



January 8, 2024

To All Interested Parties

Please accept, with our compliments, the Annual Financial Report (Report) of the Angelina & Neches River Authority (ANRA). The Report was compiled by ANRA's virtual CFO, Goff & Herrington, P.C. and subsequently audited by Axley & Rode, LLP. The Report was presented and approved at a regular meeting of ANRA's Board of Directors on December 12, 2023.

If you have any questions regarding this Report or any of the information that it contains, please contact Mrs. Stephanie Harris or myself using the contact information listed below.

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Respectfully,


Kelley Holcomb
General Manager

**ANGELINA & NECHES
RIVER AUTHORITY**

ANNUAL FINANCIAL REPORT FOR THE YEARS ENDED

AUGUST 31, 2023 and 2022

**ANGELINA & NECHES RIVER AUTHORITY
ANNUAL FINANCIAL REPORT FOR THE YEARS ENDED
AUGUST 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Angelina & Neches River Authority
Lufkin, Texas

Opinions

We have audited the accompanying financial statements of the Angelina & Neches River Authority (the "Authority"), which comprise the statements of net position as of August 31, 2023 and 2022, and the related statements of revenues, expenditures, and changes in net position, and statements of cash flows for the years ended, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listing 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 activities of the Angelina & Neches River Authority, as of August 31, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years 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 and the standards applicable to financial audits contained in government Auditing Standards issued by the Comptroller General of the United States. 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 Authority, 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 these 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 Authority 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 and Government 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 and Government 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 Authority'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 Authority'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Texas Commission on Environmental Quality (TCEQ) requires the Authority to include certain information, if applicable, in the Annual Financial Report. This information is identified in the table of contents as Texas supplementary information. The budgetary schedule, combining schedules, and Texas supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary schedule, combining schedules, and supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedule, combining schedules, and supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

The other information section has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Lufkin, Texas
November 15, 2023


CERTIFIED PUBLIC ACCOUNTANTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Angelina & Neches River Authority's (the Authority) financial performance provides an overview of the Authority's financial activities for the year ended August 31, 2023. This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements, which have the following components: (1) management's discussion and analysis (MD&A), (2) basic financial statements, (3) notes to the financial statements, (4) required supplementary schedules and (5) other supplemental schedules. Please read it in conjunction with the Authority's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

At August 31, 2023, the Authority's total combined net position was \$7,381,026. During the year, the Authority had operating revenues of \$3,343,867, operating expenses of \$3,252,414 and net non-operating expenditures of \$7,308, resulting in an overall increase in net position of \$84,145 for the year ended August 31, 2023.

The Authority's total cash and investments decreased \$277,712 from the previous year largely due to the draws on the restricted amounts related to the Texas Water Development Board (TWDB) loan forgiveness project.

The Authority's fixed assets (net of accumulated depreciation) increased \$207,827 during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the basic financial statements of the Authority. The basic financial statements are comprised of two components: 1) basic financial statements, and 2) notes to the financial statements. This report also contains other required supplementary information (RSI) in addition to the basic financial statements and additional supplemental schedules.

Basic Financial Statements

The basic financial statements include the Statement of Net Position, the Statement of Revenues, Expenditures, and Changes in Net Position, and the Statement of Cash Flows that present information for the Authority as a whole and provide an indication of the Authority's financial health. The financial statements are presented as a single Enterprise Fund using the accrual basis of accounting.

The Statement of Net Position reports the current and noncurrent assets and liabilities for the Authority as well as delineating the restricted assets from assets to be used for general purposes. The Statement of Revenue, Expenditures, and Changes in Net Position report all of the revenues and expenses during the time periods indicated. The Statement of Cash Flows reports the cash provided by and used by operating activities, as well as other cash sources such as investment income and cash payments for repayment of bonds and capital additions.

The Authority, as of August 31, 2023, has eight divisions – ANRA Operations, Holmwood Utilities, Lake Columbia, Neches Compost Facility, Redland Wholesale Utilities, Prairie Grove Utilities, Central Heights Utilities, and North Angelina County Regional Wastewater Facility. All of these divisions together comprise the Basic Financial Statements and none of the divisions independently depend on governmental funds as a major source of revenue. Therefore, all of the divisions are presented in a combined financial statement. The supplemental schedules portion of the report includes a Schedule of Net Position, Schedule of Revenue, Expenditures, and Changes in Net Position and Schedule of Cash Flows by division.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Authority's combined net position was \$7,381,026 as of August 31, 2023. The following table provides a summary of the Authority's net position.

