

**ECTOR COUNTY UTILITY DISTRICT**

**ANNUAL FINANCIAL REPORT**

**For the Year Ended September 30, 2022**

# ECTOR COUNTY UTILITY DISTRICT

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Annual Filing Affidavit

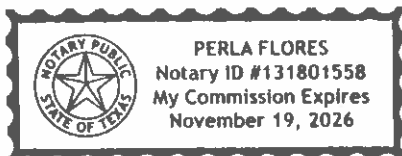
THE STATE OF TEXAS

COUNTY OF: Ector

I, Stephanie Shaw of the Ector County Utility District hereby swear, or affirm, that  
(Name of Duly Authorized District Representative) (Name of District)  
the District name above has reviewed and approved at a meeting of the District's Board of Directors on the 19<sup>th</sup> day of April, 2023, its annual audit report for the fiscal period ended September 30, 2022 and the copies of the annual audit report have been filed in the District's office Located at: 1309 N Moss Ave Odessa, TX 79763  
(Address of the District's Office)

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: 04/19/2023 by Stephanie Shaw  
(Signature of District Representative)



Stephanie Shaw - Vice President  
(Type Name and Title of the District Representative)

Sworn to and subscribe to before me this 19 day of April, 2023.

Perla Flores  
(Signature of Notary)

My Commission Expires on: 11/19/26  
Notary Public in the State of Texas.

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Ector County Utility District  
Odessa, Texas

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, and each major fund of Ector County Utility District (the District), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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 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***

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 opinions. 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment 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 judgment, 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 and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the 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 responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Directors  
Ector County Utility District

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules in the Texas Supplementary Information (TSI) as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas Supplementary Information Section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The image shows a handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, professional style.

Odessa, Texas  
March 30, 2023

## **ECTOR COUNTY UTILITY DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Ector County Utility District (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2022. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

#### **Overview of the Financial Statements**

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include the government – wide financial statements and notes to the financial statement. The District also includes in this report additional information to supplement the basic financial statements.

#### **Financial Highlights**

- Assets of the District exceeded its liabilities at the close of the fiscal year 2022 by \$25,507,252. Unrestricted net position at the close of fiscal year 2022 is \$3,554,826 and may be used to meet the District's ongoing obligations.
- The District's net position increased by \$3,875,595 during the fiscal year 2022 as a result of this year's operations and revenues exceeding expenses. Additionally, net position decreased \$1,979,090 due to a prior period adjustment to beginning net position.
- The District's governmental funds reported total fund balance of \$13,803,066, which is a decrease of \$21,298,432 over the prior fiscal year. The decrease is mainly due to capital expenditures in fiscal year 2022. Fund balance was restated and decreased by \$2,171,911 to properly report accounts receivable for property taxes and receivables from water services and retainage related to construction.
- The unassigned fund balances at the end of the year was a \$2,729,130. Unassigned fund balance is available fund balance for spending at the District's discretion and it is 20% of total fund balance. Fund balance also includes \$560,924 (4%) in nonspendable fund balance due to inventory and prepaid items. The remainder of the fund balance is restricted for debt service and ongoing capital projects in the amount of \$1,983,547 and \$8,529,465, respectively.

#### **Overview of the Basic Financial Statements**

The District's basic financial statements are comprised of two components: (1) Combined Government-Wide and Fund Financial Statements and (2) Notes to the Basic Financial Statements. In addition to the basic financial statements, the report also contains required supplementary information and Texas Supplementary Information (TSI).

In the combined government-wide and fund financial statements, the statement of net position and statement of activities columns are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

- The statement of net position column presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The statement of activities column presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The Statement of Net Position and Statement of Activities columns of the basic financial statements report information about the District as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used in most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**ECTOR COUNTY UTILITY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Government-Wide Financial Analysis**

**Statement of Net Position**

Net position may serve over time as a useful indicator of a government's financial position. The District's financial position increased during fiscal period 2022, as District net position increased from \$23,610,747 to \$25,507,252. The largest part of the District's net position consists of \$20,029,374 of net investment in capital assets. Net investment in capital assets consists of the District's net capital assets net of any outstanding debts used to acquire these assets and any unused proceeds restricted for the purpose of acquiring and/or construction capital assets. The District uses capital assets to provide services, consequently, these assets are not available for future spending.

The following reflects a comparative condensed Statement of Net Position as of September 30, 2022 and 2021:

**Statement of Net Position**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current and Other Assets	\$ 18,547,804	\$ 40,985,978
Capital Assets, net	52,644,909	28,867,338
<b>Total Assets</b>	<u>71,192,713</u>	<u>69,853,316</u>
<b>Liabilities</b>		
Current Liabilities	4,540,461	3,712,569
Non- Current Liabilities	41,145,000	42,530,000
<b>Total Liabilities</b>	<u>45,685,461</u>	<u>46,242,569</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	20,029,374	17,068,125
Restricted for Debt Service	1,923,052	2,075,033
Unrestricted	3,554,826	4,467,589
<b>Total Net Position</b>	<u>\$ 25,507,252</u>	<u>\$ 23,610,747</u>



**ECTOR COUNTY UTILITY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Statement of Activities**

The Statement of Activities shows how the District paid for the program's cost.

The following reflects a comparative statement of changes in net position of the District as a whole for the years ended September 30, 2022 and 2021:

	<b>Changes in Net Position</b>		
	<u>2022</u>	<u>2021</u>	<u>Change</u>
<b>Revenues</b>			
Property Taxes	\$ 914,307	\$ 908,966	\$ 5,341
Charges for Services	7,858,186	7,500,685	357,501
Other Revenues	284,450	131,461	152,989
<b>Total Revenues</b>	<u>9,056,943</u>	<u>8,541,112</u>	<u>515,831</u>
<b>Expenses for Services</b>	<u>5,181,348</u>	<u>3,894,928</u>	<u>1,286,420</u>
<b>Change in Net Position</b>	3,875,595	4,646,184	(770,589)
<b>Net Position - Beginning</b>	23,610,747	18,964,563	
<b>Prior Period Adjustment</b>	<u>(1,979,090)</u>	<u>-</u>	
<b>Net Position - Ending</b>	<u>\$ 25,507,252</u>	<u>\$ 23,610,747</u>	

The District's combined net position increased \$3,875,595 during fiscal year 2022. A prior period adjustment to beginning net position accounted for a decrease in net position in the amount of \$1,979,090. The increase in net position during the year is due to an increase in charges for services and overall revenues exceeding expenses for services.

**ECTOR COUNTY UTILITY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Fund Financial Analysis**

The District, like other governments, uses fund accounting to ensure and demonstrate compliance with finance and related legal requirements. The District's major funds – the general fund, capital project fund, and debt service fund – are all governmental funds.

The District reports in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as detailed in Note A of the Notes to the Basic Financial Statements. GASB Statement No. 54 requires fund balances to be classified into the following categories: nonspendable, restricted, committed, assigned, and unassigned.

- Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental-wide columns of the financial statements. The District's services are reported in the general fund, which focuses on how money flows into and out of that fund and the balances left at year end that are available for spending. The capital project fund is used to account for capital expenditures for the water master plan fund proceeds. The debt service fund is used to account for principal and interest payments on long-term debt as they become due. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's program. We describe the relationship between the Statement of Net Position and the Statement of Activities and governmental funds by making the adjustments to the fund financial statements.

In summary, fund financial statements are considered the traditional method of portraying available funds for immediate spending needs. It is a relative measure of the District's ability to meet program costs in the near future. Therefore, the District's fund balance does not reflect the equity value of the investment the District has in its capital assets or the long-term debt owed by the District. The government-wide statements of net position and activities are therefore designed to reflect the value of all capital assets of the District and to report debt outstanding, so that the total net position figures compare similar to a private entity's retained earnings.

**Governmental Type Funds**

Total governmental fund expenditures exceeded revenues by \$21,298,432 for a combined fund balance of \$13,803,066 at September 30, 2022. This includes a prior period adjustment reducing fund balance by \$2,171,911. Of the fund balances, \$1,983,547 is restricted for debt service and is reported in the debt service fund. The capital projects fund is restricted for capital projects the fund balance of \$8,529,465 is restricted for capital projects. Additionally, \$560,924 of fund balance is considered nonspendable for inventory and prepaid items. The remaining fund balance of \$2,729,130 is unassigned and is reported in the general fund.

**General Fund Budgetary Highlights**

The District's budget for the year ending September 30, 2022 was adopted in September 2021.

General fund actual revenues exceeded budgeted revenues by \$1,192,392. The variance in revenue was mainly water service revenue exceeding the budgeted amounts by \$1,032,455.

General fund actual expenditures exceeded budgeted expenditures by \$74,097. The variance in expenditures was due to budgeting for capital outlay, personnel and purchased water services actual expenditures exceeding budget and other expenditures being under budget.

**ECTOR COUNTY UTILITY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Capital Asset and Debt Administration**

**Capital Assets**

At year-end, the District had \$52,644,909 in capital assets. This amount represents a net increase (including additions and deletions) of \$23,811,551, or 83%, over the last year. The overall increase in capital assets is mainly due to significant increases in construction in progress of approximately \$24 million and depreciation expenses for the year of \$430,135.

**Debt Administration**

An analysis of changes in long-term debt for the year ended September 30, 2022 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Water System Revenue Bonds, Series 2019	\$ 42,530,000	\$ -	\$ (1,385,000)	\$ 41,145,000	\$ 1,390,000
<b>Total Governmental Activities</b>	<u>\$ 42,530,000</u>	<u>\$ -</u>	<u>\$ (1,385,000)</u>	<u>\$ 41,145,000</u>	<u>\$ 1,390,000</u>

**The Budget, Economic Environment and Rates**

The District has operated solely in West Ector County since its 1976 formation. The District is currently looking at opportunities for expanding to other parts of West Odessa (Ector County).

The Economic factors impacting the District’s budget include real estate development, federal grants, and the oil and gas industry. As noted in the schedule TSI – (4), Analysis of Taxes Levied, the property values have continued to increase. This is a result of some areas within the District being developed. Part of the development that has occurred in the District is a result of the County receiving federal grants to help provide water service.

The District is situated in a predominantly oil and gas based economy. As prices for oil continue to increase, the property values experience similar increases. Therefore, the District will follow the trend of the economics of mineral interests. This factor alone represents the major favorable increase in property tax revenues.

It is important that the District is able to succeed in the development of these projects not only for Ector County and its residents but also for the longevity of the District. The District has no continued revenue source except an administration fee charged on the water service it provides to its customers. With additional construction projects for more customers in Ector County, the District will be able to survive and continue to provide the residents of West Odessa with an easier way to get water service.

**Contacting the District’s Management**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Ector County Utility District, 1039 North Moss Ave. Odessa, Texas 79763.

## **BASIC FINANCIAL STATEMENTS**

**ECTOR COUNTY UTILITY DISTRICT**

**STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET**

**As of September 30, 2022**

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>
<b>Assets</b>			
Cash and Investments	\$ 2,745,116	\$ 11,849,576	\$ 1,983,547
Receivables:			
Property taxes	264,772	-	-
Service accounts, net	1,126,006	-	-
Due from Other Governments	17,863	-	-
Due from Other Funds	1,653,968	-	-
Prepaid items	18,924	-	-
Inventory	542,000	-	-
Capital Assets Not Being Depreciated			
Land	-	-	-
Construction in Progress	-	-	-
Capital Assets, Net of Accumulated Depreciation			
Building	-	-	-
Leasehold Improvements	-	-	-
Equipment	-	-	-
Water System	-	-	-
<b>Total Assets</b>	<u>\$ 6,368,649</u>	<u>\$ 11,849,576</u>	<u>\$ 1,983,547</u>
<b>Liabilities</b>			
Accounts Payable	\$ 2,363,690	\$ -	\$ -
Retainage Payable	-	1,666,143	-
Interest Payable	-	-	-
Customer Deposits	434,273	-	-
Accrued Expenses	15,860	-	-
Due to Other Funds	-	1,653,968	-
Long-Term Liabilities			
Due within one year	-	-	-
Due after one year	-	-	-
<b>Total Liabilities</b>	<u>2,813,823</u>	<u>3,320,111</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Property taxes	264,772	-	-
<b>Total Deferred Inflows of Resources</b>	<u>264,772</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable - inventory and prepaids	560,924	-	-
Restricted for Debt Service	-	-	1,983,547
Restricted for Capital Projects	-	8,529,465	-
Unassigned	2,729,130	-	-
<b>Total Fund Balances</b>	<u>3,290,054</u>	<u>8,529,465</u>	<u>1,983,547</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 6,368,649</u>	<u>\$ 11,849,576</u>	<u>\$ 1,983,547</u>

The following adjustments are required by GASB Statement No. 34 and are for presentation purposes only:

- [1] Internal balances (due to/due from other funds) are eliminated in the statement of net position.
- [2] When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the District.
- [3] Long- term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long- term are reported in the statement of net position.
- [4] Deferred inflows of resources related to property tax revenues became part of the recognized revenue in the governmental activities of the District.

