FOX, BYRD & COMPANY, P.C.
Accountants and Consultants

March 10, 2023

To the Board of Directors
Franklin County Water District

We have audited the basic financial statements of Franklin County Water District as of and for the year ended December 31, 2022, and have issued our report thereon dated March 10, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated November 28, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of Franklin County Water District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

12001 N. Central Expressway, Suite 500
Dallas, Texas 75243-3794
Ph (214) 696-8320 | Fax (214) 987-9840
www.foxbyrd.com

Significant Risks Identified

In the process of planning the audit, and for the purposes of determining the scope and timing of our audit procedures, we identified the following significant risks:

- Management override of internal controls
- Manipulation of reported revenue

Auditing standards promulgated by the American Institute of Certified Public Accountants (AICPA) require, at a minimum, that we plan and conduct our audit in a way that considers the two risks noted above. Additional risks requiring special attention may also be identified in the audit planning process. However, we identified no such additional risks requiring special audit attention.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Franklin County Water District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is the allowance for doubtful receivables.

Management's estimate of the the allowances for doubtful receivables is based on previous experience with customers and tax collections. We evaluated the key factors and assumptions used to develop the allowances for doubtful receivables and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There are no particularly sensitive disclosures in Franklin County Water District's financial statements for 2022.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. The following significant unusual transactions identified as a result of our audit procedures were brought to the attention of management:

- We consider the relatively high level of engineering fees incurred in 2022 to be unusual. The engineering fees were incurred to continue the design, costing and environmental permitting for the Franklin County Dam restoration project.
- We consider the relatively high level of legal fees incurred in 2022 to be unusual. The legal fees were incurred in the pursuit of remedies for damages arising from a contractor's equipment having been submerged in the lake.

Identified or Suspected Fraud

We identified no actual or suspected fraud in the conduct of our audit.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. The attached schedule summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule also summarizes the corrected financial statement misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Franklin County Water District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

There were no circumstances requiring modification to the form and content of the auditor's report for 2022.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 10, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Matters Resulting in Consultation outside the Engagement Team

No matters arose in the conduct of our audit requiring consultation outside of our engagement team.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Franklin County Water District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Franklin County Water District's auditors.

This report is intended solely for the information and use of the board of directors, and management of Franklin County Water District and is not intended to be and should not be used by anyone other than these specified parties.

Fox, Byrd + Company, P.C.
Fox, Byrd & Company, P.C.

Franklin County Water District
Summary of Corrected and Uncorrected Misstatements
December 31, 2022

	Unadjusted Balances	Audit Adjustments	Reported Balance	Uncorrected Misstatements	Balance as if Corrected
Assets					
Unrestricted cash and cash equivalents	$ 7,066,260	$ -	$ 7,066,260	$ -	$ 7,066,260
Investments	2,067	-	2,067	-	2,067
Receivables	219,031	(14,838)	204,193	-	204,193
Total current assets	7,287,358	(14,838)	7,272,520	-	7,272,520
Cash restricted for debt service	159,953	-	159,953	-	159,953
Utility deposits	2,097	-	2,097	-	2,097
Capital assets, net	8,161,336	104,403	8,265,739	-	8,265,739
Total assets	$ 15,610,744	$ 89,565	$ 15,700,309	$ -	$ 15,700,309
Liabilities and net assets					
Accounts payable	$ 16,623	$ 13,376	$ 29,999	$ -	$ 29,999
Accrued interest payable	6,536	(882)	5,654	-	5,654
Other accrued liabilities	25,021	6,624	31,645	-	31,645
Deferred revenue	459,128	6,080	465,208	-	465,208
Bonds payable, current portion	180,000	60,000	240,000	-	240,000
Total current liabilities	687,308	85,198	772,506	-	772,506
Bonds payable, non-current portion	1,247,358	(52,700)	1,194,658	-	1,194,658
Total liabilities	1,934,666	32,498	1,967,164	-	1,967,164
Net assets	13,676,078	57,067	13,733,145	-	13,733,145
Total liabilities and net assets	$ 15,610,744	$ 89,565	$ 15,700,309	$ -	$ 15,700,309
Revenue and expense					
Revenue	$ 1,868,245	$ (6,079)	$ 1,862,166	$ -	$ 1,862,166
Operating expenses	(1,942,415)	84,403	(1,858,012)	-	(1,858,012)
Other income and expense	317,482	(20,541)	296,941	-	296,941
Net revenue over expense	$ 243,312	$ 57,783	$ 301,095	$ -	$ 301,095

Explanation of revenue and expense adjustments	
Routine adjustments, cash basis to accrual basis	
Adjust property taxes receivable to match appriasal district	$ (14,838)
Adjust deferred permit revenue to match calculation	(6,080)
Record amortization of bond refinancing costs	(7,300)
Adjust accrued interest on bonds to match calculation	882
Adjust accrued payroll to match calculation	(6,624)
Other adjustments	
Adjust accounts payable for 2022 late invoices received	(24,278)
Remove January 2023 health insurance costs from 2022	11,618
Move dam improvement costs to capital expenditures	104,403
	$ 57,783

