

CADDO BASIN SPECIAL UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023

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

**CADDO BASIN SPECIAL UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023**

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CADDO BASIN SPECIAL UTILITY DISTRICT

ANNUAL FILING AFFIDAVIT

State of Texas
County of Hunt

I, Jerry Leinart, President of the Caddo Basin Special Utility District here by swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the 23rd day of April, 2024 its annual audit report for the fiscal period ended December 31, 2023 and that copies of the annual report have been filed in the District's office, located at 156 CR 1118, Greenville, Texas 75401.

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

Date April 23, 2024 By Jerry Leinart
(Signature of District Representative)

Jerry Leinart, President
(Printed Name and Title of District Representative)

Sworn to and Subscribed to before me this 23rd day of April, 2024



Michelle Metcalf
(Signature of Notary)

(Seal)

My Commission Expires on: Feb 24, 2026

FINANCIAL SECTION

**RUTHERFORD,
TAYLOR &
COMPANY, P.C.**
Certified Public Accountants

3500 Joe Ramsey Blvd.

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INDEPENDENT AUDITOR'S REPORT

Members of the Board

Opinion

We have audited the financial statements of the business-type activities, which are the proprietary funds of the Caddo Basin Special Utility District (District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, which are the proprietary funds of the Caddo Basin Special Utility District, as of December 31, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

Independent Auditor's Report – Continued

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented along with pension benefit information to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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



April 19, 2024
Greenville, Texas

**CADDO BASIN SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

This section of Caddo Basin Special Utility District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended December 31, 2023. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total fund net position was \$ 15,534,558 at year end.
- During the year, the District's expenses were \$ 177,744 less than the \$ 5,288,212 generated from charges for services and other revenues for business-type activities.
- The District executed no new debt agreements during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District is a special purpose government agency and is not considered a component unit of any other government. The District conducts its financial operations in a business-type approach and is defined as a governmental enterprise fund by the Governmental Accounting Standards Board (GASB). Because of this, the District is required to present its financial statements in the format of enterprise fund financial statements.

The enterprise fund financial statements consist of three documents:

Statement of Fund Net Position
Statement of Revenues, Expenses and Changes in Fund Net Position
Statement of Cash Flows

The Statement of Fund Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference being reported as fund net position. This financial statement is often referred to as the balance sheet in non-governmental entities.

The Statement of Revenues, Expenses and Changes in Fund Net Position presents information showing how the District's fund net position changed during the fiscal year. All changes in fund net position are reported in the proprietary (enterprise) fund financial statements based on full accrual of revenues and expenses, regardless of the timing of cash flows. As a result, the accrual of revenues and expenses as reported in this statement would affect cash flows in future periods. Revenues, whether received or not, are properly recorded in the fiscal period in which they are earned; expenses, whether paid or not, are properly recorded in the fiscal period in which the related obligation is incurred.

The Statement of Cash Flows presents information on cash flows from operating activities. The accrual of revenue and expenses from prior accounting periods would affect the cash flows in the current fiscal period.

Following the financial statements listed here are the notes to the financial statements. These notes provide additional information that is essential to a complete understanding of the data provided by the District in the proprietary (enterprise) fund financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Statement of Fund Net Position

The District ended the year with total assets of \$ 19,418,386. Cash and cash equivalents comprised \$ 4,782,412 (25%) of total assets. Net capital assets totaled \$ 13,166,452 (68 %) of total assets. The remaining assets including receivables, prepaid items and other noncurrent assets complete the total assets of the District.

The District has only \$ 376,518 in current liabilities at year end. This represents 10% of the available unrestricted cash. Noncurrent liabilities include the outstanding debt to be paid in future periods beyond 12 months and customer deposits held by the District securing customers billed and unbilled water receivables. Noncurrent liabilities total \$ 3,507,310 or 18% of total assets. What remains is fund net position of \$ 15,534,558 that is \$ 177,744 higher than the beginning of the year.

Ending fund net position totaling \$ 15,534,558 is comprised of three components. The first, net investment in capital assets, which represents the net value of capital assets after deducting depreciation and reducing further the value of any outstanding debt related to capital asset acquisition, totals \$ 11,111,452 or 72% of the total fund net position. This amount is not available for current operations. Restricted net position reflects assets held because of outside influence requirements such as debt covenants. The balance, \$ 985,626, is set aside for debt retirement. The unrestricted fund net position, \$ 3,437,480, is available for use for future operational activities.

**CADDO BASIN SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

The following condensed financial statements are presented to provide a comparative analysis of the current and preceding year financial position.

Caddo Basin Special Utility District's Fund Net Position			Table A-1
	<u>2023</u>	<u>2022</u>	Total Percentage Change 2022 - 2023
Assets:			
Cash and Cash Equivalents	\$ 3,796,786	\$ 4,056,860	-6.41%
Other Assets	1,469,372	1,025,174	43.33%
Restricted Assets	985,626	982,788	0.29%
Capital Assets	13,166,452	12,814,181	2.75%
Other Non-Current Assets	150	150	0.00%
Total Assets	<u>\$ 19,418,386</u>	<u>\$ 18,879,153</u>	2.86%
Total Deferred Net Outflows of Resources	<u>\$ -</u>	<u>\$ 50,960</u>	-100.00%
Liabilities:			
Current Liabilities	\$ 376,518	\$ 166,873	125.63%
Long-term Liabilities	3,507,310	3,406,426	2.96%
Total Liabilities	<u>\$ 3,883,828</u>	<u>\$ 3,573,299</u>	8.69%
Fund Net Position:			
Net Investment in Capital Assets	\$ 11,111,452	\$ 10,657,115	4.26%
Restricted	985,626	982,788	0.29%
Unrestricted	3,437,480	3,716,911	-7.52%
Total Fund Net Position	<u>\$ 15,534,558</u>	<u>\$ 15,356,814</u>	1.16%

Statement of Revenues, Expenses and Changes in Fund Net Position

The following condensed financial statements are presented to provide a comparative analysis of the current and preceding year financial results of operation.

