

MOFFAT WATER SUPPLY CORPORATION

Audited Financial Statements

For the Years Ended September 30, 2022 and 2021

and Independent Auditors' Report

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Income	4
Statements of Membership Investment	5
Statements of Cash Flows	6
Notes to Financial Statements	7

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Moffat Water Supply Corporation
Temple, Texas 76502

We have audited the accompanying financial statements of Moffat Water Supply Corporation (a non-profit organization), which comprise the balance sheets as of September 30, 2022 and 2021, and the related statements of income, membership investments, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Moffat Water Supply Corporation as of September 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Moffat Water Supply Corporation and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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 Moffat Water Supply Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

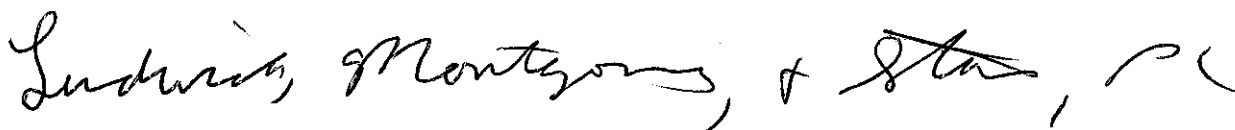
Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain profession 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 disclosure 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 Moffat Water Supply Corporation is 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.
- Concluded whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Moffat Water Supply Corporation is 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.



Temple, Texas
January 11, 2023

MOFFAT WATER SUPPLY CORPORATION

Balance Sheets

September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash	\$ 547,106	\$ 453,206
Invested funds - Note 4	4,147,436	3,906,799
Accounts receivable	129,749	123,217
Inventory	49,972	40,859
Prepaid expenses	16,966	12,352
Total Current Assets	<u>4,891,229</u>	<u>4,536,433</u>
Fixed Assets - Note 7		
Fixed assets	8,260,959	7,615,832
Less accumulated depreciation	<u>(4,064,407)</u>	<u>(3,837,068)</u>
Total Fixed Assets	<u>4,196,552</u>	<u>3,778,764</u>
Other Assets		
Invested funds - Reserved - Note 4	378,922	384,982
Investment - Note 3	500	500
Total Other Assets	<u>379,422</u>	<u>385,482</u>
Total Assets	<u>\$ 9,467,203</u>	<u>\$ 8,700,679</u>

	<u>2022</u>	<u>2021</u>
Liabilities & Membership Investment		
Current Liabilities		
Accounts payable - trade	\$ 446,086	\$ 62,387
TCEQ assessment payable	7,075	5,762
Payroll liabilities	1,725	3,210
Accrued interest payable	60,597	61,786
Current portion of long-term debt	148,520	145,904
Total Current Liabilities	<u>664,003</u>	<u>279,049</u>
Long Term Liabilities		
Notes payable - Note 6	5,600,587	5,743,542
Less current portion of long-term debt	<u>(148,520)</u>	<u>(145,904)</u>
Total Long Term Liabilities	<u>5,452,067</u>	<u>5,597,638</u>
Total Liabilities	<u>6,116,070</u>	<u>5,876,687</u>
Membership Investment		
Membership investments - Note 2	341,384	322,733
Donated investment	181,558	181,558
Retained earnings		
Appropriated - Note 5	378,922	384,982
Unappropriated	<u>2,449,269</u>	<u>1,934,719</u>
Total Membership Investment	<u>3,351,133</u>	<u>2,823,992</u>
Total Liabilities & Membership Investment	<u>\$ 9,467,203</u>	<u>\$ 8,700,679</u>

The accompanying notes are an integral part of these financial statements.