FRANKLIN COUNTY WATER DISTRICT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

FOX, BYRD & COMPANY, P.C.
Accountants and Consultants

FRANKLIN COUNTY WATER DISTRICT

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

List of Principal Officials 1

Annual Filing Affidavit 2

FINANCIAL SECTION

Independent Auditor's Report 3

Management's Discussion and Analysis 6

Basic Financial Statements

Statement of Net Position 9

Statement of Revenues, Expenses, and Changes in Net Position 10

Statement of Cash Flows 11

Notes to Financial Statements 12

SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenses, and Changes in Net Position -

Budget and Actual 18

Index of Supplementary Schedules Required by the

Texas Commission on Environmental Quality 19

Schedule of Services and Rates 20

Schedule of Operating Expenses 22

Schedule of Taxes Levied and Receivable 23

Schedule of Long-Term Debt Service Requirements 24

Schedule of Changes in Long-Term Debt 25

Comparative Schedule of Revenues and Expenses – Five Years 26

Board Members, Key Personnel, and Consultants 27

INTRODUCTORY SECTION

FRANKLIN COUNTY WATER DISTRICT

LIST OF PRINCIPAL OFFICIALS
December 31, 2022

OFFICERS

Gary Cunningham – President
Billy M Jordan – Vice President
Rodney Newsom – Secretary

DIRECTORS

Jennifer Dennis
Carmen Sparks

KEY PERSONNEL

David Weidman – General Manager
J.R. Alphin – Operations Manager

DISTRICT ADDRESS

Franklin County Water District
P.O. Box 559
Mount Vernon, Texas 75457
Phone (903) 537-4536

FRANKLIN COUNTY WATER DISTRICT

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS }

COUNTY OF: Franklin }

I, Gary Cunningham, President
(Name of Duly Authorized District Representative)

of the Franklin County Water District
(Name of District)

hereby swear, or affirm, that the district named above has reviewed, approved, and filed at a meeting of the Board of Directors of the District on the 21st day of March, 2023, its annual audit report for the fiscal year or period ended December 31, 2022, and that copies of the annual audit report have been filed in the district office, located at 112 N. Houston St., Mount Vernon, Texas, Franklin.
(Address of District) (County)

The annual filing affidavit and the attached copy of the annual audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code.

Date March 21, 2023 By: _____
(Signature of District Representative)

Gary Cunningham, President
(Typed Name and Title of above District Representative)

Sworn to and subscribed to before me this 21st day of March, 2023.

Alice Kirkelie
(Signature of Notary)

(Seal)

NOTARY PUBLIC STATE OF TEXAS
ALICE I. KIRKELIE
Notary Public
STATE OF TEXAS
Notary I.D. 509785-1
My Comm. Exp. May 27, 2026

My Commission Expires on: 5/27/2026, Notary Public in and for the State of Texas.

FINANCIAL SECTION

FOX, BYRD & COMPANY, P.C.
Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Franklin County Water District
Mount Vernon, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Franklin County Water District, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Franklin County Water District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Franklin County Water District, as of December 31, 2022, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Franklin County Water 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

Franklin County Water District's 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 Franklin County Water 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 GAAS will always detect a

12001 N. Central Expressway, Suite 500
Dallas, Texas 75243-3794
Ph (214) 696-8320 | Fax (214) 987-9840
www.foxbyrd.com

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 GAAS, 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 Franklin County Water 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 Franklin County Water 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 Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual on pages 6-8 and 18 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Franklin County Water District's basic financial statements. The Supplementary Schedules Required by the Texas Commission on Environmental Quality are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Schedules Required by the Texas Commission on Environmental Quality are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Schedules Required by the Texas Commission on Environmental Quality are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fox, Byrd + Company, P.C.
Dallas, Texas
March 10, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis is provided by the Franklin County Water District, hereafter referred to as the District.

The Franklin County Water District is a conservation and reclamation district that was created by a special act of the Texas Legislature in 1965. The District's statutory duty is to control, store, and preserve and distribute its (the District's) waters and flood waters for all useful purposes. The District is the sole provider of wholesale water for Franklin County. The District has three wholesale water customers and one water rights holder. The District, as an ancillary function, oversees the leases and acts as landlord for District owned land, collecting lease payments and use fees. The District manages and operates park and recreational facilities on Lake Cypress Springs.

Financial Highlights

- At December 31, 2022, the District reported total assets of $15,700,309 and net position of $13,733,144.
- The net position of the District increased during the year by $301,095, or approximately 2.2%.
- The District had operating income of $4,153 for the year resulting from ongoing operations net of engineering fees associated with studies conducted to evaluate options for improvements to the dam, and legal fees associated with the District's pursuit of remedies for damages arising from contracted work at the lake.
- The District's net capital assets decreased during the year by $97,337 due to capital expenditures net of depreciation expense.
- The District's long-term debt decreased during the year by $222,700 due to scheduled principal payments, net of amortization of capitalized issuance costs.

