

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Financial Statements
(With Auditor's Report Thereon)

For the Year Ended September 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wylie Northeast Special Utility District
Wylie, Texas

We have audited the accompanying financial statements of the governmental activities and the business-type activities the Wylie Northeast Special Utility District as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the Wylie Northeast Special Utility District, as of September 30, 2021 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.

Other Matters

Required Supplementary Information

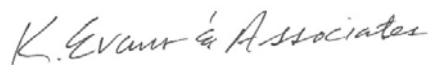
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-6 and 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wylie Northeast Special Utility District's basic financial statements. The supplemental schedules are presented for purposes of additional analysis as required by the *Water District Financial Management Guide* and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



K. Evans & Associates, CPA's
Frisco, Texas
February 22, 2022

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Management's Discussion and Analysis
For the Year Ended September 30, 2021

As management of the Wylie Northeast Special Utility District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2021.

Financial Highlights

- The District's assets and deferred outflows of resources exceeded its liabilities at the close of the most recent fiscal year by \$14,749,125 (Net Position). Of this amount \$5,613,318, (Without Donor Restrictions Net Position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The District had \$4,955,669 of Operating Income.
- The District's Total Net Position increased by \$1,843,065.
- The District spent \$2,289,079 on Capital Assets.
- The District decreased Long-Term Debt by \$113,000.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise two components: 1) government-wide financial statements and 2) notes to the financial statements.

Government-Wide Financial Statements. The *government-wide financial statements* 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* 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* 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.

Both of the government-wide financial statements distinguish functions of the District that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The business-type activity of the District is water service.

The government-wide financial statements include only the District itself (known as the primary government).

The government-wide financial statements can be found on pages 8-9 of this report.

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Management's Discussion and Analysis
For the Year Ended September 30, 2021

Fund Accounting. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The only fund of the District is a proprietary fund. The proprietary fund is considered to be a major fund.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-22 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by \$14,749,125 at the close of the most recent fiscal year.

Approximately 62 percent of the District's net position reflects its investment in capital assets (e.g. distribution system, land and easements, and equipment). The District uses these capital assets to provide services to customers; consequently, these assets are not available for future spending. *Without Donor restrictions net position* (38 percent) may be used to meet the District's ongoing obligations to customers and creditors.

At the end of the current fiscal year, the District is able to report positive balances in all categories of net position for the government as a whole.

Financial Analysis of the District as a Whole

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT - Net Position		
	2021	2020
Assets:		
Cash & Cash Equivalents	\$ 6,227,521	\$ 6,597,885
Other Assets	577,299	529,962
Non-Current Assets	10,999,807	8,801,340
Net Pension Asset	10,084	5,071
Total Assets	<u>\$ 17,814,711</u>	<u>\$ 15,934,258</u>
Deferred Outflows of Resources		
	<u>38,285</u>	<u>16,336</u>
Liabilities:		
Current Liabilities	\$ 1,341,362	\$ 1,171,709
Non-Current Liabilities	1,757,000	1,870,000
Total Liabilities	<u>3,098,362</u>	<u>3,041,709</u>
Deferred Inflows of Resources		
	<u>5,509</u>	<u>2,825</u>
Net Position:		
Net Investment in Capital Assets	9,135,807	6,831,340
Without Donor Restrictions	5,613,318	6,074,720
Total Net Position	<u>\$ 14,749,125</u>	<u>\$ 12,906,060</u>

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Management's Discussion and Analysis
For the Year Ended September 30, 2021

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT - Change in Net Position			
		2021	2020
Program Revenue:			
Charges for Services		\$ 4,876,228	\$ 4,869,146
Other		79,441	50,213
		<u>4,955,669</u>	<u>4,919,359</u>
General Revenues:			
Interest Income		37,790	64,581
Intergovernmental Revenue		-	148,260
	Total Revenues	<u>4,993,459</u>	<u>5,132,200</u>
Expenses:			
Water		2,653,008	2,248,307
Depreciation		413,618	269,576
Interest		83,768	87,224
	Total Expenses	<u>3,150,394</u>	<u>2,605,107</u>
Increase/(Decrease) in Net Position		1,843,065	2,527,093
Net Position - Beginning		<u>12,906,060</u>	<u>10,378,967</u>
Net Position - Ending		<u>\$ 14,749,125</u>	<u>\$ 12,906,060</u>

Capital Asset & Debt Administration

Capital Assets. The District's investment in capital assets for its business-type activities as of September 30, 2021, amounts to \$9,135,807 (Net of Accumulated Depreciation). This Investment in Capital Assets includes Wells, Storage, Distribution System, Land, Easements, Buildings, Equipment, and Water Rights.

Major capital asset events during the current fiscal year included the following:

- Purchase of Freightliner Truck for \$270,431.
- Building & improvements for \$9,410.
- Purchase of water distribution equipment for \$29,450.
- Started construction of elevated storage tower with year-to-date cost of \$2,289,079.

Additional information on the District's Capital Assets can be found on page 20 of the notes within this report.

Long-Term Debt. The District has \$1,390,000 of Revenue Bonds, 2007 Series, outstanding secured by a first lien on and pledge of the net revenues of the District.

