

**ANGELINA COUNTY FRESH WATER
SUPPLY DISTRICT NO. 1**

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED

SEPTEMBER 30, 2019

ANGELINA COUNTY FRESH WATER SUPPLY
DISTRICT NO.1
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED
SEPTEMBER 30, 2019

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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Angelina County Fresh Water Supply District No. 1
Lufkin, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and major fund of the Angelina County Fresh Water Supply District (the "District"), as of and for the year ended September 30, 2019, 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.

Auditors' Responsibility

Our responsibility is to express an opinion 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the activities of the governmental activities, the business-type activities and major fund of the Angelina County Fresh Water Supply District No. 1, as of September 30, 2019, 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 4-5 and 23-24 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 District's basic financial statements. The Texas Commission on Environmental Quality (TCEQ) requires the District to include certain information, if applicable, in the Annual Financial Report. This information is identified in the table of contents as Texas supplementary information. The Texas supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Texas supplementary information is the responsibility of management and was 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 Texas supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The other information section has 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 it.

Lufkin, Texas
February 3, 2020


CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial Report, we, the managers of Angelina County Fresh Water Supply District No. 1 (District), discuss and analyze the District's financial performance for the year ended September 30, 2019. Please read it in conjunction with the independent auditor's report on pages 2 & 3, and the District's financial statements and notes to the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net position was \$805,985 as of September 30, 2019. Of this amount, \$119,901 (unrestricted) may be used to meet the District's continuing obligations to customers and creditors.
- During the year ended September 30, 2019, the District's net position **decreased** by \$23,913.
- At the end of the current fiscal year, unassigned fund balance for the general (tax) fund was \$66,605, or 38.98% of the total general fund current expenditures.
- The District's cash and investments decreased by \$77,024 from the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of three parts – **management's discussion and analysis** (this section), the **basic financial statements**, and **required supplementary information**. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The required supplementary information further explains and supports the information in the financial statements.

Government-wide Financial Statements

The District's annual financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's finances. Financial reporting at this level uses a perspective similar to that found in the private sector.

The first of these government-wide financial statements is the **Statement of Net Position**. This is the District-wide statement of financial position presenting information that includes all of the District's assets, liabilities, deferred outflows of resources, and deferred inflows of resources, with the difference 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 as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors such as changes to the District's tax base.

The second government-wide financial statement is the **Statement of Activities**, which reports how the District's net position changed during the current year. All current revenues and expenses are included regardless of when the cash is received or paid.

Both of the government-wide financial statements distinguish governmental activities of the District that are principally supported by property tax revenues and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general operating activities. Business-type activities include water and sewer operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund Financial Statements

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term cash inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one individual governmental fund, the general (tax) fund, which is considered a major fund. The District adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds – Proprietary funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements. The District uses an enterprise fund (a type of proprietary fund) to account for its water and sewer billing and collections operations. The District contracts its operations, accounting and management from the Angelina & Neches River Authority (ANRA). As a result of the contract with ANRA, the District created the enterprise fund to segregate the operations revenues and the taxing revenues. The enterprise fund includes only the activities directly related to the billing and collections. All other activities, including fixed assets and long-term liabilities, are reported in the general fund. A budgetary comparison statement has also been provided for the proprietary fund.

Notes to the financial statements – The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents other supplementary information which includes schedules required by the Texas Commission on Environmental Quality (TCEQ). The TCEQ supplementary information follows the notes to the financial statements.

ANALYSIS OF THE BASIC FINANCIAL STATEMENTS

The District has presented net position measurements as required by generally accepted accounting principles. Our analysis of comparative balances and changes therein for the current year's operations presents both current and prior year data and discusses significant changes in the accounts. Our analysis focuses on the Net Position (Table I) and changes in Net Position (Table II) of the District's activities.

The District's assets exceeded liabilities by \$805,985 at September 30, 2019. Assets amounted to \$836,129 with the investment in capital assets comprising \$686,084 of that total. The District uses capital assets to provide services to the public and, consequently, these assets are not available for future spending. The District's net investment in capital assets is 85.12% of the total net position. The remaining balance of \$119,901 represents unrestricted net position that may be used to meet the District's ongoing obligations.

MANAGEMENTS' DISCUSSION AND ANALYSIS

The District's combined net position was \$805,985 as of September 30, 2019. The following table provides a summary of the District's net position.