Overview of the Financial Statements

This section is intended to serve as introduction to the District's basic financial statements. The basic financial statements are: 1) Statement of Net Position; 2) Statement of Revenues, Expenses, and Changes in Net Position; and 3) Statement of Cash Flows.

The financial statements of the District report information of the District using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statement of Net Position includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its user fees and other charges, profitability, and creditworthiness.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides information regarding the sources and uses of cash during the reporting period, and the beginning and ending balances of cash for the reporting period.

The financial statements also include notes that explain in more detail some of the information in the financial statements.

Summaries of the District's Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position are presented below.

Condensed Statements of Net Position

	12/31/2022	12/31/2021	Dollar Change	Percent Change
Current and other assets	$ 7,434,570	$ 7,236,151	$ 198,419	2.74 %
Captial assets, net	8,265,739	8,363,076	(97,337)	(1.16)
Total assets	$ 15,700,309	$ 15,599,227	$ 101,082	0.65 %
Long-term debt outstanding	$ 1,434,658	$ 1,657,358	$ (222,700)	(13.44) %
Other liabilities	532,507	509,820	22,687	4.45
Total liabilities	$ 1,967,165	$ 2,167,178	$ (200,013)	(9.23) %
Invested in capital assets, net of related indebtedness	$ 6,831,081	$ 6,705,718	$ 125,363	1.87 %
Restricted	159,953	132,255	27,698	20.94
Unrestricted	6,742,110	6,594,076	148,034	2.24
Total net position	$ 13,733,144	$ 13,432,049	$ 301,095	2.24 %

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2022	2021	Dollar Change	Percent Change
Operating revenue	$ 1,862,165	$ 1,927,687	$ (65,522)	(3.40) %
Non-operating revenue	322,967	283,771	39,196	13.81
Total revenue	2,185,132	2,211,458	(26,326)	(1.19)
Depreciation expense	201,740	215,789	(14,049)	(6.51)
Other operating expense	1,656,272	1,793,092	(136,820)	(7.63)
Non-operating expense	26,026	32,570	(6,544)	(20.09)
Total expenses	1,884,038	2,041,451	(157,413)	(7.71)
Change in net position	301,094	170,007	131,087	77.11
Beginning net position	13,432,050	13,262,042	170,008	1.28
Ending net position	$ 13,733,144	$ 13,432,049	$ 301,095	2.24 %

The overall financial position and regular, ongoing operations of the District remain sound. Net capital assets decreased by $97,337 in 2022 due to capital expenditures of $104,403, net of depreciation expense of $201,740. The majority of capital expenditures were in connection with the initial design and construction phase for improvements to the dam. Bonds payable decreased $222,700 in 2022 due to scheduled principal payments of $230,000, net of amortization of capitalized issuance costs of $7,300.

The $65,522 decrease in operating revenue is due to normal fluctuations. The $136,820 decrease in other operating expenses in 2022 is primarily attributable to reduced engineering expenses and reduced legal fees from the previous year's levels.

Capital Asset and Debt Administration

The District's investment in capital assets as of December 31, 2022, consisted of land, lake construction, dam reconstruction, buildings, machinery and equipment, vehicles, and park and lake assets. The District is currently in the initial design and construction phase for improvements to the dam, and costs associated with the project will continue to increase net capital assets through its completion.

The District's long-term debt activity during 2022 consisted of scheduled principal payment in the amount of $230,000.

Economic Factors and Next Year's Budgets and Rates

During 2013, the District began addressing erosion issues relating to the dam remediation project with its attorneys and consulting engineers. The Districts litigation to address these erosion issues was settled in 2018. The District has studied options for improving the dam to remediate the erosion and is currently in the initial design phase for improvements to the dam.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for those with an interest in the District's activities. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Franklin County Water District, P.O. Box 559, Mount Vernon, Texas 75457.

FRANKLIN COUNTY WATER DISTRICT
STATEMENT OF NET POSITION
December 31, 2022

ASSETS

CURRENT ASSETS		
Unrestricted cash and cash equivalents	$	7,066,260
Investments		2,067
Receivables		
Property taxes receivable, net		202,285
Accounts receivable		1,908
Total current assets		7,272,520
OTHER ASSETS		
Cash restricted for debt service		159,953
Utility deposits		2,097
Capital assets, net		8,265,739
	$	15,700,309

LIABILITIES AND NET POSITION

CURRENT LIABILITIES		
Accounts payable	$	30,000
Accrued interest payable		5,654
Other accrued liabilities		31,646
Bonds payable, current portion		240,000
Deferred revenue		465,207
Total current liabilities		772,507
BONDS PAYABLE, NON-CURRENT PORTION		1,194,658
		1,967,165
NET POSITION		
Invested in capital assets, net of related indebtedness		6,831,081
Restricted for debt service		159,953
Unrestricted		6,742,110
		13,733,144
	$	15,700,309

