

DeWITT COUNTY DRAINAGE DISTRICT NO. 1

ANNUAL FINANCIAL REPORT

For the fiscal year ended September 30, 2018

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FINANCIAL SECTION

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS

COUNTY OF DeWITT

DeWITT COUNTY DRAINAGE DISTRICT NO. 1

I, Edward Doug Sethness, Jr.
(Name of Duly Authorized District Representative)

of the _____ DeWitt County Drainage District No. 1

hereby swear, or affirm, that the District named above has reviewed and approved at a meeting of the District's Board of Directors on the 4th day of February, 2019, its annual audit report for the fiscal period ended September 30, 2018, and those copies of the annual audit report have been filed in the District's office, located at 106 N. Gonzales Suite B, Cuero, Texas 77954.

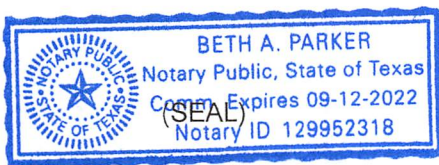
The annual filing affidavit and the attached copy of the audit report will be submitted to the Texas Commission on Environmental Quality to satisfy the annual filing requirements of Texas Water Code Section 49.194.

Date February 4, 2019 By: Edward Doug Sethness, Jr.
(Signature of District Representative)

Edward Doug Sethness, Jr., President
(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this 4th day of February, 2019

Beth A. Parker
(Signature of Notary)



My Commission Expires On: September 12, 2022
Notary Public in the State of Texas



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INDEPENDENT AUDITORS' REPORT

To the Directors
DeWitt County Drainage District No. 1
Cuero, Texas 77954

We have audited the accompanying financial statements of the governmental activities and major fund of the DeWitt County Drainage District No. 1 (the "District") as of and for the year ended September 30, 2018, 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the DeWitt County Drainage District No. 1 as of September 30, 2018, and the respective changes in financial position 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, as listed in the table of contents, 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 requires districts to include certain information in their Annual Financial Report in conformity with laws and regulations of the State of Texas. This information is designated as supplemental information in the table of contents and is included herein as Exhibits TSI-2 through TSI-8. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Victoria, Texas
January 25, 2019

DeWITT COUNTY DRAINAGE DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2018

In this section of the Annual Financial Report, we, the managers of DeWitt County Drainage District No. 1 (the "District"), discuss and analyze the District's financial performance for the fiscal year ended September 30, 2018. Please read it in conjunction with the independent auditors' report, which begins on page 2 and the District's basic financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the fiscal year by \$1,283,937, a decrease of \$99,974 (7.22%) from last year. Of this amount, \$482,009 of unrestricted net position is available to meet the District's ongoing obligations to citizens and creditors.
- At year-end, the District's governmental fund reported an ending fund balance of \$456,287, a decrease of \$90,261 from prior year. The entire fund balance is unassigned and available for use at the government's discretion.
- At year-end, the unassigned fund balance for the General Fund represented 158% of total General Fund expenditures.
- The total (and net) cost of all District activities was \$308,721 for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplemental information in addition to the basic financial statements.

Organization and Flow of Financial Section Information

Independent Auditors' Report

Provides the opinion of the Independent Auditors' on the fair presentation of the basic financial statements.

Page 2 to 3

Management's Discussion and Analysis

This supplementary information is required for state and local government financial statements and is intended to provide a narrative introduction and analysis.

Pages 4 to 9

Government-wide Financial Statements

Provides information on governmental activities of the primary government.

Pages 10 to 14

Fund Financial Statements

Provides information on the financial position of specific funds of the primary government.

Pages 10 to 14

Notes to Financial Statements

Provides a summary of significant accounting policies and related disclosures.

Pages 15 to 21

OVERVIEW OF THE FINANCIAL STATEMENTS - (Continued)

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 (i.e. uncollected taxes and earned but unused vacation leave, if applicable).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include general government. The District has no business-type activities at fiscal year-end.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental 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 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 a government'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 government'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 maintained one individual governmental fund during the year. Information is presented in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, which is considered a major fund.

The District adopts an annual appropriated budget for its General Fund. A Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Budgetary Basis) and Actual has been provided for the General Fund to demonstrate compliance with this budget.

Notes to 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets of the District exceeded its liabilities by \$1,283,937 at the close of the fiscal year.

The largest portion of the District's net position (62.46%) represents its net investment in capital assets (i.e. machinery and equipment, office equipment, infrastructure, and land). The District uses these assets to provide services to citizens; consequently, these assets are not available for future spending.