**ECTOR COUNTY UTILITY DISTRICT**  
**STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET**  
**As of September 30, 2022**

	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>Assets</b>			
Cash and Investments	\$ 16,578,239	\$ -	\$ 16,578,239
Receivables:			
Property taxes	264,772	-	264,772
Service accounts	1,126,006	-	1,126,006
Due from Other Governments	17,863	-	17,863
Due from Other Funds	1,653,968	(1,653,968) [1]	-
Prepaid items	18,924	-	18,924
Inventory	542,000	-	542,000
Capital Assets Not Being Depreciated			
Land	-	304,508 [2]	304,508
Construction in Progress	-	36,682,627 [2]	36,682,627
Capital Assets, Net of Accumulated Depreciation			
Building	-	938,008 [2]	938,008
Leasehold Improvements	-	293,271 [2]	293,271
Equipment	-	408,101 [2]	408,101
Water System	-	14,018,394 [2]	14,018,394
<b>Total Assets</b>	<u>\$ 20,201,772</u>	<u>\$ 50,990,941</u>	<u>\$ 71,192,713</u>
<b>Liabilities</b>			
Accounts Payable	\$ 2,363,690	\$ -	\$ 2,363,690
Retainage Payable	1,666,143	-	1,666,143
Interest Payable	-	60,495 [3]	60,495
Customer Deposits	434,273	-	434,273
Accrued Expenses	15,860	-	15,860
Due to Other Funds	1,653,968	(1,653,968) [1]	-
Long-Term Liabilities			
Due within one year	-	1,390,000 [3]	1,390,000
Due after one year	-	39,755,000 [3]	39,755,000
<b>Total Liabilities</b>	<u>6,133,934</u>	<u>39,551,527</u>	<u>45,685,461</u>
<b>Deferred Inflows of Resources</b>			
Property taxes	264,772	(264,772) [4]	-
<b>Total Deferred Inflows of Resources</b>	<u>264,772</u>	<u>(264,772)</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable - inventory and prepaids	560,924	(560,924)	
Restricted for Debt Service	1,983,547	(1,983,547)	-
Restricted for Capital Projects	8,529,465	(8,529,465)	
Unassigned	2,729,130	(2,729,130)	-
<b>Total Fund Balances</b>	<u>13,803,066</u>	<u>(13,803,066)</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 20,201,772</u>		
<b>Net Position:</b>			
Net Investment in Capital Assets		20,029,374	20,029,374
Restricted for Debt Service		1,923,052	1,923,052
Unrestricted		3,554,826	3,554,826
<b>Total Net Position</b>		<u>\$ 25,507,252</u>	<u>\$ 25,507,252</u>

The following adjustments are required by GASB Statement No. 34 and are for presentation purposes only:

- [1] Internal balances (due to/due from other funds) are eliminated in the statement of net position.
- [2] When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the District.
- [3] Long- term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long- term are reported in the statement of net position.
- [4] Deferred inflows of resources related to property tax revenues became part of the recognized revenue in the governmental activities of the District.

**ECTOR COUNTY UTILITY DISTRICT**

**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
For The Year Ended September 30, 2022**

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>
<b>Revenues</b>			
Property Taxes	\$ 876,336	\$ -	\$ -
Water Service	7,712,455	-	-
Penalty and Interest	145,731	-	-
Tap Connection and Inspection Fees	160,999	-	-
Interest	15,444	57,801	14,779
Miscellaneous	35,427	-	-
<b>Total Revenues</b>	<u>8,946,392</u>	<u>57,801</u>	<u>14,779</u>
<b>Expenditures/Expenses</b>			
Service Operations:			
Personnel	843,809	-	-
Professional and Contracted Services	880,836	-	-
Purchased Water Services	2,203,123	-	-
Utilities	76,464	-	-
Repairs and Maintenance	142,884	-	-
Depreciation	-	-	-
Other	169,272	-	-
Capital Outlay	3,656,709	20,584,977	-
Debt Service:			
Bond Principal	-	-	1,385,000
Bond Interest	-	-	374,330
<b>Total Expenditures/Expenses</b>	<u>7,973,097</u>	<u>20,584,977</u>	<u>1,759,330</u>
<b>Excess (Deficiency) of Revenues over Expenditures/Expenses</b>	<u>973,295</u>	<u>(20,527,176)</u>	<u>(1,744,551)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	-	1,653,065
Transfers Out	(1,653,065)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,653,065)</u>	<u>-</u>	<u>1,653,065</u>
<b>Net Change in Fund Balances/Net Position</b>	(679,770)	(20,527,176)	(91,486)
<b>Fund Balance/Net Position</b>			
<b>Beginning of the Year</b>	4,935,353	30,263,023	2,075,033
<b>Prior Period Adjustment</b>	(965,529)	(1,206,382)	-
<b>End of the Year</b>	<u>\$ 3,290,054</u>	<u>\$ 8,529,465</u>	<u>\$ 1,983,547</u>

The following adjustments are required by GASB Statement No. 34 and are for presentation purposes only:

- [1] Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.
- [2] Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.
- [3] Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.
- [4] Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in longterm liabilities.
- [5] Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.

**ECTOR COUNTY UTILITY DISTRICT**

**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For The Year Ended September 30, 2022**

	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>			
Property Taxes	\$ 876,336	\$ 37,971 [1]	\$ 914,307
Water Service	7,712,455	-	7,712,455
Penalty and Interest	145,731	-	145,731
Tap Connection and Inspection Fees	160,999	-	160,999
Interest	88,024	-	88,024
Miscellaneous	35,427	-	35,427
<b>Total Revenues</b>	<u>9,018,972</u>	<u>37,971</u>	<u>9,056,943</u>
<b>Expenditures/Expenses</b>			
Service Operations:			
Personnel	843,809	-	843,809
Professional and Contracted Services	880,836	-	880,836
Purchased Water Services	2,203,123	-	2,203,123
Utilities	76,464	-	76,464
Repairs and Maintenance	142,884	-	142,884
Depreciation	-	430,135 [2]	430,135
Other	169,272	-	169,272
Capital Outlay	24,241,686	(24,241,686) [3]	-
Debt Service:			
Bond Principal	1,385,000	(1,385,000) [4]	-
Bond Interest	374,330	60,495 [5]	434,825
<b>Total Expenditures/Expenses</b>	<u>30,317,404</u>	<u>(25,136,056)</u>	<u>5,181,348</u>
<b>Excess (Deficiency) of Revenues over Expenditures/Expenses</b>	<u>(21,298,432)</u>	<u>25,174,027</u>	<u>3,875,595</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	1,653,065	(1,653,065)	-
Transfers Out	(1,653,065)	1,653,065	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances/Net Position</b>	<u>(21,298,432)</u>	<u>25,174,027</u>	<u>3,875,595</u>
<b>Fund Balance/Net Position</b>			
<b>Beginning of the Year</b>	37,273,409	(13,662,662)	23,610,747
<b>Prior Period Adjustment</b>	(2,171,911)	(1,979,090)	(1,979,090)
<b>End of the Year</b>	<u>\$ 13,803,066</u>	<u>\$ 9,532,275</u>	<u>\$ 25,507,252</u>

The following adjustments are required by GASB Statement No. 34 and are for presentation purposes only:

- [1] Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.
- [2] Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.
- [3] Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.
- [4] Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in longterm liabilities.
- [5] Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.



