

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**

**MONTGOMERY COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**SEPTEMBER 30, 2022**



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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Montgomery County Fresh  
Water Supply District No. 6  
Montgomery County, Texas

**Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Montgomery County Fresh Water Supply District No. 6 (the "District") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

**Basis for Opinions**

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

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.





### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Board of Directors  
Montgomery County Fresh  
Water Supply District No. 6

### **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 supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

January 8, 2023



**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Management's discussion and analysis of Montgomery County Fresh Water Supply District No. 6's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2022.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The basic financial statements include: (1) fund financial statements and government-wide financial statements and (2) notes to the financial statements. The fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. This report also includes required and other supplementary information in addition to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes the District's assets, liabilities and, if applicable, deferred inflows and outflows 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 is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

**FUND FINANCIAL STATEMENTS**

The combined statements also include 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 has one governmental fund type. The General Fund accounts for resources not accounted for in another fund, customer service revenues, ad valorem taxes, cost of assessing and collecting taxes and general operating expenditures.

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**FUND FINANCIAL STATEMENTS (Continued)**

Governmental funds are reported in each of the financial statements. The focus in the fund financial statements provides a distinctive view of the District’s governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

**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 financial statements and accompanying notes, this report also presents certain required supplementary information (“RSI”). The budgetary comparison schedule is included as RSI for the General Fund.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the District’s financial position. In the case of the District, assets exceeded liabilities by \$302,877 as of September 30, 2022.

A portion of the District’s net position reflects its net investment in capital assets (e.g. water production and distribution facilities, less any debt used to acquire those assets that is still outstanding).

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

The following is a comparative analysis of government-wide changes in net position:

	<u>Summary of Changes in the Statement of Net Position</u>		
	<u>2022</u>	<u>2021</u>	<u>Change Positive (Negative)</u>
Current and Other Assets	\$ 230,966	\$ 270,987	\$ (40,021)
Capital Assets (Net of Accumulated Depreciation)	<u>89,290</u>	<u>101,933</u>	<u>(12,643)</u>
Total Assets	<u>\$ 320,256</u>	<u>\$ 372,920</u>	<u>\$ (52,664)</u>
Total Liabilities	<u>\$ 17,379</u>	<u>\$ 17,990</u>	<u>\$ 611</u>
Net Position:			
Net Investment in Capital Assets	\$ 89,290	\$ 101,933	\$ (12,643)
Unrestricted	<u>213,587</u>	<u>252,997</u>	<u>(39,410)</u>
Total Net Position	<u>\$ 302,877</u>	<u>\$ 354,930</u>	<u>\$ (52,053)</u>

The following table provides a summary of the District's operations for the years ended September 30, 2022, and September 30, 2021.

	<u>Summary of Changes in the Statement of Activities</u>		
	<u>2022</u>	<u>2021</u>	<u>Change Positive (Negative)</u>
Revenues:			
Property Taxes	\$ 104,306	\$ 97,613	\$ 6,693
Charges for Services	82,769	79,226	3,543
Other Revenues	<u>633</u>	<u>612</u>	<u>21</u>
Total Revenues	<u>\$ 187,708</u>	<u>\$ 177,451</u>	<u>\$ 10,257</u>
Expenses for Services	<u>239,761</u>	<u>170,074</u>	<u>(69,687)</u>
Change in Net Position	\$ (52,053)	\$ 7,377	\$ (59,430)
Net Position, Beginning of Year	<u>354,930</u>	<u>347,553</u>	<u>7,377</u>
Net Position, End of Year	<u>\$ 302,877</u>	<u>\$ 354,930</u>	<u>\$ (52,053)</u>

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS**

The District's General Fund fund balance as of September 30, 2022, was \$208,991, a decrease of \$39,052 from the prior year.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors did not amend the budget during the current fiscal year. Actual revenues were \$35,739 more than budgeted revenues. Actual expenditures were \$47,546 more than budgeted expenditures, which resulted in a negative variance of \$11,807. See the budget to actual comparison for additional analysis.