DeWitt County Drainage District No. 1

Net Position

	<u>Governmental Activities</u>			
	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>Percent</u>
Assets				
Current assets	\$ 490,172	\$ 575,141	\$ (84,969)	-14.77%
Capital assets (net)	<u>801,928</u>	<u>822,175</u>	<u>(20,247)</u>	-2.46%
Total assets	<u>1,292,100</u>	<u>1,397,316</u>	<u>(105,216)</u>	
Liabilities				
Current liabilities	<u>8,163</u>	<u>13,405</u>	<u>(5,242)</u>	-39.10%
Total liabilities	<u>8,163</u>	<u>13,405</u>	<u>(5,242)</u>	
Net position				
Net investment in capital assets	801,928	822,175	(20,247)	-2.46%
Unrestricted	<u>482,009</u>	<u>561,736</u>	<u>(79,727)</u>	-14.19%
Total net position	<u>\$ 1,283,937</u>	<u>\$ 1,383,911</u>	<u>\$ (99,974)</u>	

Unrestricted net position (\$482,009) may be used to meet the government's ongoing obligation to its citizens and creditors.

At the end of the current fiscal year, the District is able to report positive balances in all categories of net position, both for the primary government as a whole, as well as its separate governmental activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)

Overall, the District's net position decreased by \$99,974, which reflects a decrease of 7.22% from the prior fiscal year net position total of \$1,383,911.

DeWitt County Drainage District No. 1**Changes in Net Position**

	Governmental Activities		Change	Percent
	2018	2017		
Revenues				
Program revenues				
Operating grant	\$ 10,170	\$ -	\$ 10,170	N/A
General revenues				
Tax collections	191,182	176,361	14,821	8.40%
Interest	7,320	5,886	1,434	24.36%
Miscellaneous income	75	-	75	N/A
Total revenues	<u>208,747</u>	<u>182,247</u>		
Expenses				
General government	<u>308,721</u>	<u>176,861</u>	131,860	74.56%
Change in net position	(99,974)	5,386	(105,360)	-1956.18%
Net position - beginning	<u>1,383,911</u>	<u>1,378,525</u>		
Net position - ending	<u>\$ 1,283,937</u>	<u>\$ 1,383,911</u>		

The cost of all governmental activities this year was \$308,721 compared to \$176,861 in the prior year. The increase in cost is related to increased spending for general facilities maintenance, special projects and staffing. The amount that our taxpayers ultimately financed for these activities through District taxes was \$291,156. Interest, grant and miscellaneous income paid the remainder of these costs.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental fund, the General Fund, reported an ending fund balance of \$456,287, a decrease of \$90,261 from the prior year. The entire \$456,287 constitutes an unassigned fund balance that is available for spending at the government's discretion, subject to regulatory, statutory, and budgetary restrictions.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS - (Continued)

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represents 158.17% of current year General Fund expenditures. This decrease from the prior year total of 353.84% is due to increases in expenditures for general facilities maintenance, special projects, and staffing in the current year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual fiscal year expenditures were \$52,341 less than final budgeted amounts. The following expenditures were less than anticipated in the final amended budget:

- \$13,738 in special projects Daule ditch...project on hold
- \$23,130 in general facilities maintenance...decreased spending due to items more costly than expected and waiting on FEMA to receive monies
- \$4,450 in commissioners fees of office...reduced approved fees paid to commissioners

Differences between the original budget and the final amended budget resulted in a decrease in expenditures of \$18,583 and can be summarized below:

- \$8,000 decrease in special project survey boundary...project completed and cost less
- \$6,500 decrease in special project high water marks...ongoing project; costs less than anticipated
- \$5,000 decrease in special project main ditch Alonso...project not necessary
- \$12,004 decrease in general facilities maintenance...over-budgeted
- \$18,255 increase in employee salaries...increased office staff from part-time to full-time
- \$9,600 decrease in commissioners fees of office...reduced approved fees paid to commissioners

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities amounts to \$801,928 (net of accumulated depreciation) at the end of the current fiscal year, which includes machinery and equipment, office equipment, infrastructure, and land. This amount represents a net decrease of \$20,247 from the prior year. The following financial table represents the capital asset additions and deletions during the current fiscal year.

DeWitt County Drainage District No. 1

Capital Asset Investment Activity Schedule

<u>Capital Asset Description</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net Total</u>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>	
Office equipment	\$ 6,431	\$ -	\$ 6,431
Total	<u>\$ 6,431</u>	<u>\$ -</u>	6,431
Depreciation expense			(26,678)
Primary government beginning capital assets balance (net)			<u>822,175</u>
Primary government ending capital assets balance (net)			<u>\$ 801,928</u>

CAPITAL ASSETS - (Continued)

The following financial table represents the District's total capital assets as of year-end.