Table I
Authority's Net Position

	2023	2022	% Change
Assets:			
Current Assets	\$ 3,210,788	\$ 3,545,529	-9.4%
Capital Assets, net	17,550,044	17,342,218	1.2%
Total Assets	<u>20,760,832</u>	<u>20,887,747</u>	<u>-0.6%</u>
Liabilities:			
Current Liabilities	995,016	677,541	46.9%
Long-term Liabilities	10,881,489	11,189,373	-2.8%
Total Liabilities	<u>11,876,505</u>	<u>11,866,914</u>	<u>0.1%</u>
Deferred Inflows of Resources:			
Loan forgiveness - TWDB	1,500,519	1,721,000	-12.8%
Deferred amount on refunding	2,782	2,952	-5.8%
Total deferred inflows	<u>1,503,301</u>	<u>1,723,952</u>	<u>-12.8%</u>
Net Position:			
Invested in Capital Assets, net of related debt	5,178,268	4,517,717	14.6%
Restricted	2,838,308	2,890,506	-1.8%
Unrestricted	(635,550)	(111,342)	470.8%
Total Net Position	<u>\$ 7,381,026</u>	<u>\$ 7,296,881</u>	<u>1.2%</u>

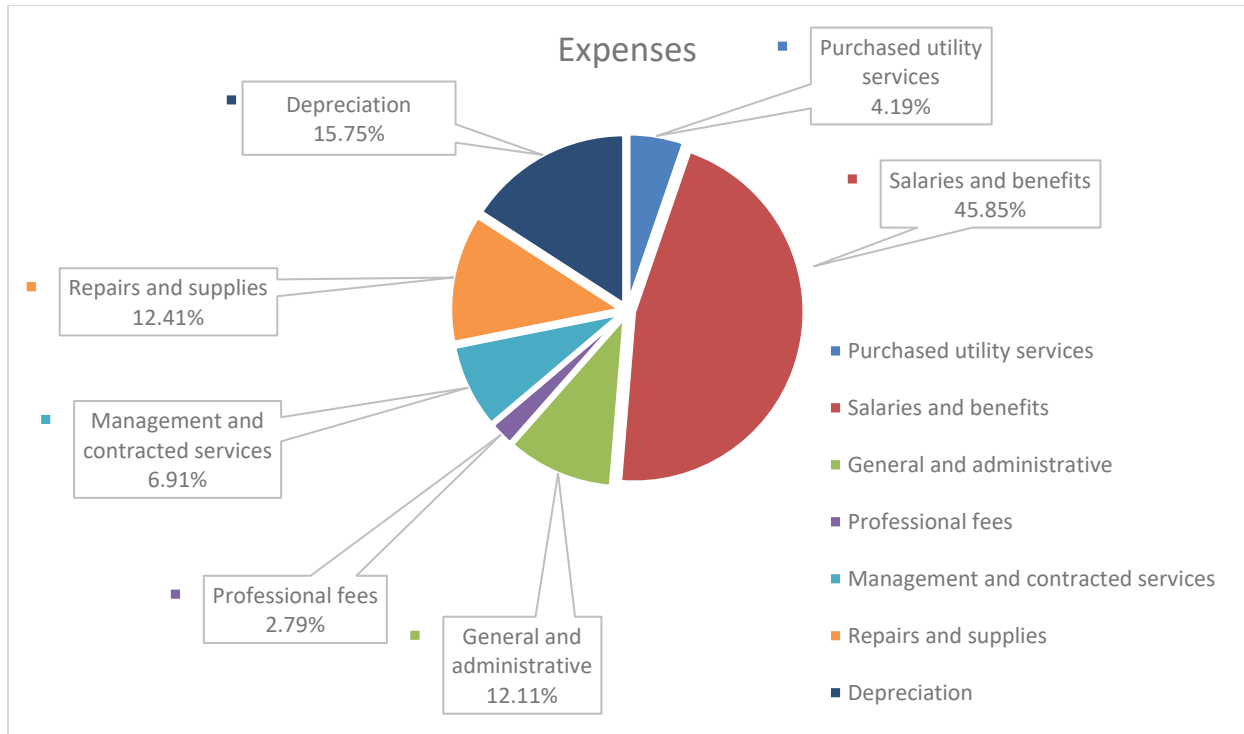
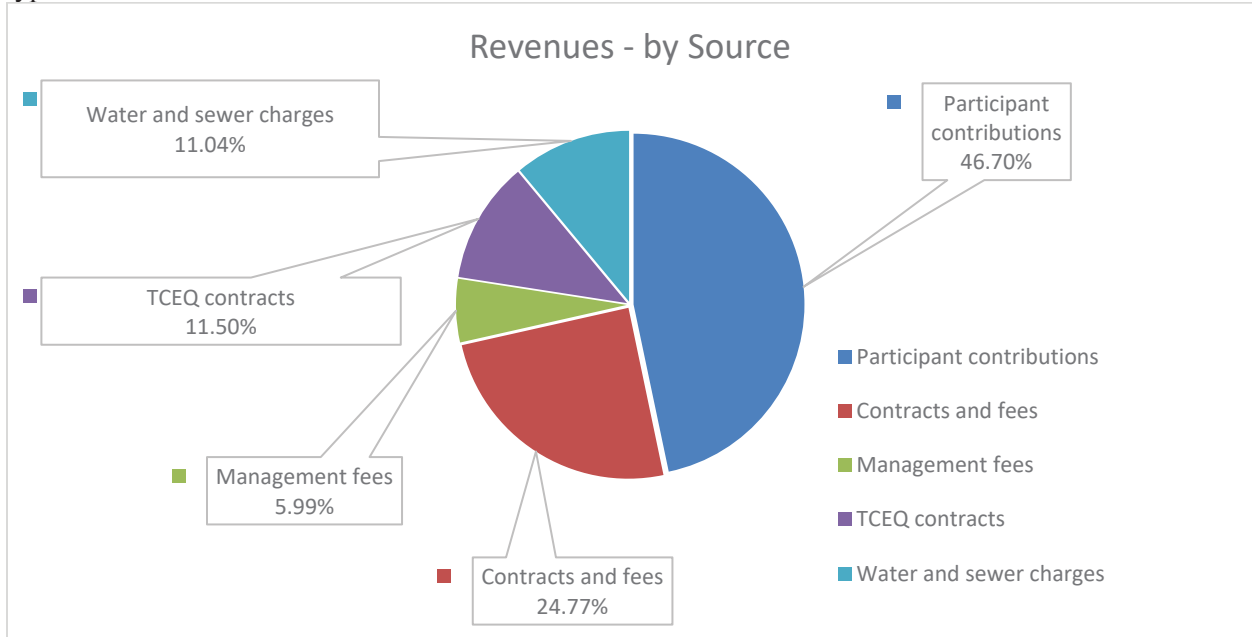
The following table provides a summary of the Authority's changes in net position.