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

FRANKLIN COUNTY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2022

OPERATING REVENUE		
Permits and other fees	$	712,493
Water sales and M&O fees		556,353
Admission fees		476,518
Lease income		116,801
		1,862,165
OPERATING EXPENSES		
Labor and personnel		838,351
Legal fees and other professional fees		245,178
Depreciation		201,740
Utilities		163,684
Engineering fees		129,869
Repairs and maintenance		129,341
Supplies		61,331
Insurance		33,161
Other operating expenses		55,357
		1,858,012
OPERATING INCOME		4,153
NON-OPERATING REVENUE AND EXPENSE		
Ad valorem taxes		260,319
Interest income		53,001
Interest expense		(26,026)
Other income and expense, net		9,647
		296,941
INCREASE IN NET POSITION		301,094
NET POSITION, beginning		13,432,050
NET POSITION, ending	$	13,733,144

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

FRANKLIN COUNTY WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

	2022
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net position	$ 301,094
Adjustments to reconcile increase in net position to net cash provided by operating activities	
Depreciation	201,740
Amortization of bond issuance costs	7,300
Net change in	
Restricted cash	(27,698)
Receivables	17,864
Accounts payable and accrued liabilities	16,608
Deferred revenue	6,079
Net cash provided by operating activities	522,987
CASH FLOWS FROM INVESTING ACTIVITIES	
Maturities of investments	480
Acquisition of capital assets	(104,403)
Net cash used in investing activities	(103,923)
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment of long term debt	(230,000)
Net cash used in financing activities	(230,000)
INCREASE IN UNRESTRICTED CASH AND CASH EQUIVALENTS	189,064
UNRESTRICTED CASH AND CASH EQUIVALENTS, beginning	6,877,196
UNRESTRICTED CASH AND CASH EQUIVALENTS, ending	$ 7,066,260

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Franklin County Water District was created by an act of the Legislature, H.B. No. 1161, 59th Legislature of the State of Texas. The Board of Directors held its first meeting on June 15, 1965, and its first bonds were sold on January 13, 1966.

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

The reporting entity

The District's financial statements include the accounts of all District operations. The criteria for including organizations within the District's reporting entity, as set forth in Governmental Accounting Standards Board (GASB) Statement of Governmental Accounting Standards No. 14, *The Financial Reporting Entity*, is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The District's financial statements do not include any component units because none of the criteria for inclusion as set forth in GASB 14 have been met.

Proprietary funds

Enterprise funds (a type of proprietary fund) are used to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District's enterprise fund accounts for the operations of providing raw water for municipal use out of Lake Cypress Springs and for the management and maintenance of the lakes, parks, and recreational facilities located on property owned by the District. The District also leases land to tenants, generally under ninety-nine year leases, and collects land use rents. Aggregate future minimum rentals on non-cancelable leases for the next five fiscal years amount to approximately $95,000 annually.

Basis of accounting and financial statement presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by GASB. Generally accepted accounting principles prescribed by the Financial Accounting Standards Board are applied unless they conflict with or contradict GASB pronouncements, or were issued after November 30, 1989.

Proprietary funds are accounted for using the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and demand deposit accounts in banks.

Investments

Investments are stated at fair value based on quoted prices in active markets for identical assets. The amortization of premiums and accretion of discounts is recognized in interest income using methods approximating the interest method over the remaining term of the investment.

Receivables

Accounts receivable are considered fully collectible; accordingly, no allowance for doubtful accounts is required. In the event an account in whole or in part becomes uncollectible in the future, such amount will be charged to operations when that determination is made.

Ad valorem (property) taxes

Ad valorem (property) taxes are levied on October 1st by the District based on the January 1st property values as assessed by the Franklin County Appraisal District. Taxes are due without penalty until January 31st of the next calendar year. After January 31st the District has an enforceable lien with respect to both real and personal property. Under state law, property taxes levied on real property constitute a perpetual lien on the real property which cannot be forgiven without specific approval of the State Legislature. Taxes applicable to personal property can be deemed uncollectible by the District.

Depreciation

Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives on the straight-line method. The service lives by type of asset are as follows:

Dam reconstruction	50 years
Buildings	5 – 20 years
Machinery and equipment	3 – 20 years
Vehicles	3 – 5 years
Furniture and fixtures	2 – 10 years
Park and lake assets	3 – 20 years

Advance lease and permit payments

Lease income, water permit fees, and pier and boathouse permit fees are recognized when earned. Revenues are considered to be earned when the District has performed all services related to the generation of revenue. At December 31, 2022, the District had received payment for services to be performed subsequent to year end. The advance payments are reflected as deferred revenue in the statement of net position. The revenue relating to these payments will be recognized in the period the service is performed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Accumulated unpaid vacation and sick leave

An allowance for compensated absences has not been reflected in these financial statements because the liability is not material. Unused sick leave carried over to a subsequent year is capped at sixty days and is lost upon termination. Employees may elect to be paid for up to five days of unused vacation annually. Any remaining vacation must either be used by the employee's anniversary date of each year or it is lost.

