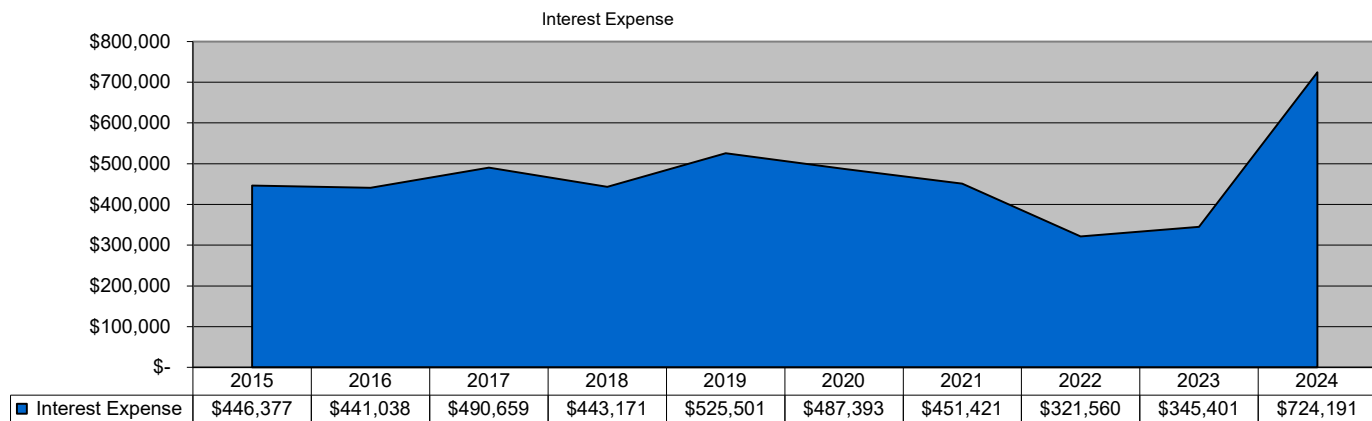
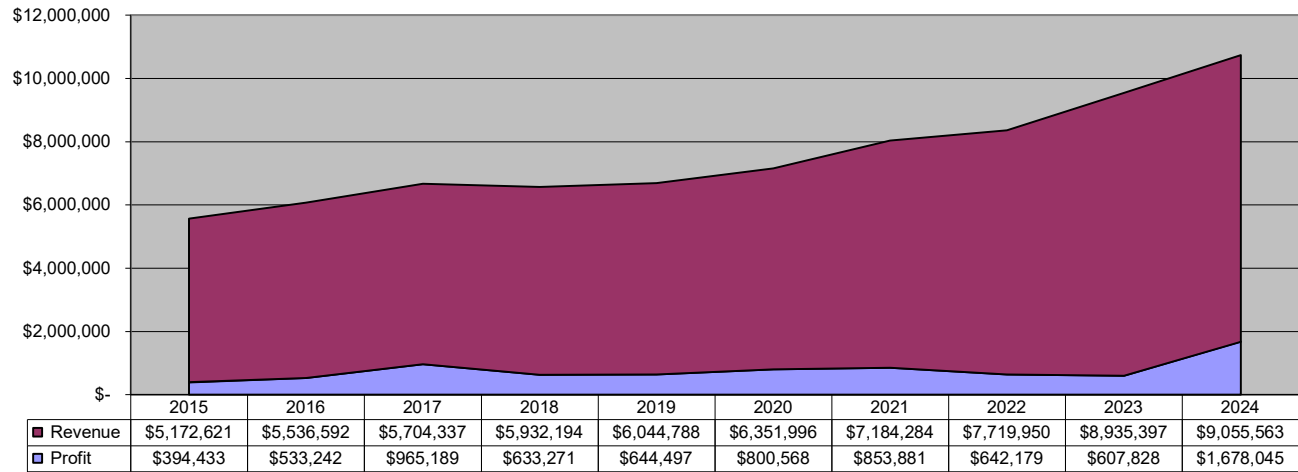
**Changes in Net Position**

	Business-type Activities		Total
	2024	2023	% Change
<b>Revenues:</b>			
Program Revenues:			
Charges for Services	\$ 8,743,252	\$ 8,767,540	-0.28%
General Revenues:			
Miscellaneous	312,311	167,857	86.06%
<b>Total Revenues</b>	<u>9,055,563</u>	<u>8,935,397</u>	<u>1.34%</u>
<b>Expenses:</b>			
Program Expenses:			
Bulk Water Purchases	609,554	690,246	-11.69%
Personnel Costs	2,323,026	2,067,402	12.36%
Professional Fees	18,250	19,038	-4.14%
Printing and Office Supplies, postage	20,080	18,873	6.40%
Vehicle Expense	42,215	44,138	-4.36%
Chemicals	419,318	438,019	-4.27%
Machinery & Equipment Expense	152,440	244,634	-37.69%
Operating Material & Supplies	1,375,805	1,693,504	-18.76%
Sludge Control	63,755	59,332	7.45%
Postage	72,145	62,400	15.62%
Utilities	319,582	309,323	3.32%
Insurance & Bond	41,439	32,028	29.38%
Other Operating Expenses	487,720	538,878	-9.49%
Engineering Fees	11,055	2,620	321.95%
Testing	37,313	32,409	15.13%
Depreciation & Amortization	1,299,382	1,298,169	0.09%
<b>Total Expenses</b>	<u>7,293,078</u>	<u>7,551,013</u>	<u>-3.42%</u>
Excess of Revenues over Expenses	<u>1,762,485</u>	<u>1,384,384</u>	<u>27.31%</u>
Interest on Long-Term Debt	(724,191)	(345,401)	109.67%
Investment Income	639,751	135,605	371.78%
Bond Issuance Costs	-	(566,760)	100.00%
Increase in Net Position	<u>1,678,045</u>	<u>607,828</u>	<u>176.07%</u>
<b>Net Position, April 1</b>	<u>17,305,136</u>	<u>16,697,308</u>	<u>3.64%</u>
<b>Net Position, March 31</b>	<u>\$ 18,983,181</u>	<u>\$ 17,305,136</u>	<u>9.70%</u>

The District, as a whole, is primarily reliant on charges for services. Activities were 97% supported by charges for service, and 3% 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, 2015 - 2024**

**REVENUES AND CHANGES IN NET POSITION**



**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (continued)  
MARCH 31, 2024**

**Capital Assets** - The District's investment in capital assets for its business-type activities, as of March 31, 2024, total \$23,092,126, net of accumulated depreciation. This investment in capital assets includes buildings, system infrastructure, land, machinery, and equipment. A net increase in investment in capital assets of 4.76% for the current fiscal year occurred because of depreciation exceeding capital acquisitions.

Major capital improvements on-going during the fiscal year:

- North side water distribution system improvements.
- South side water distribution system improvements.
- Water meter system replacement.
- Lift station improvements.
- Various equipment purchases.