The District has \$474,000 of Revenue Bonds, Series 2015, outstanding secured by first lien on and pledge of the net revenues of the District.

Additional information on the District's long-term debt can be found on page 20 of the notes within this report.

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Management's Discussion and Analysis
For the Year Ended September 30, 2021

Economic Factors and Next Year's Budgets & Rates

The board did not adjust the water and sewer service rates and the leak adjustment rate during the fiscal year. It is the Board's intention that the district be able to operate with an increase in net position even if new customer tap fees and inspection fees are not available. It is the Board's goal to have an annual increase in net position. This increase will ensure the District's ability to maintain and improve the system and its services to customers.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Wylie Northeast Special Utility District, P. O. Box 1029, Wylie, Texas 75098.

BASIC FINANCIAL STATEMENTS

WYLIE NORTHEAST SPECIAL UTILITY DISTRICTStatement of Net Position
For the Year Ended September 30, 2021

	<u>Primary Government</u> <u>Business-Type</u> <u>Activities</u>
ASSETS	
Cash & Investments	\$ 5,449,779
Cash & Investments - Restricted	777,742
Accounts Receivable (Net)	411,450
Inventories	165,849
Depreciable Capital Assets, net	8,497,390
Land and Non-Depreciable Assets	213,338
Construction in Progress	2,289,079
Net Pension Asset	10,084
Total Assets	<u>17,814,711</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to TCDRS	38,285
Combined Assets and Deferred Outflow of Resources	<u>17,852,996</u>
LIABILITIES	
Accounts Payable	644,922
Accrued Interest Payable	12,118
Other Accrued Liabilities	16,397
Member Deposits	560,925
Noncurrent Liabilities:	
Due within one year	107,000
Due in more than one year	1,757,000
Total Liabilities	<u>3,098,362</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to TCDRS	5,509
Combined Assets and Deferred Outflow of Resources	<u>3,103,871</u>
NET POSITION	
Net Investment in Capital Assets	9,135,807
Without Donor Restrictions	5,613,318
Total Net Position	<u>\$14,749,125</u>

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

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Statement of Activities

For the Year Ended September 30, 2021

Functions/Programs	<u>Expenses</u>	<u>Program Revenue Charges For Services</u>	<u>Net (Expense)/Revenue and Changes in Net Position Primary Government Business-Type Activities</u>
Primary Government:			
Business-Type Activities:			
Water	\$ 2,653,008	\$ 4,876,228	\$ 2,223,220
Interest on Long-Term Debt	83,768	-	(83,768)
Depreciation & Amortization	413,618	-	(413,618)
Total Business-Type Activities	<u>3,150,394</u>	<u>4,876,228</u>	<u>1,725,834</u>
Total Primary Government	<u>\$ 3,150,394</u>	<u>4,876,228</u>	<u>1,725,834</u>

General Revenues:

Investment Earnings	37,790
Miscellaneous Income	<u>79,441</u>

Total General Revenues 117,231

Change in Net Position 1,843,065

Net Position - Beginning 12,906,060

Net Position - Ending \$ 14,749,125

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

WYLIE NORTHEAST SPECIAL UTILITY DISTRICTStatement of Net Position – Proprietary Fund
September 30, 2021**ASSETS**

Current Assets:

Cash & Cash Equivalents	\$ 5,427,370
Cash & Cash Equivalents - Restricted	777,742
Investments	22,409
Receivables:	
Water Billings	416,450
Less: Allowance for Uncollectibles	(5,000)
Supplies Inventory	165,849
Total Current Assets	<u>6,804,820</u>

Non-Current Assets:

Capital Assets:

Land	213,338
Buildings & Improvements	1,155,328
Vehicles	498,404
Water Services Equipment	154,910
Office Equipment	44,775
Water Distribution System	9,385,805
Construction in Progress	2,289,079
Billing Software	65,273
Less: Accumulated Depreciation	<u>(2,807,105)</u>
Total Capital Assets (Net of Accumulated Depreciation)	10,999,807
Net Pension Asset	<u>10,084</u>
Total Non-Current Assets	<u>11,009,891</u>

Total Assets 17,814,711**DEFERRED OUTFLOWS OF RESOURCES**Deferred Outflows Related to TCDRS 38,285Combined Assets and Deferred Outflow of Resources \$ 17,852,996

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

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Statement of Net Position – Proprietary Fund

September 30, 2021

*Continued***LIABILITIES**

Current Liabilities:

Accounts Payable	\$ 644,922
Accrued Expenses	16,397
Member Deposits	560,925
Payable from Restricted Assets:	
Accrued Interest	12,118
Current Portion of Notes & Bonds Payable	<u>107,000</u>
Total Current Liabilities	<u>1,341,362</u>

Non-Current Liabilities:

Bonds Payable	1,757,000
Net Pension Liability	-
Total Non-Current Liabilities	<u>1,757,000</u>

Total Liabilities	<u>3,098,362</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred Inflows Related to TCDRS	<u>5,509</u>
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Combined Liabilities and Deferred Inflow of Resources	<u>3,103,871</u>
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NET POSITION

Net Investment in Capital Assets	9,135,807
Without Donor Restrictions	<u>5,613,318</u>
Total Net Position	<u>14,749,125</u>

Total Liabilities & Net Position	<u>\$ 17,852,996</u>
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The notes to the financial statements are an integral part of this statement.