MOFFAT WATER SUPPLY CORPORATION

Statements of Income

For the Years Ended September 30, 2022 and 2021

	2022	2021
Revenue		
Water sales	\$ 1,806,866	\$ 1,513,056
Meter tap and equity fees	278,480	101,729
Late fees	21,640	19,250
Reconnects and other fees	32,466	10,244
Total Revenue	<u>2,139,452</u>	<u>1,644,279</u>
Operating Expenses		
Water purchases	513,987	359,533
Advertisement	572	-
Bank and credit card fees	8,035	7,183
Chemicals and testing	18,045	18,441
Depreciation and amortization	237,763	250,226
Dues and subscriptions	6,908	6,619
Insurance	14,731	20,654
Miscellaneous	1,868	1,087
Office expense	34,722	17,005
Professional fees	14,191	9,534
Salaries and benefits	351,563	319,245
System repairs and maintenance	132,413	66,985
Taxes - payroll	24,068	22,290
Telephone	4,944	5,001
Training and seminars	1,809	1,044
Travel	2,105	1,396
Utilities	59,628	43,983
Total Operating Expenses	<u>1,427,352</u>	<u>1,150,226</u>
Operating Income (Loss)	<u>712,100</u>	<u>494,053</u>
Other Income and Expenses		
Interest expense	(231,757)	(236,961)
Interest and dividend income	20,653	28,718
Other income	3,944	-
Gain (loss) on disposal of assets	3,550	-
Total Other Income and Expense	<u>(203,610)</u>	<u>(208,243)</u>
Net Income (Loss)	<u>\$ 508,490</u>	<u>\$ 285,810</u>

The accompanying notes are an integral part of these financial statements.

MOFFAT WATER SUPPLY CORPORATION

Statements of Membership Investment

For the Years Ended September 30, 2022 and 2021

	<u>Total Members</u>	<u>Membership Investment</u>	<u>Capital Recovery</u>	<u>Contributed Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance						
9/30/2020	1,550	\$ 307,479	\$ 181,558	\$ 382,348	\$ 1,651,543	\$ 2,522,928
Additions						
2021	40	18,600	-	-	-	18,600
Reductions/changes						
2021	34	(3,346)	-	-	-	(3,346)
Net Income						
2021	-	-	-	2,634	283,176	285,810
Balance						
9/30/2021	1,624	322,733	181,558	384,982	1,934,719	2,823,992
Additions						
2022	96	28,200	-	-	-	28,200
Reductions						
2022	(35)	(9,549)	-	-	-	(9,549)
Net Income						
2022	-	-	-	(6,060)	514,550	508,490
Balance						
9/30/2022	<u>1,685</u>	<u>\$ 341,384</u>	<u>\$ 181,558</u>	<u>\$ 378,922</u>	<u>\$ 2,449,269</u>	<u>\$ 3,351,133</u>

The accompanying notes are an integral part of these financial statements.

MOFFAT WATER SUPPLY CORPORATION
Statements of Cash Flows
For the Years Ended September 30, 2022 and 2021

	2022	2021
Net Cash Flow from Operating Activities		
Net income (loss)	\$ 508,490	\$ 285,810
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	237,763	250,226
(Gain) loss on sale of property and equipment	(3,550)	-
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	(6,532)	(4,004)
Decrease (increase) in prepaid expenses	(4,614)	(155)
Decrease (increase) in inventory	(9,113)	(2,461)
(Decrease) increase in accounts payable	383,699	(15,542)
(Decrease) increase in accrued interest payable	(1,189)	(6,481)
(Decrease) increase in payroll liabilities	(1,485)	(2,436)
(Decrease) increase in TCEQ assessment payable	1,313	(233)
Net cash provided by operating activities	<u>1,104,782</u>	<u>504,724</u>
Cash Flows from Investing Activities		
Purchase of invested funds and reinvestment of income	(1,101,415)	(66,599)
Proceeds from invested funds	866,838	-
Proceeds from sale of property and equipment	3,550	-
Purchase of property, equipment, and improvements	(655,551)	(274,054)
Net cash used by investing activities	<u>(886,578)</u>	<u>(340,653)</u>
Cash Flows from Financing Activities		
Repayment of long-term debt	(142,955)	(143,193)
Increase / (Decrease) in membership investments	18,651	15,254
Net cash provided by financing activities	<u>(124,304)</u>	<u>(127,939)</u>
Net increase (decrease) in cash	93,900	36,132
Cash - October 1, 2021 and 2020	<u>453,206</u>	<u>417,074</u>
Cash - September 30, 2022 and 2021	<u>\$ 547,106</u>	<u>\$ 453,206</u>
Supplemental disclosure: interest paid	<u>\$ 232,946</u>	<u>\$ 243,442</u>

The accompanying notes are an integral part of these financial statements.

MOFFAT WATER SUPPLY CORPORATION

Notes to Financial Statements

For the Years Ended September 30, 2022 and 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Moffat Water Supply Corporation is a member-owned tax exempt organization, which incorporated pursuant to Chapter 67 of the Texas Water Code for the purpose of providing potable water to its' members in Bell county in Texas. Operating policies, rates, tariffs and regulations are formulated by a Board of Directors, duly elected by the members of Moffat Water Supply Corporation.