DeWitt County Drainage District No. 1**Capital Assets, Net of Depreciation**

	Governmental Activities	
	2018	2017
Machinery and equipment	\$ 94	\$ 187
Office equipment	6,602	2,311
Infrastructure	793,879	818,324
Land	1,353	1,353
Total	<u>\$ 801,928</u>	<u>\$ 822,175</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District's Board of Directors considered many factors when setting the fiscal year 2019 budget and tax rate. After determining a cost-benefit analysis and break-even point, the Board chose to return to its previous practice of performing in-house facilities maintenance. This action was expected to require approximately \$110,000 in capital outlay for equipment and facilities.

The District expects 2019 fiscal year taxes, grant revenue and interest revenues to increase by \$94,203, or 48.57%, and expenditures to increase \$108,758, or 31.91%, over the final amended 2018 budgeted amounts. If these estimates are realized, the District's budgetary General Fund balance is expected to decrease by approximately \$160,000. The 2019 increases include \$57,000 in grant revenue and \$60,000 in grant expenses. In addition, the 2018 tax rate for the 2019 fiscal year increased to 0.066610 from the prior year rate of 0.056710, which is a 17% increase.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to 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 business office at DeWitt County Drainage District No. 1, 106 N. Gonzales, Ste B, Cuero, Texas 77954.

BASIC FINANCIAL STATEMENTS

DeWITT COUNTY DRAINAGE DISTRICT NO. 1**STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET**

September 30, 2018

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 464,450	\$ -	\$ 464,450
Taxes receivable	15,552	-	15,552
Due from other government	10,170	-	10,170
Capital assets (net)	<u>-</u>	<u>801,928</u>	<u>801,928</u>
Total assets	<u>\$ 490,172</u>	<u>801,928</u>	<u>1,292,100</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 1,492	-	1,492
Accrued salaries	<u>6,671</u>	<u>-</u>	<u>6,671</u>
Total liabilities	<u>8,163</u>	<u>-</u>	<u>8,163</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	15,552	(15,552)	-
Unavailable revenue - grant	<u>10,170</u>	<u>(10,170)</u>	<u>-</u>
Total deferred inflows of resources	<u>25,722</u>	<u>(25,722)</u>	<u>-</u>
FUND BALANCE/NET POSITION			
Fund balance			
Unassigned	<u>456,287</u>	<u>(456,287)</u>	<u>-</u>
Total fund balance	<u>456,287</u>	<u>(456,287)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 490,172</u>		
Net position			
Net investment in capital assets		801,928	801,928
Unrestricted		<u>482,009</u>	<u>482,009</u>
Total net position		<u>\$ 1,283,937</u>	<u>\$ 1,283,937</u>

The accompanying notes are an integral part of this statement.

DeWITT COUNTY DRAINAGE DISTRICT NO. 1**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION
OF GOVERNMENTAL ACTIVITIES***September 30, 2018*

Total governmental fund balance	\$ 456,287
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the fund financial statements.	15,552
Due from other government will be collected this year, but is not available soon enough to pay for the current period's expenditures and therefore is deferred in the fund financial statements.	10,170
Capital assets used in governmental activities are reported as expenditures in governmental funds when purchased or constructed. The cost of these assets is \$992,571 and the accumulated depreciation is \$190,643.	<u>801,928</u>
Net position of governmental activities	<u>\$ 1,283,937</u>

The accompanying notes are an integral part of this statement.

DeWITT COUNTY DRAINAGE DISTRICT NO. 1**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE***For the year ended September 30, 2018*

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES			
Current			
Special projects			
Daule ditch	\$ 9,701	\$ -	\$ 9,701
Survey boundary	11,586	-	11,586
Stream gauges	1,445	-	1,445
Preserve high water marks	1,265	-	1,265
Clear ranch properties	14,000	-	14,000
General facilities maintenance	93,320	-	93,320
Employees salaries	72,453	-	72,453
Payroll taxes	5,401	-	5,401
Insurance			
Worker's compensation	500	-	500
Unemployment	133	-	133
General and public official liability	3,000	-	3,000
Property	375	-	375
Medical	2,708	-	2,708
Commissioners fees of office	7,550	-	7,550
Insurance and bond premiums	100	-	100
Office expense	8,521	-	8,521
Shop and yard	815	-	815
Accounting and payroll	1,900	-	1,900
Accounting and auditing	8,400	-	8,400
Appraisal district fees	2,941	-	2,941
Dues and subscriptions	698	-	698
Legal fees	4,800	-	4,800
North Cuero Watershed contribution	10,000	-	10,000
Office rent	6,000	-	6,000
Other services and charges	1,121	-	1,121
Retirement contribution	1,692	-	1,692
Tax collection fees	4,519	-	4,519
Training	1,190	-	1,190
Utilities	3,778	-	3,778
Website	1,580	-	1,580
Depreciation	-	26,678	26,678
Capital outlay			
Equipment	6,982	(6,431)	551
Total expenditures	<u>288,474</u>	<u>20,247</u>	<u>308,721</u>