**CAPITAL ASSETS**

Capital assets as of September 30, 2022, total \$89,290 (net of accumulated depreciation) and include land, buildings and equipment as well as the water system.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2022	2021	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 1,382	\$ 1,382	\$
Capital Assets, Net of Accumulated Depreciation:			
Buildings and Improvements	23,603	24,584	(981)
Water System	64,305	75,967	(11,662)
Total Net Capital Assets	\$ 89,290	\$ 101,933	\$ (12,643)

**LONG-TERM DEBT ACTIVITY**

The District retired all of its long-term debt during the 1980's.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Montgomery County Fresh Water Supply District No. 6, 12081 Lakeview Manor Drive, Willis, Texas 77318-5436.



**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**SEPTEMBER 30, 2022**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Cash	\$ 58,360	\$	\$ 58,360
Investments	153,400		153,400
Receivables:			
Property Taxes	4,596		4,596
Service Accounts	14,610		14,610
Land		1,382	1,382
Depreciation)		87,908	87,908
<b>TOTAL ASSETS</b>	<b>\$ 230,966</b>	<b>\$ 89,290</b>	<b>\$ 320,256</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 6,129	\$	\$ 6,129
Security Deposits	11,250		11,250
<b>TOTAL LIABILITIES</b>	<b>\$ 17,379</b>	<b>\$ -0-</b>	<b>\$ 17,379</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	\$ 4,596	\$ (4,596)	\$ -0-
<b>FUND BALANCE</b>			
Assigned	\$ 18,170	\$ (18,170)	\$
Unassigned	190,821	(190,821)	
<b>TOTAL FUND BALANCE</b>	<b>\$ 208,991</b>	<b>\$ (208,991)</b>	<b>\$ -0-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 230,966</b>		
<b>NET POSITION</b>			
Net Investment in Capital Assets		\$ 89,290	\$ 89,290
Unrestricted		213,587	213,587
<b>TOTAL NET POSITION</b>		<b>\$ 302,877</b>	<b>\$ 302,877</b>

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

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2022**

Total Fund Balance - Governmental Fund	\$ 208,991
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Land and capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.	89,290
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Deferred inflows of resources related to property tax revenues for the 2021 and prior tax levies became part of recognized revenues in the governmental activities of the District.	<u>4,596</u>
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Total Net Position - Governmental Activities	<u>\$ 302,877</u>
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The accompanying notes to the financial statements are an integral part of this report.

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>REVENUES</b>			
Property Taxes	\$ 104,664	\$ (358)	\$ 104,306
Water Service	56,651		56,651
San Jacinto River Authority Fees	24,946		24,946
Penalty and Interest	1,172		1,172
Investment Revenues	4		4
Miscellaneous Revenues	629		629
<b>TOTAL REVENUES</b>	<u>\$ 188,066</u>	<u>\$ (358)</u>	<u>\$ 187,708</u>
<b>EXPENDITURES/EXPENSES</b>			
Service Operations:			
Professional Fees	\$ 43,251	\$	\$ 43,251
Contracted Services	69,700		69,700
Utilities	5,752		5,752
San Jacinto River Authority Assessments	25,735		25,735
Repairs and Maintenance	50,084		50,084
Depreciation		12,643	12,643
Other	32,596		32,596
<b>TOTAL EXPENDITURES/EXPENSES</b>	<u>\$ 227,118</u>	<u>\$ 12,643</u>	<u>\$ 239,761</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ (39,052)	\$ 39,052	\$
<b>CHANGE IN NET POSITION</b>		(52,053)	(52,053)
<b>FUND BALANCE/NET POSITION - OCTOBER 1, 2021</b>	<u>248,043</u>	<u>106,887</u>	<u>354,930</u>
<b>FUND BALANCE/NET POSITION - SEPTEMBER 30, 2022</b>	<u>\$ 208,991</u>	<u>\$ 93,886</u>	<u>\$ 302,877</u>

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

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Net Change in Fund Balance - Governmental Fund	\$	(39,052)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report property tax revenues when collected. However, in the government-wide financial statements, revenues are recorded in the accounting period for which the taxes are levied.		(358)
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Governmental funds do not account for depreciation. However, in the government-wide financial statements, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(12,643)
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Change in Net Position - Governmental Activities	\$	<u>(52,053)</u>
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The accompanying notes to the financial statements are an integral part of this report.