Changes in Caddo Basin Special Utility District's Fund Net Position			Table A-2
	<u>2023</u>	<u>2022</u>	Total Percentage Change 2022 - 2023
Operating Revenues:			
Charges for Services	\$ 4,842,508	\$ 4,689,432	3.26%
Total Operating Revenues	<u>\$ 4,842,508</u>	<u>\$ 4,689,432</u>	3.26%
Operating Expenses:			
Water Utilities	\$ 5,046,938	\$ 4,757,838	6.08%
Total Operating Expenses	<u>\$ 5,046,938</u>	<u>\$ 4,757,838</u>	6.08%
Nonoperating Revenues (Expenses):			
Interest Income	\$ 27,043	\$ 2,289	1081.43%
Interest Expense	(63,530)	(67,350)	-5.67%
Contributions from Customers/Developers	373,764	1,808,034	-79.33%
Gain (Loss) on Disposal of Capital Assets	28,797	-	100.00%
Tower Rental Income	16,100	15,600	3.21%
Net Nonoperating Revenues (Expenses)	<u>\$ 382,174</u>	<u>\$ 1,758,573</u>	-78.27%
Increase (Decrease) in Net Position	<u>\$ 177,744</u>	<u>\$ 1,690,167</u>	-89.48%
Fund Net Position - Beginning (January 1)	<u>15,356,814</u>	<u>13,666,647</u>	12.37%
Fund Net Position - Ending (December 31)	<u>\$ 15,534,558</u>	<u>\$ 15,356,814</u>	1.16%

**CADDO BASIN SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Operating revenues include charges for water usage as well as other service fees, penalties, and administration fees. The total, \$ 4,842,508, was less than the operating expenses by \$ 204,430. Non-operating revenues include investment income, contributions from customers and developers, and tower rental income. These non-operating sources combined for a total of \$ 382,174 or 7% of total revenue

Operating expenses totaled \$ 5,046,938 for the year, an increase of \$ 289,100. The largest expense for the year was for the water distribution system. The total \$ 1,813,084 represents 35% of all expenses. Interest expense incurred on outstanding debt totaled only \$ 63,530 or 1% of total expenses. The remaining expenses, including payroll and benefits (19%), depreciation and amortization (20%), as well as other operating costs comprised the remaining \$ 3,233,854.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At year end, the District had invested \$ 25,907,961 in a broad range of capital assets, including land, water distribution system, buildings, equipment, and vehicles (see Table A-3). More detailed information about the District's capital assets is presented in the notes to the financial statements.

Caddo Basin Special Utility District's Capital Assets			Table A-3
	2023	2022	Total Percentage Change 2022 - 2023
Land and Improvements	\$ 404,244	\$ 182,083	122.01%
Construction in Progress	178,901	98,511	81.61%
Water Distribution System	23,642,814	22,857,227	3.44%
Vehicles	453,604	442,176	2.58%
Machinery and Equipment	556,879	433,764	28.38%
Furniture and Office Equipment	132,235	102,440	29.09%
Buildings	539,284	532,888	1.20%
Totals at Historical Cost	\$ 25,907,961	\$ 24,649,089	5.11%
Total Accumulated Depreciation	(12,741,509)	(11,834,908)	7.66%
Net Capital Assets	\$ 13,166,452	\$ 12,814,181	2.75%

Long Term Debt

At year end, the District had \$ 2,055,000 in debt outstanding as shown in Table A-4. More detailed information about the District's debt is presented in the notes to the financial statements.

Caddo Basin Special Utility District's Long Term Debt			Table A-4
	2023	2022	Total Percentage Change 2022 - 2023
Bonds Payable	\$ 2,055,000	\$ 2,155,000	-4.64%
Other Debt Payable	-	2,066	-100.00%
Total Debt Payable	\$ 2,055,000	\$ 2,157,066	-4.73%

**CADDO BASIN SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

BUDGET, ECONOMIC ENVIRONMENT AND RATES

The central northeast Texas region continues to experience an influx of residential home sites. This increase in home sites and the subsequent residences constructed appears to be continuing. This increase impacts the availability of water and the related infrastructure in the District. Operations will continue in future periods with expansion of infrastructure to provide potable water to those seeking services.

The District has water source contracts with North Texas Municipal Water District, the City of Farmersville, and the City of Greenville under long term contracts. The contracts include set amounts of resources available with adjustments for potential increases. The contracts include annual rate adjustments necessary to maintain water supplies for the District and its customer base.

At this time, Caddo Basin Special Utility District is not aware of any decisions or conditions that would impact the District's operations through 2024 other than the rate increases imposed by its water suppliers.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Kevin Wendland, General Manager for the District.