(continued)

DeWITT COUNTY DRAINAGE DISTRICT NO. 1**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE***For the year ended September 30, 2018*

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
REVENUES			
Program revenues			
Operating grant	\$ -	\$ 10,170	\$ 10,170
General revenues			
Tax revenues			
Tax collections	187,143	364	187,507
Penalty and interest	3,675	-	3,675
Interest income	7,320	-	7,320
Miscellaneous income	<u>75</u>	<u>-</u>	<u>75</u>
Total revenues	<u>198,213</u>	<u>10,534</u>	<u>208,747</u>
Excess (deficiency) of revenues over expenditures	(90,261)	90,261	
Change in net position		(99,974)	(99,974)
FUND BALANCE/NET POSITION			
Beginning of the year	<u>546,548</u>	<u>837,363</u>	<u>1,383,911</u>
End of the year	<u>\$ 456,287</u>	<u>\$ 827,650</u>	<u>\$ 1,283,937</u>
			(concluded)

The accompanying notes are an integral part of this statement.

DeWITT COUNTY DRAINAGE DISTRICT NO. 1**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**
For the year ended September 30, 2018

Total net change in fund balances - governmental funds	\$ (90,261)
---	--------------------

Amounts reported for governmental activities in the statement of activities are different because:

Current year capital outlays are expenditures in the fund financial statements, but represent increases in capital assets in the government-wide financial statements.

6,431

Depreciation is not recognized as an expense on the governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.

(26,678)

Because grant revenue will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.

10,170

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.

364

Change in net position of governmental activities

\$ (99,974)

The accompanying notes are an integral part of this statement.

DeWITT COUNTY DRAINAGE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The DeWitt County Drainage District No. 1 (the "District") operates under a Board of Directors form of government and provides drainage services to the residents of the District. The District was created by a vote of the residents on June 23, 1914. On July 14, 1914, Commissioners Court recorded the results of that election with an Order that contained a metes and bounds description of the boundary of the District.

A. Reporting Entity

The Board is appointed by the DeWitt County Commissioners' Court. The District is considered a legally separate organization from DeWitt County and is not accountable to the Court with regards to operations, management or fiscal responsibility.

The District considered the guidelines specified by the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, when determining which entities to include in the accompanying financial statements. Under these guidelines, the reporting entity consists of the primary government (all funds of the District), organizations for which the primary government is financially accountable, organizations for which the primary government is not financially accountable, organizations that raise and hold economic resources for the direct benefit of the primary government, and any other organizations for which the nature and significance of their relationship with the primary government is such that exclusion could cause the District's financial statements to be misleading or incomplete. Entities other than the primary government, which are included in the primary government's financial statements, are called component units. Under these guidelines, no legally separate organization met the necessary criteria for inclusion as a component unit in the accompanying financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District had no business-type activities during the current year.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 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 revenues are reported instead as general revenues.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**C. 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 related cash flows. Property taxes are recognized as revenues 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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The District reports no other fund types.

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

D. Budgets and Budgetary Accounting

The Board of Directors prepares and votes on the adopted budget. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). The original budget was amended during the year by unanimous consent of the Board of Directors. Both the original and final amended budgets are used in this report. The District does not employ the use of encumbrances in its budgetary accounting.

E. Other Accounting Policies**Deposits and Investments**

Cash and cash equivalents include amounts in petty cash, demand deposits, time deposits, and any investment purchased with an original maturity date of 90 days or less.

The District has adopted a written investment policy regarding the investment of its funds as defined by the Public Funds Investment Act of 1995. The investments of the District are in compliance with the District's investment policies.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**E. Other Accounting Policies - (Continued)****Receivables**

Receivables include all trade and property tax receivables. No allowance for uncollectible taxes has been provided because management believes any allowance would be immaterial to the financial statements taken as a whole.

Capital Assets

Capital assets, which include buildings, machinery and equipment, and office equipment, are reported in the applicable governmental activities column in the government-wide statement of net position. The District defines capital assets as all assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The District's capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10
Machinery and equipment	3 - 7
Office equipment	3 - 7
Infrastructure	40

Deferred Inflows of Resources

The District's governmental funds report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The District will not recognize the related revenues until a future event occurs. The District has two types of items which occur because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, unavailable revenue for property taxes and unavailable revenue for a grant are reported in the governmental funds balance sheet. The District did not have deferred inflows of resources to report in its government-wide financial statements for the current year.