Table II
Change in Authority's Net Position

	2023	2022	% Change
Revenues:			
Charges for Services	\$ 3,343,867	\$ 3,047,100	9.7%
Investment income	99,040	13,197	650.5%
Other income	255,576	122,615	108.4%
Total Revenue	<u>3,698,483</u>	<u>3,182,912</u>	<u>16.2%</u>
Expenses:			
General services	1,277,405	1,757,450	-27.3%
Holmwood Utility	210,443	127,771	64.7%
Lake Columbia	103,820	95,365	8.9%
Neches Composting	757,490	496,624	52.5%
North Angelina County RWF	947,475	623,197	52.0%
Redland Wholesale Utilities	167,132	164,240	1.8%
Prairie Grove Utilities	147,349	139,765	5.4%
Central Height Utilities	3,224	-	100%
Total Expense	<u>3,614,338</u>	<u>3,404,412</u>	<u>6.2%</u>
Change in net position	84,145	(221,500)	138.0%
Beginning net position	7,296,881	7,518,381	-2.9%
Ending net position	<u>\$ 7,381,026</u>	<u>\$ 7,296,881</u>	<u>1.2%</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS

The charts below represents the Authority’s operating revenues by source and operating expenditures by type:



MANAGEMENT'S DISCUSSION AND ANALYSIS

BUDGETARY HIGHLIGHTS

Budget amendments, as needed, are presented to the board at regular meetings. Each amendment must have board approval. The analysis of the budget is reflected on the Budgetary Comparison Schedules following the Notes to the Financial Statements on page 19.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023, the Authority had invested \$23,960,146, less depreciation of \$6,410,102 in a broad range of capital assets including land, treatment facilities, buildings and improvements, and machinery and equipment. The following table provides a summary of the Authority's capital assets, net of accumulated depreciation:

	2023	2022	% Change
Land	\$ 1,240,494	\$ 1,226,636	1.13%
Treatment Facilities	6,138,087	6,359,647	(3.48)%
Leased equipment	147,177	165,604	(11.13)%
Machinery and equipment	162,727	153,815	5.79%
Facilities & improvements	1,739,222	1,835,051	(5.22)%
Construction in progress	8,122,337	7,601,465	6.85%
Net capital assets	<u>\$ 17,550,044</u>	<u>\$ 17,342,218</u>	<u>1.20%</u>

A large portion of the Authority's net position, 70.16%, reflects its investments in capital assets, less any debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide services to customers; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is important to note that the funds needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to eliminate these liabilities.