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Statement of Revenues, Expenses and
Changes in Net Position – Proprietary Fund
For the Year Ended September 30, 2021

OPERATING REVENUES

Charges for Services	\$ 4,055,328
Tap Connections & Inspections	820,900
Other Revenues	81,941
Total Operating Revenues	<u>4,958,169</u>

OPERATING EXPENSES

Water Purchases	1,224,080
System & Equipment Maintenance	434,330
Salaries, Benefits & Payroll Taxes	640,260
Professional Fees	65,943
Utilities	45,552
Regulatory Assessments & Fees	7,748
Insurance	20,192
Contract Services	45,471
Equipment & Storage Rental	759
Directors Fees	13,050
Office Printing, Postage & Data Processing	80,009
Bank & Credit Card Charges	69,019
Dues, Subscriptions & Education	6,595
Depreciation	413,618
Total Operating Expenses	<u>3,066,626</u>

Operating Income1,891,543**NON-OPERATING REVENUES/(EXPENSES)**

Interest Income	37,790
Insurance Proceeds (Net)	(2,500)
Interest Expense	<u>(83,768)</u>
Total Non-Operating Revenues/(Expenses)	<u>(48,478)</u>

Change in Net Position 1,843,065

Net Position - Beginning 12,906,060

Net Position - Ending \$ 14,749,125

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

WYLIE NORTHEAST SPECIAL UTILITY DISTRICTStatement of Cash Flows – Proprietary Fund
For the Year Ended September 30, 2021

Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 5,008,332
Cash Received from Other Governments	139
Cash Paid to Employees	(640,260)
Cash Paid to Suppliers	(1,972,012)
Net Cash Provided by/(Used in) Operating Activities	<u>2,396,199</u>
Cash Flows from Investing Activities:	
Interest Received	37,790
Sale/(Purchase) of Investments	(102)
Insurance Proceeds (Net)	(2,500)
Net Cash Provided by/(Used in) Investing Activities	<u>35,188</u>
Cash Flows from Capital & Related Financing Activities:	
Purchase of Capital Assets	(2,612,085)
Principal Paid on Bonds Payable	(106,000)
Interest Paid on Capital Debt	(83,768)
Net Cash Provided by/(Used in) Capital & Related Financing Activities	<u>(2,801,853)</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(370,466)
Cash & Cash Equivalents - Beginning	<u>6,575,578</u>
Cash & Cash Equivalents - Ending	<u>\$ 6,205,112</u>

Reconciliation of Operating Income/(Loss) to Net Cash Provided by /(Used in) Operating Activities

Operating Income	\$ 1,891,543
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	413,618
(Increase)/Decrease in Accounts Receivable	1,695
(Increase)/Decrease in Other Receivables	139
(Increase)/Decrease in Supplies Inventory	(49,171)
(Increase)/Decrease in Net Pension Asset	(5,013)
(Increase)/Decrease in Deferred Outflow of Resources	(21,949)
Increase/(Decrease) in Accounts Payable	113,402
Increase/(Decrease) in Accrued Expense	783
Increase/(Decrease) in Member Deposits	48,468
Increase/(Decrease) in Deferred Inflow of Resources	2,684
Net Cash Provided/(Used) by Operating Activities	<u>\$ 2,396,199</u>
Supplemental Disclosures of Cash Flow Information:	
Cash Paid During the Year for Interest	<u>\$ 83,768</u>

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

NOTES TO FINANCIAL STATEMENTS

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Notes to the Financial Statements

September 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Wylie Northeast Special Utility 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 accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Reporting Entity

The Wylie Northeast Water Supply Corporation was organized in 1964 by a group of local patrons, created for the purpose of providing water service to an area designated by the Texas Commission on Environmental Quality (TCEQ). On September 20, 2005, Wylie Northeast Water Supply Corporation converted to Wylie Northeast Special Utility District.

The District provides retail water services to its customers and participates in the North Texas Municipal Water District System.

The District has no component units nor is the District a component unit of another entity.

Government – Wide & Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by operating revenues. *Operating Expenses* are those that are clearly identifiable with a specific function or segment. *Operating Revenues* include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Interest earnings and expense and other items not properly included among operating revenues and expense are reported instead as *Non-Operating Revenues and Expense*.

Measurement Focus, Basis of Accounting & Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The District has no governmental funds.

The District reports the following proprietary fund:

The *Proprietary Fund* is used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The District's proprietary fund is for water service.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are charges to customers for services. Operating expenses for proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Notes to the Financial Statements

September 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Assets, Liabilities & Net Position or Equity

Deposits & Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity date within three months of the date acquired by the government. Other short-term investments are included in investments. Investments are stated at fair value.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items.

With Donor Restriction Assets

Certain resources set aside for the repayment of principal and interest on long-term debt, are classified as with donor restriction assets on the Statement of Net Position. These resources are maintained in separate bank accounts.

The district is required to accumulate the amount required to pay principal and interest due on the next payment due date.

The District is also required to accumulate, in no more than sixty months after issuance, money and investments in an aggregate amount at least equal to the average annual principal and interest requirements on the revenue bonds.