Fund Equity

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. The District has only an unassigned fund balance.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**E. Other Accounting Policies - (Continued)****Use of Estimates**

The preparation of the government-wide and fund financial statements in conformity with GAAP requires management to make estimates and assessments 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 expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**Deficit Fund Equity**

As of year-end, no funds of the District had a deficit fund equity balance.

Budgetary Compliance

For the fiscal year ended September 30, 2018, the District complied with budgetary restrictions at all function levels, except as detailed in the following table:

<u>Fund/Function</u>	<u>Expenditure Variance</u>
General Fund	
Employees salaries	\$ 638
Payroll taxes	127

NOTE 3: DEPOSITS AND INVESTMENTS**Deposits**

The District's funds are deposited and invested under the terms of the depository contract. The depository bank, First National Bank of Shiner, deposits for safekeeping and trust with agent bank, approved pledged securities in an amount sufficient to protect the District's funds on a day-to-day basis during the period of the contract. The pledge-approved securities are waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. At year-end, the District's deposits were either covered by FDIC or fully collateralized with securities.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that, in the event of bank failure, the District's deposits may not be returned to it. At year-end, the deposits in the depository bank were fully insured or collateralized. Therefore, the District was not exposed to custodial credit risk at year-end.

NOTE 3: DEPOSITS AND INVESTMENTS - (Continued)**Investments**

The District may invest its excess funds in any instruments authorized by the Public Funds Investment Act of Texas. Investments authorized under this Act include, but are not limited to, the following: Obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; certificates of deposit issued by a state or financial institution domiciled in the State of Texas which is guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or otherwise secured; and certain repurchase agreements.

At year-end, the District had \$111,664 invested in TexPool Prime, an investment pool regulated by the State of Texas. The pool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in these pools is the same as the value of the shares in each pool. This investment is stated at amortized cost, with a weighted average maturity of 37 days, and is considered cash equivalents for financial reporting purposes.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure by limiting the weighted average maturity of any individual investment to no more than 90 days.

Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The District's investments are held in TexPool Prime, which operates in full compliance with the Public Funds Investment Act. TexPool Prime is rated AAAm by Standard and Poor's.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District was not exposed to a concentration of credit risk at year-end.

Custodial Credit Risk - Investments

In the case of investments, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District was not exposed to custodial credit risk relative to its investments at year-end.

NOTE 4: PROPERTY TAXES

The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Taxes are delinquent on February 1 following the October 1 levy date. A statutory lien becomes effective on all property with unpaid taxes as of January 1 of the year following the assessment.

The County of DeWitt bills and collects the taxes for the District. Property taxes levied for 2017 were \$188,466 with a tax rate set at 0.056710 per \$100 of assessed valuation, which was approved in September 2017. The 2017 taxes are based on the assessed valuation of \$332,225,596.

At year-end, the District's governmental fund reports deferred revenue in connection with receivables for ad valorem property tax revenues that are not considered to be available to liquidate liabilities of the current period.

NOTE 5: CAPITAL ASSETS

Capital asset activity for the current year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 1,353	\$ -	\$ -	\$ 1,353
Total capital assets, not being depreciated	<u>1,353</u>	<u>-</u>	<u>-</u>	<u>1,353</u>
Capital assets, being depreciated				
Machinery and equipment	1,766	-	-	1,766
Office equipment	5,208	6,431	-	11,639
Infrastructure	<u>977,813</u>	<u>-</u>	<u>-</u>	<u>977,813</u>
Total capital assets, being depreciated	<u>984,787</u>	<u>6,431</u>	<u>-</u>	<u>991,218</u>
Less accumulated depreciation for				
Machinery and equipment	1,579	93	-	1,672
Office equipment	2,897	2,140	-	5,037
Infrastructure	<u>159,489</u>	<u>24,445</u>	<u>-</u>	<u>183,934</u>
Total accumulated depreciation	<u>163,965</u>	<u>26,678</u>	<u>-</u>	<u>190,643</u>
Governmental activities capital assets, net	<u>\$ 822,175</u>	<u>\$ (20,247)</u>	<u>\$ -</u>	<u>\$ 801,928</u>

Depreciation expense of \$26,678 was charged to the general government function/program.

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; injuries to employees; and natural disasters. During the year, the District purchased insurance through various insurance carriers to cover its risk of loss in these areas. Substantially all risk of loss for events occurring during the current year has been transferred to the insurance carriers by the payment of insurance premiums. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 7: COMMITMENTS AND CONTINGENCIES**Litigation**

The District was not involved in any litigation as of year-end.