Basis of Accounting

The accrual basis of accounting is used to maintain the books of the Corporation. Revenues are recognized as billed on a cycle basis.

Cash Equivalents

For purposes of the statement of cash flow, cash deposits and all liquid investments purchased with an initial maturity of three months or less, and not designated as a component of the reserve fund, are considered to be cash equivalents.

Accounts Receivable

Accounts receivable is recorded at the amount the Corporation expects to collect on balances outstanding at year-end. Uncollectible amounts are periodically reviewed, based on historical performance the Corporation decides whether or not to write-off. Past due balances (over 60 days) as of September 30, 2022 and 2021 were immaterial.

Fixed Assets

Property and equipment are carried at cost. If an asset is donated, it is recorded at its fair market value at the time of donation. Depreciation on assets is computed by the straight-line method based on expected service life.

Investments

Certain marketable securities are held at fair market value. Investment income and gains and losses on the investments increase or decrease unrestricted net assets unless there is a restriction on its use.

Tax Exempt Status

The Corporation qualifies as an exempt organization under state franchise tax regulations. Exempt status has been granted by the Internal Revenue Service under IRC Section 501(c)(12). A required information return is filed annually. The federal income tax returns for the Corporation for 2021, 2020, and 2019 are subject to examination by the IRS, generally for three years after they were filed.

Revenue Recognition

The Corporation adopted Accounting Standards Update (ASU) 2014-09, "Revenue from Contracts with Customers (Topic 606)" as of October 1, 2019, which related to revenue recognition. In general, for revenue not associated with financial instruments, guarantees, and lease contracts, management applies the following steps when recognizing revenue from contracts with customers:

MOFFAT WATER SUPPLY CORPORATION

Notes to Financial Statements

For the Years Ended September 30, 2022 and 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

(I) identify the contract, (II) identify the performance obligation, (III) determine the transaction price, (IV) allocate the transaction price to the performance obligation and (V) recognize revenue when a performance obligation is satisfied.

The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of promised goods or services to members in amounts that reflect the consideration to which the Corporation expects to be entitled in exchange for those goods or services. The amount to which the Corporation expects to be entitled is calculated as the transaction price and recorded as revenue in exchange for providing goods or services.

The Corporation's contracts with customers are short-term in nature, typically due within one year or less or cancellable by us or our customer upon a short notice period. Performance obligations for customer contracts are satisfied at a single point, typically, when the transaction is complete, or overtime. For performance obligations satisfied over time, the Corporation primarily uses the output method, directly measuring the value of products/services transferred to the customer, to determine when performance obligations have been satisfied. The Corporation typically receives payment from customers and recognizes revenue concurrent with the satisfaction of its performance obligations. In most cases, this occurs within a single financial reporting period. For payments received in advance of the satisfaction of performance obligations, revenue recognition is deferred until the performance obligations have been satisfied. In cases where the Corporation has not received payment, despite the satisfaction of its performance obligations, an accrual is made of an estimate of the amount due in the period its performance obligation has been satisfied.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - MEMBERSHIP INVESTMENT

Members are required to purchase one share of stock per meter in order to use the system. The membership fee is \$600 per meter until March 15, 2021 where it was changed to \$300 per meter. The stock is refundable and transferable.

NOTE 3 - INVESTMENT IN BLUEBONNET WATER SUPPLY CORPORATION

Bluebonnet Water Supply Corporation is a consortium of area water supply corporations and small municipal water systems formed to provide surface water to each individual corporation's customers. Membership requires a \$500 investment in order to use the surface water system. Each member organization elects one director to the board of directors of Bluebonnet Water Supply Corporation.

MOFFAT WATER SUPPLY CORPORATION

Notes to Financial Statements

For the Years Ended September 30, 2022 and 2021

NOTE 4 – INVESTED FUNDS

The Corporation has invested funds with various institutions as follows:

	<u>Interest Rate</u>	<u>2022</u>	<u>Interest Rate</u>	<u>2021</u>
Invested Funds				
Central National Bank - Capital Improvements	0.920%	\$ 883,901	1.120%	\$ 655,806
Central National Bank - Projects	None	609,656	None	199,741
Central National Bank - Escrow Loan	0.920%	2,650,903	1.260%	3,048,522
CoBank	None	2,976	None	2,730
		<u>\$ 4,147,436</u>		<u>\$ 3,906,799</u>
Investment Funds - Reserved				
Central National Bank - USDA	0.920%	\$ 51,813	1.120%	\$ 52,641
Central National Bank - TWDB	0.920%	299,496	1.120%	304,286
Central National Bank - CoBank	0.920%	27,613	1.120%	28,055
Total Invested Funds		<u>\$ 378,922</u>		<u>\$ 384,982</u>