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through March 10, 2023, which is the date the financial statements were available to be issued.

2. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. At December 31, 2022, the District's deposits were entirely insured or collateralized with securities held by the pledging financial institution's trust department or agent in the District's name. Accordingly, the District's deposits were not exposed to custodial credit risk.

Investments

The Texas Public Funds Investment Act and the District's investment policy authorize the District to invest in U.S. Treasury securities, U.S. agency securities, including mortgage-backed securities, state and local government obligations; certificates of deposit; repurchase agreements; banker's acceptances; commercial paper and external investment pools. The District's investment policy sets forth specific criteria that each of these investments must meet to be eligible investments.

Custodial credit risk for investments is the risk that the District will not be able to recover the value of its investments that are in the possession of an outside party. At December 31, 2022, the District's investments were entirely insured or registered in the District's name. Accordingly, the District's investments were not exposed to custodial credit risk. At December 31, 2022, the District's investments comprised mortgage-backed securities valued at $2,067 maturing 2033 to 2034.

3. CAPITAL ASSETS

The District's capital asset activity during 2022 was as follows:

	Balance 1/1/2022	Additions	Retirements	Balance 12/31/2022
Non-depreciable assets				
Land	$ 1,069,405	$ -	$	$ 1,069,405
Lake construction	2,791,312	-	-	2,791,312
Construction in process	-	104,403		104,403
	3,860,717	104,403	-	3,965,120
Depreciable assets				
Dam construction	4,635,761	-	-	4,635,761
Buildings	378,296	-	-	378,296
Machinery and equipment	448,382	-	-	448,382
Vehicles	321,749	-	-	321,749
Furniture and fixtures	189,367	-	-	189,367
Parks and lake assets	2,118,166	-	-	2,118,166
	8,091,721	-	-	8,091,721
Total capital assets	11,952,438	104,403	-	12,056,841
Accumulated depreciation	(3,589,362)	(201,740)	-	(3,791,102)
	$ 8,363,076	$ (97,337)	$ -	$ 8,265,739

4. LONG-TERM DEBT

As of December 31, 2022, bonds payable comprised the Unlimited Tax Refunding Bond, Series 2020, dated May 6, 2020, in the aggregate principal amount of $2,165,000. Interest is payable semi-annually at 1.15% and principal is payable annually through September 1, 2028. The bonds are secured by a first lien on the net proceeds of annual ad valorem tax levied against all taxable property located in the District. The bond proceeds were used to refund the outstanding balance of the District's Unlimited Tax Bond, Series 2008, which was issued in 2008 to fund remediation and repairs to the District's Franklin County Dam and structures and facilities for Lake Cypress Springs.

4. LONG-TERM DEBT - continued

The District's long-term debt activity during 2022 was as follows:

	Balance 1/1/2022	Issued in 2022	Retired in 2022	Balance 12/31/2022	Due in 2023
Unlimited tax bonds					
Series 2020	$ 1,705,000	$ -	$ (230,000)	$ 1,475,000	$ 240,000
Issuance costs	(47,642)	-	7,300	(40,342)	-
	$ 1,657,358	$ -	$ (222,700)	$ 1,434,658	$ 240,000

The scheduled maturities of bonds payable as of December 31, 2022 are as follows:

Year Ending December 31:	Principal	Interest	Total
2023	$ 240,000	$ 16,963	$ 256,963
2024	240,000	14,203	254,203
2025	240,000	11,443	251,443
2026	250,000	8,683	258,683
2027	250,000	5,808	255,808
2028	255,000	2,933	257,933
	$ 1,475,000	$ 60,033	$ 1,535,033

5. WATER CUSTOMERS

At December 31, 2022, the District had three wholesale customers and one water rights holder connected with the system. These entities (none of which are residential users) are as follows:

City of Mount Vernon
City of Winnsboro
Cypress Springs Special Utility District
City of Mount Pleasant (water rights holder)

For the year ended December 31, 2022, the wholesale customers used 2,637.30 acre-feet of surface water.

6. RETIREMENT PLANS

The District maintains a deferred compensation plan under Section 457 of the Internal Revenue Code (the "457 Plan"). Employees are eligible to participate in the 457 Plan upon the completion of six months of service as defined by the 457 Plan. The 457 Plan allows employees to make pre-tax contributions to specified limits. Employees are fully vested at all times in their contributions to the 457 Plan. The District does not make contributions to the 457 Plan.