FINANCIAL STATEMENTS

CADDO BASIN SPECIAL UTILITY DISTRICT
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2023

		Enterprise Fund
		Water Utilities
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$	3,796,786
Accounts Receivable		676,988
Prepaid Supplies and Materials		754,608
Prepaid Expenses		37,776
Total Current Assets	\$	5,266,158
Restricted Assets:		
Cash and Cash Equivalents	\$	985,626
Total Restricted Assets	\$	985,626
Non-Current Assets:		
Capital Assets:		
Land and Improvements	\$	404,244
Construction in Progress		178,901
Water Distribution System, Net		11,906,836
Vehicles, Net		199,870
Equipment, Net		244,501
Office Equipment, Net		33,734
Buildings, Net		198,366
Total Capital Assets	\$	13,166,452
Utility Deposits		150
Total Non-Current Assets	\$	13,166,602
Total Assets	\$	19,418,386

The accompanying notes are an integral part of this statement.

CADDO BASIN SPECIAL UTILITY DISTRICT
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2023

	Enterprise Fund
	Water Utilities
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 212,211
Payroll Taxes Payable	1,162
Accrued Wages Payable	15,211
Accrued Interest Payable	20,346
TCEQ Assessment Payable	22,588
Current Portion of Bonds Payable	105,000
Total Current Liabilities	\$ 376,518
Non-Current Liabilities:	
Customer Deposits	\$ 672,250
Deferred Revenue - Developer Contribution	838,760
Bond Payable less Current Portion	1,950,000
Deferred Revenue - Tower Rental	46,300
Total Non-Current Liabilities	\$ 3,507,310
Total Liabilities	\$ 3,883,828
FUND NET POSITION	
Net Investment in Capital Assets	\$ 11,111,452
Restricted for:	
Debt Retirement	985,626
Unrestricted	3,437,480
Total Fund Net Position	\$ 15,534,558

The accompanying notes are an integral part of this statement.

CADDO BASIN SPECIAL UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Enterprise
	<u>Fund</u>
	Water
	<u>Utilities</u>
OPERATING REVENUES	
Water Sales	\$ 4,321,692
Customer Charges/Fees	<u>520,816</u>
Total Operating Revenues	<u>\$ 4,842,508</u>
OPERATING EXPENSES	
Payroll and Benefits	\$ 981,800
Water Distribution System	1,813,084
Other Operating Costs	1,109,154
Professional and Legal Fees	31,550
Insurance	33,786
Amortization	50,960
Depreciation	<u>1,026,604</u>
Total Operating Expenses	<u>\$ 5,046,938</u>
Operating Revenue (Expenses)	<u>\$ (204,430)</u>
NON-OPERATING REVENUE (EXPENSES)	
Interest Income	\$ 27,043
Interest Expense	(63,530)
Contributions from Customers/Developers	373,764
Tower Rental Income	16,100
Gain (Loss) on Disposal of Capital Asset	<u>28,797</u>
Net Non-Operating Revenue (Expenses)	<u>\$ 382,174</u>
Increase (Decrease) in Net Position	\$ 177,744
Total Net Position - Beginning (January 1)	<u>15,356,814</u>
Total Net Position - Ending (December 31)	<u><u>\$ 15,534,558</u></u>

The accompanying notes are an integral part of this statement.

**CADDO BASIN SPECIAL UTILITY DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023**

		Enterprise Fund Water Utilities
Cash Flows from Operating Activities:		
Cash Received from Customers	\$	4,842,508
Cash Payments for Goods and Services		(3,236,330)
Cash Payments to Employees		(971,930)
Net Cash Provided by (Used for) Operating Activities	\$	634,248
Cash Flows from Capital and Other Related Financing Activities:		
Principal Paid on Bonds Payable	\$	(100,000)
Interest Paid on Bonds Payable		(62,131)
Acquisition of Capital Assets		(1,408,728)
Contributions from Developers		567,382
Proceeds from Disposal of Capital Assets		52,500
Net Cash Provided by (Used for) Capital and Other Related Financing Activities	\$	(950,977)
Cash Flows from Noncapital Financing Activities:		
Rental Income Received	\$	16,100
Increase (Decrease) in Customer Deposits		16,350
Net Cash Provided by (Used for) Noncapital Financing Activities	\$	32,450
Cash Flows from Investing Activities:		
Interest Received	\$	27,043
Net Cash Provided by (Used for) Investing Activities	\$	27,043
Net Increase (Decrease) in Cash and Cash Equivalents	\$	(257,236)
Cash and Cash Equivalents - Beginning (January 1)		5,039,648
Cash and Cash Equivalents - Ending (December 31)	\$	4,782,412
Reconciliation Cash and Cash Equivalents to the Statement of Net Position		
Cash and Cash Equivalents in Current Assets	\$	3,796,786
Restricted Cash		985,626
Total Cash & Cash Equivalents	\$	4,782,412
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Revenues (Expenses)	\$	(204,430)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization		1,077,564
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable		(268,265)
(Increase) Decrease in Prepaid Supplies and Materials		(171,591)
(Increase) Decrease in Prepaid Expenses		(4,342)
Increase (Decrease) in Accrued Wages Payable		212
Increase (Decrease) in Accounts Payable		202,894
Increase (Decrease) in Payroll Taxes Payable		9
Increase (Decrease) in TCEQ Assessment Payable		2,197
Net Cash Provided by (Used for) Operating Activities	\$	634,248

The accompanying notes are an integral part of this statement.