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 1. CREATION OF DISTRICT**

Montgomery County Fresh Water Supply District No. 6, located in Montgomery County, Texas (the “District”) was created by an order of the Commissioners’ Court on July 19, 1976 and confirmed by the electorate of the District at a confirmation election held August 14, 1976. In December 1976, the District was converted to a municipal utility district by an order of the Texas Water Rights Commission, presently known as the Texas Commission on Environmental Quality (the “Commission”). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, parks and recreational facilities for the residents of the District. The District is also empowered to contract for or employ its own peace officers with powers to make arrests and to establish, operate and maintain a fire department to perform all fire-fighting activities within the District. The first bonds and only bonds of the District were sold on August 24, 1978.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

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

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

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

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

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

Government-Wide Financial Statements

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

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

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

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

Fund Financial Statements

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

Governmental Funds

The District has one governmental fund; therefore, this fund is a major fund.

General Fund - To account for resources not required to be accounted for in another fund, customer service revenues, ad valorem taxes, costs of assessing and collecting taxes, and general operating expenditures.

Basis of Accounting

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

Property taxes considered available by the District and recorded as revenues are taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset.

Capital assets, including infrastructure assets, with a total cost of \$5,000 or more, and other capital assets (such as furniture and office equipment) with a total cost of \$1,000 or more, and a useful life of at least two years are capitalized. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Buildings	40
Water System	10-45
All Other Equipment	3-20

Budgeting

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

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Directors are wages subject to federal income tax withholding for payroll tax purposes only.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination



**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus (Continued)

of operating income, changes in net position, financial position, and cash flows. All assets, liabilities, and deferred inflows and outflows of resources associated with the activities are reported. Fund equity is classified as net position.

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

*Nonspendable*: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.

*Restricted*: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. The District does not have any restricted fund balances.

*Committed*: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

*Assigned*: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances. The District has assigned \$18,170 of the General Fund fund balance for possible water line replacement project that will occur in fiscal year 2023.

*Unassigned*: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 3. DEPOSITS AND INVESTMENTS**

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District’s deposits was \$211,760 and the bank balance was \$213,254. The bank balance was fully covered by federal depository insurance.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at September 30, 2022, as listed below:

	Cash	Certificate of Deposit	Total
GENERAL FUND	\$ 58,360	\$ 153,400	\$ 211,760

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth.

The District’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest District funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has not adopted a written investment policy to establish the guidelines by which it may invest.

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 3. DEPOSITS AND INVESTMENTS**

Investments (Continued)

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

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
Certificate of Deposit	<u>\$ 153,400</u>	<u>\$ 153,400</u>

Certificates of deposit are valued at acquisition cost at the date of purchase. Credit Risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District manages credit risk by typically investing in certificates of deposit with balances below FDIC coverage. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages interest rate risk by typically investing in certificates of deposit with maturities of less than one-year.

**NOTE 4. CAPITAL ASSETS**

	October 1, 2021	Increases	Decreases	September 30, 2022
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 1,382	\$ - 0 -	\$ - 0 -	\$ 1,382
<b>Capital Assets Subject to Depreciation</b>				
Buildings and Improvements	\$ 39,256	\$	\$	\$ 39,256
Water System	384,827	_____	_____	384,827
<b>Total Capital Assets Subject to Depreciation</b>	<u>\$ 424,083</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 424,083</u>
<b>Accumulated Depreciation</b>				
Buildings and Improvements	\$ 14,672	\$ 981	\$	\$ 15,653
Water System	308,860	11,662	_____	320,522
<b>Total Accumulated Depreciation</b>	<u>\$ 323,532</u>	<u>\$ 12,643</u>	<u>\$ - 0 -</u>	<u>\$ 336,175</u>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 100,551</u>	<u>\$ (12,643)</u>	<u>\$ - 0 -</u>	<u>\$ 87,908</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 101,933</u>	<u>\$ (12,643)</u>	<u>\$ - 0 -</u>	<u>\$ 89,290</u>