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

	<b>Business-type Activities</b>	
	<b>2024</b>	<b>2023</b>
Land & Improvements	\$ 466,051	\$ 482,901
Machinery & Equipment	561,499	593,428
Buildings	209,953	184,243
Infrastructure	21,854,623	20,769,735
Construction in Progress	-	13,367
<b>Total</b>	<b>\$ 23,092,126</b>	<b>\$ 22,043,674</b>

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, 2024, the District had long-term debt outstanding of \$18,353,439. During the fiscal year, total debt decreased \$1,188,540, or 6%.

**Outstanding Debt  
as of March 31**

	<b>Business-type Activities</b>	
	<b>2024</b>	<b>2023</b>
Utility System Revenue Bonds	\$ 18,353,439	\$ 19,541,979

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, 2024**

**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, 2024**

	<b>Proprietary Fund</b>
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 4,259,603
Restricted cash and cash equivalents	10,795,972
Receivables (net of allowance for uncollectibles)	862,463
Inventory	173,108
Prepaid expenses	40,344
Total Current Assets	<u>16,131,490</u>
Noncurrent Assets:	
Capital Assets (net of accumulated depreciation):	
Land	466,051
Buildings & improvements	365,173
Infrastructure	45,596,005
Machinery & equipment	1,896,243
Less accumulated depreciation	(25,231,346)
Total Noncurrent Assets	<u>23,092,127</u>
<b>Total Assets</b>	<u><u>39,223,617</u></u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	673,441
Payroll liabilities	9,338
Customer deposits-restricted assets	878,469
Accrued interest payable	137,366
Other liabilities	87,244
Total Current Liabilities	<u>1,785,858</u>
Noncurrent Liabilities:	
Due within one year:	
Revenue bonds payable	835,000
Due in more than one year:	
Compensated absences	101,139
Revenue bonds payable	17,518,439
Total Noncurrent Liabilities	<u>18,454,578</u>
<b>Total Liabilities</b>	<u><u>20,240,436</u></u>
<b>NET POSITION</b>	
Net investment in capital assets	13,707,332
Restricted for:	
Debt	948,857
Unrestricted	4,326,991
<b>Total Net Position</b>	<u><u>\$ 18,983,181</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, 2024**

	<b>Proprietary Fund</b>
<b>OPERATING REVENUES</b>	
Charges for sales and services:	
Customer service fees	\$ 7,189,467
Other services related fees	1,356,501
Service charges & penalties	197,285
Other revenues	312,311
<b>Total Operating Revenues</b>	<b>9,055,563</b>
<b>OPERATING EXPENSES</b>	
Bulk water purchases	609,554
Personnel costs	2,323,026
Professional fees	18,250
Printing and office supplies, postage	20,080
Vehicle expenses	42,215
Chemicals	419,318
Machinery & equipment expense	152,440
Operating material & supplies	1,375,805
Sludge control	63,755
Postage	72,145
Utilities	319,582
Insurance	41,439
Engineering fees	11,055
Other operating expenses	487,720
Testing	37,313
Depreciation and amortization	1,299,382
<b>Total Operating Expenses</b>	<b>7,293,078</b>
<b>Operating Income (Loss)</b>	<b>1,762,485</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Investment income	639,751
Interest expense	(724,191)
<b>Total Non-operating Revenues (Expenses)</b>	<b>(84,440)</b>
<b>Change in Net Position</b>	<b>1,678,045</b>
<b>Net position - Beginning, April 1</b>	<b>17,305,136</b>
<b>Net position - Ending, March 31</b>	<b>\$ 18,983,181</b>

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, 2024**

	<b>Proprietary Fund</b>
<b>Cash Flows from Operating Activities</b>	
Cash received from customers	\$ 8,660,558
Cash received from other sources	312,311
Cash paid to employees	(2,314,560)
Cash paid to suppliers	(3,306,295)
<b>Net Cash Provided by Operating Activities</b>	<u>3,352,015</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Interest paid on capital debt	(724,191)
Principal payments of capital debt	(1,170,000)
Discount and premium on bonds	(18,540)
Acquisition and construction of capital assets	(2,347,835)
<b>Net Cash (Used) for Capital &amp; Related Financing Activities</b>	<u>(4,260,566)</u>
<b>Cash Flows from Investing Activities</b>	
Interest income	639,751
<b>Net Cash Provided by Investing Activities</b>	<u>639,751</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(268,800)
<b>Cash and Cash Equivalents at Beginning of Year</b>	15,324,375
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 15,055,575</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operation Activities</b>	
Operating income (loss)	\$ 1,762,485
Adjustment to reconcile operating income to net Cash provided by operating activities:	
Depreciation and amortization	1,299,382
Changes in Assets and Liabilities:	
(Increase) Decrease in Assets:	
Receivables	(93,934)
Inventories	97,486
Increase (Decrease) in Liabilities:	
Accounts payable	203,155
Compensated absences	9,500
Customer deposits	11,239
Accrued interest payable	53,061
Other liabilities	10,675
Total Adjustments	<u>1,589,530</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>\$ 3,352,015</u></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, 2024**

**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, 2024, 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, 2024**

**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, 2024**

**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 at retirement age.

**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, 2024**

**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, 2024, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments, petty cash) was \$15,055,575 and the bank balance was \$15,607,339. The District's cash deposits at the fiscal year end, and during the fiscal year, were entirely covered by FDIC, or by pledged securities.

<b>Restricted Cash</b>	
Debt	\$ 1,342,100
Customer Deposits	\$ 878,469
Infrastructure Projects	8,575,403
	<u>\$ 10,795,972</u>
<b>Unrestricted Cash</b>	
	\$ 4,259,603
<b>Total Cash</b>	<u><b>\$ 15,055,575</b></u>

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2024**

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 \$3,939,732 in certificates of deposit and \$6,065,696 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, 2024.

**D. RECEIVABLES**

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

<b>Receivables:</b>	
Fees & Services	\$ 958,292
Allowance for uncollectibles	(95,829)
<b>Net Receivables</b>	<b><u>\$ 862,463</u></b>

**E. CAPITAL ASSETS**

Capital asset activity for the period ended March 31, 2024 was as follows:

	<b>Beginning Balances</b>	<b>Additions</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Business-type Activities</b>				
Capital assets, not being depreciated				
Land	\$ 482,901	\$ -	\$ (16,850)	\$ 466,051
Construction in progress	13,367	-	(13,367)	-
<b>Total capital assets, not being depreciated</b>	<b><u>\$ 496,268</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (30,217)</u></b>	<b><u>\$ 466,051</u></b>
Capital assets, being depreciated				
Infrastructure	\$ 43,354,548	\$ 2,241,457	\$ -	\$ 45,596,005
Buildings & Improvements	327,683	37,490	-	365,173
Machinery & Equipment	1,797,138	99,105	-	1,896,243
<b>Total assets, being depreciated</b>	<b><u>\$ 45,479,369</u></b>	<b><u>\$ 2,378,052</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 47,857,421</u></b>
Less accumulated depreciation for:				
Infrastructure	\$ (22,584,814)	\$ (1,156,568)	\$ -	\$ (23,741,382)
Buildings & Improvements	(143,440)	(11,780)	-	(155,220)
Machinery & Equipment	(1,203,710)	(131,034)	-	(1,334,744)
<b>Total accumulated depreciation</b>	<b><u>\$ (23,931,964)</u></b>	<b><u>\$ (1,299,382)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (25,231,346)</u></b>
<b>Total capital assets, being depreciated, net</b>	<b><u>21,547,405</u></b>	<b><u>1,078,670</u></b>	<b><u>-</u></b>	<b><u>22,626,075</u></b>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 22,043,673</u></b>	<b><u>\$ 1,078,670</u></b>	<b><u>\$ (30,217)</u></b>	<b><u>\$ 23,092,126</u></b>

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2024**

**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.

	<b>Fees</b>	<b>Prior Years Amortization Expense</b>	<b>Current Year Amortization Expense</b>	<b>3/31/2024 Balance</b>
Organization Costs	<u>\$ 90,477</u>	<u>\$ (90,477)</u>	<u>\$ -</u>	<u>\$ -</u>

**G. LONG-TERM OBLIGATIONS**

	<b>Beginning 3/31/2023</b>	<b>Increase</b>	<b>Decrease</b>	<b>Ending 3/31/2024</b>	<b>Due Within One Year</b>
<i>Business-type Activities</i>					
Water & Sewer					
Revenue Bonds	\$ 19,365,000	\$ -	\$ (1,170,000)	\$ 18,195,000	\$ 835,000
Plus: Premiums	199,425	-	(19,943)	179,482	-
Less: Discounts	(22,445)	-	1,402	(21,043)	-
Total Bonds Payable	<u>19,541,980</u>	<u>-</u>	<u>(1,188,541)</u>	<u>18,353,439</u>	<u>835,000</u>
Compensated Absences	105,994	132,493	(137,348)	101,139	-
Business-type activity					
Long-term liabilities	<u>\$ 19,647,974</u>	<u>\$ 132,493</u>	<u>\$ (1,325,889)</u>	<u>\$ 18,454,578</u>	<u>\$ 835,000</u>

**Changes in Business-type Long-term Debt**

	<b>Interest Rate</b>	<b>Amounts Original Issue</b>	<b>Amounts Outstanding March 31, 2023</b>	<b>Issued</b>	<b>Retired/ Refunded</b>	<b>Amounts Outstanding March 31, 2024</b>	<b>Due Within One Year</b>
<u>Revenue Bonds</u>	<u>Payable</u>						
Series 2001	5.125%	\$ 5,970,000	\$ 105,000	\$ -	\$ -	\$ 105,000	\$ -
Series 2015	4.0%	3,095,000	2,485,000	-	(165,000)	2,320,000	170,000
Series 2018	3.5% to 5%	3,940,000	3,680,000	-	(195,000)	3,485,000	200,000
Series 2020	2% to 3%	4,565,000	3,225,000	-	(810,000)	2,415,000	465,000
Series 2022	2% to 3%	9,870,000	9,870,000	-	-	9,870,000	-
<b>Total Bonds Payable</b>		<b>27,440,000</b>	<b>19,365,000</b>	<b>-</b>	<b>(1,170,000)</b>	<b>18,195,000</b>	<b>835,000</b>
Plus: Premiums		239,311	199,425	-	(19,943)	179,482	-
Less: Discounts		(25,252)	(22,445)	-	1,402	(21,043)	-
<b>Total Net Bonds Payable</b>		<b>27,654,059</b>	<b>19,541,980</b>	<b>-</b>	<b>(1,188,541)</b>	<b>18,353,439</b>	<b>835,000</b>
Compensated Absences			105,994	132,493	(137,348)	101,139	-
<b>Total Long-Term Obligations</b>		<b>\$ 27,654,059</b>	<b>\$ 19,647,974</b>	<b>\$ 132,493</b>	<b>\$ (1,325,889)</b>	<b>\$ 18,454,578</b>	<b>\$ 835,000</b>



**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2024**

**G. LONG-TERM OBLIGATIONS (continued)**

Debt service requirements are as follows:

Year Ending March 31:	Principal	Interest	Total Requirements
2025	835,000	650,090	1,485,090
2026	780,000	627,314	1,407,314
2027	805,000	603,633	1,408,633
2028	825,000	580,408	1,405,408
2029	850,000	556,108	1,406,108
2030 to 2034	4,640,000	2,388,345	7,028,345
2035 to 2039	5,270,000	1,516,650	6,786,650
2040 to 2043	4,190,000	459,836	4,649,836
<b>Totals</b>	<b>\$ 18,195,000</b>	<b>\$ 7,382,384</b>	<b>\$ 25,577,384</b>

**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.

\$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, 2024**

**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.

\$9,870,000 Utility System Revenue Bonds, Series 2022 issued October 1, 2022 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 System, including the acquisition of land and right-of-ways therefor and to pay the costs associated with the issuance of the 2022 Series 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 \$20,500 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:	<b>FYE 3/31/2023</b>	<b>FYE 3/31/2024</b>
Beginning Fund Balance, April 1	\$ 761,777	\$ 738,051
Contributions	72,979	82,932
Earnings/(Loss)	(41,689)	(153,243)
Distributions & Fees	(55,016)	97,694
Ending Fund Balance, March 31	<u>\$ 738,051</u>	<u>\$ 765,435</u>

**I. HEALTH CARE COVERAGE**

During the year ended March 31, 2024, 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.

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2024**

The District estimates that the amount of actual or potential claims against it, as of March 31, 2024, will not materially affect the financial condition of the District. Therefore, the accompanying financial statements do not contain a provision for any such claims.

**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, was built approximately in 1994. 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, was built in approximately 1989. Brookshire WTP has a water treatment capacity of 4.0 million gallons per day. Two ground storage tanks and two elevated water towers provide a treated water storage capacity of 1,870,000 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 was built approximately in 1995 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 134 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 \$9,100 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, 2024**

***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 District had the following active construction projects as of March 31, 2024.