**CADDO BASIN SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

A. Summary of Significant Accounting Policies

The Caddo Basin Special Utility District (District) was approved by the voters within the District on May 6, 1989. The Caddo Basin Special Utility District is an organization as set forth under the terms and conditions of Article XVI, Section 59 of the Texas Constitution and Chapter 65 of the Texas Water Code.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

1. Reporting Entity

The Board of Directors (Board), a seven member group constituting an on-going entity, is the level of government which has governance responsibilities over all activities related to providing water services within the jurisdiction of the Caddo Basin Special Utility District. Members of the Board are elected by the public, have the authority to make decisions, appoint administrators and managers, and significantly influence operations; and have the primary accountability for fiscal matters. The District is not included in any other governmental "Reporting Entity" as defined by GASB in its Statement No. 14, "The Financial Reporting Entity." There are no component units presented.

2. Basis of Presentation

The District is a special purpose government engaged in only business-type activities. In accordance with GASB Statement 34, *Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the District is required to present only financial statements for enterprise funds, along with management's discussion and analysis (MD&A), notes of the financial statements and other required supplementary information (RSI).

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenue, and expenses. The fund type utilized by the District is described below:

a. Proprietary fund types include the following –

The *Enterprise Fund* is used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) the governing body has decided periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary fund types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and liabilities associated with the operation of these funds are included in the balance sheet. Fund equity is identified as net position.

4. Budget

The Board adopts an annual budget for the Enterprise Fund. The Budget for the Enterprise Fund is adopted under a basis consistent with GAAP. The Board approves amendments to the annual budget as prepared by the General Manager of the District.

**CADDO BASIN SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

A. Summary of Significant Accounting Policies (Continued)

5. Receivables

The District's accounts receivable are generally due within 30 days of billing. Late payment fees are billed on items past due with all off following a standard period of time. Once accounts are closed, customer security deposits are used to reconcile the unpaid accounts. Policies are in place to reestablish service with appropriate fees and security deposits. Because of these operational policies, the District does not record an allowance for uncollectible amounts. If services are terminated all current and past due charges are to be satisfied prior to reconnection.

6. Capital Assets

Additions to the utility system are recorded at cost or, if contributed property, at estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recovered by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income. Items exceeding \$ 2,500 are capitalized in the financial statements.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	5 - 40 years
Vehicles	5 - 7 years
Furniture & Equipment	5 - 10 years
Machinery & Equipment	5 - 10 years
Water Distribution System	5 - 40 years

7. Amortization of Equity Fee and Organizational Costs

The District has assets recorded in the financial statements entitled "Deferred Bond Issuance Costs." Generally accepted accounting principles require that the District capitalize the costs associated with these assets and amortize those costs over the life of the debt, and not less than 60 months, respectively, rather than expensing the entire amount in the year acquired. The expense associated with this amortization appears in the financial statements as "Amortization." The amount expensed during the twelve months ended December 31, 2023, was \$ 50,960. The amount recorded as assets (net of amortization) in the financial statements at year end, totaled \$ 0.

8. Prepaid Supplies and Materials

Prepaid supplies and materials consists of supplies and repair parts for the distribution system, valued at cost. The cost of supplies and materials is recorded as an expense when consumed rather than when purchased.

9. Cash and Cash Equivalents

Cash and Cash Equivalents are comprised of deposits in financial institutions, including time deposits. For the purpose of the statement of cash flows, a cash equivalent is considered any highly liquid investment with a maturity of twelve months or less. Restricted assets are not included.

10. Retirement Plan

Substantially all full time employees of the District are covered by the Caddo Basin Special Utility Rural/Retirement Plan. Mass Mutual is the administrator of this 401(k) plan. This plan was adopted by the Board of Trustees effective January 30, 2012.

The pension plan provides pension benefits and death and disability benefits. A member may retire after reaching the age of 65.

**CADDO BASIN SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

A. Summary of Significant Accounting Policies (Continued)

Employees of the District have a mandatory five percent of their defined gross earnings deducted and placed in the plan with voluntary additional contributions to ten percent. If an employee leaves the employment of the District before five years of service, the accumulated contributions plus earned interest are refunded to the employee or the employee's designated beneficiary.

The District makes contributions to the pension plan equal to five percent of each employee's defined gross earnings. After three years of employment this contribution increases to six percent, after five years of employment this contribution increases to eight percent, and after ten years of employment this contribution increases to ten percent.

For the year, the District's total payroll for all employees amounted to \$ 771,435. Covered payroll refers to all compensation paid by the District to active employees covered by the Caddo Basin Special Utility District Rural/Retirement Plan on which contributions to the 401(k) plan are based which amounted to \$ 735,534. During the year, the District contributed \$ 40,798.

In addition to the retirement plan as described above, the employees of the District are covered by Social Security.

11. Related Party Transactions

The District incurs expenses to board members in the amount of \$ 50 for each board meeting attended, in addition to expenses paid by board members. For the year, \$ 3,500 was paid to board members for meetings attended.

12. Compensated Absences

District employees are entitled to certain compensated absences based on their length of employment. Sick leave is paid to employees at one-half the rate of the employee's wages for unused time remaining at year end.