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 5. MAINTENANCE TAX**

On January 15, 1977, the voters of the District approved the levy and collection of an annual maintenance tax for the operation and maintenance of the District's improvements in an amount not to exceed \$2.00 per \$100 of assessed valuation of taxable property within the District. During the fiscal year ended September 30, 2022, the District levied an ad valorem maintenance tax at the rate of \$0.3185 per \$100 of assessed valuation, which resulted in a tax levy of \$104,513 on the taxable valuation of \$32,814,143 for the 2021 tax year.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

**NOTE 6. LONE STAR GROUNDWATER CONSERVATION DISTRICT**

The District is located within the boundaries of the Lone Star Groundwater Conservation District (the "Conservation District"). The Conservation District was created under Article 16, Section 59 of the Texas Constitution by House Bill 1842 (the "Act"), as passed by the 77<sup>th</sup> Texas Legislature, in 2001. The Act empowers the Conservation District for purposes including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, and the control of subsidence caused by withdrawal of water from those groundwater reservoirs or their subdivisions. The Conservation District is overseeing that their participants comply with subsidence district pumpage requirements.

The Conservation District charges a fee, based on the amount of water pumped from a well, to the owner of wells located within the boundaries of the Conservation District, unless exempted. This fee enables the Conservation District to fulfill its purpose and regulatory functions.

**NOTE 7. SAN JACINTO RIVER AUTHORITY**

On June 29, 2010, the District entered into the Contract for Groundwater Reduction Planning, Alternative Water Supply, and Related Goods and Services with the San Jacinto River Authority (the "Authority"). The District and the Authority operate within the boundaries of Lone Star Groundwater Conservation District (the "Conservation District"). See also Note 6. The Authority has developed supplies of surface water that, when taken together with groundwater withdrawals to be permitted by the Conservation District, are reasonably believed to be adequate to satisfy the total water demands of Montgomery County.

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 7. SAN JACINTO RIVER AUTHORITY (Continued)**

A surface water treatment and transmission system (the “Project”) is proposed to be designed, constructed, operated, and maintained by the Authority in order to provide phased treatment, transmission, and delivery of the Authority’s surface water to regulated users for blending with groundwater supplies, so that regulated users may continue to pump groundwater. The Authority will develop a Groundwater Reduction Plan (the “GRP”) for all participants. The Authority charges a fee, currently \$3.16 per 1,000 gallons, based on the amount of groundwater and surface water used. This fee enables the Authority to achieve, maintain and implement the GRP. The term of this contract expires on December 31, 2045. During the current fiscal year, the District was assessed \$25,735 in relation to this contract.

**NOTE 8. 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 for which the District carries commercial insurance. There has been no significant reduction in coverage from the prior year and settlements have not exceeded coverage amounts in the past three fiscal years.

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**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 2022**





**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Property Taxes	\$ 96,327	\$ 104,664	\$ 8,337
Water Service	56,000	56,651	651
San Jacinto River Authority Fees		24,946	24,946
Penalty and Interest		1,172	1,172
Investment Revenues		4	4
Miscellaneous Revenues		629	629
<b>TOTAL REVENUES</b>	<u>\$ 152,327</u>	<u>\$ 188,066</u>	<u>\$ 35,739</u>
<b>EXPENDITURES</b>			
Services Operations:			
Professional Fees	\$ 12,600	\$ 43,251	\$ (30,651)
Contracted Services	69,522	69,700	(178)
Utilities	4,400	5,752	(1,352)
San Jacinto River Authority Assessments	30,000	25,735	4,265
Repairs and Maintenance	38,900	50,084	(11,184)
Other	24,150	32,596	(8,446)
<b>TOTAL EXPENDITURES</b>	<u>\$ 179,572</u>	<u>\$ 227,118</u>	<u>\$ (47,546)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (27,245)</u>	<u>\$ (39,052)</u>	<u>\$ (11,807)</u>
<b>FUND BALANCE - OCTOBER 1, 2021</b>	<u>248,043</u>	<u>248,043</u>	
<b>FUND BALANCE - SEPTEMBER 30, 2022</b>	<u>\$ 220,798</u>	<u>\$ 208,991</u>	<u>\$ (11,807)</u>

See accompanying independent auditor's report.