Hurricane Harvey

The District has requested additional assistance from The Federal Emergency Management Agency (FEMA) for damage to drainage channels during Hurricane Harvey and related administrative costs. It is anticipated that FEMA will reimburse the District for certain allowable costs for remediation of the damages. The District has not yet been awarded this additional grant assistance. As of September 30, 2018, the amount is deemed to be immaterial, therefore no receivable or loss has been recorded in the accompanying financial statements.

NOTE 8: SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 25, 2019, the date that the financial statements were available to be issued, and there were no events which would have a material effect on the District's financial position as of September 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

DeWITT COUNTY DRAINAGE DISTRICT NO. 1**MAJOR GOVERNMENTAL FUNDS - GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET (GAAP BUDGETARY BASIS) AND ACTUAL***For the year ended September 30, 2018*

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	\$ 188,548	\$ 188,548	\$ 190,818	\$ 2,270
Interest income	4,400	5,400	7,320	1,920
Miscellaneous income	-	75	75	-
Total revenues	<u>192,948</u>	<u>194,023</u>	<u>198,213</u>	<u>4,190</u>
EXPENDITURES				
Current				
Special projects				
Daule ditch	24,900	23,439	9,701	13,738
Survey boundary	22,000	14,000	11,586	2,414
Stream gauges	5,000	3,500	1,445	2,055
Preserve high water marks	8,000	1,500	1,265	235
Clear ranch properties	15,000	15,000	14,000	1,000
Main ditch Alonso	5,000	-	-	-
General facilities maintenance	128,454	116,450	93,320	23,130
Employees salaries	53,560	71,815	72,453	(638)
Payroll taxes	4,097	5,274	5,401	(127)
Insurance				
Worker's compensation	500	500	500	-
Unemployment	200	200	133	67
General and public official liability	3,000	3,000	3,000	-
Property	500	500	375	125
Medical	7,200	2,800	2,708	92
Commissioners fees of office	21,600	12,000	7,550	4,450
Insurance and bond premiums	370	100	100	-
Office expense	4,300	9,246	8,521	725
Shop and yard	300	960	815	145
Accounting and payroll	2,400	1,900	1,900	-
Accounting and auditing	6,000	8,400	8,400	-
Appraisal district fees	2,451	3,008	2,941	67
Dues and subscriptions	500	700	698	2
Legal fees	6,000	6,500	4,800	1,700
North Cuero Watershed contribution	10,000	10,000	10,000	-
Office rent	6,000	6,000	6,000	-
Other services and charges	2,100	3,505	1,121	2,384
Retirement contribution	1,186	1,825	1,692	133
Tax collection fees	5,000	4,519	4,519	-
Training	3,060	1,330	1,190	140
Utilities	3,720	4,020	3,778	242
Website	2,000	1,700	1,580	120

(continued)

DeWITT COUNTY DRAINAGE DISTRICT NO. 1**MAJOR GOVERNMENTAL FUNDS - GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****BUDGET (GAAP BUDGETARY BASIS) AND ACTUAL***For the year ended September 30, 2018*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES - (Continued)				
Capital outlay				
Equipment purchases	<u>\$ 5,000</u>	<u>\$ 7,124</u>	<u>\$ 6,982</u>	<u>\$ 142</u>
Total expenditures	<u>359,398</u>	<u>340,815</u>	<u>288,474</u>	<u>52,341</u>
 Excess (deficiency) of revenues over expenditures (GAAP BUDGETARY BASIS)	 <u>(166,450)</u>	 <u>(146,792)</u>	 <u>(90,261)</u>	 <u>56,531</u>
 Change in fund balance	 (166,450)	 (146,792)	 (90,261)	 56,531
Fund balance at beginning of year	<u>546,548</u>	<u>546,548</u>	<u>546,548</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 380,098</u></u>	<u><u>\$ 399,756</u></u>	<u><u>\$ 456,287</u></u>	<u><u>\$ 56,531</u></u>

(concluded)

The accompanying notes to required supplementary information are an integral part of this schedule.