<u>Project</u>	<u>Spent-to-date</u>	<u>Estimated Remaining Commitment</u>
1. Southside AMR's	636,395	24,417
2. Northside AMR's	836,740	12,840
\		
<b>Total</b>	<b>\$ 1,473,135</b>	<b>\$ 37,257</b>

**O. SUBSEQUENT EVENTS**

The District has evaluated all events or transactions that occurred after March 31, 2024 through July 17, 2024, 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, 2024**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b><u>Administration</u></b>			
Payroll Costs	539,470	\$ 524,972	\$ 14,498
Supplies	12,000	12,612	(612)
Professional Services	32,000	36,030	(4,030)
Maintenance	1,000	915	85
Utilities	16,400	14,138	2,262
Vehicle	3,100	2,484	616
Other	170,141	464,756	(294,615)
<b>Total Administration Expenses</b>	<b>774,111</b>	<b>1,055,907</b>	<b>(281,795)</b>
<b><u>Operations</u></b>			
Payroll Costs	823,432	721,155	102,277
Water Purchases	795,000	609,554	185,446
Operation	1,897,285	1,802,590	94,695
Contract Services	51,100	55,783	(4,683)
Maintenance	236,704	150,458	86,246
Sludge	53,400	63,755	(10,355)
Utilities	312,900	298,624	14,276
Vehicle	6,400	4,778	1,622
Sundry	53,925	50,736	3,189
<b>Total Operations Expenses</b>	<b>4,230,146</b>	<b>3,757,433</b>	<b>472,713</b>
<b><u>Field</u></b>			
Payroll Costs	1,280,600	1,076,899	203,701
Utilities	7,000	6,820	180
Contract Services	12,000	16,246	(4,246)
Maintenance	800	1,067	(267)
Vehicle	37,300	34,953	2,347
Sundry	52,695	44,373	8,322
<b>Total Field Expenses</b>	<b>1,390,395</b>	<b>1,180,357</b>	<b>210,038</b>
<b>Total Expenses</b>	<b>\$ 6,394,652</b>	<b>\$ 5,993,696</b>	<b>\$ 400,956</b>

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	\$ 5,993,696
Expenses recognized for GAAP:	
Depreciation and Amortization	1,299,382
Operating Expenses - GAAP Basis	<u>\$ 7,293,078</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				
	2024	2023	2022	2021	2020
<b>Operating Revenues:</b>					
Customer Service Fees	\$ 7,189,467	\$ 7,277,184	\$6,097,896	\$ 5,977,950	\$ 5,551,257
Other Service Related Fees	1,356,501	1,323,590	1,320,482	946,612	603,898
Service Charges & Penalties	197,285	166,766	154,115	154,355	134,921
Grant Revenue	-	-	-	-	-
Other Revenue	312,311	167,857	147,457	105,367	61,920
<b>Total Operating Revenues</b>	<b>9,055,563</b>	<b>8,935,397</b>	<b>7,719,950</b>	<b>7,184,284</b>	<b>6,351,996</b>
<b>Operating Expenses:</b>					
Bulk Water Purchases	609,554	690,246	560,894	584,888	426,309
Personnel Costs	2,323,026	2,067,402	1,712,886	1,788,682	1,675,515
Professional Fees	18,250	19,038	16,253	23,265	17,014
Contracted Services	20,080	18,873	15,692	16,066	13,865
Printing, Office Supplies, Postage	72,145	62,400	63,984	60,750	59,513
Vehicles	42,215	44,138	34,945	42,232	25,369
Chemicals	419,318	438,019	382,483	281,812	241,532
Machinery & Equipment Expenses	152,440	244,634	35,802	23,954	31,175
Operating Materials & Supplies	1,375,805	1,693,504	2,052,021	1,077,252	797,141
Sludge Control	63,755	59,332	48,673	36,836	37,408
Telephone & Utilities	319,582	309,323	302,450	280,931	269,139
Insurance & Bond	41,439	32,028	23,529	19,401	24,507
Engineering Fees	11,055	2,620	2,916	5,203	1,050
Other Operating Expenses	487,720	538,878	248,386	159,092	224,313
Testing	37,313	32,409	26,846	28,124	35,350
Depreciation and amortization	1,299,382	1,298,169	1,277,569	1,293,149	1,264,638
<b>Total Operating Expenses</b>	<b>7,293,078</b>	<b>7,551,013</b>	<b>6,805,329</b>	<b>5,721,637</b>	<b>5,143,838</b>
<b>Operating Income</b>	<b>1,762,485</b>	<b>1,384,384</b>	<b>914,621</b>	<b>1,462,647</b>	<b>1,208,158</b>
<b>Non-Operating Revenue (Expenses):</b>					
Interest Revenue	639,751	135,605	15,604	31,674	75,869
Insurance Refund	-	-	-	-	-
Interest Expense	(724,191)	(345,401)	(321,560)	(451,421)	(487,393)
Bond Issuance Costs	-	(566,760)	-	(189,019)	-
Gain(loss) on disposal of assets	-	-	33,514	-	3,935
Extraordinary expense	-	-	-	-	-
<b>Total Non-Operating Revenue (Expense)</b>	<b>(84,440)</b>	<b>(776,556)</b>	<b>(272,442)</b>	<b>(608,766)</b>	<b>(407,589)</b>
<b>Change in Net Position</b>	<b>\$ 1,678,045</b>	<b>\$ 607,828</b>	<b>\$ 642,179</b>	<b>\$ 853,881</b>	<b>\$ 800,569</b>



**Years Ended March 31**

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 5,461,359	\$ 5,348,921	\$ 5,184,106	\$ 5,110,083	\$ 4,754,402
346,423	342,662	230,725	136,071	181,056
136,359	138,833	130,947	140,193	126,611
-	-	-	-	-
100,647	101,778	141,998	140,416	102,564
<b>6,044,788</b>	<b>5,932,194</b>	<b>5,687,776</b>	<b>5,526,763</b>	<b>5,164,633</b>
460,992	362,339	436,085	439,056	451,688
1,643,532	1,553,376	1,596,546	1,467,521	1,419,109
12,550	15,259	10,455	24,409	15,986
13,596	-	-	-	-
59,129	69,370	67,586	56,298	61,811
37,867	29,895	56,483	48,963	48,818
236,846	212,997	201,772	190,479	197,310
22,351	25,027	37,789	30,677	27,114
646,197	747,338	642,671	674,351	503,537
34,143	34,297	34,575	38,220	58,676
304,068	298,117	295,054	280,792	384,251
23,217	19,161	16,761	15,615	15,389
8,169	1,986	1,853	6,911	3,614
137,990	148,968	119,790	113,001	133,821
35,589	33,315	36,925	31,340	29,595
1,258,440	1,109,220	1,096,237	1,026,349	978,250
<b>4,934,676</b>	<b>4,660,665</b>	<b>4,650,582</b>	<b>4,443,982</b>	<b>4,328,969</b>
<b>1,110,112</b>	<b>1,271,529</b>	<b>1,037,194</b>	<b>1,082,781</b>	<b>835,664</b>
58,416	20,634	16,561	9,829	7,988
-	-	-	-	-
(525,501)	(443,171)	(490,658)	(441,038)	(446,377)
-	(221,969)	-	(120,000)	-
1,470	6,248	7,426	1,670	(2,842)
-	-	394,666	-	-
<b>(465,615)</b>	<b>(638,258)</b>	<b>(72,005)</b>	<b>(549,539)</b>	<b>(441,231)</b>
<b>\$ 644,497</b>	<b>\$ 633,271</b>	<b>\$ 965,189</b>	<b>\$ 533,242</b>	<b>\$ 394,433</b>