## ECTOR COUNTY UTILITY DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS

#### Note 1. Creation of District

Ector County Utility District (the District) was created by the petition signed by more than 200 persons owning property within the District, on July 12, 1976 under the authority of the Commissioners Court of Ector County, Texas. The District was created under the provisions of Article XVI, Section 59 of the Texas Constitution and operated under the statutory authority of Section 51 of the Texas Water Code until March 10, 1981. At that time, the District was changed to a Municipal Utility District operating under the statutory authority of Section 54.030 of the Texas Water Code. Bonds were issued in August of 1977, and construction of fixed assets began in September of 1977. Primary construction was completed in April of 1979.

#### Note 2. Summary of Significant Accounting Policies

##### Reporting Entity

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Texas Commission on Environmental Quality (the Commission).

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District's financial statement as component units.

##### Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting ("GASB Codification"). The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted.

Net Position classifications are defined as follows:

- **Net Investment in Capital Assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- **Restricted Net Position** - This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** - This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

**ECTOR COUNTY UTILITY DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**

**Note 2. Summary of Significant Accounting Policies (continued)**

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

Fund Financial Statements

The District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

Governmental Funds

The District has three governmental funds and considers each to be a major fund.

- **General Fund** - The general fund accounts for the resources used to finance the fundamental operations of the District. It is the basic fund of the District and covers all activities for which a separate fund is not required.
- **Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for the payment of principal and interest on long-term debt of the District.
- **Capital Project Fund** - The capital project fund is used to account for capital expenditures for the Water Master Plan Bond that the District incurs.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include taxes collected during the year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

**ECTOR COUNTY UTILITY DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**

**Note 2. Summary of Significant Accounting Policies (continued)**

Basis of Accounting (continued)

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of September 30, 2022, the Capital Projects Fund recorded a payable to the General Fund in the amount of \$19,593. During the current fiscal year, the General Fund transferred \$1,653,065 to the Debt Service Fund for debt service.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

- **Nonspendable:** amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted:** amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.
- **Committed:** amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.
- **Assigned:** amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. As of September 30, 2022, the District has assigned \$2,000,000 of the General Fund fund balance for potential property tax reimbursement for delinquent tax collections.
- **Unassigned:** all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund presents the original budget amounts compared to the actual amounts of revenues and expenditures for the current year.

**ECTOR COUNTY UTILITY DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**

**Note 2. Summary of Significant Accounting Policies (continued)**

Receivables

Service accounts receivable as reported are considered collectible. The District uses the direct write off method for uncollectible service accounts. Unbilled water revenues are not material and are not recorded at year end. The District considers service accounts revenues to be available if they are to be collected within 60 days after the end of the fiscal year.

In the fund financial statements, ad valorem taxes and penalties and interest are reported as revenues in the fiscal year in which they become available to finance expenditures of the fiscal year for which they have been levied. Property taxes which have been levied and are not yet collected (or have been collected in advance of the fiscal year for which they have been levied) are recorded as deferred inflow of resources. Property taxes collected after the end of the fiscal year are not included in revenues.

Capital Assets

Capital assets, which include property, plant, equipment, and water system assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 (including installation costs, if any, and associated professional fees) and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed by the District. Donated capital assets are recorded at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset or increase the value of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

Building	15-39 years
Leasehold Improvements	15-39 years
Equipment	5-7 years
Water System	50 years

Long-Term Liabilities

Long-term debt and other long-term obligations are reported in the government-wide financial statements. Bonds payable are reported net of the applicable premium or discount. If bonds are refunded and the carrying amount of the new debt is different than the net carrying amount of the old debt, the difference is netted against the new debt and amortized using the effective interest method over the shorter of the remaining life of the refunded debt or the life of the new debt issued.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures of the fund from which they are paid.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**ECTOR COUNTY UTILITY DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**

**Note 2. Summary of Significant Accounting Policies (continued)**

Deposits and Investments

The District's cash and cash investments are considered to be cash on hand, demand deposits, and highly liquid investments with original maturities of three months or less from the date of acquisition. The depository bank pays the District interest on all funds on deposit.

Investments having a maturity of one year or more, when purchased, are stated at fair value. Short-term investments are stated at cost or amortized cost.

Fair Value Measurements

Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy as follows:

- **Level 1** inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- **Level 2** inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- **Level 3** inputs are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

- **Market approach** - uses prices generated by market transactions involving identical or comparable assets or liabilities.
- **Cost approach** – uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).
- **Income approach** – uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Implementation of New Standards

GASB No. 87, *Leases*, was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District has determined that this statement does not have a material effect on the financial statements.

No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32* was issued in June 2020. This Statement provides guidance regarding the financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The Statement will also enhance (1) information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Paragraphs 4 and 5 of the Statement were effective immediately whereas the remaining requirements of this Statement are effective for periods beginning after June 15, 2021. The District has evaluated the effects of this standard and has determined that this Statement does not impact the financial statements.

**ECTOR COUNTY UTILITY DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**

**Note 3. Deposits and Investments**

The following table shows the District’s recorded cash and equivalents and investments at September 30, 2022:

	<b>Cash and Equivalents</b>	<b>Investments</b>	<b>Total</b>
General Fund	\$ 703,600	\$ 2,041,516	\$ 2,745,116
Capital Projects Fund	11,849,576	-	11,849,576
Debt Service Fund	-	1,983,547	1,983,547
	<u>\$ 12,553,176</u>	<u>\$ 4,025,063</u>	<u>\$ 16,578,239</u>

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$12,553,176 and the bank balance was \$12,834,906. The District was not exposed to custodial credit risk at year-end.

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest District funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District's investment policy may be more restrictive than the Public Funds Investment Act.

As of September 30, 2022, the District had the following investments and maturities:

	<b>TexStar</b>
General Fund	\$ 2,041,516
Debt Service Fund	1,983,547
	<u>\$ 4,025,063</u>
WAM (Days)	48
Credit Risk	AAAm

**ECTOR COUNTY UTILITY DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**

**Note 3. Deposits and Investments (continued)**

Investments (continued)

Weighted average maturity of the portfolio by investment type reflected in the table above is stated in days. For investment pools, the recent weighted average maturity is presented based on the statewide investment pool. Interest bearing bank deposits is not included in the portfolio's weighted average maturity presented.

The District invests in TexSTAR, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Investors, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexSTAR measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in TexSTAR at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexSTAR.

Interest Rate Risk

In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 365 days. The maximum allowable stated maturity of any individual investment owned by the District shall not exceed two years from the time of purchase.

Custodial Credit Risk for Deposits

State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complied with this law for the year ended September 30, 2022, it had no custodial credit risk for deposits.