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**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**

**SUPPLEMENTARY INFORMATION – REQUIRED BY THE  
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**

**SEPTEMBER 30, 2022**



**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6  
SCHEDULE OF SERVICES AND RATES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**1. SERVICES PROVIDED BY THE DISTRICT:**

<u>  X  </u>	Retail Water	<u>      </u>	Wholesale Water	<u>      </u>	Drainage
<u>      </u>	Retail Sewer	<u>      </u>	Wholesale Wastewater	<u>      </u>	Irrigation
<u>      </u>	Parks/Recreation	<u>      </u>	Fire Protection	<u>      </u>	Security
<u>      </u>	Solid Waste/Garbage	<u>      </u>	Flood Control	<u>      </u>	Roads
<u>      </u>	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
<u>      </u>	Other (specify): _____				

**2. RETAIL RATES ARE BASED ON A 3/4" METER (OR EQUIVALENT):**

Based on rates effective August 13, 2011

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum</u>	<u>Usage Levels</u>
WATER:	\$ 60.00	2,000	N	\$ 0.75 1.00	2,001 to 10,000 10,001 and up
SURCHARGE:					
Commission				0.5% of	
Regulatory Assessment			N	water charges	
San Jacinto River Authority	\$3.16 + 10%		N	\$ 3.48	0,001 and up

District employs winter averaging for wastewater usage? 
              X    
 Yes              No

Total bi-monthly charges per 10,000 gallons usage: Water: \$66.00 Surcharge: \$34.80 Total: \$100.80

See accompanying independent auditor's report.

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6  
SCHEDULE OF SERVICES AND RATES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**2. RETAIL SERVICE PROVIDERS (Continued)**

**b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)**

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤ <sup>3</sup> / <sub>4</sub> "	<u>138</u>	<u>138</u>	x 1.0	<u>138</u>
1"			x 2.5	
1½"			x 5.0	
2"	<u>1</u>	<u>1</u>	x 8.0	<u>8</u>
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u><u>139</u></u>	<u><u>139</u></u>		<u><u>146</u></u>
Total Wastewater Connections	<u><u>N/A</u></u>	<u><u>N/A</u></u>	x 1.0	<u><u>N/A</u></u>

**3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)**

Gallons pumped into system:	9,162,000	Water Accountability Ratio: 90%
		(Gallons billed/Gallons pumped)
Gallons billed to customers:	8,206,000	

See accompanying independent auditor's report.

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**SCHEDULE OF SERVICES AND RATES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**4. STANDBY FEES** (authorized only under TWC Section 49.231):

Does the District assess standby fees? Yes  No

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

**5. LOCATION OF DISTRICT:**

Is the District located entirely within one county?

Yes  No

County in which District is located:

Montgomery County, Texas

Is the District located within a city?

Entirely  Partly  Not at all

Is the District located within a city's extraterritorial jurisdiction (ETJ)?

Entirely  Partly  Not at all

ETJ in which District is located:

City of Conroe, Texas

Are Board Members appointed by an office outside the District?

Yes  No

See accompanying independent auditor's report.

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**SCHEDULE OF GENERAL FUND EXPENDITURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

PROFESSIONAL FEES:	
Auditing	\$ 6,100
Engineering	16,960
Legal	19,666
Delinquent Tax Attorney	525
TOTAL PROFESSIONAL FEES	<u>\$ 43,251</u>
CONTRACTED SERVICES:	
Appraisal District	\$ 798
Bookkeeping	25,648
Operator and Assistant Operator	43,190
Tax Assessor/Collector	64
TOTAL CONTRACTED SERVICES	<u>\$ 69,700</u>
UTILITIES - Electricity	<u>\$ 5,752</u>
REPAIRS AND MAINTENANCE	<u>\$ 50,084</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 6,100
Insurance	7,477
Office Supplies and Postage	6,149
Other	6,781
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 26,507</u>
OTHER EXPENDITURES:	
Chemicals	\$ 4,416
Laboratory Fees	1,394
San Jacinto River Authority Assessments	25,735
Commission Regulatory Assessment	279
TOTAL OTHER EXPENDITURES	<u>\$ 31,824</u>
TOTAL EXPENDITURES	<u>\$ 227,118</u>

See accompanying independent auditor's report.