**Table I
District's Net Position**

	Governmental Activities	Business-Type Activities	2019	2018	% Change
Current Assets:					
Current Assets	\$ 107,908	\$ 42,137	\$ 150,045	\$ 240,708	-37.7%
Capital Assets	686,084	-	686,084	620,454	10.6%
Total Assets	<u>793,992</u>	<u>42,137</u>	<u>836,129</u>	<u>861,162</u>	<u>-2.9%</u>
Current Liabilities	833	29,311	30,144	31,264	-3.6%
Total Liabilities	<u>833</u>	<u>29,311</u>	<u>30,144</u>	<u>31,264</u>	<u>-3.6%</u>
Net Assets:					
Invested in Capital Assets, net of related debt	686,084	-	686,084	620,454	10.6%
Unrestricted	107,075	12,826	119,901	209,444	-42.8%
Total Net Position	<u>\$ 793,159</u>	<u>\$ 12,826</u>	<u>\$ 805,985</u>	<u>\$ 829,898</u>	<u>-2.9%</u>

The following table provides a summary of the District's changes in net position.

**Table II
Change in District's Net Position**

	Governmental Activities	Business-Type Activities	2019	2018	% Change
Revenues:					
Taxes/Charges for Services	\$ 81,068	\$ 320,092	\$ 401,160	\$ 352,605	13.8%
Grants and contributions	10,500	-	10,500	595,501	-98.2%
Interest and other income	4,537	-	4,537	75,210	-94.0%
Total Revenue	<u>96,105</u>	<u>320,092</u>	<u>416,197</u>	<u>1,023,316</u>	<u>-59.3%</u>
Expenses:					
Professional fees	38,905	332,105	371,010	309,899	19.7%
Depreciation	55,174	-	55,174	55,174	0.0%
Other	11,165	2,761	13,926	17,640	-21.1%
Total Expense	<u>105,244</u>	<u>334,866</u>	<u>440,110</u>	<u>382,713</u>	<u>15.0%</u>
Transfers	<u>27,486</u>	<u>(27,486)</u>	<u>-</u>	<u>-</u>	<u>0.0%</u>
Increase/(Decrease) in net position	18,347	(42,260)	(23,913)	640,603	-103.7%
Net position, beginning	<u>774,812</u>	<u>55,086</u>	<u>829,898</u>	<u>189,295</u>	<u>338.4%</u>
Net position, ending	<u>\$ 793,159</u>	<u>\$ 12,826</u>	<u>\$ 805,985</u>	<u>\$ 829,898</u>	<u>-2.9%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL AND PROPRIETARY FUND BUDGETARY HIGHLIGHTS

The Board of Supervisors did not make any changes to the budget during the year. The analysis of the budget for both funds is reflected on the Budgetary Comparison Schedules following the Notes to the Financial Statements on pages 23 and 24.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

As mentioned earlier, expenses exceeded revenues by \$23,913 for the year ended September 30, 2019. The District's unrestricted net position represents approximately three months of operating reserves.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2019, the District had invested \$1,756,480, less accumulated depreciation of \$1,070,396, invested in a broad range of capital assets, including water and sewer distribution systems, buildings, and office equipment. The following table provides a summary of the District's capital assets.

	<u>2019</u>	<u>2018</u>	<u>% Change</u>
Land	45,227	30,217	49.67%
Distribution system	155,049	23,188	568.66%
Sewer system	482,783	548,527	(11.99%)
Buildings	3,025	3,722	(18.73%)
Work in progress	-	14,800	(100.00%)
Net capital assets	<u>686,084</u>	<u>620,454</u>	<u>10.58%</u>

Significant capital additions during the year included acquisition of land easements and distribution system additions. See page 21 for additional information.

Long-term Debt

The District did not have any long-term debt at September 30, 2019.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District's officials considered many factors when setting the next fiscal year's budget and tax rates. These factors included, but were not limited to, anticipated needs for general expenditures and the revenue sources to fund these expenditures. The budget for the fiscal year beginning October 1, 2019 was prepared assuming revenues of \$399,148 and expenditures of \$380,626. The budgeted expenses do not include a provision for capital outlays.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances and show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's contracted operator, Kelley Holcomb (ANRA General Manager), (936) 632-7795.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 67,438	\$ 16,280	\$ 83,718
Accounts Receivable, net	-	25,857	25,857
Ad valorem taxes receivable	40,470	-	40,470
Capital Assets			
Land	45,227	-	45,227
Other capital assets, net of depreciation	640,857	-	640,857
Total Assets	\$ 793,992	\$ 42,137	\$ 836,129
Liabilities			
Accounts payable	\$ -	\$ 1,697	\$ 1,697
Meter deposits	-	27,614	27,614
Accrued liabilities	833	-	833
Total Liabilities	833	29,311	30,144
Fund Balance/Net Position			
Net investment in capital assets	686,084	-	686,084
Unrestricted	107,075	12,826	119,901
Total Net Position	\$ 793,159	\$ 12,826	\$ 805,985