13. Right of Use Assets and Liabilities

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

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

**CADDO BASIN SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

B. Capital Assets

The following is a summary of changes in capital assets for the year:

	Beginning Balances	Additions and Reclassifications	Deletions	Ending Balances
Land and Improvements	\$ 182,083	\$ 222,161	\$ -	\$ 404,244
Construction in Progress	98,511	80,390	-	178,901
Water Distribution System	22,857,227	785,587	-	23,642,814
Vehicles	442,176	111,529	100,101	453,604
Machinery & Equipment	433,764	172,870	49,755	556,879
Office Equipment	102,440	29,795	-	132,235
Buildings	532,888	6,396	-	539,284
Totals at Historical Cost	\$ 24,649,089	\$ 1,408,728	\$ 149,856	\$ 25,907,961
Less Accumulated Depreciation for:				
Water Distribution System	\$ 10,804,394	\$ 931,584	\$ -	\$ 11,735,978
Vehicles	322,932	30,903	100,101	253,734
Machinery & Equipment	296,683	35,597	19,902	312,378
Office Equipment	96,912	1,589	-	98,501
Buildings	313,987	26,931	-	340,918
Total Accumulated Depreciation	\$ 11,834,908	\$ 1,026,604	\$ 120,003	\$ 12,741,509
Net Capital Assets	\$ 12,814,181	\$ 382,124	\$ 29,853	\$ 13,166,452

C. Restricted Assets

The District is required to maintain certain deposit accounts to be in compliance with the bond covenants. At year end, the District had the following accounts restricted for these purposes:

Enterprise Fund

American National Bank Accounts:

Construction Fund	\$ 117,000
Bond Reserve	358,602
Bond Debt Payment	510,024

Total Restricted Assets \$ 985,626

American National Bank – Construction Fund – This account represents the amount held in reserve for future capital improvements for Caddo Basin Special Utility District as designated by the Board.

American National Bank – Bond Debt Payment – This account represents the amount accumulated during the year to make principal and interest payments on the outstanding debt.

American National Bank – Bond Reserve - This account represents the amount held in reserve to remain in compliance with Section 13 of the Bond restrictions, which states, "The District shall maintain an account equal to the average annual debt service."

D. Deposits, Securities, and Investments

The District's funds appear to be deposited and invested under the terms of a depository contract. The contract requires the depository to pledge approved securities in an amount significant to protect the District's day-to-day balances. The pledge is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. The District's deposits appear to have been secured at all times throughout the fiscal year.

**CADDO BASIN SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

D. Deposits, Securities, and Investments (Continued)

The District's investment policies and types of investments are governed by the Public Funds Investment Act. The Act requires specific training, reporting and establishment of local policies. The District appears to be in compliance with the requirements of the Act.

State statutes and local policy authorize the District to invest in the following types of investment goods:

- a. obligations of the U.S. or its agencies or instrumentalities,
- b. obligations of the State of Texas or its agencies,
- c. obligations guaranteed by the U.S. or State of Texas or their agencies or instrumentalities,
- d. obligations of other states, agencies or political subdivisions having a national investment rating of "A" or greater,
- e. guaranteed or securitized certificates of deposit issued by a bank domiciled in the State of Texas, or
- f. fully collateralized repurchase agreements.

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

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At year end, the District did not appear to be significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the Districts' name. At year end, the District did not appear to be exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District did not appear to be exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

**CADDO BASIN SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

E. Long - Term Obligations

The following schedule presents changes in long-term debt for the year:

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion of Debt
Bonds Payable	\$ 2,155,000	\$ -	\$ 100,000	\$ 2,055,000	\$ 105,000
Unamortized Bond Premium	2,066	-	2,066	-	-
Total Debt Payable	\$ 2,157,066	\$ -	\$ 102,066	\$ 2,055,000	\$ 105,000

Bonds

The District has issued various revenue bonds in prior years to fund capital improvements in the district. Revenue bonds require principal and interest payments to be made from utility system revenues. The bonds issued require annual principal payments and semi-annual interest payments throughout the life of the debt.

The following amounts are outstanding at year end:

Description	Interest Rate	Original Amount	Outstanding Balance
Utility System Revenue Bonds, Series 2019	2.0 - 3.125%	\$ 2,520,000	\$ 2,055,000
Totals			<u>\$ 2,055,000</u>

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

Year Ending December 31	Principal	Interest	Total Requirements
2024	\$ 105,000	\$ 61,038	\$ 166,038
2025	105,000	58,413	163,413
2026	110,000	55,788	165,788
2027	115,000	52,488	167,488
2028	120,000	49,038	169,038
2029-2033	675,000	188,190	863,190
2034-2038	825,000	78,318	903,318
Totals	<u>\$ 2,055,000</u>	<u>\$ 543,273</u>	<u>\$ 2,598,273</u>

Bond Covenants

The District is required to maintain certain deposits to satisfy the provisions of the debt authorization relating to the Series 2019 bond issue. The deposits are identified in Section 13 and 14 of the debt authorization. The following describes these sections and the requirements:

Section 13 – Reserve Fund

The required reserve is an amount equal to the average annual debt service. This balance was already funded at the time both Bonds were issued, so no new deposits were required at that time. As the total is now less than the required amount, monthly deposits in amounts equal to one-twelfth (1/12) of the deficiency shall begin and continue to be made until the required reserve has been restored. At year end, the following is reported:

Amount Required	\$ 473,150
Amount Available	<u>510,024</u>
Excess (Deficiency)	<u>\$ 36,874</u>

**CADDO BASIN SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

E. Long - Term Obligations (Continued)

Section 14 – Bond Fund

The Bond Fund is a restricted account to set aside monthly the amounts to retire the bond principal and interest for the current period. The following is reported:

Amount Required	\$	55,346
Amount Available		<u>358,602</u>
Excess (Deficiency)	\$	<u>303,256</u>

F. Customer Deposits

The District requires each new customer to pay \$150, which is held as a refundable deposit to secure payment of the customer's final water bill. At year end, the District's obligation totaled \$ 672,250.

G. Litigation

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

H. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year, the District purchased commercial insurance to cover these liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

I. Commitments and Contingencies

The District is responsible for complying with certain laws and regulations that impact the operations of the water distribution system and overall financial position. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the various rules and regulations in which the District operates.

The District requires developers and customers to provide funding for specific expansion to the storage and distribution system. The payments received are accounted for as escrow funds held by the District until completion of the specific expansion. The balances received and held in escrow at year end amounted to \$ 838,760 and is presented in the financial statements as Deferred Revenue – Developer Contributions.

J. Subsequent Events

Management has evaluated all events or transactions that occurred after December 31, 2023 up through April 19, 2024, the date the financial statements were issued.

K. Economic Dependency

The District procures its water from North Texas Municipal Water District under a water supply contract. The loss of the water source could impact the District's available water sources needed for delivery of water to its customers.

L. Change in Accounting Principles

The Governmental Accounting Standards Board (GASB) issued Statement 96, *Subscription-Based Information Technology Arrangements (SBITA)*, with an effective date of fiscal year beginning after June 15, 2022. This required the District to implement the provisions of the Statement during the year. The Statement requires the recognition of longer than 12 month agreements to utilize other types of subscription based technology. As such, there are new financial statement captions on the financial statements. The net present value of the future payments is recognized as an expense in the initial year of the agreement with subsequent payments represented as debt retirement payments. The Statement requires retroactive restatement of assets and liabilities with the difference modifying the beginning net position. The District identified no agreements classified as SBITA's in the current year.

SUPPLEMENTARY INFORMATION

**CADDO BASIN SPECIAL UTILITY DISTRICT
ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
OPERATING REVENUES				
Water Sales	\$ 4,960,000	\$ 4,596,000	\$ 4,321,692	\$ (274,308)
Customer Charges/ Fees	746,020	550,100	520,816	(29,284)
Total Operating Revenues	\$ 5,706,020	\$ 5,146,100	\$ 4,842,508	\$ (303,592)
OPERATING EXPENSES				
Payroll and Benefits	\$ 1,207,500	\$ 1,039,500	\$ 981,800	\$ 57,700
Water Distribution System	1,800,150	1,762,450	1,813,084	(50,634)
Other Operating Costs	410,600	331,983	1,109,154	(777,171)
Professional and Legal Fees	32,000	37,800	31,550	6,250
Insurance	38,000	41,500	33,786	7,714
Amortization	7,656	7,656	50,960	(43,304)
Depreciation	140,000	140,000	1,026,604	(886,604)
Total Operating Expenses	\$ 3,635,906	\$ 3,360,889	\$ 5,046,938	\$ (1,686,049)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	\$ 40	\$ 40	\$ 27,043	\$ 27,003
Interest Expense	(38,700)	(38,700)	(63,530)	(24,830)
Contributions from Customers/Developers	-	-	373,764	373,764
Tower Rental Income	30,000	30,000	16,100	(13,900)
Gain (Loss) on Disposal of Capital Asset	-	-	28,797	28,797
Net Nonoperating Revenues (Expenses)	\$ (8,660)	\$ (8,660)	\$ 382,174	\$ 390,834
Increase (Decrease) in Net Position	\$ 2,061,454	\$ 1,776,551	\$ 177,744	\$ (1,598,807)
Net Position - Beginning (January 1)	15,356,814	15,356,814	15,356,814	-
Net Position - Ending (December 31)	\$ 17,418,268	\$ 17,133,365	\$ 15,534,558	\$ (1,598,807)

**CADDO BASIN SPECIAL UTILITY DISTRICT
SERVICES AND RATES
YEAR ENDED DECEMBER 31, 2023**

1. Services provided by the District:

- | | | | | | |
|-------------------------------------|--|--------------------------|----------------------|--------------------------|------------|
| <input checked="" type="checkbox"/> | Retail Water | <input type="checkbox"/> | Wholesale Water | <input type="checkbox"/> | Drainage |
| <input 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"/> | Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect) | | | | |
| <input type="checkbox"/> | Other (specify): | | | | |

2. Retail Service Providers:

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

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1000 Gallons Over Minimum	Usage Levels
WATER	\$ 25.00	0	N	\$ 5.75	0 to 10,000
				\$ 9.32	10,001 to unlimited

District employs winter averaging for wastewater usage. Yes No X

Total charges per 10,000 gallons usage: Water \$ 82.50

b. Water and Wastewater Retail Connections (Only Water Provided):