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

	Years Ended March 31									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Operating Revenues:</b>										
Customer Service Fees	79.4%	81.4%	79.0%	83.2%	87.4%	90.3%	90.2%	91.1%	92.5%	92.1%
Other Service Related Fees	14.98	14.81	17.10	13.18	9.51	5.73	5.78	4.06	2.46	3.51
Service Charges & Penalties	2.18	1.87	2.00	2.15	2.12	2.26	2.34	2.30	2.54	2.45
Grant Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Revenue	3.45	1.88	1.91	1.47	0.97	1.67	1.72	2.50	2.54	1.99
<b>Total Operating Revenues</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Operating Expenses:</b>										
Bulk Water Purchases	6.7	7.7	7.3	8.1	6.7	7.6	6.1	7.7	7.9	8.7
Personnel Costs	25.7	23.1	22.2	24.9	26.4	27.2	26.2	28.1	26.6	27.5
Professional Fees	0.2	0.2	0.2	0.3	0.3	0.2	0.3	0.2	0.4	0.3
Contracted Services	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0
Postage	0.8	0.7	0.8	0.8	0.9	1.0	1.2	1.2	1.0	1.2
Vehicles	0.5	0.5	0.5	0.6	0.4	0.6	0.5	1.0	0.9	0.9
Chemicals	4.6	4.9	5.0	3.9	3.8	3.9	3.6	3.5	3.4	3.8
Machinery & Equipment Expenses	1.7	2.7	0.5	0.3	0.5	0.4	0.4	0.7	0.6	0.5
Operating Materials & Supplies	15.2	19.0	26.6	15.0	12.5	10.7	12.6	11.3	12.2	9.7
Sludge Control	0.7	0.7	0.6	0.5	0.6	0.6	0.6	0.6	0.7	1.1
Telephone & Utilities	3.5	3.5	3.9	3.9	4.2	5.0	5.0	5.2	5.1	7.4
Insurance & Bond	0.5	0.4	0.3	0.3	0.4	0.4	0.3	0.3	0.3	0.3
Engineering Fees	0.1	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.1	0.1
Operating Expenses	5.4	6.0	3.2	2.2	3.5	2.3	2.5	2.1	2.0	2.6
Testing	0.4	0.4	0.3	0.4	0.6	0.6	0.6	0.6	0.6	0.6
Depreciation	14.3	14.5	16.5	18.0	19.9	20.8	18.7	19.3	18.6	18.9
<b>Total Operating Expenses</b>	<b>80.5</b>	<b>84.5</b>	<b>88.2</b>	<b>79.6</b>	<b>81.0</b>	<b>81.6</b>	<b>78.6</b>	<b>81.8</b>	<b>80.4</b>	<b>83.8</b>
<b>Operating Income</b>	<b>19.5</b>	<b>15.5</b>	<b>11.8</b>	<b>20.4</b>	<b>19.0</b>	<b>18.4</b>	<b>21.4</b>	<b>18.2</b>	<b>19.6</b>	<b>16.2</b>
<b>Non-Operating Revenue (Expenses)</b>										
Interest Revenue	7.1	1.5	0.2	0.4	1.2	1.0	0.3	0.3	0.2	0.2
Insurance Refund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Expense	-8.0	-3.9	-4.2	-6.3	-7.7	-8.7	-7.5	-8.6	-8.0	-8.6
Bond Issuance Costs	0.0	-6.3	0.0	-2.6	0.0	0.0	-3.7	0.0	-2.2	0.0
Gain (loss) on sale of asset	0.0	0.0	0.4	0.0	0.1	0.0	0.1	0.1	0.0	-0.1
Extraordinary expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.9	0.0	0.0
<b>Total Non-Operating Revenue (Expense)</b>	<b>(0.9)</b>	<b>(8.7)</b>	<b>(3.5)</b>	<b>(8.5)</b>	<b>(6.4)</b>	<b>(7.7)</b>	<b>(10.8)</b>	<b>(1.3)</b>	<b>(9.9)</b>	<b>(8.5)</b>
<b>Change in Net Position</b>	<b>18.5</b>	<b>6.8</b>	<b>8.3</b>	<b>11.9</b>	<b>12.6</b>	<b>10.7</b>	<b>10.7</b>	<b>17.0</b>	<b>9.6</b>	<b>7.6</b>

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
SERVICES AND RATES  
FOR THE YEAR ENDED MARCH 31, 2024**

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	\$ 22.44	-	N	\$ 4.38	-0- to 3000 gallons
WASTEWATER	\$ 30.60	-	N	\$ 4.72	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) \$ 126.08

3. Standby Fees:

Does the District assess standby fees?

Yes \_\_\_\_\_ No x 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, 2024**

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:                     556,588,000                    

Gallons billed to customers:                     380,669,300                    

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>          6,736          </u>	<u>          1,064          </u>
Multi-Family	<u>          131          </u>	<u>              2          </u>
Commercial	<u>          297          </u>	<u>              75          </u>
Other - Recreational Centers, Gov & VFD	<u>              41          </u>	<u>              5          </u>
TOTAL	<u>          7,205          </u>	<u>          1,146          </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, 2024**

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	9,055,563
d. Standby Fees	-
e. Debt Service Fund Balance to be Used	948,857
f. Interest Revenues	639,751
g. Other (Describe)	-
<b>TOTAL ANTICIPATED FUNDS TO BE USED</b>	<b><u>\$ 10,644,171</u></b>

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, 2024**

Resident Rates:				
Water:	5/8" Meter	\$ 22.44	Base charge	
		4.38	0-3,000 Gallons	
		4.68	3,001-10,000 Gallons	
		4.95	over 10,000 Gallons	
	3/4" Meter	31.02	Base charge	
		4.38	0-3,000 Gallons	
		4.68	3,001-10,000 Gallons	
		4.95	over 10,000 Gallons	
Wastewater:	5/8" Meter	\$ 30.60	Base charge	
		4.72	per 1,000 Gallons	
		57.74	Maximum	
	3/4" Meter	43.86	Base charge	
		4.72	per 1,000 Gallons	
		118.50	Maximum	
	Commercial Rates:			
	Water:	3/4" Meter	31.02	Base charge
4.38			0-3,000 Gallons	
4.68			3,001-10,000 Gallons	
4.95			over 10,000 Gallons	
1" Meter		48.14	Base charge	
		4.38	per 1,000 Gallons	
1 1/2" Meter		91.00	Base charge	
		4.38	per 1,000 Gallons	
2" Meter		142.40	Base charge	
		4.38	per 1,000 Gallons	
3" Meter		279.49	Base charge	
		4.38	per 1,000 Gallons	
4" Meter		388.27	Base charge	
		4.38	per 1,000 Gallons	
Wastewater:		3/4" Meter	43.86	Base charge
			4.72	per 1,000 Gallons
		1" Meter	70.38	Base charge
			4.72	per 1,000 Gallons
		1 1/2" Meter	136.69	Base charge
			4.72	per 1,000 Gallons
	2" Meter	216.27	Base charge	
		4.72	per 1,000 Gallons	
	3" Meter	428.47	Base charge	
		4.72	per 1,000 Gallons	
	4" Meter	667.20	Base charge	
		4.72	per 1,000 Gallons	