Long-term Debt

The Authority's long-term debt at August 31, 2023, including the current portion, totaled \$11,382,226 for leases payable, deferred interest, and revenue bonds. The current portion of the long-term debt was \$500,737 at August 31, 2023. Long-term debt activity for the year consisted of principal and interest payments on existing bonds and capital leases and issuance of the Improvement and Refunding Bonds, Series 2023. Long term debt had a net decrease of \$233,646 during the period. Detailed information is included in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Authority's officials considered many factors when setting the next fiscal year's budget. These factors included, but were not limited to, anticipated needs for general expenditures and the revenue sources to fund these expenditures. The Authority continues to seek and apply for grants to assist in research, development and planning for their facilities.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

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

ANGELINA & NECHES RIVER AUTHORITY
STATEMENTS OF NET POSITION
AUGUST 31, 2023 AND 2022

	2023	2022
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 407,946	\$ 633,460
Restricted cash and cash equivalents	2,660,457	2,712,655
Accounts Receivable (net of allowance of \$6,103)	142,385	199,414
Total current assets	3,210,788	3,545,529
Capital Assets:		
Land	1,240,495	1,226,636
Other capital assets, net of depreciation	8,187,211	8,514,117
Construction in progress	8,122,338	7,601,465
Total capital assets	17,550,044	17,342,218
Total Assets	20,760,832	20,887,747
LIABILITIES		
Current Liabilities:		
Accounts payable	330,756	129,749
Accrued compensated absences	39,459	40,716
Accrued interest payable	54,375	29,574
Other accrued liabilities	69,689	51,003
Leases payable - current	17,437	16,999
Bonds payable - current	483,300	409,500
Total current liabilities	995,016	677,541
Long-term Liabilities:		
Deferred interest	548,964	556,111
Leases payable - noncurrent	178,525	195,962
Bonds payable - noncurrent	10,154,000	10,437,300
Total long-term liabilities	10,881,489	11,189,373
Total Liabilities	11,876,505	11,866,914
DEFERRED INFLOWS OF RESOURCES		
Loan forgiveness - TWDB	1,500,519	1,721,000
Deferred gain on refunding	2,782	2,952
Total deferred inflows of resources	1,503,301	1,723,952
NET POSITION		
Invested in capital assets, net of related debt	5,178,268	4,517,717
Restricted for debt service	291,426	273,913
Restricted for capital projects	2,546,882	2,616,593
Unrestricted	(635,550)	(111,342)
Total Net Position	\$ 7,381,026	\$ 7,296,881

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

ANGELINA & NECHES RIVER AUTHORITY
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Participant contributions	\$ 1,561,665	\$ 1,563,809
Contracts and fees	828,238	667,908
Management fees	200,136	200,136
TCEQ contracts	384,626	277,740
Water and sewer charges	<u>369,202</u>	<u>337,507</u>
Total Operating Revenues	<u>3,343,867</u>	<u>3,047,100</u>
Operating Expenditures:		
Purchased utility services	136,193	123,290
Salaries and benefits	1,491,200	1,373,097
General and administrative	393,994	327,920
Professional fees	90,726	58,052
Management and contracted services	224,596	157,829
Repairs and supplies	403,505	468,349
Depreciation	<u>512,200</u>	<u>506,572</u>
Total Operating Expenditures	<u>3,252,414</u>	<u>3,015,109</u>
Excess (deficiency) revenues over expenditures	<u>91,453</u>	<u>31,991</u>
Non-operating Revenues (Expenditures):		
Investment income	99,040	13,197
Interest expense	(357,674)	(343,453)
Bond issuance costs	(4,250)	(45,850)
Provision for loan forgiveness	220,481	99,000
Refunds and rebates	29,975	19,720
Other non-operating revenues (expenditures)	<u>5,120</u>	<u>3,895</u>
Total non-operating revenues (expenditures)	<u>(7,308)</u>	<u>(253,491)</u>
Change in net position	84,145	(221,500)
Net position, beginning	<u>7,296,881</u>	<u>7,518,381</u>
Net position, ending	<u>\$ 7,381,026</u>	<u>\$ 7,296,881</u>

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

ANGELINA & NECHES RIVER AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 3,430,501	\$ 3,182,785
Cash paid to suppliers	(1,045,437)	(1,335,098)
Cash paid to employees	(1,475,916)	(1,376,968)
Net cash provided by operating activities	<u>909,148</u>	<u>470,719</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(720,026)	(690,585)
Proceeds from bond issuance	200,000	450,000
Bond issuance costs	(4,250)	(45,850)
Principal payments on long-term debt	(426,499)	(602,043)
Interest paid on long-term debt	(340,020)	(392,018)
Net cash provided (used) by capital and related financing activities	<u>(1,290,795)</u>	<u>(1,280,496)</u>
Cash Flows from Investing Activities:		
Interest from investments	99,040	13,197
Other income	4,895	3,701
Net cash provided (used) by capital and related financing activities	<u>103,935</u>	<u>16,898</u>
Net increase (decrease) in cash and cash equivalents	(277,712)	(792,879)
Cash and cash equivalents, beginning of period	3,346,115	4,138,994
Cash and cash equivalents, end of period	<u>\$ 3,068,403</u>	<u>\$ 3,346,115</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	\$ 91,453	\$ 31,991
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation	512,200	506,572
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	86,634	135,685
Increase (Decrease) in:		
Accounts payable	201,430	(201,437)
Accrued liabilities	17,431	(2,092)
Net cash provided by operating activities	<u>\$ 909,148</u>	<u>\$ 470,719</u>

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

ANGELINA & NECHES RIVER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Angelina & Neches River Authority (the “Authority”) have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority applies all GASB pronouncements. The more significant of the Authority’s accounting policies are described below.