See accompanying notes to the financial statements

**ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

		Program Revenues	
Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government			
Governmental Activities:			
General Government	\$ 105,244	\$ -	\$ 10,500
Total Governmental Activities	105,244	-	10,500
Business-Type Activities			
Utility Fund	334,866	320,092	-
Total Business-type Activities	334,866	320,092	-
Total Primary Government	\$ 440,110	\$ 320,092	\$ 10,500

General Revenues:

Property Taxes
Other income
Transfers

Total General Revenue

Change in net position
Net Position - beginning
Net Position - ending

See accompanying notes to the financial statements

Net (Expense)Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (94,744)	\$ -	\$ (94,744)
<u>(94,744)</u>	<u>-</u>	<u>(94,744)</u>
-	(14,774)	(14,774)
<u>-</u>	<u>(14,774)</u>	<u>(14,774)</u>
\$ (94,744)	\$ (14,774)	\$ (109,518)
81,068	-	81,068
4,537	-	4,537
<u>27,486</u>	<u>(27,486)</u>	<u>-</u>
113,091	(27,486)	85,605
18,347	(42,260)	(23,913)
774,812	55,086	829,898
<u>\$ 793,159</u>	<u>\$ 12,826</u>	<u>\$ 805,985</u>

See accompanying notes to the financial statements

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FUND FINANCIAL STATEMENTS

**ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
BALANCE SHEET
SEPTEMBER 30, 2019**

	General Fund
Assets	
Cash and cash equivalents	\$ 67,438
Taxes receivable	40,470
Total assets	\$ 107,908
Liabilities	
Accrued liabilities	\$ 833
Total liabilities	833
Deferred Inflows of Resources	
Unavailable revenue - property taxes	40,470
Total deferred inflows of resources	40,470
Fund Balance	
Unassigned fund balance	66,605
Total fund balance	66,605
Total liabilities, deferred inflows and fund balance	\$ 107,908

See accompanying notes to the financial statements

**ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

Total fund balance - governmental funds	\$	66,605
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$1,631,679 and the accumulated depreciation was \$1,011,225. The net effect of including beginning balances for capital assets (net of depreciation) in the governmental activities is to increase (decrease) net position.</p>		
		561,285
<p>Capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of including the current year capital outlays, less current year depreciation is to increase (decrease) net position.</p>		
		124,801
<p>Certain long term assets are not available to pay for current period expenditures, and therefore, are deferred in the governmental funds.</p>		
		40,468
Net position of governmental activities	\$	793,159

See accompanying notes to the financial statements

**ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	General Fund
Revenues	
Property taxes	\$ 78,923
Miscellaneous income	4,535
	83,458
Total Revenues	83,458
Expenditures	
Professional fees	38,905
Repairs and Maintenance	1,503
Capital expenditures	124,799
Administration services	5,665
	170,872
Total Expenditures	170,872
Excess (deficiency) revenues over expenditures	(87,414)
Other Financing Sources (Uses)	
TWDB Grant	10,500
Operating transfers in (out)	27,486
	37,986
Total other financing sources (uses)	37,986
Net change in fund balance	(49,428)
Fund balance at beginning of period	116,033
	66,605
Fund balance at end of period	\$ 66,605

See accompanying notes to the financial statements

**ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Net change in fund balances - governmental funds	\$ (49,428)
Current year capital outlays are expenditures in the governmental fund financial statements but they should be shown as increases in capital assets in the government-wide financial statements. The effect of removing the current year outlays is to increase net position.	124,799
Depreciation is not recognized as an expense in governmental fund financial statements since it does not require the use of current financial resources. The net effect of the current years's depreciation is to decrease net position.	(59,171)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. These include recognizing unavailable revenue from taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, and eliminating interfund transactions. The net effect of these reclassifications is to increase (decrease) net position.	<u>2,147</u>
Change in net position of governmental activities	<u><u>\$ 18,347</u></u>

See accompanying notes to the financial statements

ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
STATEMENT OF NET POSTION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019