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
SCHEDULE OF EXPENSES - PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

Current:		
Personnel		
(Including Benefits)		\$ 2,323,026
Professional Fees:		
Auditing		12,000
Engineering		11,055
Other		6,250
Purchased Services for Resale:		
Bulk Water & Sewer Service Purchases		609,554
Contracted Services:		
Other Contracted Services		-
Utilities		319,582
Repairs and Maintenance		2,090,845
Administrative Expenses:		
Office Supplies		92,225
Insurance		41,439
Other Expenses		<u>487,720</u>
TOTAL EXPENSES		<u><u>\$ 5,993,696</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, 2024**

<u>Item</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balances at End of Year</u>
Unrestricted:			
Operating Checking	0.10%		\$ 1,557,813
Cash on hand			580
Payroll Checking	-		26,982
Managers Account Checking	-		11,606
Money Market Checking			
Emergency - Special	2.32%		201,115
Business Savings Account			
Improvement Fund	1.41%		568,739
TexStar			
Improvement Fund	5.30%		1,347,050
TexStar			
Emergency Fund #1	5.30%		105,303
Certificate of Deposit			
Operating Reserve	5.00%	8/27/2024	116,788
Logic			
Emergency Fund #2	5.48%		105,687
Certificate of Deposit			
Emergency Reserve CD	5.30%	8/28/2024	433,900
Money Market Checking			
Operating Reserve	0.10%		391,390
TexStar			
Operating Reserve	5.30%		510,882
			<u>\$ 5,377,836</u>
Total Unrestricted			
Restricted:			
Logic			
Debt Service	5.481%		808,193
TexStar			
Debt Service	5.304%		107,583
Money Market Checking			
Bond System Fund Reserve	0.10%		33,082
2018 Bonds Fund	2.10%		379,319
2022 Bond Premier Checking	2.00%		72,173
2022 Bond Money Market Checking	5.39%		5,440,109
2022 Bond 6 MO CD	5.05%	5/17/2024	3,389,044
			<u>10,229,503</u>
Total Restricted			
TOTAL INVESTMENTS			<u><u>\$ 15,607,339</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, 2024**  
**(unaudited)**

	Balance 3/31/23	Additions	Other Additions Deletions, Reclassifications	Balance 3/31/24
<u>Physical Facilities:</u>				
Land	\$ 482,901	\$ -	\$ (16,850)	\$ 466,051
Bldgs. & Improvements	327,683	37,490	-	365,173
Infrastructure	43,354,548	2,241,457	-	45,596,005
Machinery & Equipment	1,797,138	99,105	-	1,896,243
Construction In Progress	13,367	-	(13,367)	-
Total Fixed Assets	<u>\$45,975,637</u>	<u>\$ 2,378,052</u>	<u>\$ (30,217)</u>	<u>\$48,323,472</u>

<u>Amounts Provided By:</u>				
General Revenues	\$ 12,117,781	\$ -	\$ -	\$ 12,117,781
Bond Proceeds	33,299,105	2,378,052	(30,217)	35,646,940
Government Grants	558,751	-	-	558,751
Total Amounts Provided	<u>\$45,975,637</u>	<u>\$ 2,378,052</u>	<u>\$ (30,217)</u>	<u>\$48,323,472</u>

<u>Organizational Costs:</u>				
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>

<u>Amounts Provided By:</u>				
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, 2024**

Annual Requirements for All Series			
Due During Fiscal Year Ending	Principal Due Jan/July	Interest Due Jan/July	Total
2025	835,000	650,090	1,485,090
2026	780,000	627,314	1,407,314
2027	805,000	603,633	1,408,633
2028	825,000	580,408	1,405,408
2029	850,000	556,108	1,406,108
2030	875,000	531,608	1,406,608
2031	900,000	506,458	1,406,458
2032	925,000	480,558	1,405,558
2033	955,000	450,495	1,405,495
2034	985,000	419,226	1,404,226
2035	1,025,000	383,652	1,408,652
2036	1,060,000	346,626	1,406,626
2037	1,100,000	306,007	1,406,007
2038	1,145,000	262,845	1,407,845
2039	940,000	217,520	1,157,520
2040	980,000	178,746	1,158,746
2041	1,025,000	138,076	1,163,076
2042	1,070,000	94,514	1,164,514
2043	1,115,000	48,504	1,163,504
	<u>\$ 18,195,000</u>	<u>\$ 7,382,384</u>	<u>\$ 25,577,384</u>

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
REVENUE BONDS PAYABLE - BY YEARS  
FOR THE YEAR ENDED MARCH 31, 2024**

Series 2001				
Due During Fiscal Year Ending	Principal Due January 1	Interest Due July 1	Interest Due January 1	Total
2025	-	2,691	2,691	5,381
2026	105,000	2,691	2,691	110,381
	<u>\$ 105,000</u>	<u>\$ 5,381</u>	<u>\$ 5,381</u>	<u>\$ 115,763</u>

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
REVENUE BONDS PAYABLE - BY YEARS  
FOR THE YEAR ENDED MARCH 31, 2024**

Series 2015				
Due During Fiscal Year Ending	Principal Due January 1	Interest Due January 1	Interest Due July 1	Total
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>\$ 2,320,000</u>	<u>\$ 228,880</u>	<u>\$ 228,880</u>	<u>\$ 2,777,760</u>

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
REVENUE BONDS PAYABLE - BY YEARS  
FOR THE YEAR ENDED MARCH 31, 2024**

Series 2018				
Due During Fiscal Year Ending	Principal Due January 1	Interest Due January 1	Interest Due July 1	Total
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>\$ 3,485,000</u>	<u>\$ 448,697</u>	<u>\$ 448,697</u>	<u>\$ 4,382,394</u>

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
REVENUE BONDS PAYABLE - BY YEARS  
FOR THE YEAR ENDED MARCH 31, 2024**

Series 2020				
Due During Fiscal Year Ending	Principal Due January 1	Interest Due January 1	Interest Due July 1	Total
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>\$ 2,415,000</u>	<u>\$ 106,875</u>	<u>\$ 106,875</u>	<u>\$ 2,628,750</u>

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
REVENUE BONDS PAYABLE - BY YEARS  
FOR THE YEAR ENDED MARCH 31, 2024**