Reporting Entity

The Authority (formerly the Sabine-Neches Conservation District and the Neches River Conservation District) was created as a governmental agency to construct, maintain, and operate, in the valley of the Neches River and its tributaries, all works essential to the control, storage, preservation, and distribution to all useful purposes of surface water in the Neches River (under the authority of Article 16, Sec. 59 of the Texas Constitution, by Acts 1939, Special Laws, p. 1080, Acts 1945, Ch. 287, Acts 1977, Ch. 394, Acts 1989, Ch. 1278, and Acts 2003, Ch. 1277). The Authority is governed by a nine-member board appointed by the Governor of Texas to six-year terms. The Directors are residents of the Neches River basin and one third of the Board is appointed every two years. The board sets policy, provides oversight, and employs a General Manager.

Management has determined that there are no other entities that meet the criteria for inclusion in the Authority’s reporting entity. The Authority is a separate self-supporting governmental unit with no taxing powers covering all or a portion of the counties in the Neches Basin. The Authority is not included in any other governmental reporting entity. The Authority is in compliance with the requirements of Texas Water Codes 49.191, Duty to Audit, and 49.199, Policies and Audits of Districts.

Fund Financial Statements

GASB 34 requires special purpose governments engaged only in business-type activities to present only the financial statements required for Enterprise Funds. For these governments, basic financial statements and required supplementary information consist of a Management’s Discussion and Analysis (“MD&A”), Enterprise Fund financial statements, notes to financial statements and required supplementary information other than MD&A, if applicable. Required fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenditures and Changes in Net Position, and a Statement of Cash Flows.

Basis of Accounting and Financial Statement Presentation

The Authority’s basic financial statements are presented as a single Enterprise Fund. The Enterprise Fund accounts for the acquisition, operation and maintenance of the Authority’s facilities and services and is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the Statements of Net Position. The Enterprise Fund is accounted for using the accrual basis of accounting. Its revenue is recognized when it is earned, and its expenses are recognized when they are incurred.

The Authority, as of August 31, 2023, has eight divisions – ANRA Operations, Holmwood Utilities, Lake Columbia, Neches Compost Facility, Redland Wholesale Utilities, Prairie Grove Utilities, Central Heights Utilities, and North Angelina County Regional Wastewater Facility. All of these divisions together comprise the Basic Financial Statements and none of the divisions independently depend on governmental funds as a major source of revenue. Therefore, all of the divisions are presented in a combined financial statement.

The supplemental schedules portion of the report includes a Schedule of Net Position, Schedule of Revenue, Expenditures, and Changes in Net Position and Schedule of Cash Flows by division.

ANGELINA & NECHES RIVER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Authority distinguishes between operating and non-operating revenues and expenses consistently with the criteria used to identify cash flows from operating activities in the Statement of Cash Flows. Generally, the Authority classifies revenues generated from water sales, wastewater treatment services, and related activities and services as operating revenues. Operation & maintenance expense and depreciation are classified as operating expenses. All other income and expenses, including investment income, interest expense, gain/loss on the sale of capital assets, loan forgiveness, and impairment loss are considered non-operating activity.

Cash and Cash Equivalents

Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and so near maturity that there is no significant risk of changes in value due to changes in interest rates. Cash equivalents include investments with original maturities of three months or less. Cash equivalents are stated at cost which approximates fair value.

Investments

Investments with quoted fair values are carried at the reported sales price on the last day of the Authority's year and are recorded at fair value in the balance sheet. Certificates of deposit are stated at cost due to their short-term maturities. All investments, financial disclosures, quarterly reporting, and annual adoption are compliant with Texas Government Code, Title 10, Chapter 2256 (the Public Funds Investment Act).

Accounts Receivable

The Authority uses the direct charge off method to account for bad debts, directly expensing receivables which management deems uncollectible, or realizable at less than full value. This method provides results similar to the reserve method in all material respects. The Authority considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is recorded.

Fixed Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., water lines, sewer lines, and storm sewer), are reported in the financial statements. Moveable capital assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized. Plant and property with a cost of greater than \$25,000 are capitalized. Donated assets are recorded at estimated fair market value at the date of donation.

The Authority applies Governmental Accounting Standards Board Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which requires that interest costs incurred during the construction period be expensed in the period incurred, rather than capitalized.