During the years ended September 30, 2022 and 2021, the Organization reinvested qualified patronage allocations of \$245 and \$318, respectively, in Class A common stock of CoBank, ACB. Investments are reported at fair market value. As of September 30, 2022, and 2021, the fair market value is:

<u>Stock</u>	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Fair Market</u>	<u>Cost</u>	<u>Fair Market</u>
		<u>Value</u>		<u>Value</u>
CoBank	\$ 2,976	\$ 2,976	\$ 2,730	\$ 2,730
	<u>\$ 2,976</u>	<u>\$ 2,976</u>	<u>\$ 2,730</u>	<u>\$ 2,730</u>

A hierarchy of different levels is used in determining fair market value. The various levels are as follows:

Level 1 - valuations based on quoted prices in an active market for identical assets or liabilities.

Level 2 - valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – valuations based on inputs that are not observable and significant to the overall fair value measurement.

As of September 30, 2022 and 2021, all investments were classified as level one.

Investment values for securities are stated at fair market value, which is determined by the quoted prices in an active market for identical or similar assets. There was an unrealized gain (loss) of \$0 and \$0 for the years ended September 30, 2022 and 2021, respectively.

MOFFAT WATER SUPPLY CORPORATION

Notes to Financial Statements

For the Years Ended September 30, 2022 and 2021

NOTE 5 – APPROPRIATED RETAINED EARNINGS

In May 2006 a loan agreement was entered into with the United States Department of Agriculture (USDA) for \$719,300 at an interest rate of 4.375%. An amount of \$38,160 is required to be held in a reserve account for this loan.

An additional loan agreement was entered into with the USDA in August 2006. This loan was for \$253,200 at an interest rate of 4.375%. An amount of \$13,220 is required to be held in a reserve account for this loan.

In April 2012 and March 2019, the Texas Water Development Board (TWDB) approved loans in the amounts of \$2,000,000 and \$3,300,000 from the Rural Water Assistance Fund and the Texas Water Development Fund, with an annual interest rate of 3.890% fixed and 3.920% blended, respectively. The Corporation is to use the loan proceeds for acquisition, construction, improvements and/or extensions to the water system. The loan is secured by all gross revenue of the waterworks system and the distribution system assets. The loans are to mature on May 11, 2050 and April 15, 2049, respectively. A provision of the loans requires the Corporation to establish and maintain a specific fund to service its annual debt service requirements. A monthly deposit, no less than 1/60th of the average annual debt service requirement, is to be made to a reserve account until 100% of the average annual debt service requirement is met. An amount of \$298,272 is required to be held in reserve for these loans.

In July of 2016 a loan agreement was entered into with CoBank, ACB. Under the loan agreement with CoBank, Moffat Water Supply Corporation is required to maintain \$27,500 in cash reserve.

As of September 30, 2022 and 2021, the total balance of the reserve accounts is \$378,922 and \$384,982, respectively. Reserved funds are held at a local financial institution. As of September 30, 2022 and 2021, funds held at the financial institution are insured by the FDIC up to \$250,000 and letters of credit of \$4,950,000 and \$5,150,000, respectively. Also, see Note 4 and Note 10. As of September 30, 2022 and 2021, the required reserve for the USDA, TWDB, and CoBank loans have been met. The Corporation is in compliance with Chapter 67 of the Texas Water Code as in regards to authorized investments.

MOFFAT WATER SUPPLY CORPORATION

Notes to Financial Statements

For the Years Ended September 30, 2022 and 2021

NOTE 6 - NOTES PAYABLE

Long-term debt at September 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Note payable to USDA, interest at 4.375%, monthly payments including interest of \$3,180, secured by water system assets and revenues. Matures May 2046.	\$ 553,319	\$ 566,992
Note payable to USDA, interest at 4.375%, monthly payments including interest of \$1,120, secured by water system assets and revenues. Matures May 2046.	194,418	196,396
Note payable to TWDB, interest at 3.890%, monthly payments including interest of \$8,397, secured by water system assets and revenues. Matures May 2050.	1,705,847	1,739,529
Note payable to TWDB, blended interest at 3.920%, varying annual payment currently including interest and principle of \$197,472, secured by water system assets and revenues. Matures April 2049.	3,100,000	3,170,000
Note payable to bank, interest at 2.920%, varying monthly payments averaging \$2,127, secured by water system assets and revenues. Matures August 2024	<u>47,003</u>	<u>70,625</u>
Total notes payable	5,600,587	5,743,542
Less: current portion	<u>(148,520)</u>	<u>(145,904)</u>
Total long-term debt	<u>\$ 5,452,067</u>	<u>\$ 5,597,638</u>