DeWITT COUNTY DRAINAGE DISTRICT NO. 1
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

The District annually adopts budgets that are prepared using the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

NOTE 2: BUDGETARY LEGAL COMPLIANCE

For the fiscal year ended September 30, 2018, the District complied with budgetary restrictions at all function levels, except as detailed in the following table:

<u>Fund/Function</u>	<u>Expenditure Variance</u>
General Fund	
Employees salaries	\$ 638
Payroll taxes	127

TEXAS SUPPLEMENTARY INFORMATION

DeWITT COUNTY DRAINAGE DISTRICT NO. 1**TSI-2: SCHEDULE OF GENERAL FUND EXPENDITURES***For the year ended September 30, 2018*

Personnel expenditures (including benefits)*	\$	82,254
Professional fees:		
Auditing		8,400
Engineering and surveying		37,919
Legal		4,800
Contracted services:		
Appraisal district		2,941
Tax collector		4,519
Bookkeeping		1,900
Utilities		3,778
Repairs and maintenance		75,487
Administrative expenditures:		
Directors fees		7,550
Insurance		4,008
Office supplies		6,015
Other administrative expenditures		41,921
Capital outlay:		
Capitalized assets		6,431
Expenditures not capitalized		<u>551</u>
Total expenditures	\$	<u><u>288,474</u></u>

* Number of persons employed by the District: 2 Full-Time 0 Part-Time

DeWITT COUNTY DRAINAGE DISTRICT NO. 1*TSI-4: TAXES LEVIED AND RECEIVABLE**For the years ended September 30*

					2018
Taxes receivable, beginning of year					\$ 15,188
Original tax levy for 2017 tax roll					188,466
Adjustments					(959)
Total to be accounted for					202,695
Tax collections					
Current year					(183,235)
Prior years					(3,908)
Taxes receivable, end of year					\$ 15,552
Taxes receivable, by levy years:					
	2017				\$ 4,476
	2016				2,273
	2015				1,389
	2014				1,154
	2013				995
	2012				918
	2011				771
	2010				615
	2009				525
	2008				426
	2007 and prior				2,010
Taxes receivable, end of year					\$ 15,552
Property valuations for tax roll:	2017	2016	2015	2014	2013
Land	\$ 30,052,410	\$ 30,098,770	\$ 30,028,830	\$ 30,037,310	\$ 25,732,440
Improvements	289,462,520	289,169,720	269,479,160	241,774,420	207,333,980
Personal property	40,324,940	50,751,460	47,786,350	30,764,760	31,404,510
Adjustments/exemptions	(27,614,274)	(34,678,220)	(38,161,370)	(30,532,570)	(19,459,100)
	<u>\$ 332,225,596</u>	<u>\$ 335,341,730</u>	<u>\$ 309,132,970</u>	<u>\$ 272,043,920</u>	<u>\$ 245,011,830</u>
Tax rates per \$100 valuation:					
Maintenance tax rate	<u>\$ 0.056710</u>	<u>\$ 0.051930</u>	<u>\$ 0.054590</u>	<u>\$ 0.058070</u>	<u>\$ 0.062890</u>
Original tax levy	<u>\$ 188,466</u>	<u>\$ 174,143</u>	<u>\$ 168,756</u>	<u>\$ 157,976</u>	<u>\$ 154,088</u>
Percent of taxes collected to taxes levied	97.2%	97.2%	97.8%	97.3%	97.1%

DeWITT COUNTY DRAINAGE DISTRICT NO. 1**TSI-7: COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND**

Five years ended September 30

	Amounts				
	2018	2017	2016	2015	2014
REVENUES					
Property taxes	\$ 190,818	\$ 176,397	\$ 171,874	\$ 160,615	\$ 157,213
Interest income	7,320	5,886	5,700	8,111	16,126
Proceeds - sale of general capital asset	-	-	-	-	3,800
Miscellaneous income	75	-	42	129	752
Total revenues	<u>198,213</u>	<u>182,283</u>	<u>177,616</u>	<u>168,855</u>	<u>177,891</u>
EXPENDITURES					
Current					
Special projects					
Daule ditch	9,701	-	-	-	-
Survey boundary	11,586	-	-	-	-
Stream gauges	1,445	-	-	-	-
Preserve high water marks	1,265	-	-	-	-
Clear ranch properties	14,000	-	-	-	-
General facilities maintenance	93,320	45,354	50,000	50,000	28,631
Engineering and surveying	-	4,145	-	-	21,275
Salaries - commissioners	-	11,633	15,510	15,510	15,510
Salaries - employees	72,453	32,097	2,817	1,453	1,794
Payroll taxes	5,401	3,208	1,402	1,298	1,324
Insurance					
Worker's compensation	500	500	500	500	500
Unemployment	133	147	100	100	100
General and public official liability	3,000	231	714	472	239
Property	375	610	-	-	57
Medical	2,708	-	-	-	-
Commissioners fees of office	7,550	7,200	-	-	-
Insurance and bond premiums	100	370	50	455	-
Office expense	8,521	4,071	878	56	175
Shop and yard	815	352	-	-	-
Accounting and payroll	1,900	4,200	2,400	2,400	2,400
Accounting and auditing	8,400	5,000	4,200	4,700	5,000
Appraisal district fees	2,941	2,222	1,791	1,270	1,341
Dues and subscriptions	698	120	-	-	-
Legal fees	4,800	4,875	-	-	-
North Cuero Watershed contribution	10,000	10,000	40,000	40,000	40,000
Office rent	6,000	2,750	-	-	-
Other services and charges	1,121	2,267	29	-	-
Retirement contribution	1,692	-	-	-	-
Tax collection fees	4,519	4,512	4,536	4,521	4,439
Training	1,190	1,114	-	-	-
Utilities	3,778	2,501	-	-	-
Website	1,580	1,937	-	-	-
Capital outlay	<u>6,982</u>	<u>3,048</u>	<u>107,998</u>	<u>416,707</u>	<u>-</u>
Total expenditures	<u>288,474</u>	<u>154,464</u>	<u>232,925</u>	<u>539,442</u>	<u>122,785</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (90,261)</u>	<u>\$ 27,819</u>	<u>\$ (55,309)</u>	<u>\$ (370,587)</u>	<u>\$ 55,106</u>