Inventories

Inventories consist primarily of supplies, valued at cost determined by first-in first-out method.

Capital Assets

Property and equipment is recorded at cost. The District capitalizes all assets with a cost greater than \$1,000 and life expectancy of at least three years. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis beginning when the asset is placed in service as follows:

<u>Class of Property</u>	<u>Estimated Lives</u>
Buildings & Improvements	10-39 years
Water Distribution System	10-50 years
Vehicles	5 years
Water Service Equipment	5-10 years
Office Equipment	3-10 years
Billing Software	10 years

Income Taxes

The District is exempt from Federal income taxes.

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Notes to the Financial Statements

September 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities & Net Position or Equity (continued)

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service. Vacation is normally taken by December 31st of each year and not carried forward; therefore, no accrual has been made for unused vacation.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

STEWARDSHIP, COMPLIANCE & ACCOUNTABILITY

Budgetary Information

The annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal yearend. The budget for the next year is finalized and formally approved by the Board before the end of the preceding fiscal year.

DEPOSITS & INVESTMENTS

As of September 30, 2021, the District's bank balance was \$6,546,247. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held by the pledging financial institution's trust department or agent in the district's name. Below is a summary of the District's cash and investments as of September 30, 2021:

<u>Description</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Petty Cash	\$ 200	\$ 200	\$ -
Cash Transfer Account	82,269	82,269	-
Inwood National General Fund	3,385,354	3,385,354	-
2015 Bond I&S	26,414	-	26,414
2007 Bond I&S	44,952	-	44,952
WNE Loan Reserve Fund	206,401	-	206,401
Construction Fund #3	1,058,322	1,058,322	-
Wylie Northeast Special Utility	44,238	44,238	-
(R) Wylie Northeast Special	41,271	41,271	-
WNE INSP (Connection fees)	751,766	751,766	-
Inspiration (Builder Deposits)	63,950	63,950	-
WNE Customer Deposits	499,975	-	499,975
	<u>\$ 6,205,112</u>	<u>\$ 5,427,370</u>	<u>\$ 777,742</u>

Investments

Certificate of Deposit	<u>\$ 22,409</u>
Total Cash & Investments	<u>\$ 6,227,521</u>

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Notes to the Financial Statements

September 30, 2021

DEPOSITS & INVESTMENTS *(continued)*

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy. That policy addresses the following risks:

Credit Risk - This is the risk that an issuer of an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The District is not exposed to credit risk since all of its investments are in U.S. Government securities.

Custodial Credit Risk – Deposits - In the case of deposits this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's policy regarding types of deposits allowed and collateral requirements is: the Depository may be a state bank authorized and regulated under Texas law; a national bank, savings and loan association, or savings bank authorized and regulated by federal law; or a savings and loan association or savings bank organized under Texas law; but shall not be any bank the deposits of which are not insured by the Federal Deposit Insurance Corporation (FDIC). The District is not exposed to custodial credit risk, as all of its deposits are covered by depository insurance or pledged securities.

Custodial Credit Risk – Investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The government investments are with the Texas Short Term Asset Reserve (TexSTAR). The pool is a public funds investment pool created to provide a safe environment for the placement of local government funds in authorized short-term investments. Local investment pools operate in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940. The reported value of the pool is the same as the fair value of the pool shares. The Texas Comptroller of Public Accounts exercises oversight responsibility over TexSTAR. The government is not exposed to custodial credit risk for its investments.

Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than two years from the time of purchase.

Foreign Currency Risk - This is the risk that exchange rates will adversely affect the fair value of an investment. The District is not exposed to foreign currency risk.

Concentration of Credit Risk - This is the risk of loss attributed to the magnitude of the District's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. Investments issued by the U. S. Government and investments in investment pools are excluded from the 5 percent disclosure requirement. The District is not exposed to concentration of credit risk.

RECEIVABLES

At September 30, 2021 there were \$416,450 in customer accounts receivable, net of an allowance for doubtful accounts of \$(5,000).

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Notes to the Financial Statements
September 30, 2021

CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance 09/30/20	Additions	Retirements	Balance 09/30/21
Capital Assets Not Being Depreciated:				
Land	\$ 213,338	\$ -	\$ -	\$ 213,338
Construction in Progress	-	2,289,079	-	2,289,079
Total Capital Assets Not Being Depreciated	<u>213,338</u>	<u>2,289,079</u>	<u>-</u>	<u>2,502,417</u>
Capital Assets Being Depreciated:				
Buildings & Improvements	1,145,918	9,410	-	1,155,328
Equipment - Vehicles	227,973	270,431	-	498,404
Equipment - Maintenance	125,460	29,450	-	154,910
Equipment - Office	44,775	-	-	44,775
Water Distribution Assets	9,385,805	-	-	9,385,805
Billing Software	51,558	13,715	-	65,273
Total Capital Assets Being Depreciated	<u>10,981,489</u>	<u>323,006</u>	<u>-</u>	<u>11,304,495</u>
Less: Accumulated Depreciation	<u>(2,393,487)</u>	<u>(413,618)</u>	<u>-</u>	<u>(2,807,105)</u>
Total Capital Assets Being Depreciated - Net	<u>8,588,002</u>	<u>(90,612)</u>	<u>-</u>	<u>8,497,390</u>
Total Capital Assets - Net	<u>\$ 8,801,340</u>	<u>\$ 2,198,467</u>	<u>\$ -</u>	<u>\$ 10,999,807</u>