	Business-type Activities
Assets	
Current Assets:	
Cash and cash equivalents	\$ 16,280
Accounts receivable	25,857
Total Current Assets	42,137
Total Assets	\$ 42,137
Liabilities	
Current Liabilities:	
Accounts payable	\$ 1,697
Meter deposits	27,614
Total Current Liabilities	29,311
Total Current Liabilities	29,311
Net Position	
Unrestricted	12,826
Total Net Position	\$ 12,826

See accompanying notes to the financial statements

ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-type Activities
Operating Revenue	
Charges for services	\$ 320,092
Total Operating Income	320,092
Operating Expenses	
Administrative services	332,105
Bad debt expense	2,761
Total Operating Expenses	334,866
Operating Income	(14,774)
Other Financing Sources (Uses)	
Operating transfers in (out)	(27,486)
Total other financing sources (uses)	(27,486)
Change in net position	(42,260)
Net position, beginning of period	55,086
Net position, end of period	\$ 12,826

See accompanying notes to the financial statements

ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-type Activities
Cash flows from operating activities:	
Cash received from customers	\$ 319,915
Cash paid to suppliers	(334,784)
Net cash used by operating activities	(14,869)
Cash flows from noncapital financing activities:	
Transfer to general fund	(27,486)
Net cash used by noncapital financing activities:	(27,486)
Cash flows from capital and related financing activities:	
Meter deposits	1,195
Net cash provided by capital and related financing activities:	1,195
Net decrease in cash and cash equivalents	(41,160)
Cash and cash equivalents, beginning of period	57,440
Cash and cash equivalents, end of period	\$ 16,280
Reconciliation of operating income to net cash provided by operating activities:	
Operating Income	\$ (14,774)
Changes in assets and liabilities	
Receivables-net of allowance	(177)
Accounts and other payables	82
Net cash used by operating activities	\$ (14,869)

See accompanying notes to the financial statements

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ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

Reporting Entity

The Angelina County Fresh Water Supply District No. 1 (District) provides water and sewer services to its customers in Angelina County. The accounting policies of the District conform to generally accepted accounting principles as applicable to government units. The District owns the water and wastewater systems which serve its customers. The District operates within its certificated service area under the District of a Certificate of Convenience and Necessity (CCN). The District contracts its operations, accounting and management from the Angelina & Neches River Authority (ANRA). If the operating revenue does not exceed the operating expenses, then the District owes for shortage of funds.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in Net Position) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* include programs supported by taxes, state foundation and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenue*.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if it is collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, user fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Fixed Assets

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Depreciation has been provided using the straight-line method at annual rates as follows:

Building	12-30 years
Office Furniture	5 years
Water & Sewer Systems	5-30 years

Cash and Cash Equivalents

The District defines cash equivalents as short-term, highly liquid investments, including time deposits that are readily convertible to known amounts of cash and so near maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents include investments with original maturities of three months or less when purchased by the District. Cash equivalents are stated at cost which approximates market value.

Accounts Receivable

The District carries its accounts receivable at cost less an allowance for doubtful accounts. On an annual basis, the District evaluates its accounts receivable and adjusts the allowance for doubtful accounts based on its history of past write-offs and collections. The balance in the allowance for uncollectible accounts was \$1,615 and \$2,065 at September 30, 2019 and 2018, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts 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 expenses during the reported period. Accordingly, actual results could differ from those estimates.

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The District submits to the Board proposed operating budgets for the fiscal year. The operating budgets include proposed expenditures and the means of financing them.
2. The budgets are approved by the Board and are adopted on a basis consistent with generally accepted accounting principles.
3. The District is authorized by the Board to transfer budgeted amounts between accounts, but any revisions that alter the total expenditures must be approved by the Board.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed. When both unassigned and committed or assigned funds are available for expenditure, committed or assigned funds are used first.

ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Reclassifications

Certain reclassifications have been made to the prior period's financial statements in order to conform them to the classifications used for the current year.

NOTE 2 – DEPOSITS

Deposits

All cash accounts as of September 30, 2019 were maintained in checking and non-interest-bearing demand accounts. The carrying value of cash accounts at September 30, 2019 was \$83,718.

Interest Rate Risk. The District does not have a formal investment policy in place. The District's cash and cash equivalents are currently maintained in checking and non-interest-bearing demand accounts.