**ECTOR COUNTY UTILITY DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**

**Note 4. Capital Assets**

Capital asset activity for the year ended September 30, 2022 is as follows:

	Balance October 1, 2021 (restated)	Additions	Transfers	Balance September 30, 2022
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 304,508	\$ -	\$ -	\$ 304,508
Construction in Process	15,891,056	24,099,682	(3,308,111)	36,682,627
<b>Depreciated</b>	<b>16,195,564</b>	<b>24,099,682</b>	<b>(3,308,111)</b>	<b>36,987,135</b>
<b>Capital Assets Being Depreciated:</b>				
Building	1,082,863	-	-	1,082,863
Leasehold Improvement	327,717	-	-	327,717
Equipment	441,871	142,004	-	583,875
Infrastructure	16,676,238	-	3,308,111	19,984,349
<b>Total Capital Assets Being Depreciated:</b>	<b>18,528,689</b>	<b>142,004</b>	<b>3,308,111</b>	<b>21,978,804</b>
<b>Accumulated Depreciation</b>				
Building	(128,556)	(16,299)	-	(144,855)
Leasehold Improvement	(24,420)	(10,026)	-	(34,446)
Equipment	(91,249)	(84,525)	-	(175,774)
Water System	(5,646,670)	(319,285)	-	(5,965,955)
<b>Total Accumulated Depreciation</b>	<b>(5,890,895)</b>	<b>(430,135)</b>	<b>-</b>	<b>(6,321,030)</b>
<b>Total Depreciable Assets, Net of Depreciation</b>	<b>12,637,794</b>	<b>(288,131)</b>	<b>3,308,111</b>	<b>15,657,774</b>
<b>Total Capital Assets</b>	<b>\$ 28,833,358</b>	<b>\$ 23,811,551</b>	<b>\$ -</b>	<b>\$ 52,644,909</b>

Depreciation expense of \$430,135 is reported in the statement of activities.

As of September 30, 2022, the District's commitments related to the ongoing construction is approximately \$5.7 million.



**ECTOR COUNTY UTILITY DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**

**Note 5. Long-Term Liabilities**

Long-term liability for the fiscal year ended September 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Water System Revenue Bonds, Series 2019	\$ 42,530,000	\$ -	\$ (1,385,000)	\$ 41,145,000	\$ 1,390,000
Total Governmental Activities	<u>\$ 42,530,000</u>	<u>\$ -</u>	<u>\$ (1,385,000)</u>	<u>\$ 41,145,000</u>	<u>\$ 1,390,000</u>

As of September 30, 2022, the District’s long-term obligations consisted of Water System Revenue Bonds, Series 2019 (the Bonds). The Bonds are direct and general obligations of the District. The Bonds were issued in 2019 for the purpose of financing a Water System Master Plan Project. The original amount of the Bonds was \$45,275,000. The bonds mature in 2049 and have interest rates ranging from 0.10% to 6.25%.

The bond order provides that the bonds shall be subject to redemption at the option of the District, as a whole or from time to time in part in integral multiples of \$5,000 principals, on any date upon obtaining the written consent of any or all of the purchasers or their assigns or successors and upon payment of a redemption price equal to the principal amount thereof together with interest, if any, accrued thereon from the most recent interest payment date to the redemption date.

As of September 30, 2022, the debt service requirements on the bonds outstanding were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,390,000	\$ 371,033	\$ 1,761,033
2024	1,390,000	367,280	1,757,280
2025	1,395,000	362,832	1,757,832
2026	1,400,000	357,531	1,757,531
2027	1,410,000	351,371	1,761,371
2028-2032	7,165,000	1,633,862	8,798,862
2033-2037	7,445,000	1,352,128	8,797,128
2038-2042	7,820,000	980,041	8,800,041
2043-2047	8,275,000	519,599	8,794,599
2048-2049	3,455,000	64,766	3,519,766
	<u>\$ 41,145,000</u>	<u>\$ 6,360,443</u>	<u>\$ 47,505,443</u>

Compliance of Debt Services

As of September 30, 2022, the debt service fund had a fund balance of \$1,983,547. For the year ended September 30, 2022, the debt service fund is being managed and utilized in accordance with the bond resolutions.

**Note 6. Maintenance Tax**

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for planning, maintaining, repairing and operating of the District's improvement, if such maintenance tax is authorized by a vote of the District's electors. Such tax would be in addition to taxes, which the District is authorized to levy for paying principal of and interest on the outstanding bonds, and any tax bonds, which may be issued in the future. To date, voters in the District have not approved the levy of a maintenance tax.

**ECTOR COUNTY UTILITY DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**

**Note 7. Risk Management**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks of loss are covered through participation in the Texas Municipal League, a public entity risk pool. The District also obtains commercial insurance to manage its risk of loss. Management believes the insurance coverage is sufficient to preclude any significant losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

As of the end of the fiscal year, the District’s general fund has a deficit in fund balance.

**Note 8. Reclassification of Prior Year Presentation**

During the year, the District modified the Capital Assets and Depreciation footnote (Note 7) to enhance transparency of the financial statements. These changes do not materially affect the financial position or changes in the net assets of the District for the periods presented.

**Note 9. Prior Period Adjustment**

In prior periods, the District was recording as receivable property taxes levied October 1 after year-end and due January of the following year. Since these property taxes are levied and due subsequent to year-end, they should not be reflected as receivable at year-end. In current year, an analysis was made of the receivable related to property taxes and it was determined that a prior period adjustment was necessary to properly state property taxes receivable at year-end.

In addition to the adjustment above, service accounts receivable required an adjustment that impacted how the revenue was recorded in the prior period. This resulted in an adjustment to beginning fund balance and net position.

The net adjustment to beginning fund balance and net position is as follow:

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
Fund Balance at September 30, 2021, as Originally Stated	\$ 4,935,353	\$ 30,263,023	\$ 35,198,376
Prior Period Adjustment	(965,529)	(1,206,382)	(2,171,911)
Fund Balance at September 30, 2021, as Restated	<u>\$ 3,969,824</u>	<u>\$ 29,056,641</u>	<u>\$ 33,026,465</u>
	<b>Governmental Activities</b>		
Net Position at September 30, 2021, as Originally Stated	\$ 23,610,747		
Prior Period Adjustment	(1,979,090)		
Net Position at September 30, 2021, as Restated	<u>\$ 21,631,657</u>		

The difference between the adjustment to fund balance and net position is due to the beginning balance for deferred inflows related to property taxes. This adjustment is necessary at the fund level but not at the government wide level.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ECTOR COUNTY UTILITY DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**For the Year Ended September 30, 2022**