LONG-TERM DEBT

Long-term debt activity for the year ended September 30, 2021 was as follows:

	Issue	Interest	Balance 09/30/20	Additions	Retirements	Balance 09/30/21	Current Portion
Revenue Bond - Series 2007	\$ 2,005,000	4.50%	\$ 1,450,000	\$ -	\$ (60,000)	\$ 1,390,000	\$ 60,000
Refunding Bond - Series 2015	\$ 755,000	2.79%	520,000	-	(46,000)	474,000	47,000
			<u>\$ 1,970,000</u>	<u>\$ -</u>	<u>\$ (106,000)</u>	<u>\$ 1,864,000</u>	<u>\$ 107,000</u>

Interest expense for the year ended September 30, 2021 was \$83,768.

Bond debt service requirements to maturity are as follows:

Fiscal Year End September 30	Principal	Interest	Total
2022	\$ 107,000	\$ 80,085	\$ 187,085
2023	113,000	76,253	189,253
2024-2028	623,000	317,238	940,238
2029-2033	571,000	187,632	758,632
2034-2037	450,000	57,500	507,500
	<u>\$ 1,864,000</u>	<u>\$ 718,708</u>	<u>\$ 2,582,708</u>

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Notes to the Financial Statements

September 30, 2021

OPERATING LEASES

On January 16, 2017, the District executed a 48-month lease for a postage machine. The lease calls for quarterly payments of \$249.

Future minimum lease payments are as follows:

Fiscal Year End		
September 30		
<u>2022</u>	\$	<u>993</u>
	\$	<u>993</u>

RETIREMENT PLAN

Plan Description

The District provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 701 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Contributions

The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. Employees for the District were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rates for the District were 7.0% and 7.0% in calendar 2021 and 2020, respectively. The District's contributions to TCDRS for the year ended September 30, 2021 were \$32,636 and were equal to the required contributions. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Notes to the Financial Statements

September 30, 2021

RETIREMENT PLAN *(continued)*

Contributions *(continued)*

Valuation Date Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20 Years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Projected Salary Increases	Varies by age and service. 4.6% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at services retirement for recent retirees is 61.
Mortality	130% Of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected.

*Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to Schedule.

Net Pension Liability

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Notes to the Financial Statements

September 30, 2021

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances as of December 31, 2018	\$ 183,203	\$ 188,274	\$ (5,071)
Changes for the year:			
Service cost	46,215	-	46,215
Interest	18,583	-	18,583
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(895)	-	(895)
Effect of assumptions changes or inputs	22,524	-	22,524
Refund of Contributions	-	-	-
Benefit Payments	-	-	-
Administrative expenses	-	(190)	190
Member contributions	-	32,636	(32,636)
Net investment income	-	19,553	(19,553)
Employer contributions	-	17,763	(17,763)
Other	-	1,510	(1,510)
Net changes	<u>86,427</u>	<u>71,272</u>	<u>15,155</u>
Balances as of December 31, 2019	<u>\$ 269,630</u>	<u>\$ 259,546</u>	<u>\$ 10,084</u>

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Notes to the Financial Statements
September 30, 2021

Sensitivity of the Net Pension Liability to Change in the Discount Rate

The following presents the net pension liability of the District, calculated using the discount rate of 7.60%, as well as what the District's net pension liability would have been if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease (6.60%)	Discount Rate (7.60%)	1% Increase (8.60%)
District's Net Pension Liability/(Asset)	<u>\$ 63,958</u>	<u>\$ 10,084</u>	<u>\$ (33,170)</u>

Pension Expense & Deferred Inflows and Outflows of Resources

For the year ended September 30, 2021, the District recognized pension expense in the amount of \$16,677. At September 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,724	\$ 2,599
Changes of assumptions	308	20,647
Net difference between projected and actual earnings	3,477	-
Contributions made subsequent to measurement date	N/A	Employer determined
Total	<u>\$ 5,509</u>	<u>\$ 23,246</u>

\$38,285 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	
2021	\$ 1,442
2022	1,573
2023	(262)
2024	1,478
2025	1,927
Thereafter	<u>11,579</u>
Total	<u>\$ 17,737</u>

TAX ABATEMENTS

In compliance with GASB Statement #77, the District did not have any outstanding tax abatements for the year ended September 30, 2021.