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered	0	0	x 1.0	-
≤ 3/4"	5,533	4,939	x 1.0	4,939
1"	5	5	x 2.5	13
1 1/2"	3	3	x 5.0	15
2"	17	17	x 8.0	136
3"	1	1	x 15.0	15
4"	2	2	x 25.0	50
Total Water	5,561	4,967		4,967
Total Wastewater	0	0	x 1.0	-

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

Gallons pumped into system:	<u>491,517,000</u>
Gallons billed to customers:	<u>430,160,000</u>
Water Accountability %:	<u>88%</u>

**CADDO BASIN SPECIAL UTILITY DISTRICT
SERVICES AND RATES
YEAR ENDED DECEMBER 31, 2023**

4. Standby Fees: District does not levy standby fees.

5. Location of District:

County(ies) in which district is located. Hunt and Collin

Is the District located entirely in one county? Yes _____ No X

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

City(ies) in which district is located. Farmersville, Celeste, Merit, Caddo Mills, Greenville, Nevada, Royse City, Josephine

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

ETJ's in which district is located. Farmersville, Celeste, Merit, Caddo Mills, Greenville, Nevada, Royse City, Josephine

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

If Yes, by whom? n/a

**CADDO BASIN SPECIAL UTILITY DISTRICT
ENTERPRISE FUND EXPENSES
YEAR ENDED DECEMBER 31, 2023**

Payroll and Benefits	\$	981,800
Water Distribution System		1,813,084
Other Operating Costs		1,109,154
Professional and Legal Fees		31,550
Insurance		33,786
Amortization		50,960
Depreciation		1,026,604
Interest and Other Debt Expense		<u>63,530</u>
Total Expenses	\$	<u><u>5,110,468</u></u>

Number of persons employed by the District:

Full Time	<u>14</u>
Part Time	<u>0</u>

**CADDO BASIN SPECIAL UTILITY DISTRICT
TEMPORARY INVESTMENTS
YEAR ENDED DECEMBER 31, 2023**

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at Year End
<u>Enterprise Fund</u>					
American National Bank Accounts:					
Construction Fund	9383878	1.1500%	08/02/23	\$ 117,000	*
Bond Reserve	2000014809	0.1000%	N/A	358,602	*
Revenue Bond Payment	2000014577	0.1000%	N/A	510,024	*
Certificate of Deposit	9675257	2.2700%	12/5/2023	1,045,291	*
				<u>\$ 2,030,917</u>	<u>\$ -</u>
Total Temporary Investments					

* The District's interest-bearing investments do not accrue interest due to interest being paid monthly.

**CADDO BASIN SPECIAL UTILITY DISTRICT
LONG-TERM DEBT REQUIREMENTS
SERIES 2019 – BY YEAR
YEAR ENDED DECEMBER 31, 2023**

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	105,000	30,519	135,519
2025	105,000	29,207	134,207
2026	110,000	27,894	137,894
2027	115,000	26,244	141,244
2028	120,000	24,519	144,519
2029	125,000	22,719	147,719
2030	130,000	20,844	150,844
2031	135,000	18,894	153,894
2032	140,000	16,869	156,869
2033	145,000	14,769	159,769
2034	150,000	12,594	162,594
2035	160,000	10,344	170,344
2036	165,000	7,944	172,944
2037	170,000	5,469	175,469
2038	180,000	2,808	182,808
Totals	<u>\$ 2,055,000</u>	<u>\$ 271,637</u>	<u>\$ 2,326,637</u>

**CADDO BASIN SPECIAL UTILITY DISTRICT
CHANGES IN LONG-TERM BONDED DEBT
YEAR ENDED DECEMBER 31, 2023**

	<u>Bond Issues</u> Series 2019
Interest Rate	2.0% - 3.15%
Dates Interest Payable	03/01 - 09/01
Maturity Date	9/1/2038
Beginning Bonds Outstanding	\$ 2,155,000
Bonds Sold During the Fiscal Year	-
Bonds Retired During the Fiscal Year	<u>100,000</u>
Ending Bonds Outstanding	<u>\$ 2,055,000</u>

Interest Paid During the Fiscal Year \$ 63,038

Paying Agent's Name and City

Wilmington Trust, N.A., Dallas, Texas

Bond Authority:	Tax Bonds	Other Bonds	Revenue Bonds
Amount Authorized By Voters	\$ -	\$ -	\$ -
Amount Issued	\$ -	\$ -	\$ -
Remaining To Be Issued	\$ -	\$ -	\$ -
Debt Service Fund cash and temporary investment balances as of December 31, 2023:			\$ 868,626
Average annual debt service payment (Principal and Interest) for remaining term of all debt:			\$ 173,218

**CADDO BASIN SPECIAL UTILITY DISTRICT
COMPARATIVE STATEMENT OF REVENUES AND EXPENSES
ALL PROPRIETARY FUND TYPES
FIVE PERIODS ENDED DECEMBER 31, 2023**