**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**INVESTMENTS**  
**SEPTEMBER 30, 2022**

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
Certificate of Deposit	XXXX8110	0.01%	12/19/22	<u>\$ 153,400</u>	<u>\$ -0-</u>

See accompanying independent auditor's report.

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**ANALYSIS OF TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Maintenance Taxes	
TAXES RECEIVABLE -		
OCTOBER 1, 2021	\$ 4,954	
Adjustments to Beginning		
Balance	(207)	\$ 4,747
Original 2021 Tax Levy	\$ 101,725	
Adjustment to 2021 Tax Levy	2,788	104,513
TOTAL TO BE		
ACCOUNTED FOR		\$ 109,260
 TAX COLLECTIONS:		
Prior Years	\$ 1,138	
Current Year	103,526	104,664
 TAXES RECEIVABLE -		
SEPTEMBER 30, 2022		\$ 4,596
 TAXES RECEIVABLE BY		
YEAR:		
2021		\$ 987
2020		871
2019		777
2018		567
2017		412
2016		464
2015		518
TOTAL		\$ 4,596

See accompanying independent auditor's report.

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**ANALYSIS OF TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
PROPERTY VALUATIONS:				
Land	\$ 5,805,540	\$ 5,793,880	\$ 5,831,440	\$ 5,964,570
Improvements	26,782,395	27,178,645	26,094,670	23,674,880
Personal Property	1,081,057	216,334	337,963	239,178
Exemptions	<u>(854,849)</u>	<u>(874,784)</u>	<u>(1,663,080)</u>	<u>(1,884,858)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 32,814,143</u>	<u>\$ 32,314,075</u>	<u>\$ 30,600,993</u>	<u>\$ 27,993,770</u>
TAX RATES PER \$100 VALUATION:				
Maintenance**	<u>\$ 0.3185</u>	<u>\$ 0.3037</u>	<u>\$ 0.3089</u>	<u>\$ 0.3100</u>
ADJUSTED TAX LEVY*	<u>\$ 104,513</u>	<u>\$ 98,138</u>	<u>\$ 94,525</u>	<u>\$ 86,781</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED				
	<u>99.06 %</u>	<u>99.11 %</u>	<u>99.17 %</u>	<u>99.35 %</u>

\* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

\*\* Maintenance Tax – Maximum tax rate of \$2.00 per \$100 of assessed valuation approved by voters on January 15, 1977.

See accompanying independent auditor's report.