EVALUATION OF SUBSEQUENT EVENTS

The District has evaluated subsequent events through February 22, 2022 the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT
 Statements of Revenues, Expenses and Changes in Fund Net Position
 Budget and Actual – Proprietary Fund
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
OPERATING REVENUES:				
Charges for Services	\$ 3,900,000	\$ 4,060,000	\$ 4,055,328	\$ (4,672)
Tap Connections & Inspections	655,000	782,200	820,900	38,700
Other Revenues	74,000	80,800	81,941	1,141
Total Operating Revenues	<u>4,629,000</u>	<u>4,923,000</u>	<u>4,958,169</u>	<u>35,169</u>
OPERATING EXPENSES:				
Water Purchases	1,011,000	1,011,000	1,224,080	(213,080)
System & Equipment Maintenance	517,500	522,500	434,330	88,170
Salaries, Benefits & Payroll Taxes	566,300	514,800	640,260	(125,460)
Professional Fees	51,400	46,400	65,943	(19,543)
Utilities	68,000	68,000	45,552	22,448
Regulatory Assessments & Fees	9,000	9,000	7,748	1,252
Insurance	175,000	175,000	20,192	154,808
Election Cost	2,500	100	-	100
Contract Services	20,000	27,000	45,471	(18,471)
Equipment Storage & Rental	1,400	1,400	759	641
Directors Fees	18,000	14,000	13,050	950
Office, Printing & Postage	45,000	41,000	80,009	(39,009)
Bank & Credit Card Charges	63,000	63,000	69,019	(6,019)
Bad Debts	5,000	5,000	-	5,000
Dues, Subscriptions & Education	10,000	10,000	6,595	3,405
New Truck	273,000	273,000	-	273,000
Travel	4,400	-	-	-
District Relations	6,600	4,500	-	4,500
Miscellaneous	1,100	800	-	800
Depreciation	175,000	175,000	413,618	(238,618)
Total Operating Expenses	<u>3,023,200</u>	<u>2,961,500</u>	<u>3,066,626</u>	<u>(105,126)</u>
Operating Income/(Loss)	<u>1,605,800</u>	<u>1,961,500</u>	<u>1,891,543</u>	<u>(69,957)</u>
NON-OPERATING REVENUES/ (EXPENSES):				
Interest Income	-	-	37,790	37,790
Insurance Proceeds (Net)	-	-	(2,500)	(2,500)
Interest Expense	90,000	84,000	(83,768)	(167,768)
Total Non-Operating Revenues/ (Expenses)	<u>90,000</u>	<u>84,000</u>	<u>(48,478)</u>	<u>(132,478)</u>
Change in Net Position	1,695,800	2,045,500	1,843,065	(202,435)
Net Position - Beginning	<u>12,906,060</u>	<u>12,906,060</u>	<u>12,906,060</u>	<u>-</u>
Net Position - Ending	<u>\$ 14,601,860</u>	<u>\$ 14,951,560</u>	<u>\$ 14,749,125</u>	<u>\$ (202,435)</u>

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

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT
Schedule of District's Proportionate Share of Net Pension Liability
Texas County District Retirement System
For the Year Ended September 30, 2021

	<u>Plan Year 2019</u>	<u>Plan Year 2020</u>
District's Proportionate Share of the Net Pension Liability (Asset)	\$ (5,071)	\$ 10,084
Fiduciary's Proportionate Share of the Net Pension Liability (Asset)	188,274	259,547
Total	<u>\$ 183,203</u>	<u>\$ 269,631</u>
 District's Covered Payroll	 \$ 445,618	 \$ 466,230
District's Proportionate Share as a Percentage of Payroll	-1.14%	2.16%
Plan Fiduciary's Share as a Percentage of the Total Pension Liability	102.77%	96.26%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of December 31, 2019 for year 2021, and December 31, 2019 for 2020.

Note: In accordance with GASB 68, Paragraph 138, only two years of data are presented this reporting period. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Schedule of District Contributions for Pension

Texas County District Retirement System

For the Year Ended September 30, 2021

	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2020</u>
Actuarially Determined Contribution	\$ 16,488	\$ 32,636
Actual Contribution	<u>(16,488)</u>	<u>(32,636)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 445,618	\$ 466,230
Contributions as a Percentage of Payroll	3.70%	7.00%

Note: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending December 31 of the preceding year.

Note: In accordance with GASB 68, Paragraph 138, only two years of data are presented this reporting period. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

TEXAS SUPPLEMENTARY INFORMATION

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Schedule of Services and Rates
For the Year Ended September 30, 2021

1. *Services provided by the District during the fiscal year:*

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

2. *Retail Service Connections*

a. Retail rates for a 5/8" meter (or equivalent):

Rate per 1,000 Gallons	Usage Levels	
\$ 6.61	-	to 5,000
7.47	5,001	to 10,000
8.47	10,001	to 15,000
9.41	15,001	to 20,000
\$ 10.34	20,001	& Over

Does the District employ winter averaging for wastewater usage? Yes No

Total Charges per 10,000 gallons usage: Water \$100.40 Wastewater \$56.00

Basic water service \$30.00 per meter, sewer \$36.00

b. Water Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC's
≤ 3/4"	<u>2,744</u>	<u>2,697</u>	1.0	<u>2,697</u>
1"	<u>35</u>	<u>34</u>	2.5	<u>85</u>
1 1/2"	<u>5</u>	<u>5</u>	5.0	<u>25</u>
2"	<u>23</u>	<u>19</u>	8.0	<u>152</u>
3"	<u>2</u>	<u>1</u>	15.0	<u>15</u>
4"	<u>2</u>	<u>2</u>	25.0	<u>50</u>
6"	<u>0</u>	<u>0</u>	50.0	<u>0</u>
8"	<u>2</u>	<u>2</u>	80.0	<u>160</u>
10"	<u>0</u>	<u>0</u>	115.0	<u>0</u>
Total Water	<u>2,813</u>	<u>2,760</u>		<u>3,184</u>
Total Wastewater	<u>1,296</u>	<u>1,277</u>		<u> </u>