Credit Risk. The Board of Directors has authorized the District to invest in compliance with V.A.T.C.S. Government Code, Title 10, Chapter 2256 (Public Funds Investment Act of 1993). Money in any fund may be placed in obligations of the United States or its instrumentalities; direct obligations of this state or its agencies; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by this state or the United State or its instrumentalities; and obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; Certificates of Deposit and any other investment authorized in Chapter 2256.

Custodial Credit Risk. 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. As of September 30, 2019, all of the District's \$83,718 deposit balance was covered by federal depository insurance.

NOTE 3 – PROPERTY TAX RECEIVABLE, REVENUE AND EXPENSES

The District maintains a Maintenance and Operations Tax for the purpose of meeting its obligations as a local government entity and providing for the upkeep of the District's facilities. Property taxes were levied in October 2018 for the 2018 tax year. Taxes were due on receipt of the tax bill and were delinquent if not paid by January 31, 2019. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Taxes were assessed at the rate of \$0.49 per \$100 valuation.

ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – PROPERTY TAX RECEIVABLE, REVENUE AND EXPENSES (Continued)

The District contracted with Angelina County on October 23, 1984 to authorize the Tax Assessor-Collector to collect taxes on behalf of the District. All receipts are required to be deposited to the checking account of the District to be used for the payment of the operating expenses and other minor expenses.

The District follows the accounting practice of fully reserving delinquent taxes receivable. Revenue from collection of delinquent taxes is recorded at the time collections are received by the County. Taxes due and not received by the District at year end are accrued.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019, was as follows:

	<u>Balance</u> <u>9/30/2018</u>	<u>Additions/</u> <u>Transfers</u>	<u>Retirements</u>	<u>Balance</u> <u>9/30/2019</u>
Capital assets not being depreciated				
Land	30,217	15,010	-	45,227
Total assets not being depreciated	<u>30,217</u>	<u>15,010</u>	<u>-</u>	<u>45,227</u>
Capital assets being depreciated				
Water & sewer systems	1,536,943	124,591	-	1,661,534
Buildings	44,359	-	-	44,359
Office equipment	5,360	-	-	5,360
Work in progress	14,800	(14,800)	-	-
Total assets being depreciated	<u>1,601,462</u>	<u>109,791</u>	<u>-</u>	<u>1,711,253</u>
Less accumulated depreciation	<u>1,011,225</u>	<u>59,171</u>	<u>-</u>	<u>1,070,396</u>
Total net assets being depreciated	<u>590,237</u>	<u>50,620</u>	<u>-</u>	<u>640,857</u>
Total net capital assets	<u>620,454</u>	<u>65,630</u>	<u>-</u>	<u>686,084</u>

Depreciation expense for the year ended September 30, 2019 was \$59,171.

NOTE 5 – COMMITMENTS

During 1997, the District entered into a long-term contract with Angelina & Neches River Authority (ANRA), whereby ANRA agreed to contract all water and wastewater operations of the District for an initial term of 10 years. On August 30, 2007, the District approved a contract renewal effective through August 2017. Originally, the contract was able to be renewed in 10-year terms for up to a total of 100 years. On August 13, 2013, the District amended the contract to include provisions that ANRA is to build a sanitary sewer collection system to serve all of the District's service area, to convert the 100-year term to a perpetual right to use the system, and to appoint ANRA to be the District's agent. ANRA will have an exclusive right, use, and control of the District's facilities and shall be entitled to all revenues derived by the facility operations. ANRA will also be responsible for all the costs and expenses of operating and maintaining the facilities during the contract term.

ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 6 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has also addressed its needs in the areas of risk management by purchasing property and liability coverage from Texas Water Conservation Association – Risk Management Fund. This coverage is paid for by ANRA. The District continues to carry commercial fidelity bonds for directors.

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REQUIRED SUPPLEMENTARY INFORMATION

ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Ad valorem taxes	\$ 78,923	\$ 73,477	\$ 5,446
Other income	4,535	-	4,535
Total Revenues	<u>83,458</u>	<u>73,477</u>	<u>9,981</u>
Expenditures			
Professional fees	38,905	44,500	5,595
Repairs and Maintenance	1,503	2,500	997
Administration services	5,665	8,900	3,235
Total Expenditures	<u>46,073</u>	<u>55,900</u>	<u>9,827</u>
Excess (deficiency) of Revenues over Expenditures Before Capital Outlay	<u>37,385</u>	<u>17,577</u>	<u>19,808</u>
Capital outlay	124,799	-	(124,799)
Excess (deficiency) of Revenues over Expenditures	<u>(87,414)</u>	<u>17,577</u>	<u>(104,991)</u>
Other Financing Sources (Uses)			
TWDB Grant	10,500	-	10,500
Transfers in	27,486	-	27,486
Total Other Financing Sources (Uses)	<u>37,986</u>	<u>-</u>	<u>37,986</u>
Net Change in Fund Balance	(49,428)	17,577	(67,005)
Fund Balance-Beginning	116,033	116,033	-
Fund Balance-Ending	<u>\$ 66,605</u>	<u>\$ 133,610</u>	<u>\$ (67,005)</u>