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND - FIVE YEARS**

	Amounts		
	2022	2021	2020
<b>REVENUES</b>			
Property Taxes	\$ 104,664	\$ 96,669	\$ 92,297
Water Service	56,651	54,618	56,395
San Jacinto River Authority Fees	24,946	23,314	25,416
Penalty and Interest	1,172	1,294	499
Tap Connection and Inspection Fees			
Investment Revenues	4	61	3,348
Miscellaneous Revenues	629	551	480
<b>TOTAL REVENUES</b>	<b>\$ 188,066</b>	<b>\$ 176,507</b>	<b>\$ 178,435</b>
<b>EXPENDITURES</b>			
Professional Fees	\$ 43,251	\$ 10,754	\$ 9,400
Contracted Services	69,700	70,128	67,258
Utilities	5,752	5,337	4,595
San Jacinto River Authority Assessments	25,735	23,519	27,023
Repairs and Maintenance	50,084	21,062	31,397
Other	32,596	26,631	20,047
<b>TOTAL EXPENDITURES</b>	<b>\$ 227,118</b>	<b>\$ 157,431</b>	<b>\$ 159,720</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (39,052)</b>	<b>\$ 19,076</b>	<b>\$ 18,715</b>
<b>BEGINNING FUND BALANCE</b>	<b>248,043</b>	<b>228,967</b>	<b>210,252</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 208,991</b>	<b>\$ 248,043</b>	<b>\$ 228,967</b>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	<b>139</b>	<b>136</b>	<b>136</b>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2019	2018	2022	2021	2020	2019	2018
\$ 86,052	\$ 77,295	55.7 %	54.9 %	51.7 %	50.4 %	47.1 %
56,775	56,626	30.1	30.9	31.6	33.3	34.4
23,587	25,372	13.3	13.2	14.2	13.8	15.4
956	771	0.6	0.7	0.3	0.6	0.5
1,200	3,675				0.7	2.2
8	11			1.9		
2,050	668	0.3	0.3	0.3	1.2	0.4
<u>\$ 170,628</u>	<u>\$ 164,418</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 9,920	\$ 14,932	23.1 %	6.2 %	5.4 %	5.9 %	9.2 %
63,086	57,564	37.1	39.7	37.7	37.0	35.0
4,043	4,833	3.1	3.0	2.6	2.4	2.9
23,466	26,235	13.7	13.3	15.1	13.8	16.0
18,325	24,881	26.6	11.9	17.6	10.7	15.1
18,632	20,574	17.3	15.1	11.2	10.9	12.5
<u>\$ 137,472</u>	<u>\$ 149,019</u>	<u>120.9 %</u>	<u>89.2 %</u>	<u>89.6 %</u>	<u>80.7 %</u>	<u>90.7 %</u>
\$ 33,156	\$ 15,399	<u>(20.9) %</u>	<u>10.8 %</u>	<u>10.4 %</u>	<u>19.3 %</u>	<u>9.3 %</u>
<u>177,096</u>	<u>161,697</u>					
<u>\$ 210,252</u>	<u>\$ 177,096</u>					
<u>136</u>	<u>135</u>					

See accompanying independent auditor's report.

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6  
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
SEPTEMBER 30, 2022**

District Mailing Address - Montgomery County Fresh Water Supply District No. 6  
12081 Lakeview Manor Drive  
Willis, TX 77318

District Telephone Number - (281) 356-8750

<b>Board Members:</b>	Term of Office (Elected or Appointed)	Fees for the year ended September 30, 2022	Expense Reimbursements for the year ended September 30, 2022	Title
Charles Small	05/2022 05/2026 (Elected)	\$ 950	\$ -0-	President
Marwan Jarrah	02/2022 05/2024 (Appointed)	\$ 1,100	\$ -0-	Vice President
James L. Maxwell	05/2022 05/2026 (Elected)	\$ 1,350	\$ -0-	Secretary/ Treasurer
Ricky Stuksa	05/2020 05/2024 (Appointed)	\$ 1,350	\$ -0-	Assistant Secretary
Carl Wartemann	05/2022 05/2026 (Elected)	\$ 1,350	\$ -0-	Director

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

Submission date of most recent District Registration Form: December 21, 2022

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by TWC Section 49.060. Fees of Office are the amounts paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

**MONTGOMERY COUNTY FRESH WATER SUPPLY DISTRICT NO. 6  
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
SEPTEMBER 30, 2022**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees for the year ended September 30, 2022</u>	<u>Title</u>
Mitchell & Zientek, LLP	08/16/20	\$ 18,226	General Counsel
McCall Gibson Swedlund Barfoot PLLC	04/05/94	\$ 6,100	Auditor
LightPoint Engineering, LLC	04/10/22	\$ 16,960	Engineer
Tara Snoe	01/26/15	\$ 27,659	Bookkeeper/General Manager
Kevin Kaliszewski	10/09/91	\$ 32,726	Operator
Josh Snoe	04/23/12	\$ 14,118	Assistant Operator
Montgomery County Tax Assessor-Collector	03/01/96	\$ 64	Tax Assessor/ Collector

See accompanying independent auditor's report.