The District also maintains a qualified retirement plan under Section 401 of the Internal Revenue Code (the "401 Plan"). Employees are eligible to participate in the 401 Plan upon the completion of six months of service as defined by the 401 Plan. The District makes matching contributions to the 401 Plan equal to the lesser of 100% of a participant's contributions or 7% of the participant's compensation. The 401 Plan has a seven-year vesting schedule with 20% being vested the third year and an additional 20% becoming vested annually thereafter.

The total covered payroll for 2022 was $573,857, while total payroll for all employees was $616,473. The employer's 2022 contributions to the 401 Plan totaled $35,428, or 6.2% of covered payroll. The employees' 2022 contributions to the 401 Plan totaled $38,950, or 6.8% of covered payroll.

7. 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; employee health benefits; and other various claims. The District purchases commercial insurance to indemnify it in the event of loss. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the two prior years.

SUPPLEMENTARY INFORMATION

FRANKLIN COUNTY WATER DISTRICT
SCHEDULE OF REVENUE, EXPENSES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
For the Year Ended December 31, 2022

	Original Budget	Amended Budget	Actual
OPERATING REVENUES			
Permits and other fees	$ 602,000	$ 714,310	$ 712,493
Water sales and M&O fees	507,000	555,000	556,353
Admission fees	450,000	480,000	476,518
Lease income	111,200	104,200	116,801
	1,670,200	1,853,510	1,862,165
OPERATING EXPENSES			
Labor and personnel	896,329	809,415	838,351
Legal fees and other professional fees	227,600	227,600	245,178
Depreciation	-	-	201,740
Utilities	89,000	154,000	163,684
Engineering fees	100,000	140,000	129,869
Repairs and maintenance	160,000	160,000	129,341
Supplies	60,000	63,000	61,331
Insurance	45,300	45,500	33,161
Other operating expenses	53,500	56,500	55,357
	1,631,729	1,656,015	1,858,012
OPERATING INCOME	38,471	197,495	4,153
NON-OPERATING REVENUE AND EXPENSE			
Ad valorem taxes	250,000	250,000	260,319
Interest income	17,000	35,000	53,001
Interest expense	-	-	(26,026)
Other income and expense, net	20,000	27,500	9,647
	287,000	312,500	296,941
CHANGE IN NET POSITION	325,471	509,995	301,094
BUDGETARY RECONCILIATION			
Interest expense	-	-	26,026
Debt service	(249,608)	(249,608)	(230,000)
Depreciation	-	-	201,740
Capital expenditures	(25,000)	-	(104,403)
NET BUDGETARY BASIS	$ 50,863	$ 260,387	$ 194,457

FRANKLIN COUNTY WATER DISTRICT
INDEX OF SUPPLEMENTARY SCHEDULES REQUIRED BY
THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
For the Year Ended December 31, 2022

		Page
[X]	Notes Required by the Water District Accounting Manual (included in the notes to the financial statements)	12
[X]	Schedule of Services and Rates	20
[X]	Schedule of Operating Expenses	22
[X]	Schedule of Temporary Investments (included in the notes to the financial statements)	14
[X]	Schedule of Taxes Levied and Receivable	23
[X]	Schedule of Long-Term Debt Service Requirements by Years	24
[X]	Schedule of Changes in Long-Term Debt	25
[X]	Comparative Schedule of Revenues and Expenses - Five Years	26
[X]	Board Members, Key Personnel, and Consultants	27

FRANKLIN COUNTY WATER DISTRICT
SCHEDULE OF SERVICES AND RATES
For the Year Ended December 31, 2022

1. Services provided by the District:

☐ Retail water	☒ Wholesale water	☐ Drainage
☐ Retail wastewater	☐ Wholesale wastewater	☐ Irrigation
☒ Parks / recreation	☐ Fire protection	☐ Security
☐ Solid waste / garbage	☐ Flood control	☐ Roads

☐ Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)

☐ Other (specify): _____

2. Retail rates based on 5/8" meter: ☒ Retail rates not applicable

Most prevalent type of meter (if not 5/8"): _____

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate / 1,000 Gallons Over Minimum	Usage Levels
Water	$ _____	_____	_____	$ _____	_____ to _____
Wastewater	$ _____	_____	_____	$ _____	_____ to _____
Surcharge	$ _____	_____	_____	$ _____	_____ to _____

District employs winter averaging for wastewater: ☐ Yes ☐ No

Total water and wastewater charges / 10,000 gallons usage (incl surcharges): $ _____

3. Retail service providers: Number of retail water and/or wastewater* connections within the District as of the fiscal year end. Provide the actual numbers and single family equivalents (ESFC) as noted:

☒ Retail connections not applicable

	Active Connections	Active ESFC	Inactive Connections (ESFC)**
Single family	_____	_____	_____
Multi-family	_____	_____	_____
Commercial	_____	_____	_____
Other - recreation centers, government & VFD	_____	_____	_____
Total	_____	_____	_____

* Number of connections relates to water service, if provided. Otherwise, the number of wastewater connections should be provided.
** "Inactive" means that water and wastewater connections were made, but service is not being provided.