Percent of Total Revenue				
2018	2017	2016	2015	2014
96.27	96.77	96.77	95.12	88.37
3.69	3.23	3.21	4.80	9.07
-	-	-	-	2.14
0.04	-	0.02	0.08	0.42
100.00	100.00	100.00	100.00	100.00
4.89	-	-	-	-
5.85	-	-	-	-
0.73	-	-	-	-
0.64	-	-	-	-
7.06	-	-	-	-
47.08	24.88	28.15	29.61	16.09
-	2.27	-	-	11.96
-	6.38	8.73	9.19	8.72
36.55	17.61	1.59	0.86	1.01
2.72	1.76	0.79	0.77	0.74
0.25	0.27	0.28	0.30	0.28
0.07	0.08	0.06	0.06	0.06
1.51	0.12	0.40	0.28	0.13
0.19	0.33	-	-	0.03
1.37	-	-	-	-
3.81	3.95	-	-	-
0.05	0.20	0.03	0.27	-
4.30	2.23	0.49	0.03	0.10
0.41	0.19	-	-	-
0.96	2.30	1.35	1.42	1.35
4.24	2.74	2.36	2.78	2.81
1.48	1.22	1.01	0.75	0.75
0.35	0.07	-	-	-
2.42	2.67	-	-	-
5.05	5.49	22.52	23.69	22.49
3.03	1.51	-	-	-
0.57	1.24	0.02	-	-
0.85	-	-	-	-
2.28	2.48	2.55	2.68	2.50
0.60	0.61	-	-	-
1.91	1.37	-	-	-
0.80	1.06	-	-	-
3.52	1.67	60.80	246.78	-
145.54	84.70	131.13	319.47	69.02
(45.54)	15.30	(31.13)	(219.47)	30.98

DeWITT COUNTY DRAINAGE DISTRICT NO. 1*TSI-8: BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**For the year ended September 30, 2018*Complete District Mailing Address: 106 N. Gonzales Ste B, Cuero, Texas 77954District Business Telephone Number: (361) 275-9995

Submission Date of the most recent District Registration Form

(TWC Sections 36.054 and 49.054): 4/24/18Limit on Fees of Office that a Director may receive during a fiscal year: \$ 5,000

(Set by Board Resolution - TWC Section 49.060)

<u>Names</u>	<u>Term of Office (Elected or Appointed) or Date Hired</u>	<u>Fees of Office Paid (FYE 9/30/18)</u>	<u>Expense Reimburse- ments (FYE 9/30/18)</u>	<u>Title at Year-End</u>
Board Members:				
Edward Douglas Sethness, Jr.	Appointed 1/1/17 - 12/31/18	\$ 4,050	\$ 15	President
Glenn Robertson	Appointed 1/1/17 - 12/31/18	\$ 2,500	\$ -	Vice President
Wallace Beck	Appointed 1/1/17 - 12/31/18	\$ 3,550	\$ 36	Secretary
Key Administrative Personnel:				
Beth Chang Parker	3/1/2017	\$ 52,603	\$ 691	General Manager
Consultants:				
Harrison, Waldrop & Uherek, LLP	Annually	\$ 8,400	\$ -	Auditor
DeWitt County Appraisal District	Annually	\$ 2,941	\$ -	Appraiser
DeWitt County Tax Assessor	Annually	\$ 4,431	\$ -	Tax Collector
Andrew M. Abrameit	3/17/17	\$ 5,775	\$ -	Attorney
Doucet & Associates	6/1/18	\$ 26,476	\$ 73	Engineer
Scott Financial Services, Inc.	7/1/17 - 1/31/18	\$ 1,900	\$ -	Bookkeeper