See accompanying notes to the financial statements

ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for services	\$ 320,092	\$ 299,555	\$ 20,537
Total Revenues	<u>320,092</u>	<u>299,555</u>	<u>20,537</u>
Expenditures			
Administrative services	332,105	304,633	(27,472)
Bad debt expense	2,761	-	(2,761)
Total Expenditures	<u>334,866</u>	<u>304,633</u>	<u>(30,233)</u>
Excess (deficiency) of Revenues over Expenditures	<u>(14,774)</u>	<u>(5,078)</u>	<u>(9,696)</u>
Other Financing Sources (Uses)			
Transfers out	<u>(27,486)</u>	-	<u>(27,486)</u>
Total Other Financing Sources (Uses)	<u>(27,486)</u>	<u>-</u>	<u>(27,486)</u>
Net Change in Net Position	(42,260)	(5,078)	(37,182)
Net Position - Beginning	55,086	55,086	-
Net Position - Ending	<u>\$ 12,826</u>	<u>\$ 50,008</u>	<u>\$ (37,182)</u>

See accompanying notes to the financial statements

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TEXAS SUPPLEMENTARY INFORMATION

**ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
TSI – 1 SERVICES AND RATES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

1. Service 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 Wastewater	<input type="checkbox"/> Wholesale Wastewater	<input type="checkbox"/> Irrigation
<input type="checkbox"/> Parks/Recreation	<input type="checkbox"/> Fire Protection	<input type="checkbox"/> Security
<input type="checkbox"/> Solid Waste/Garbage	<input type="checkbox"/> Flood Control	<input type="checkbox"/> Roads
<input checked="" type="checkbox"/> Participates in joint venture, regional system, and/or wastewater service (other than emergency interconnect)		
<input type="checkbox"/> Other (specify): _____		

2. Retail Service Providers

(You may omit this information if your district does not provide retail services)

a. Retail Rates based on 3/4" meter:

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons Over Minimum	Usage Levels
Water	\$ 29.83	3,000	N	\$2.57	3,001 to 10,000
				\$3.07	10,001 and up
				\$.	
				\$.	
Waste Basic Service Fee	\$48.42		Y	\$.	
District employs winter averaging for wastewater usage?					Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Total water and sewer charges per 10,000 gallons usage (including surcharges)					\$96.24

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
≤ 3/4"	214	170	X 1.0	170
1"	7	4	X 2.5	10
1 1/2"			X 5.0	
2"			X 8.0	
4"			X 25.0	
6"	1	1	X 50.0	50
Total Water	222	175		196
Total Wastewater	312	312	X 1.0	312

* Number of connections relates to water service, if provided. Otherwise, the number of wastewater connections should be provided.

See accompanying notes to the financial statements

**ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
TSI – 1 SERVICES AND RATES (continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

3. Total Water Consumption during the Fiscal Year:

(You may omit this information if your district does not provide water)

Gallons pumped into system:	13,001,670	Water Accountability Ratio:
		(Gallons billed / Gallons pumped)
Gallons flushed from system:	103,520	
Gallons billed to customers:	<u>12,041,606</u>	<u>93.4%</u>

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

(You may omit this information if your district does not levy standby fees)

Does the District have Debt Service standby fees? Yes No

If yes, Date of the most recent Commission Order: _____

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

If yes, Date of the most recent Commission Order: _____

5. Location of District (required for first audit year or when information changes, otherwise this information may be omitted)

County (ies) in which the District is located: Angelina County

Is the District located entirely within one county? Yes No

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

City(ies) in which the District is located: None

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

ETJs in which the District is located: City of Lufkin

Are Board members appointed by an office outside the district? Yes No

If Yes, by whom? _____

**ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
TSI-2 GENERAL AND ENTERPRISE FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Personnel Expenditures (including benefits)	-	-	-
Professional Fees:	38,905	332,105	371,010
Contracted Services:			
Tax Collector	2,079	-	2,079
Utilities	-	-	-
Repairs and Maintenance	1,503	-	1,503
Administrative expenditures:			
Director Fees	-	-	-
Depreciation	-	-	-
Insurance	-	-	-
Other	3,586	2,761	6,347
Debt Service	-	-	-
Capital Outlay:			
Capitalized Assets	<u>124,799</u>	<u>-</u>	<u>124,799</u>
Total Expenditures	170,872	334,866	505,738