Series 2022				
Due During Fiscal Year Ending	Principal Due January 1	Interest Due January 1	Interest Due July 1	Total
2025	-	206,688	206,688	413,376
2026	-	206,688	206,688	413,376
2027	105,000	206,688	206,688	518,376
2028	105,000	203,538	203,538	512,076
2029	160,000	200,388	200,388	560,776
2030	160,000	197,188	197,188	554,376
2031	165,000	193,988	193,988	552,976
2032	325,000	190,688	190,688	706,376
2033	330,000	184,188	184,188	698,376
2034	475,000	177,588	177,588	830,176
2035	495,000	168,088	168,088	831,176
2036	775,000	158,188	158,188	1,091,376
2037	805,000	142,688	142,688	1,090,376
2038	840,000	126,085	126,085	1,092,170
2039	940,000	108,760	108,760	1,157,520
2040	980,000	89,373	89,373	1,158,746
2041	1,025,000	69,038	69,038	1,163,076
2042	1,070,000	47,257	47,257	1,164,514
2043	1,115,000	24,252	24,252	1,163,504
	<u>\$ 9,870,000</u>	<u>\$ 2,901,359</u>	<u>\$ 2,901,359</u>	<u>\$15,672,718</u>

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
ANALYSIS OF CHANGES IN REVENUE BONDS PAYABLE  
REVENUE BONDS PAYABLE - BY SERIES  
AS OF MARCH 31, 2024**

	<b>Bond Issues</b>					
	<b>Series 2001</b>	<b>Series 2015</b>	<b>Series 2018</b>	<b>Series 2020</b>	<b>Series 2022</b>	<b>Total</b>
Interest Rate	4% - 5.125%	2.00% - 4.00%	3.50% - 5.00%	2.00% - 3.00%	2.00% - 3.00%	4.00% - 6.00%
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
Maturity Dates	01/01/03 to 01/01/26	01/01/2016 to 07/01/2035	01/01/2018 to 07/01/2039	07/01/2021 to 01/01/2033	01/01/2023 to 01/01/2034	
Bonds Outstanding at Beginning of Current Year	\$ 105,000	\$ 2,485,000	\$ 3,680,000	\$ 3,225,000	\$ 9,870,000	\$ 19,365,000
Bond Issuance	-	-	-	-	-	-
Retirements:						
Principal Paid	-	165,000	195,000	810,000	-	\$ 1,170,000
Principal Refunded	-	-	-	-	-	-
<b>Bonds Outstanding at End of Current Year</b>	<b>\$ 105,000</b>	<b>\$ 2,320,000</b>	<b>\$ 3,485,000</b>	<b>\$ 2,415,000</b>	<b>\$ 9,870,000</b>	<b>\$ 18,195,000</b>
<b>Retirements:</b>						
Interest Paid or Accrued	\$ 5,381	\$ 72,476	\$ 116,313	\$ 80,100	\$ 413,376	\$ 687,645
Interest Refunded	-	-	-	-	-	-
<b>Current Year Interest</b>	<b>\$ 5,381</b>	<b>\$ 72,476</b>	<b>\$ 116,313</b>	<b>\$ 80,100</b>	<b>\$ 413,376</b>	<b>\$ 687,645</b>
<b>Bond Authority:</b>						
Amount Authorized	\$5,970,000	\$3,095,000	\$3,940,000	\$4,565,000	\$4,565,000	\$22,135,000
Amount Issued	\$5,970,000	\$3,095,000	\$3,940,000	\$4,565,000	\$4,565,000	\$22,135,000



**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
SCHEDULE OF INSURANCE COVERAGE  
FOR THE YEAR ENDED MARCH 31, 2024  
(unaudited)**

Type of Coverage	From	To	Amount of Coverage	Insurer	Type of Corp. Stock/Mutual
Position Schedule Bond:	6/1/2023	6/1/2024		Victor Schinnerer	Stock
Board of Directors (6)			\$10,000		
Board Treasurer (1)			\$10,000		
			\$10,000	TML Intergovernmental Risk Pool	
Workers Compensation:	10/1/2023	10/1/2024			
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:	10/1/2022	10/1/2024	\$10,000 Limit	TML Intergovernmental	
Real and Personal Property:	10/1/2022	10/1/2024	\$11,374,583	Risk Pool	
				Contract 5546	Pool
Fire, Lightening and Extended Coverage			\$10,000,000		
Deductible			\$1,000		
Blanket Limit			\$10,000,000		
Mobile Equipment			474429		
Deductible			\$1,000		
Boiler and Machinery			\$3,423,440		
Deductible			\$1,000		
Sublimits:					
Valuable Papers			\$10,000		
Accounts Receivable			\$10,000		
Loss of Revenues			\$50,000		
Personal Effects			\$5,000		
Leasehold Interest			\$5,000		
Outdoor Trees and Shrubs (\$250 each)			\$10,000		
Newly Acquired Property			\$1,000,000		
Pollutant Cleanup and Removal			\$20,000 each premises		

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT**  
**SCHEDULE OF INSURANCE COVERAGE (continued)**  
**FOR THE YEAR ENDED MARCH 31, 2024**  
**(unaudited)**

Type of Coverage	From	To	Amount of Coverage	Insurer	Stock/Mutual
Commercial General Liability:	10/1/2023	10/1/2024	\$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:	10/1/2023	10/1/2024		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:	10/1/2023	10/1/2024		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:	10/1/2023	10/1/2024		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	10/1/2023	10/1/2024		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, 2024**  
**(unaudited)**

Privacy Breach Response Services	10/1/2023	10/1/2024		TML Intergovernmental Risk Pool Contract 5546	Pool
Limits of Coverage			\$25,000 Aggregate		
Deductible			\$1,250 Each Incident		
Regulatory Defense and Penalties	10/1/2023	10/1/2024		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		
Loss of Income Deductible			\$5,000 Each Claim		

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
KEY PERSONNEL AND CONSULTANTS  
FOR THE YEAR ENDED MARCH 31, 2024  
(unaudited)**

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

<u>Name and Address</u>	<u>Term of Office Elected/Expires or Date Hired</u>	<u>Fees &amp; Expense Reim- bursement</u>	<u>Title at End of Year</u>	<u>Resident of District</u>
Key Administrative Personnel:				
James Blodgett	April 1, 2020	\$ 88,132	Manager	Yes
Consultants:				
KSA Engineers 140 E. Tyler St. Suite 600 Longview, TX 75601	2010	611,569	Engineer	No
Mike Ward, CPA 266 RCR 1397 Point, Tx 75472	2020	12,000	Auditor	No
Paul Terrill 810 W. 10th Street AUSTIN, TX 78701	2019	4,313	Attorney	No

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

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Section I - Summary of Auditor's Results

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*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
<i>Federal Awards</i>			
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

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Section II - Financial Statement Findings

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No Matters Reported

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Section III - Federal Awards Findings and Questioned Costs

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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, 2024 debt requirements and times coverage of the System for the fiscal year ending March 31, 2024 are as follows:

Gross Revenues	Maintenance and Operating Expenses	Net Revenues	2024 Debt Requirements	Times Coverage
\$ 9,055,563	\$ 5,993,696	\$ 3,061,867	\$1,485,090	2.06

- 2) In my opinion, the net earnings of the System for such fiscal year are equal to at least 2.06 times the annual principal and interest requirements of the outstanding debt of the East Cedar Creek Fresh Water Supply District at March 31, 2024.