<b>Revenues</b>	<b>Original and Final</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Property Taxes	\$ 916,000	\$ 876,336	\$ (39,664)
Water Service	6,680,000	7,712,455	1,032,455
Penalty and Interest	-	145,731	145,731
Tap Connection and Inspection Fees	158,000	160,999	2,999
Interest	-	15,444	15,444
Miscellaneous	-	35,427	35,427
<b>Total Revenues</b>	<b>7,754,000</b>	<b>8,946,392</b>	<b>1,192,392</b>
<b>Expenditures</b>			
Service Operations:			
Personnel	572,000	843,809	(271,809)
Professional and Contracted Services	862,000	880,836	(18,836)
Purchased Water Services	2,030,000	2,203,123	(173,123)
Utilities	74,000	76,464	(2,464)
Repairs and Maintenance	339,000	142,884	196,116
Other	700,000	169,272	530,728
Capital Outlay	3,322,000	3,656,709	(334,709)
<b>Total Expenditures</b>	<b>7,899,000</b>	<b>7,973,097</b>	<b>(74,097)</b>
<b>Excess of Revenues over Expenditures</b>	<b>(145,000)</b>	<b>973,295</b>	<b>1,118,295</b>
<b>Other Financing Sources Uses</b>			
Transfers Out	-	(1,653,065)	(1,653,065)
<b>Total Other Financing Uses</b>	<b>-</b>	<b>(1,653,065)</b>	<b>(1,653,065)</b>
<b>Net Change in Fund Balance</b>	<b>(145,000)</b>	<b>(679,770)</b>	<b>(534,770)</b>
<b>Fund Balance, Beginning of the Year</b>	<b>4,935,353</b>	<b>4,935,353</b>	<b>-</b>
<b>Prior Period Adjustment</b>	<b>(965,529)</b>	<b>(965,529)</b>	<b>-</b>
<b>Fund Balance, End of the Year</b>	<b>\$ 3,824,824</b>	<b>\$ 3,290,054</b>	<b>\$ (534,770)</b>

**Notes: Budgets and Budgetary Accounting**

The District adopts an annual budget for the General Fund. The annual budget for the General Fund is prepared using the basis of accounting utilized by this governmental fund. Any revisions to the budget that alter the total expenditures must be approved by the Board to the District.

The budget for the General Fund for the year ended September 30, 2022 was approved and adopted by the board of directors at a meeting held in September 2021.

The District has excess revenues over budgeted appropriations for the year ended September 30, 2022 of \$1,192,392.

The District's actual expenditures exceeded budgeted amounts by \$74,097 for the year ended September 30, 2022.

## **SUPPLEMENTARY INFORMATION**

**ECTOR COUNTY UTILITY DISTRICT**

**SERVICES AND RATES**

September 30, 2022

TSI 1

Page 1 of 2

1. Services Provided by the District:

<input checked="" type="checkbox"/> Retail Water (See note below)	<input type="checkbox"/> Wholesale Water	<input type="checkbox"/> Drainage
<input type="checkbox"/> Retail Wastewater (See note below)	<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 (Please Specify): _____		

2. a) Retail Rates Based on 3/4" meter (or equivalent):

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>1000 Gallon Over Minimum</u>	<u>Usage Level</u>
Water:	\$ 75	2000 GALS	N	\$ 7.89	2,001 to ++
Waste Water:	_____	_____	_____	_____	_____
Surcharge:	_____	_____	_____	_____	_____

District employs winter averaging for waste water usage? Yes [ ] No [X]

Total Charges per 10,000 gallons usage: Water: \$ 138.12 Wastewater: \_\_\_\_\_

b) Number of retail water and/or wastewater connections within the District as of the fiscal year end. N/A

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>Factor ESFC</u>	<u>Active</u>
Unmetered			x 1.0	
<3/4"	5,394	5,237	x 1.0	5,237
1"			x 2.5	
1 1/2"			x 5.0	
2"			x 8.0	
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
<b>Total Water</b>	<u>5,394</u>	<u>5,237</u>	-	<u>5,237</u>
<b>Total Wastewater</b>	<u>-</u>	<u>-</u>	x 1.0	<u>-</u>

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

Gallons pumped into the system:	<u>623,700</u>	Water Accountability Ratio:
Gallons billed to customers:	<u>512,292</u>	<u>0.81</u>

4. Standby Fees: Does the District assess standby fees?

Does the District have Debt Service standby fees? Yes [ ] No [X]

If yes, date of the most recent Commission Order: N/A

Does the District have Operation and Maintenance standby fees? Yes [ ] No [X]

If yes, date of the most recent Commission Order: N/A

5. Location of District:

County in which District is located. Ector

Is the District located entirely within one county? Yes [X] No [ ]

Is the District located within the city? Entirely [ ] Partly [X] Not at all [ ]

City in which District is located. Odessa

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

ETJ's in which District is located. Ector County

Is the general membership of the Board appointed by an office outside the District? Yes [ ] No [X]

If Yes, by whom? Not Applicable

**ECTOR COUNTY UTILITY DISTRICT**

TSI 2

**GENERAL FUND EXPENDITURES**

**September 30, 2022**

**Current:**

**Purchased Services for Resale:**

Bulk Water and Wastewater Service Purchases	\$	2,203,123
Personnel (Including Benefits)		843,809
Equipment Rental		30,664
Repairs and Maintenance		142,884

**Total Purchased Services for Resale:** 3,220,480

**Capital Outlay:**

Capital Assets		3,656,709
----------------	--	-----------

**Total Capital Outlay:** 3,656,709

**Other Expenditures:**

Professional Fees:

Accounting	100,925
Legal	169,714
Other	136,037

Contracted Services:

Appraisal District	11,885
Other	37,710
Utilities	76,464

Administrative Expenditures:

Postage/ Printing/ Office Supplies	1,550
Insurance	29,586
Other Administrative – Miscellaneous	532,037

**Total Other Expenditures:** 1,095,908

**Total Expenditures** \$ 7,973,097

Number of persons employed by the District: 11 Full-Time 0 Part-Time

(Do not include independent contractors or consultants)



**ECTOR COUNTY UTILITY DISTRICT**

*TSI 3*

**TEMPORARY INVESTMENTS**

*September 30, 2022*

<b>Funds</b>	<b>Identification Number</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Balance at Year- End</b>	<b>Accrued Interest Receivable at Year- End</b>
<b>General Fund</b>					
TexSTAR					
Government Securities	680413310	2.2941%	N/A	\$ 2,041,516	\$ -
<b>Total</b>				<u>2,041,516</u>	<u>-</u>
<b>Debt Service Fund</b>					
TexSTAR					
Government Securities	680413310	2.2941%	N/A	1,983,547	-
<b>Total</b>				<u>1,983,547</u>	<u>-</u>
<b>Total Investments</b>				<u>\$ 4,025,063</u>	<u>\$ -</u>