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Schedule of Services and Rates
For the Year Ended September 30, 2021
(continued)

3. *Total water consumption during the fiscal year (rounded to the nearest thousand):*

Gallons pumped into system:	<u>321,763,000</u>
Gallons billed to customers:	<u>273,771,300</u>
Water Accountability Ratio: (Gallons Billed/Gallons Pumped)	<u>85.08%</u>

4. *Standby Fees* (authorized only under TWC Section 49.231):

Does the District have debt service standby fees? Yes ___ No X
If yes, date of the most recent Commission Order: _____
Does the District have Operation & Maintenance standby fees? Yes ___ No X
If yes, date of the most recent Commission Order: _____

5. *Location of District:*

County in which District is located: Collin
Is the District located entirely within one county? Yes ___ No X
Is the District located within a city? Yes ___ Partly X No ___
City(ies) in which the District is located: St. Paul, Wylie, Lucas, Parker
Is the District located within a city's extra territorial jurisdiction (ETJ)? Yes ___ Partly X No ___
ETJ's in which the District is located: St. Paul, Wylie, Lucas, Parker
Are Board members appointed by an office outside the district? Yes ___ No X

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Schedule of Proprietary Fund Expenses
For the Year Ended September 30, 2021

Professional Fees:	\$ 65,943
Water Purchases	1,224,080
Contract Services	45,471
Insurance	20,192
Utilities	45,552
Repairs & Maintenance	434,330
Personnel Cost	640,260
Other Operating Costs	177,180
Interest	83,768
Depreciation & Amortization	<u>413,618</u>
Total Operating Expenses	<u><u>\$ 3,150,394</u></u>

Number of persons employed by the District 9 Full-Time 0 Part-Time
(Does not include independent contractors or consultants)

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT
Comparative Statement of Activities
Proprietary Fund
For Five Fiscal Periods Ended September 30, 2021

	Amounts					Percent of Total Revenues				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Operating Revenues										
Water Sales	\$ 4,055,328	3,785,238	3,198,085	\$ 2,981,023	\$ 2,394,305	81.79	74.31	65.66	70.76	66.44
Tap Fees & Inspections	820,900	1,083,908	641,946	1,150,459	1,011,527	16.56	21.28	13.18	27.31	28.07
Other Revenues	81,941	224,814	1,030,724	81,298	197,793	1.65	4.41	21.16	1.93	5.49
Total Operating Revenues	<u>4,958,169</u>	<u>5,093,960</u>	<u>4,870,755</u>	<u>4,212,780</u>	<u>3,603,625</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>
Operating Expenses										
Water Purchases	1,224,080	935,195	795,059	638,277	561,777	24.69	18.36	16.32	15.15	15.59
System Maintenance	434,330	346,534	697,503	548,348	332,026	8.76	6.80	14.32	13.02	9.21
Salaries, Benefits & Taxes	640,260	672,575	626,192	630,958	565,706	12.91	13.20	12.86	14.98	15.70
Professional Fees	65,943	34,001	36,858	38,856	42,991	1.33	0.67	0.76	0.92	1.19
Utilities	45,552	42,997	35,531	23,095	18,948	0.92	0.84	0.73	0.55	0.53
Regulatory Assessment Fees	7,748	2,357	2,885	1,679	6,021	0.16	0.05	0.06	0.04	0.17
Insurance	20,192	19,288	19,291	17,112	13,287	0.41	0.38	0.40	0.41	0.37
Contract Services	45,471	57,472	45,061	38,897	39,357	0.92	1.13	0.93	0.92	1.09
Office & Data Processing	80,009	74,607	97,449	58,369	68,537	1.61	1.46	2.00	1.39	1.90
Other	89,423	63,281	55,646	48,607	31,521	1.80	1.24	1.14	1.15	0.87
Depreciation	413,618	269,576	220,444	189,472	181,557	8.34	5.29	4.53	4.50	5.04
Total Operating Expenses	<u>3,066,626</u>	<u>2,517,883</u>	<u>2,631,919</u>	<u>2,233,670</u>	<u>1,861,728</u>	<u>61.85</u>	<u>49.43</u>	<u>54.04</u>	<u>53.02</u>	<u>51.66</u>
Operating Income/(Loss)	<u>1,891,543</u>	<u>2,576,077</u>	<u>2,238,836</u>	<u>1,979,110</u>	<u>1,741,897</u>	<u>38.15</u>	<u>50.57</u>	<u>45.96</u>	<u>46.98</u>	<u>48.34</u>
Non-Operating Revenues/(Expenses)										
Interest Income	37,790	64,581	134,592	89,924	28,767	0.76	1.27	2.76	2.13	0.80
Insurance Proceeds (Net)	(2,500)	(18,710)	6,752	-	(13,974)	(0.05)	(0.37)	0.14	0.00	(0.39)
Gain/(Loss) on Sale of Asset	-	(7,631)	11,000	7,500	15,191	0.00	(0.15)	0.23	0.18	0.42
Interest Expense	(83,768)	(87,224)	(99,105)	(93,795)	(96,939)	(1.69)	(1.71)	(2.03)	(2.23)	(2.69)
Total Non-Operating Revenues/(Expenses)	<u>(48,478)</u>	<u>(48,984)</u>	<u>53,239</u>	<u>3,629</u>	<u>(66,955)</u>	<u>(0.98)</u>	<u>(0.96)</u>	<u>1.09</u>	<u>0.09</u>	<u>(1.86)</u>
Net Income/(Loss)	<u>\$ 1,843,065</u>	<u>\$ 2,527,093</u>	<u>\$ 2,292,075</u>	<u>\$ 1,982,739</u>	<u>\$ 1,674,942</u>	<u>37.17</u>	<u>49.61</u>	<u>47.06</u>	<u>47.06</u>	<u>46.48</u>