	AMOUNTS						PERCENT OF FUND TOTAL REVENUE					
	2023	2022	2021	2020	2019	2018	2023	2022	2021	2020	2019	2018
OPERATING REVENUE												
Water Sales	\$4,321,692	\$3,961,610	\$3,399,265	\$3,206,378	\$2,813,686	\$2,775,163	89.24%	84.48%	86.26%	84.79%	85.25%	85.71%
Customer Charges/Fees	520,816	727,822	541,463	575,284	486,986	462,805	10.76%	15.52%	13.74%	15.21%	14.75%	14.29%
TOTAL OPERATING REVENUE	\$4,842,508	\$4,689,432	\$3,940,728	\$3,781,662	\$3,300,672	\$3,237,968	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
OPERATING EXPENSES												
Payroll and Benefits	\$ 981,800	\$ 950,262	\$ 899,894	\$ 823,492	\$ 793,535	\$ 818,453	20.27%	20.26%	22.84%	21.78%	24.04%	25.28%
Water Distribution System	1,813,084	1,655,875	1,344,010	1,292,269	1,121,068	1,093,926	37.44%	35.31%	34.11%	34.17%	33.96%	33.78%
Other Operating Costs	1,109,154	1,074,507	376,757	294,938	286,914	268,196	22.90%	22.91%	9.56%	7.80%	8.69%	8.28%
Professional and Legal Fees	31,550	33,398	31,590	15,285	14,673	10,900	0.65%	0.71%	0.80%	0.40%	0.44%	0.34%
Insurance	33,786	27,647	26,546	25,673	29,924	23,160	0.70%	0.59%	0.67%	0.68%	0.91%	0.72%
Amortization	50,960	6,375	10,841	10,840	10,840	7,655	1.05%	0.14%	0.28%	0.29%	0.33%	0.24%
Depreciation	1,026,604	1,009,774	1,002,244	979,502	933,679	751,067	21.20%	21.53%	25.43%	25.90%	28.29%	23.20%
TOTAL OPERATING EXPENSES	\$5,046,938	\$4,757,838	\$3,691,882	\$3,441,999	\$3,190,633	\$2,973,357	104.22%	101.46%	93.69%	91.02%	96.66%	91.83%
NET OPERATING REVENUE (EXPENSES)	\$ (204,430)	\$ (68,406)	\$ 248,846	\$ 339,663	\$ 110,039	\$ 264,611	-4.22%	-1.46%	6.31%	8.98%	3.34%	8.17%
NONOPERATING REVENUE (EXPENSES)												
Gain (Loss) on Disposal of Capital Assets	\$ 28,797	\$ -	\$ -	\$ 40,100	\$ -	\$ -	0.59%	0.00%	0.00%	1.06%	0.00%	0.00%
Interest Income	27,043	2,289	3,168	19,765	7,393	3,227	0.56%	0.05%	0.08%	0.52%	0.22%	0.10%
Interest and Other Debt Expense	(63,530)	(67,350)	(73,684)	(83,256)	(64,465)	(24,107)	-1.31%	-1.44%	-1.87%	-2.20%	-1.95%	-0.74%
Contributions	373,764	1,808,034	892,569	43,361	652,110	387,946	7.72%	38.56%	22.65%	1.15%	19.76%	11.98%
Tower Rental Income	16,100	15,600	15,600	20,400	30,000	-	0.33%	0.33%	0.40%	0.54%	0.91%	0.00%
NET NONOPERATING REVENUE (EXPENSES)	\$ 382,174	\$1,758,573	\$ 837,653	\$ 40,370	\$ 625,038	\$ 367,066	7.89%	37.50%	21.26%	1.07%	18.94%	11.34%
NET REVENUE (EXPENSES)	\$ 177,744	\$1,690,167	\$1,086,499	\$ 380,033	\$ 735,077	\$ 631,677	3.67%	36.04%	27.57%	10.05%	22.28%	19.51%

**CADDO BASIN SPECIAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
YEAR ENDED DECEMBER 31, 2023**

Complete District Mailing Address: 156 CR 1118, Greenville, Texas 75401
 District Business Telephone Number: 903-527-3504
 Submission Date of the most recent District Registration Form: November, 2023
 Limit on Fees of Office that a Director may receive during a fiscal year: \$ 600

<u>Names:</u>	Term of Office (Elected or Appointed or Date Hired)	Fees of Office Paid <u>12/31/2023</u>	Expense Reimbursements <u>12/31/2023</u>	Title at <u>Year End</u>
Board Members:				
Jerry Leinart	2021-2024	\$ 550	\$ -	President
Nolan E. Jones	2021-2024	\$ 450	\$ -	Sec/Tres
Gene Martin	2020-2023	\$ 50	\$ -	Director
James Patterson	2021-2024	\$ 500	\$ -	Vice-President
Ronnie Clack	2022-2025	\$ 550	\$ -	Director
Barak Boyle	2021-2024	\$ 400	\$ -	Director
Jeffrey K. Hammack	2021-2024	\$ 450	\$ -	Director
Kenneth Pendergrass	2023-2026	\$ 550	\$ -	Director

Key Administrative Personnel:

Kevin Wendland	9/1/1984	\$ 121,167	\$ -	General Manager
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Consultants:

Dunaway / DBI	\$ 14,689	Engineer
Rutherford, Taylor & Company, P.C.	\$ 14,650	Auditor

**CADDO BASIN SPECIAL UTILITY DISTRICT
SUPPLEMENTARY SCHEDULES NOT APPLICABLE
YEAR ENDED DECEMBER 31, 2023**

The following TSI schedules are not applicable to this District:

<u>Exhibit ID</u>	<u>Exhibit Title</u>
TSI-4	Taxes Levied and Receivable