FRANKLIN COUNTY WATER DISTRICT
SCHEDULE OF SERVICES AND RATES (continued)
For the Year Ended December 31, 2022

4. Total water consumption (in thousands) during the fiscal year:

Gallons pumped into system	859,367,976
Gallons billed to customers	859,367,976

5. Standby fees: Does the District assess standby fees? ☐ Yes ☒ No

For the most recent fiscal year, FYE: _____

Debt service	Total levy	$
	Total collected	
	Percentage collected	
Operations and maintenance	Total levy	$
	Total collected	
	Percentage collected	

Have the standby fees been levied in accordance with Water Code Section 49.231, thereby constituting a lien on property? ☐ Yes ☐ No

6. Anticipated sources of funds to be used for debt service payments in the District's following fiscal year:

	Amount
a. Debt service tax receipts	$ 256,963
b. Surplus construction funds	
c. Water and/or wastewater revenue	
d. Standby fees	
e. Debt service fund balance to be used	
f. Interest revenue	
g. Other (describe)	
_____	
Total anticipated funds to be used*	$ 256,963

7. Location of District:

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

Is the District located entirely within one county? ☒ Yes ☐ No

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

City(ies) in which the District is located: Mount Vernon and Winnsboro

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

ETJ in which the District is located: N/A

Is the general membership of the board appointed by an outside office? ☐ Yes ☒ No

If yes, by whom? N/A

* Total should equal the District's annual debt service for the fiscal year following the fiscal year reported

FRANKLIN COUNTY WATER DISTRICT
SCHEDULE OF OPERATING EXPENSES
For the Year Ended December 31, 2022

Labor and personnel	$	838,351
Legal fees and other professional fees		245,178
Depreciation		201,740
Utilities		163,684
Engineering fees		129,869
Repairs and maintenance		129,341
Supplies		61,331
Insurance		33,161
Other operating expenses		55,357
	$	1,858,012
Number of persons employed by the District		13 full-time -0- part-time

FRANKLIN COUNTY WATER DISTRICT
SCHEDULE OF TAXES LEVIED AND RECEIVABLE
For the Year Ended December 31, 2022

		Debt Service Taxes
Taxes receivable, 1/1/2022	$	217,123
2022 original levy		256,418
Less abatements		-
Total to be accounted for		473,541
Tax collections		(271,256)
Taxes receivable, 12/31/2022	$	202,285
Property valuation		
Land	$	428,693,302
Improvements		1,293,514,659
Personal property		112,380,545
Total appraised value	$	1,834,588,506
Tax rate per $100 valuation	$	0.014
Original tax levey	$	256,418
Percent of taxes collected to taxes levied		105.8%

FRANKLIN COUNTY WATER DISTRICT
SCHEDULE OF LONG-TERM DEBT SERVICE REQUIREMENTS
For the Year Ended December 31, 2022

Fiscal Year Ending December 31:	Principal Due	Interest Due	Total
Unlimited Tax Bonds, Series 2020			
(Principal due September 1, interest due March 1 and September 1)			
2023	$ 240,000	$ 16,963	$ 256,963
2024	240,000	14,203	254,203
2025	240,000	11,443	251,443
2026	250,000	8,683	258,683
2027	250,000	5,808	255,808
2028	255,000	2,933	257,933
	$ 1,475,000	$ 60,033	$ 1,535,033
Capitalized issuance costs	(40,342)		
Total carrying value	$ 1,434,658		

FRANKLIN COUNTY WATER DISTRICT
SCHEDULE OF CHANGES IN LONG-TERM DEBT
For the Year Ended December 31, 2022

	Series 2020
Interest rates	1.15%
Dates interest payable	3/1 and 9/1
Maturity dates	9/1/2020 to 9/1/2028
Bonds outstanding at the beginning of the year	$ 1,705,000
Bonds sold during the current year	-
Principal retired	(230,000)
Bonds outstanding at the end of the year	$ 1,475,000

Paying agent's name and address:
The Bank of New York Mellon Trust Company, N.A. - Dallas, Texas

	Tax Bonds *	Other Bonds	Refunding Bonds
Bond authority:			
Amount authorized by voters	$ 3,800,000	$ -	$ -
Amount issued	$ 3,800,000	$ -	-
Amount remaining to be issued	$ -	$ -	-

* Includes all bonds secured with tax revenue

FRANKLIN COUNTY WATER DISTRICT
COMPARATIVE SCHEDULE OF REVENUE AND EXPENSES
For the Five Years Ended December 31, 2022