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Temporary Investments

September 30, 2021

<u>Description</u>	<u>Acct #</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance 09/30/21</u>
Reserve Money Market	600204321	0.2%	NA	\$ 26,414
Reserve Money Market	6069658	0.2%	NA	44,952
Special Money Market	6069543	0.2%	NA	206,401
Building Money Market	6071272	0.2%	NA	1,058,322
			Total	<u>\$ 1,336,089</u>
Building Fund CD	18444	0.55%		\$ 22,409

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Changes in Long Term Bonded Debt
September 30, 2021

	<u>Series 2007</u>	<u>Series 2015</u>
Beginning Bonds Outstanding	\$ 1,450,000	\$ 520,000
Bonds issued during the year	-	-
Bonds retired during the year	(60,000)	(46,000)
Ending Outstanding Balance at 9/30/16	<u>\$ 1,390,000</u>	<u>\$ 474,000</u>
Interest Rates	4.00% - 5.00%	2.79%
Maturity Dates	8/15/2037	8/15/2030

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Long Term Debt Service Requirements

September 30, 2021

<u>Fiscal Year End September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 107,000	\$ 80,085	\$ 187,085
2023	113,000	76,253	189,253
2024	115,000	72,184	187,184
2025	121,000	68,059	189,059
2026	123,000	63,696	186,696
2027	129,000	59,278	188,278
2028	135,000	54,021	189,021
2029	142,000	48,486	190,486
2030	144,000	42,646	186,646
2031	90,000	36,750	126,750
2032	95,000	32,250	127,250
2033	100,000	27,500	127,500
2034	105,000	22,500	127,500
2035	110,000	17,250	127,250
2036	115,000	11,750	126,750
2037	120,000	6,000	126,000
	<u>\$ 1,864,000</u>	<u>\$ 718,708</u>	<u>\$ 2,582,708</u>

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Board Members, Key Personnel and Consultants

September 30, 2021

Wylie Northeast Special Utility District
745 Parker Rd.
Wylie, TX 75098
Telephone Number: (972) 442-2075

<u>Name & Address</u>	<u>Terms of Office Elected & Expires</u>	<u>Fees Paid 09/30/21</u>	<u>Title at Year-End</u>
<u>Board Members:</u>			
Jimmy Beach 3794 CR 1089 Celeste, TX 75423	Elected 2019-2022	\$ 4,500	President
Clinton Davis 1712 Skyview Dr. Wylie, TX 75098	Elected 2021-2024	\$ 1,950	Vice President
Ron Dawes 1917 Cobalt Bayou Lane Wylie, TX 75098	Elected 2020-2023	\$ 1,950	Director
Lance Ainsworth 2028 Megan Court Wylie, TX 75098	Elected 2021-2024	\$ 2,250	Secretary
Jason West 2019 Megan Ct. Wylie, TX 75098	Elected 2018-2023	\$ 2,250	Director

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

Board Members, Key Personnel and Consultants

September 30, 2021

Continued

<u>Name & Address</u>	<u>Date Hired</u>	<u>Fees Paid 09/30/21</u>	<u>Title</u>
<u>Key Administrative Personnel</u>			
Chester W. Adams 508 S. Houston Wolfe City, TX 75496	8/2/2010	\$ 93,264	General Manager
<u>Consultants</u>			
James Wilson Rapier & Wilson, P.C. 103 W. Main St. Allen, TX 75013		\$ 18,074	Attorney
Eddy Daniel Daniel & Brown Inc., Consultants P.O. Box 606 Farmersville, TX 75442		\$ 232,685	Engineer
K. Evans & Associates, CPA's 4433 Punjab Way, Suite 102 Frisco, TX 75033		\$ 9,350	Auditor



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors

Wylie Northeast Special Utility District

Wylie, TX

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the business-type activities of the Wylie Northeast Special Utility District, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Wylie Northeast Special Utility District's basic financial statements, and have issued our report thereon dated February 22, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Wylie Northeast Special Utility District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wylie Northeast Special Utility District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Wylie Northeast Special Utility District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

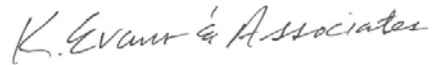
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Wylie Northeast Special Utility District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



K. Evans & Associates, CPA's
Frisco, Texas
February 22, 2022