Mike Ward Accounting & Financial Consulting, PLLC  
Certified Public Accountant

By: \_\_\_\_\_

SWORN TO AND SUBSCRIBED BEFORE ME, this the \_\_\_\_\_ day of \_\_\_\_\_, 2024.

Notary Public, State of Texas

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT**  
**DEBT COVERAGE RATIO**  
**FOR THE YEAR ENDED MARCH 31, 2024**

Annual Requirements for All Series

Fiscal Year Ending	Principal Due Jan/July	Interest Due Jan/July	Total
2025	835,000	650,090	1,485,090
2026	780,000	627,314	1,407,314
2027	805,000	603,633	1,408,633
2028	825,000	580,408	1,405,408
2029	850,000	556,108	1,406,108
2030	875,000	531,608	1,406,608
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2039	940,000	217,520	1,157,520
2040	980,000	178,746	1,158,746
2041	1,025,000	138,076	1,163,076
2042	1,070,000	94,514	1,164,514
2043	1,115,000	48,504	1,163,504
	<u>\$ 18,195,000</u>	<u>\$ 7,382,384</u>	<u>\$ 25,577,384</u>

$\$25,577,384 / 19 = \$1,346,178$  Average Yearly Payments

\$ 1,678,045	Increase in Net Position
1,299,382	Depreciation & Amortization Expense
<u>724,191</u>	Bond Interest Expense

<u>\$ 3,701,618</u>	Net Revenue for Debt Coverage
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$\$3,701,618$  Net Revenue for Debt Coverage /  $\$1,346,178$  Average Yearly Payment

<u>2.75</u>	Total Debt Ratio
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## STATISTICAL INFORMATION

(Unaudited)

## STATISTICAL SECTION

(unaudited)

This part of the East Cedar Creek Fresh Water Supply Districts' Annual Comprehensive 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.

4,5,6

**Source:** Unless otherwise noted, the information in these tables are derived from the Annual Comprehensive 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**

	<b>FISCAL YEAR</b>				
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Business-type activities					
Net investment in capital assets	\$ 9,291,769	\$ 9,771,372	\$ 10,230,453	\$ 11,174,083	\$ 11,529,630
Restricted	1,378,063	1,566,290	1,370,620	649,816	836,577
Unrestricted	1,055,102	920,514	1,622,292	2,032,737	2,134,926
Total business-type activities net position	<u>\$ 11,724,934</u>	<u>\$ 12,258,176</u>	<u>\$ 13,223,364</u>	<u>\$ 13,856,636</u>	<u>\$ 14,501,133</u>

	<b>FISCAL YEAR</b>				
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Business-type activities					
Net investment in capital assets	\$ 11,638,818	\$ 12,081,326	\$ 12,634,200	\$ 12,418,703	\$ 13,707,333
Restricted	857,318	902,847	924,592	881,170	948,857
Unrestricted	2,705,112	3,070,956	3,138,516	4,005,263	4,326,991
Total business-type activities net position	<u>\$ 15,201,248</u>	<u>\$ 16,055,129</u>	<u>\$ 16,697,308</u>	<u>\$ 17,305,136</u>	<u>\$ 18,983,181</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 <sup>a</sup></u>	<u>Less: Operating Expenses <sup>b</sup></u>	<u>Net Available Revenue</u>	<u>Annual Requirements</u>	<u>Times Coverage</u>
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
2022	7,719,950	5,527,760	2,192,190	1,450,570	1.51
2023	8,935,397	6,252,844	2,682,553	1,857,646	1.44
2024	9,055,563	5,993,696	3,061,867	1,485,090	2.06

**Note:** <sup>a</sup> Total Revenues do not include non-operating revenues

<sup>b</sup> Operating Expenses only - excludes depreciation and amortization

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
TEN LARGEST WATER CUSTOMERS  
MARCH 31, 2024**

**Table 3**

<b>Customer</b>	<b>Water Billings</b>	<b>% of Total Customer Usage</b>	<b>Gallons Consumed</b>
Bullet Express Car Wash	\$ 23,421.33	1.30%	4,957,200
C2 D2 VENTURES	\$ 10,896.08	0.54%	2,040,900
Saubaba Hotels LLC	\$ 8,404.50	0.40%	1,528,700
Wal-Mart	\$ 9,872.66	0.39%	1,488,300
ETMC Medical Center	\$ 9,435.97	0.36%	1,388,600
Irrigation ETMC Medical Center	\$ 7,182.06	0.33%	1,249,600
The Lodge Asst Living & Memory	\$ 7,032.68	0.32%	1,215,500
Tejas Village	\$ 6,690.29	0.29%	1,101,500
Brinker International Chili's	\$ 6,509.30	0.29%	1,096,000
Hootin Holler	\$ 6,243.42	0.27%	1,035,300
	<u>\$ 95,688.29</u>	<u>4.49%</u>	<u>17,101,600</u>
 Total Customer Consumption		 <u>100.00%</u>	 <u>380,669,300</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**

**Table 4**

<b>Function / Program</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Management	4	4	4	4	4	4	4	4	4	4
Utility Administration	4	4	4	4	4	4	5	6	6	6
Water Systems Operations	3	3	3	4	4	4	4	4	4	4
Field Operations	17	17	17	17	15	15	18	15	15	18
WWTR Systems Operations	5	5	5	5	5	5	6	5	5	6
	33	33	33	34	32	32	37	34	34	38

**Source:** Staff

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

**Table 5**

<b>Function</b>	<b>MARCH 31</b>				
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Number of water customers	6,367	6,398	6,416	6,458	6,529
Number of services added	18	10	16	55	52
Average daily water consumption	869,617	919,346	880,626	889,102	920,513
Month of peak consumption	September	August	July	Sept	July
Peak monthly consumption (gallons)	35,736,400	44,788,100	47,252,000	41,309,000	50,781,000
Maximum storage capacity	2,137,000	2,137,000	2,137,000	2,137,000	2,137,000

<b>Function</b>	<b>MARCH 31</b>			
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Number of water customers	6,722	6,905	7,097	7,205
Number of services added	102	215	144	133
Average daily water consumption	966,242	923,193	1,106,921	1,042,929
Month of peak consumption	July	July	June	Aug
Peak monthly consumption (gallons)	56,978,000	51,755,000	66,243,000	64,347,000
Maximum storage capacity	2,137,000	2,437,000	2,437,000	2,437,000

new wtr tower

**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**

**Table 6**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Function</b>						
Miles of pipeline	160	160	160	160	212.7	212.7
Treatment Plants - Water	2	2	2	2	2	2
Treatment Plants - Wastewater	2	2	2	2	2	2

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Function</b>						
Miles of pipeline	212.7	212.7	212.7	212.7	212.7	212.7
Treatment Plants - Water	2	2	2	2	2	2
Treatment Plants - Wastewater	2	2	2	2	2	2

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