* Number of persons employed by the District: 0 Full-time

0 Part-time

See accompanying notes to the financial statements

**ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
TSI-4 TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Ad Valorem Taxes
Taxes Receivable, Beginning of Year	\$ 38,325
2018 Original Tax Levy	72,775
(less abatements)	-
Total to be accounted for	111,100
Tax Collections:	
Current Year	65,220
Prior Year	5,410
Total Collections	70,630
 Taxes Receivable, End of Year	 \$ 40,470
 Taxes Receivable by the Years	
2008 and prior	\$ 3,777
2009	1,312
2010	1,634
2011	1,717
2012	2,374
2013	3,235
2014	3,044
2015	4,023
2016	5,660
2017	4,969
2018 (current)	8,725
Taxes Receivable, End of Year	\$ 40,470
	<u>2018</u>
Property Valuations:	19,654,080
Maintenance tax rates per \$100 valuation:	0.490000
Percent of taxes collected to taxes levied:	89.62%

See accompanying notes to the financial statements

ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
TSI-7a COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Amount					Percent of Total Fund Revenue				
	2019	2018	2017	2016	2015	2019	2018	2017	2016	2015
Revenues:										
Interest income	-	-	24	22	9	0.00%	0.00%	0.05%	0.03%	0.02%
Ad valorem taxes	81,068	70,634	51,085	58,998	51,937	84.35%	9.53%	99.89%	88.41%	99.98%
Grant revenue	10,500	595,501	-	-	-	10.93%	80.33%	0.00%	0.00%	0.00%
Other revenues	4,537	75,210	30	7,710	-	4.72%	10.15%	0.06%	11.55%	0.00%
Total Revenues	<u>96,105</u>	<u>741,345</u>	<u>51,139</u>	<u>66,730</u>	<u>51,946</u>	<u>84.35%</u>	<u>9.53%</u>	<u>99.94%</u>	<u>88.45%</u>	<u>100.00%</u>
Expenses:										
Office supplies and equipment	5,089	13,496	5,955	1,330	17,091	5.30%	1.82%	11.64%	1.99%	32.90%
Legal and accounting	8,905	23,403	6,250	5,700	5,700	9.27%	3.16%	12.22%	8.54%	10.97%
Other professional fees	30,000	68,800	25,417	20,000	20,000	31.22%	9.28%	49.70%	29.97%	38.50%
Tax collection/Appraisal fees	2,079	1,994	1,116	1,116	1,062	2.16%	0.27%	2.18%	1.67%	2.04%
Insurance	-	-	-	-	250	0.00%	0.00%	0.00%	0.00%	0.48%
Interest	-	-	90	599	768	0.00%	0.00%	0.18%	0.90%	1.48%
Capital outlay	124,799	29,929	-	-	-	129.86%	4.04%	0.00%	0.00%	0.00%
Debt service	-	521,155	3,662	11,949	4,510	0.00%	70.30%	7.16%	17.91%	8.68%
Total Expenses	<u>170,872</u>	<u>658,777</u>	<u>42,490</u>	<u>40,694</u>	<u>49,381</u>	<u>177.80%</u>	<u>88.86%</u>	<u>83.09%</u>	<u>60.98%</u>	<u>95.06%</u>
Other Financing Sources (Uses):										
Transfers in (out)	<u>27,486</u>	<u>(13,797)</u>	<u>-</u>	<u>(17,872)</u>	<u>-</u>	<u>28.60%</u>	<u>-1.86%</u>	<u>0.00%</u>	<u>-26.78%</u>	<u>0.00%</u>
Special Items										
Transfer of operations	<u>-</u>	<u>-</u>	<u>78,745</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>	<u>0.00%</u>	<u>153.98%</u>	<u>0.00%</u>	<u>0.00%</u>
Excess Revenues										
Over expenditures	<u>\$ (47,281)</u>	<u>\$ 68,771</u>	<u>\$ 87,394</u>	<u>\$ 8,164</u>	<u>\$ 2,565</u>	<u>-93.44%</u>	<u>-79.33%</u>	<u>16.85%</u>	<u>27.46%</u>	<u>4.94%</u>