**ECTOR COUNTY UTILITY DISTRICT**  
**TAXES LEVIED AND RECEIVABLE**  
**For the Year Ended September 30, 2022**

TSI 4

	<u>Maintenance Taxes</u>	<u>Service Taxes</u>	<u>Debt Service Taxes</u>
<b>Taxes Receivable, Beginning of Year, Restated</b>	\$ 226,801	\$ -	\$ -
<b>2021 Adjusted Tax roll</b>	914,307	-	-
Total to be Accounted for	<u>1,141,108</u>	<u>-</u>	<u>-</u>
Tax Collections:			
Current Tax Year	(831,117)	-	-
Prior Tax Years	(45,219)	-	-
Total Collections	<u>(876,336)</u>	<u>-</u>	<u>-</u>
<b>Taxes Receivable, End of Year</b>	<u>264,772</u>	<u>-</u>	<u>-</u>
<b>Taxes Receivable, By Tax Year</b>			
2021	75,157	-	-
2020	50,051	-	-
2019	34,196	-	-
2018	20,054	-	-
2017	13,757	-	-
2016	10,966	-	-
2015	8,051	-	-
2014	8,542	-	-
2013	8,343	-	-
2012	4,686	-	-
2011	2,710	-	-
2010	1,848	-	-
2009	1,617	-	-
2008 - and prior	24,794	-	-
<b>Taxes Receivable, End of Year</b>	<u>\$ 264,772</u>	<u>\$ -</u>	<u>\$ -</u>

<b>Property Valuations:</b>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Land	\$ 100,327,940	\$ 96,490,283	\$ 96,692,175	\$ 93,189,875
Improvements	813,699,794	794,570,363	744,085,727	639,388,961
Personal Property	7,002,025	22,057,346	36,603,946	38,430,258
<b>Total Property Valuations</b>	<u>\$ 921,029,759</u>	<u>\$ 913,117,992</u>	<u>\$ 877,381,848</u>	<u>\$ 771,009,094</u>

<b>Tax Rates Per \$100 Valuation</b>				
Tax Rates	\$ 0.099289	\$ 0.095810	\$ 0.097920	\$ 0.081383
<b>Total Tax Rates Per \$100 Valuation</b>	<u>\$ 0.099289</u>	<u>\$ 0.095810</u>	<u>\$ 0.097920</u>	<u>\$ 0.081383</u>

Original tax levy	\$ 914,481	\$ 874,858	\$ 859,132	\$ 627,470
Percent of Taxes Collected to Taxes Levied	90.88%	89.94%	95.79%	86.80%

**ECTOR COUNTY UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**September 30, 2022**

TSI 5

Due During Fiscal Years Ending	Annual Requirements For All Bond Series		
	Principal Due	Interest Due	Total
	08/01	02/01, 08/01	
2023	\$ 1,390,000	\$ 371,033	\$ 1,761,033
2024	1,390,000	367,280	1,757,280
2025	1,395,000	362,832	1,757,832
2026	1,400,000	357,531	1,757,531
2027	1,410,000	351,371	1,761,371
2028	1,415,000	344,462	1,759,462
2029	1,425,000	336,538	1,761,538
2030	1,430,000	327,846	1,757,846
2031	1,440,000	317,836	1,757,836
2032	1,455,000	307,180	1,762,180
2033	1,465,000	295,831	1,760,831
2034	1,475,000	283,818	1,758,818
2035	1,490,000	271,133	1,761,133
2036	1,500,000	257,723	1,757,723
2037	1,515,000	243,623	1,758,623
2038	1,530,000	228,776	1,758,776
2039	1,545,000	213,170	1,758,170
2040	1,565,000	196,793	1,761,793
2041	1,580,000	179,578	1,759,578
2042	1,600,000	161,724	1,761,724
2043	1,615,000	143,164	1,758,164
2044	1,635,000	123,945	1,758,945
2045	1,655,000	104,325	1,759,325
2046	1,675,000	84,300	1,759,300
2047	1,695,000	63,865	1,758,865
2048	1,715,000	43,016	1,758,016
2049	1,740,000	21,750	1,761,750
	<u>\$ 41,145,000</u>	<u>\$ 6,360,443</u>	<u>\$ 47,505,443</u>

**ECTOR COUNTY UTILITY DISTRICT**  
**CHANGES IN LONG-TERM BONDED DEBT**  
*September 30, 2022*

TSI 6

	<b>Series</b>
	<b>2019</b>
<b>Interest Rate</b>	0.02%
<b>Dates Interest Payable</b>	February 1 August 1
<b>Maturity Date</b>	August 1, 2049
<b>Bonds Outstanding Beginning of Current Year</b>	\$ 42,530,000
Bonds Sold During Year	-
Retirements Principal	(1,385,000)
<b>Bonds Outstanding End of Current Year</b>	<u>\$ 41,145,000</u>
<b>Retirements Interest</b>	<u>\$ 374,330</u>

**Paying Agents Name & Address** BOKF, NA  
5956 Sherry Lane, Ste 1201  
Dallas, TX 75225

\* Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes.

**Debt Service Fund Cash and Temporary Investments Balances as of September 30, 2022:** \$ 1,983,547

**Average Annual Debt Service Payment (Principal and Interest) for remaining time of all deb** \$ 1,759,461

**ECTOR COUNTY UTILITY DISTRICT**  
**COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES**  
**GENERAL FUND AND DEBT SERVICE FUND**  
**For the Last Five Measurement Years**

	Amount				
	2022	2021	2020	2019	2018
<b>General Fund Revenue:</b>					
Water Revenue	\$ 7,858,186	\$ 7,500,685	\$ 7,411,118	\$ 6,336,483	\$ 4,715,729
Tap Connection fees	160,999	88,644	-	83,178	37,101
Investment Earnings (Loss)	15,444	25,618	148,429	410,474	(34,842)
Property Taxes	876,336	908,966	869,504	750,020	683,533
Penalties & Interest	-	-	-	35,859	38,430
Other	35,427	17,199	113,284	16,377	29,076
<b>Total Revenue</b>	<b>8,946,392</b>	<b>8,541,112</b>	<b>8,542,335</b>	<b>7,632,391</b>	<b>5,469,027</b>
<b>General Fund Expenditures:</b>					
Purchased Water Services	2,203,123	1,259,175	4,611,316	4,409,637	4,296,271
Tax Collection Services	-	-	6,763	11,757	6,716
Professional Fees	406,676	371,988	341,323	196,926	52,535
Contracted Services	474,160	536,663	288,649	213,122	412,921
Payroll & Contract Labor	843,809	340,259	144,284	68,215	66,629
Utilities	76,464	75,000	62,734	31,540	29,532
Repair and Maintenance	142,884	186,778	223,467	20,362	8,129
Property Taxes - Assigned	-	-	-	750,020	-
Other Expenditures	169,272	349,561	118,420	49,128	37,958
Capital Outlay	3,656,709	4,438,687	1,953,543	2,142,184	-
<b>Total Expenditures</b>	<b>7,973,097</b>	<b>7,558,111</b>	<b>7,750,499</b>	<b>7,892,891</b>	<b>4,910,691</b>
<b>Excess Revenue (Expenditures)</b>					
<b>Before Other Funding Sources</b>	<b>\$ 973,295</b>	<b>\$ 983,001</b>	<b>\$ 791,836</b>	<b>\$ (260,500)</b>	<b>\$ 558,336</b>
<b>Capital Project Fund Revenue:</b>					
Transfer from Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	57,801	10,555	257,350	-	-
<b>Total Revenue</b>	<b>57,801</b>	<b>10,555</b>	<b>257,350</b>	<b>-</b>	<b>-</b>
<b>Capital Project Fund Expenditures:</b>					
Other Expenditures	20,584,977	13,028,456	2,621,684	-	-
<b>Total Expenditures</b>	<b>20,584,977</b>	<b>13,028,456</b>	<b>2,621,684</b>	<b>-</b>	<b>-</b>
<b>Excess Revenue (Expenditures)</b>					
<b>Before Other Funding Sources</b>	<b>\$ (20,527,176)</b>	<b>\$ (13,017,901)</b>	<b>\$ (2,364,334)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Debt Service Fund Revenue:</b>					
Tax Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Penalties and Interest on Taxes	-	-	-	-	-
Investment Earnings	14,779	494	16,995	-	-
Other	-	-	-	-	-
<b>Total Revenue</b>	<b>14,779</b>	<b>494</b>	<b>16,995</b>	<b>-</b>	<b>-</b>
<b>Debt Service Fund Expenditures:</b>					
Tax Collection Services	-	1,761,421	1,652,752	-	-
Debt Service Principal., Int. & Fees	1,759,330	-	10	-	-
<b>Total Expenditures</b>	<b>1,759,330</b>	<b>1,761,421</b>	<b>1,652,762</b>	<b>-</b>	<b>-</b>
<b>Excess Revenue (Expenditures)</b>					
<b>Before Other Funding Sources</b>	<b>\$ (1,744,551)</b>	<b>\$ (1,760,927)</b>	<b>\$ (1,635,767)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Active Retail Water Connections</b>	<b>5,394</b>	<b>5,394</b>	<b>5,254</b>	<b>5,274</b>	<b>5,237</b>