	Amount					Percent of Operating Revenue				
	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
OPERATING REVENUE										
Lease income	$ 116,801	$ 231,849	$ 180,876	$ 118,280	$ 135,046	6 %	12 %	10 %	8 %	9 %
Admission fees	476,518	517,385	414,987	349,960	338,835	26	27	24	23	22
Permits and other fees	712,493	631,490	604,749	580,328	551,254	38	33	35	38	36
Water sales and M&O fees	556,353	546,963	536,089	496,209	493,878	30	28	31	32	33
Total operating revenue	1,862,165	1,927,687	1,736,701	1,544,777	1,519,013	100	100	100	100	100
OPERATING EXPENSES										
Labor and personnel	838,351	905,342	726,766	774,085	775,705	45	47	42	50	51
Engineering fees	129,869	160,009	409,559	223,910	29,750	7	8	24	14	2
Legal fees and other professional	245,178	307,766	102,894	96,848	1,134,593	13	16	6	6	75
Supplies	61,331	66,581	45,229	54,563	54,789	3	3	3	4	4
Repairs and maintenance	129,341	96,497	241,617	109,627	92,046	7	5	14	7	6
Utilities	163,684	103,987	98,922	100,412	112,871	9	5	6	7	7
Insurance	33,161	35,633	37,184	36,828	38,824	2	2	2	2	3
Depreciation	201,740	215,789	210,225	211,907	186,475	11	11	12	14	12
Other operating expenses	55,357	117,277	57,655	54,436	38,156	3	6	3	4	3
Total operating expenses	1,858,012	2,008,881	1,930,051	1,662,616	2,463,209	100	104	111	108	162
Operating income (loss)	4,153	(81,194)	(193,350)	(117,839)	(944,196)	-	(4)	(11)	(8)	(62)
NON-OPERATING REVENUE AND EXPENSE										
Interest income	53,001	21,419	47,297	90,481	38,054	3	1	3	6	3
Ad valorem taxes	260,319	259,304	259,752	255,846	316,923	14	13	15	17	21
Change in value of investments	-	-	-	(12,342)	(2,083)	-	-	-	(1)	-
Gain on disposal of capital assets	-	3,048	-	15,975	-	-	-	-	1	-
Interest expense	(26,026)	(30,482)	(59,922)	(104,247)	(113,616)	(1)	(2)	(3)	(7)	(7)
Other income and expense, net	9,647	(2,088)	6,416	24,781	4,761,883	1	-	-	2	313
Net non-operating revenue	296,941	251,201	253,543	270,494	5,001,161	16	13	15	18	329
Increase in net position	$ 301,094	$ 170,007	$ 60,193	$ 152,655	$ 4,056,965	16 %	9 %	3 %	10 %	267 %

FRANKLIN COUNTY WATER DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
For the Year Ended December 31, 2022

Complete district mailing address: P.O. Box 559, Mount Vernon, Texas 75447
District business telephon number: (903) 537-4536

Name and Address	Term of Office or Date Hired	Fees and Expense Reimbursements	Title at Year End	Resident of District
Board members:				
Billy M. Jordan 627 TX Hwy 37 Mt. Vernon, TX 75457	Elected 5/21 - 5/25	$ 1,003.95	Vice President	Yes
Rodney Newsom P.O. Box 312 Mt. Vernon, TX 75457	Elected 5/19 - 5/23	968.85	Secretary	Yes
Gary Cunningham P.O. Box 701 Mt. Vernon, TX 75457	Elected 5/19 - 5/25	1,076.50	President	Yes
Jennifer Dennis 223 Tripple S Drive Mt. Vernon, TX 75457	Elected 5/19 - 5/23	1,076.50	Director	Yes
Carmen Sparks P.O. Box 653 Mt. Vernon, TX 75457	Elected 5/19 - 5/23	1,076.50	Director	Yes

NOTE: No director is disqualified from serving on this board under the Texas Water Code.

Key administrative personnel:				
David I. Weidman 1012 High Meadow Dr. Mt. Vernon, TX 75457	Hired 10/93	124,516.08	General Manager	Yes
J.R. Alphin 182 CR SE 3286 Mt. Vernon, TX 75457	Hired 1/95	88,835.43	Operations Manager	Yes

FRANKLIN COUNTY WATER DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (continued)
For the Year Ended December 31, 2022

Name and Address	Term of Office or Date Hired	Fees and Expense Reimbursements	Title at Year End	Resident of District
Consultants:				
Lloyd Gosselink, Attorney at Law 816 Congress Ave Ste 1900 Austin, TX 78701	Hired 2014	$ 200,666.87	Attorney	No
Carollo Engineers P.O. Box 4932 Houston, TX 77210	Hired 2015	100,334.19	Engineers	No
Fox, Byrd & Company, P.C. 12001 N. Central Expy Ste 500 Dallas, TX 75243	Hired 1993	14,400.00	Auditor	No
Bullock, Bennett & Associated, LLC 165 N. Lampasas Street Bertram, TX 78605	Hired 2022	21,627.50	Engineers	No
Schnabel Engineering PO Box 7422 Merrifield, VA 22116	Hired 2022	105,609.21	Engineers	No