See accompanying notes to the financial statements

ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
TSI-7b COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Amount					Percent of Total Fund Revenue				
	2019	2018	2017	2016	2015	2019	2018	2017	2016	2015
Revenues:										
Charges for services	320,092	289,938	205,584	190,846	183,912	100.00%	100.00%	100.00%	100.00%	100.00%
Total Revenues	<u>320,092</u>	<u>289,938</u>	<u>205,584</u>	<u>190,846</u>	<u>183,912</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Expenses:										
Administrative services	332,105	217,696	12,824	7,174	9,657	103.75%	75.08%	6.24%	3.76%	5.25%
ANRA expenses	-	-	66,888	72,467	94,422	0.00%	0.00%	32.54%	37.97%	51.34%
Purchase/Treatment fees	-	-	119,112	91,378	67,393	0.00%	0.00%	57.94%	47.88%	36.64%
Contract services	-	-	17,452	-	-	0.00%	0.00%	8.49%	0.00%	0.00%
Tap fees	-	-	4,977	913	7,710	0.00%	0.00%	2.42%	0.48%	4.19%
Repairs	-	-	6,730	4,532	7,228	0.00%	0.00%	3.27%	2.37%	3.93%
Utilities/Telephone	-	-	8,517	7,035	7,848	0.00%	0.00%	4.14%	3.69%	4.27%
Other expenses	2,761	2,151	-	-	-	0.86%	0.74%	0.00%	0.00%	0.00%
Total Expenses	<u>334,866</u>	<u>219,847</u>	<u>236,500</u>	<u>183,499</u>	<u>194,258</u>	<u>104.62%</u>	<u>75.83%</u>	<u>115.04%</u>	<u>96.15%</u>	<u>105.63%</u>
Other Financing Sources (Uses):										
Transfers in (out)	<u>(27,486)</u>	<u>13,797</u>	<u>-</u>	<u>17,872</u>	<u>-</u>	<u>-8.59%</u>	<u>4.76%</u>	<u>0.00%</u>	<u>9.36%</u>	<u>0.00%</u>
Special Items										
Transfer of operations	<u>-</u>	<u>-</u>	<u>7,450</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>	<u>0.00%</u>	<u>3.62%</u>	<u>0.00%</u>	<u>0.00%</u>
Excess Revenues										
Over expenditures	<u><u>\$ (42,260)</u></u>	<u><u>\$ 83,888</u></u>	<u><u>\$ (23,466)</u></u>	<u><u>\$ 25,219</u></u>	<u><u>\$ (10,346)</u></u>	<u><u>\$ (0)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (0)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (0)</u></u>

See accompanying notes to the financial statements

**ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1
TSI-8. BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019
UNAUDITED**

Complete District Mailing Address: P.O. Box 821, Lufkin, Texas 75902-0821

District Business Telephone Number: 936-632-7795

Submission Date of the most recent District Registration Form
(TWC Sections 36.054 and 49.054): October 20, 2017

Limit on Fees of Office that a Director may receive during a fiscal year: \$ 0
(Set by Board Resolution – TWC Section 49.060)

<u>Name and Address:</u>	<u>Term of Office (Elected or Appointed) or Date Hired</u>	<u>Fees and Expense Reimbursements (FYE 9/30/19)</u>	<u>Title at Year End</u>	<u>Resident Of District</u>
Board Members:				
Richard Jones 294 Jerri Street Lufkin, TX 75904	5/16-5/20	\$ -	President	Yes
Belinda Ross P.O. Box 3878 Lufkin, TX 75903	5/16-5/20	\$ -	Vice-President	Yes
Belva Hartsfield 210 Susie Street Lufkin, TX 75904	5/18-5/22	\$ -	Secretary/Treasurer	Yes
Jemmie Hageon 163 Hageon Road Lufkin, TX 75904	5/18-5/22	\$ -	Secretary Pro Tem	Yes
Daryl Hart 1011 Phil Jackson Rd Lufkin, TX 75904	5/16-5/20	\$ -	Supervisor	Yes
Consultants:				
Axley & Rode, LLP P.O. Box 1388 Lufkin, TX 75902	N/A	\$ 6,500	Auditor	No
Angelina & Neches River Authority 2901 N. John Redditt Drive Lufkin, TX 75904	N/A	\$362,105	Management Operations & Maintenance	No

See accompanying notes to the financial statements