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

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful years:

Vehicle	5 years
Equipment	10-20 years
Treatment facilities	20-30 years

ANGELINA & NECHES RIVER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Assets

The restricted assets consist of sinking funds on various contract revenue bonds and funds designated by the Board of Directors. The bond reserve and sinking funds are segregated as required by certain bond indentures.

Sick Leave and Vacation

The Authority allows employees to accumulate sick leave. Pursuant to Governmental Accounting Standards Board pronouncements, the Authority does not accrue sick leave benefits since these rights are nonvesting. The Authority does accrue vacation benefits in its financial statements in accordance with generally accepted accounting principles.

Use of Estimates

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

Budgets and Budgetary Accounting

The Authority prepares a budget in accordance with The Water Code, Chapter 49, Subchapter G, and Section 49.199 for use in planning and controlling costs. The budget and any changes are approved by the Board of Directors.

The budget is adopted on a basis consistent with generally accepted accounting principles. The General Manager is authorized by the Board to transfer budgeted amounts between accounts, but any revisions that alter the total expenses must be approved by the Board. Appropriate sections of the budget are approved by Neches Compost Facility Management Committee, which has limited authority, prior to final approval of the Authority Board of Directors.

Net Position

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets.

Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation governing the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first and then unrestricted resources as they are needed.

Deferred Outflows/Inflows of Resources

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

ANGELINA & NECHES RIVER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Reclassifications

Certain accounts in the prior year financial statements items have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Subsequent Events

The Authority has evaluated subsequent events as of November 15, 2023, the date the financial statements were available to be issued.

During the year ended August 31, 2023, the Authority entered into an agreement with the City of Nacogdoches to transfer of a large portion of the Central Heights water system to ANRA. The agreement was finalized on July 26, 2023, and ANRA formally took over operations as Central Heights Utilities on September 20, 2023.

Subsequent to year end August 31, 2023, the Authority terminated the Angelina & Neches River Authority Profit Sharing Plan and elected to participate in the defined benefit pension plan administered by the Texas County and District Retirement System (TCDRS). All eligible employees of the Authority are required to participate in the TCDRS plan. Participant accounts in the profit-sharing plan are not eligible to be rolled into the TCDRS plan, but will be available to be rolled into a qualifying independent retirement account.

NOTE 2 – DEPOSITS AND INVESTMENTS

Investment Policies. The Texas Public Funds Investment Act allows the Authority to invest its funds in direct or indirect obligations of the United States, the state, or any county, city, school district, or other political subdivision of the state. Funds may also be placed in certificates of deposit of state or national banks or savings and loan associations (depository institutions) domiciled within the state. Related state statutes and provisions included in the Authority's bond resolutions require that all funds invested in depository institutions be guaranteed by federal depository insurance and/or be secured in the manner provided by law for the security of public funds.

Interest Rate Risk. This is the risk that changes in the interest rates will adversely affect the fair value of the Authority's investments. The Authority's cash and cash equivalents are currently invested in short-term instruments such as money market funds and an interest-bearing checking account. The Authority was not exposed to interest rate risk at August 31, 2023.

Custodial Credit Risk – Deposits. In the case of deposits, there is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of August 31, 2023, all of the Authority's deposit balances were collateralized with securities held by the pledging financial institution.

ANGELINA & NECHES RIVER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2023, was as follows:

	Balance 8/31/2022	Additions	Adjustments/ Deletions	Balance 8/31/2023
Capital assets				
Land	\$1,226,636	\$ 13,858	\$ -	\$1,240,494
Treatment facilities	9,794,276	125,849	-	9,920,125
Leased equipment	445,635	-	-	445,635
Machinery and equipment	1,489,611	59,447	-	1,549,058
Facilities & improvements	2,682,497	-	-	2,682,497
Construction in progress	7,601,465	520,872	-	8,122,337
Total assets at cost	<u>23,240,120</u>	<u>720,026</u>	<u>-</u>	<u>23,960,146</u>
Less accumulated depreciation	<u>(5,897,902)</u>	<u>(512,200)</u>	<u>-</u>	<u>(6,410,102)</u>
Total net capital assets	<u>\$17,342,218</u>	<u>\$207,826</u>	<u>\$ -</u>	<u>\$17,550,044</u>

NOTE 4 – LONG-TERM LIABILITIES

The following is a summary of changes in the Authority's long-term liabilities for the year ended August 31, 2023:

Division	Issue Date	Original Amount	Balance 8/31/2022	Additions	Retirements	Balance 8/31/2023	Current Portion
Leases Payable							
Neches Compost	2021	\$229,604	\$212,961	-	\$(16,999)	\$195,963	\$17,437
Total Leases		<u>229,604</u>	<u>212,961</u>	<u>-</u>	<u>(16,999)</u>	<u>195,963</u>	<u>17,437</u>
Revenue Bonds							
ANRA Ops	2017	2,008,000	1,855,000	-	(93,000)	1,762,000	98,000
ANRA Ops	2018	300,000	225,000	-	(30,000)	195,000	30,000
Holmwood	2022	450,000	450,000	-	(26,000)	424,000	24,000
Prairie Grove	2023	200,000	-	200,000	-	200,000	9,000
Lake Columbia	2005	230,000	230,000	-	-	230,000	10,000
Deferred Interest	2005	67,884	9,696	-	(9,696)	-	-
Lake Columbia	2009	734,000	734,000	-	-	734,000	-
Deferred Interest	2005	1,429,100	508,299	40,664	-	548,963	-
Lake Columbia	2005	800,000	800,000	-	-	800,000	35,000
Deferred Interest	2005	266,860	38,116	-	(38,116)	-	-
North Angelina Co.	2014	205,000	65,000	-	(20,000)	45,000	20,000
North Angelina Co.	2016	1,820,000	1,790,000	-	(5,000)	1,785,000	10,000
North Angelina Co.	2017	1,400,000	1,380,000	-	(5,000)	1,375,000	5,000
North Angelina Co.	2020	2,700,000	2,410,000	-	(150,000)	2,260,000	160,000
North Angelina Co.	2021	795,000	795,000	-	(25,000)	770,000	25,000
Neches Compost	2014	446,900	99,200	-	(48,900)	50,300	50,300
Neches Compost	2014	67,500	13,600	-	(6,600)	7,000	7,000
Total Bonds		<u>13,920,244</u>	<u>11,402,911</u>	<u>240,664</u>	<u>(457,312)</u>	<u>11,186,263</u>	<u>483,300</u>
Total Debt		<u>\$14,149,848</u>	<u>\$11,615,872</u>	<u>\$240,664</u>	<u>(\$474,311)</u>	<u>\$11,382,226</u>	<u>\$500,737</u>

ANGELINA & NECHES RIVER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE 4 – LONG-TERM LIABILITIES (continued)

Future payments on bonds are as follows (excludes deferred interest and loan forgiveness):

Year Ending August 31,	Bonds Payable			
	Principal	Interest	Deferred	Total
2024	\$483,300	\$296,074	\$ -	\$779,374
2025	435,000	279,372	-	714,372
2026	455,000	264,418	-	719,418
2027	471,000	248,332	-	719,332
2028	551,000	231,193	-	782,193
2029-2033	2,878,000	881,786	-	3,759,786
2034-2038	2,490,000	394,269	-	2,884,269
2039-2043	1,055,000	137,696	-	1,192,696
2044-2048	1,699,000	747,513	548,963	2,995,476
2049-2052	120,000	-	-	120,000
Total	\$10,637,300	\$3,480,653	\$548,963	\$14,666,916

Revenue bonds and deferred interest at year end were comprised of the following debt issues:

Description	Interest Rate	Balance at 8/31/2023
General Improvement Project Revenue Bond, Series 2017 (ANRA)	3.80%	\$1,762,000
General Improvement Project Revenue Bond, Series 2018 (ANRA)	4.75%	195,000
Revenue Bonds, Series 2022 (Holmwood Utilities)	3.47%	424,000
Revenue Bonds, Series 2023 (Prairie Grove Utilities)	5.19%	200,000
Revenue Bonds, Series 2005 (Lake Columbia)	5.68%-5.83%	230,000
Revenue Bonds, Series 2005 (Lake Columbia)	5.54%	1,282,963
Revenue Bonds, Series 2005 (Lake Columbia - TWDB)	5.68%-5.83%	800,000
Revenue Bonds, Series 2014 (North Angelina County)	0.00%-2.05%	45,000
Revenue Bonds, Series 2016 (North Angelina County)	0.00%-2.36%	1,785,000
Revenue Bonds, Series 2017 (North Angelina County)	0.00%-2.03%	1,375,000
Revenue Bonds, Series 2022 (North Angelina County)	3.16%	2,260,000
Revenue Bonds, Series 2023 (North Angelina County)	0.00%	770,000
Revenue Refunding Bonds, Series 2014 (Neches Compost- Tax Exempt)	3.05%	50,300
Revenue Refunding Bonds, Series 2014 (Neches Compost- Taxable)	5.50%	7,000
		\$11,186,263

On December 13, 2023, the Authority issued \$200,000 of improvement revenue bonds, Series 2023 to finance capital improvements for the Prairie Grove water system. The bonds have an interest rate of 5.19% and a final maturity date of October 1, 2037.

In a prior year, the Authority entered into a lease agreement to purchase equipment. The lease has an interest rate of 2.56%, semi-annual payments of \$11,172, and a maturity date of August, 2033.