**ECTOR COUNTY UTILITY DISTRICT**  
**COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES**  
**GENERAL FUND AND DEBT SERVICE FUND**  
**For the Last Five Measurement Years**

	Amount				
	2021	2021	2020	2019	2018
<b>General Fund Revenue:</b>					
Water Revenue	87%	88%	87%	74%	86%
Tap Connection fees	2%	1%	0%	1%	1%
Investment Earnings (Loss)	0%	11%	2%	5%	-1%
Property Taxes	10%	0%	10%	9%	12%
Penalties & Interest	0%	0%	0%	0%	1%
Other	0%	0%	1%	0%	1%
<b>Total Revenue</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>72%</b>
<b>General Fund Expenditures:</b>					
Purchased Water Services	25%	15%	54%	52%	56%
Purchased Taps exceed Tap Collection	0%	0%	0%	0%	0%
Tax Collection Services	0%	0%	0%	0%	0%
Professional Fees	5%	4%	4%	2%	1%
Contracted Services	5%	6%	3%	2%	5%
Payroll & Contract Labor	9%	4%	2%	1%	1%
Utilities	1%	1%	1%	0%	0%
Repair and Maintenance	2%	2%	3%	0%	0%
Property Taxes - Assigned	0%	0%	0%	9%	0%
Other Expenditures	2%	4%	1%	1%	0%
Capital Outlay	41%	52%	23%	25%	0%
<b>Total Expenditures</b>	<b>89%</b>	<b>88%</b>	<b>91%</b>	<b>92%</b>	<b>64%</b>
<b>Excess Revenue (Expenditures)</b>					
<b>Before Other Funding Sources</b>	<b>11%</b>	<b>11%</b>	<b>9%</b>	<b>8%</b>	<b>7%</b>
<b>Capital Project Fund Revenue:</b>					
Transfer from Other Funds	0%	0%	0%	0%	0%
Investment Earnings	100%	100%	0%	0%	0%
<b>Total Revenue</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Capital Project Fund Expenditures:</b>					
Other Expenditures	35614%	123434%	0%	0%	0%
<b>Total Expenditures</b>	<b>35614%</b>	<b>123434%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Excess Revenue (Expenditures)</b>					
<b>Before Other Funding Sources</b>	<b>-35514%</b>	<b>-123334%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Debt Service Fund Revenue:</b>					
Tax Revenue	0%	0%	0%	0%	0%
Penalties and Interest on Taxes	0%	0%	0%	0%	0%
Investment Earnings	100%	100%	0%	0%	0%
Other	0%	0%	0%	0%	0%
<b>Total Revenue</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Debt Service Fund Expenditures:</b>					
Tax Collection Services	0%	356563%	0%	0%	0%
Debt Service Principal, Int. & Fees	11904%	0%	0%	0%	0%
<b>Total Expenditures</b>	<b>11904%</b>	<b>356563%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Excess Revenue (Expenditures)</b>					
<b>Before Other Funding Sources</b>	<b>-11804%</b>	<b>-356463%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

**ECTOR COUNTY UTILITY DISTRICT**  
**BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS**  
**September 30, 2022**

TSI 8

Complete District Mailing Address: 1039 N. Moss Ave, Odessa, Texas 79763  
 Telephone Number: (432)381-5525

<b>Name and Address</b>	<b>Term of Office</b>	<b>Fees and Reimbursements 9/30/ 2022</b>	<b>Title at Year End</b>	<b>Resident of District</b>	<b>Relationship With Major Land Owners, Developers or Consultants</b>
<b>Board Members:</b>					
Tommy Ervin	06/18/ 2007 to 11/ 05/ 2024	None	President	Yes	None
Troy Walker	03/1/2022 to 11/ 08/ 2022	None	Director	Yes	None
Stephanie Shaw	04/08/ 2020 to 11/ 05/ 2024	None	Director	Yes	None
Margret Burton	05/20/ 2013 to 11/ 05/ 2024	None	Director	Yes	None
Will Kappauf	05/18/ 2021 to 11/ 05/ 2022	None	Treasury	Yes	None
<b>Key Administrative Personnel:</b>					
John Lee	4/18/2022 - Present	None	Billing	No	None
<b>Key Maintenance Personnel:</b>					
Steve Dennis	04/01/202 to Present	None	Staff Engineer	Yes	None
Paul Wilkerson	07/01/ 2020 to Present	None	Field Supervisor	Yes	None
Anthony Shackelford	07/06/ 2020 to Present	None	Field Technician	Yes	None
<b>Consultants:</b>					
Ector County Appraisal District	07/01/ 2005 to Present	\$8,914	Appraisal/Tax Collector	Yes	None
Haynie & Company					
Formerly Joe L. Torres, P.C.	09/01/ 1996 to Present	\$83,025	Independent Auditor	Yes	None
McCall, Parkhurst & Horton, LLP	None	None	Bond Counsel	N/A	None
Hilltop Securities, Inc	None	None	Financial Advisor	N/A	None
BOKF NA.	None	None	Paying Agent/ Registrar	N/A	None
GDS Associates, Inc	None	None	Consultant	N/A	None
William Fowler	None	\$69,127	Legal Counsel	N/A	None