Aggregate maturities required on long-term debt at September 30, 2022 are as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 148,520
2024	149,300
2025	133,874
2026	136,313
2027	143,851
Thereafter	<u>4,888,729</u>
	<u>\$ 5,600,587</u>

For the years ended September 30, 2022 and 2021, interest expense related to these notes payable are \$231,757 and \$236,961, respectively.

MOFFAT WATER SUPPLY CORPORATION

Notes to Financial Statements

For the Years Ended September 30, 2022 and 2021

NOTE 7 – FIXED ASSETS

Fixed assets, together with estimated useful lives, consisted of the following:

	September 30		Useful lives in Years
	2022	2021	
Land	\$ 21,105	\$ 21,105	
Distribution System	5,484,329	5,464,929	7 - 30
Plant and Improvements	1,262,114	1,104,974	5 - 25
New Admin Building	95,109	95,109	39
Automotive	113,834	67,646	5
Current Year Improvements	290,453	319,659	7 - 20
Construction in Progress	767,602	315,997	25
Equipment	198,702	198,702	5 - 10
Office Equipment and Furniture	27,711	27,711	3 - 10
	<u>8,260,959</u>	<u>7,615,832</u>	
Less accumulated depreciation	<u>(4,064,407)</u>	<u>(3,837,068)</u>	
Total fixed assets	<u>\$ 4,196,552</u>	<u>\$ 3,778,764</u>	

Depreciation expense for the years ended September 30, 2022 and 2021 was \$237,763 and \$250,226 respectively.

NOTE 8 – DONATED INVESTMENT

Included in donated investment are contributions made by the United States Department of Agriculture and various developers. These contributions are for capital improvements paid by and benefiting the Corporation. The Corporation elects to capitalize these assets because they add to the overall productivity of the water supply system and the Corporation assumes responsibility for the maintenance and additions thereafter.

NOTE 9 – WATER PURCHASE CONTRACT

Moffat Water Supply Corporation has entered into a contract with Bluebonnet Water Supply Corporation (BWSC) for treated lake water. The Corporation contracted BWSC to treat and deliver water to the Corporation, for the benefit of the Corporation's customers. The minimum monthly amount provided for 2022 and 2021 was 8,927,000 gallon and 9,267,000 gallons for \$28,566 and \$29,654, respectively. For the year ended September 30, 2022 and 2021, the Corporation paid \$513,987 and \$359,533, respectively, for purchased water from Bluebonnet Water Supply Corporation.

MOFFAT WATER SUPPLY CORPORATION

Notes to Financial Statements

For the Years Ended September 30, 2022 and 2021

NOTE 10 – DEPOSITS IN EXCESS OF FDIC LIMIT

As of September 30, 2022 and 2021, the Corporation has \$-0- and \$-0- (respectively) of cash deposits in excess of the FDIC insured limit of \$250,000 and letters of credit pledged by the financial institution of \$4,950,000 and \$5,150,000 and for 2022 and 2021, respectively.

NOTE 11 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Corporation calculates the fair value of its assets and liabilities which qualify as financial instruments and includes this additional information in the notes to financial statements when the fair value is different than the carrying value of these financial instruments. The estimated fair value of accounts receivable, accounts payable, and accrued liabilities approximate the carrying amounts due to the relatively short maturity of these instruments. The carrying value of notes payable also approximate fair value since these instruments bear market rates of interest. None of these instruments are held for trading purposes.

NOTE 12 – RETIREMENT PLAN

The Corporation began offering a “Simple IRA” retirement plan in January 2009. The Corporation elected to contribute an amount equal to 3% of each eligible employee’s compensation. As of September 30, 2022 and 2021, \$8,862 and \$6,227, respectively was paid as employer provided retirement benefits.

NOTE 13 – EVALUATION OF SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events through January 11, 2023, the date which the financial statements were available to be issued. The Corporation acquired a new note from the Texas Water Development Board (TWDB) in the amount of \$600,000 on October 2022.