**ANGELINA & NECHES RIVER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022**

NOTE 4 – LONG-TERM LIABILITIES (continued)

The total net book value of the leased equipment at August 31, 2023 was \$147,177, including accumulated depreciation of \$298,458. Future payments under capital leases are as follows:

Year Ending August 31,	Principal	Interest	Total
2024	17,437	4,907	22,344
2025	17,886	4,458	22,344
2026	18,347	3,997	22,344
2027	18,819	3,525	22,344
2028	19,304	3,040	22,344
Thereafter	104,170	7,551	111,721
Total	195,963	27,478	223,441

NOTE 5 – RISK MANAGEMENT

The Authority 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 Authority carries commercial insurance. The Authority has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three fiscal years.

NOTE 6 – EMPLOYEE BENEFIT PLANS

Defined Contribution Pension Plan. The Authority provides pension benefits for all of its eligible employees through the Angelina & Neches River Authority Profit Sharing Plan (the “Plan”), a defined contribution plan. The effective date of the plan was September 1, 1992 and the Plan begins on September 1 and ends on August 31. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Plan is a qualified pension plan under Section 401(a) of the Internal Revenue Code with Southside Bank serving as the Plan Administrator.

The Plan provides that the Authority make a contribution. The Authority contributed \$53,638 and \$40,743 to the Plan for the years ended August 31, 2023 and 2022, respectively. The Authority’s contributions will be allocated to the Profit-Sharing Contribution Account of each eligible participant on behalf of which the contribution has been made. The Authority’s contributions for each employee (and investment earnings allocated to the employee’s account) are partially vested after two (2) years and fully vested after six (6) years of service. The Authority began monthly contributions to this fund of 3% of eligible employees’ salary in June 2000. In September 2018, the Authority increased contributions to 5%. The Authority’s contributions for investment earnings forfeited by employees who leave employment before six (6) years of service will be used first, when required, to restore forfeited account balances for reemployed participants and any remaining amounts will be added to the employer’s profit-sharing contribution for the Plan Year in which the forfeiture occurred.

Total Assets in the profit-sharing plan at August 31, 2023 were \$429,410, and 100% of the assets were held in federated government obligation cash equivalent accounts.

ANGELINA & NECHES RIVER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE 6 – EMPLOYEE BENEFIT PLANS (continued)

Deferred Compensation Plan. The Authority maintains a deferred compensation plan, which is available to all employees. The plan complies with Section 457 of the Internal Revenue Code (Deferred Compensation Plans with Respect to Service for State and Local Governments). MissionSquare Retirement is the independent administrator of the plan. The plan consists solely of employee contributions which are tax deferred. The total contributions to the plan during the years ended August 31, 2023 and 2022 were \$2,498 and \$5,030, respectively. Payments are made to Vantage Point Transfer Agents.

NOTE 7 – ANGELINA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1

The Authority serves as the manager and operator for Angelina County Fresh Water Supply District No. 1 (the “District”). As the manager and operator, the Authority bills and receives payments for all water and sewer charges of the District and deposits them into the bank account of the District. This bank account and receivables are assets of the District, a legally separate entity from ANRA. However, the Authority maintains all of the District’s utility operations records. In addition, the District has the sole responsibility for rate setting as it applies to the District. During the year ended August 31, 2018, the Authority established a separate division for the District in order to process and pay the District’s expenses. The District pays the Authority a monthly fee for these services.

The original contract in 1996 between the Authority and the District was in place for an initial term of ten years, with additional ten year renewal options up to a total of 100 years. The current contract has a renewal date of 2026. On August 13, 2013, the contract was amended to include provisions which require the Authority to expand and construct the water and sewer systems necessary to serve the District’s service area, to convert the 100-year term to a perpetual right to use the system, and to appoint the Authority to be the District’s agent. The Authority will have an exclusive right, use, and control of the District’s facilities and shall be entitled to all revenues derived by the facility operations. The Authority will also be responsible for all the costs and expenses of operating and maintaining the facilities during the contract term.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

The Authority is subject to various other claims and lawsuits which may arise in the ordinary course of business. After consulting with counsel representing the Authority in connection with such claims and lawsuits, it is the opinion of management and counsel that the disposition or ultimate determination of such claims and lawsuits will not have a material effect on the financial position of the Authority. No claim liabilities are reported at year end.

The Authority has incurred costs in connection with the Lake Columbia project, however the amount is not due and payable until the completion of the project and after the expenses are approved by the Texas Water Development Board (TWDB). The total costs incurred by the Authority as of August 31, 2023 was \$4,983,503, and is included in capital assets on the accompanying Statements of Net Position.

**ANGELINA & NECHES RIVER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022**

NOTE 8 – COMMITMENTS AND CONTINGENCIES (continued)

The Authority has committed to purchase the TWDB’s interest in the Lake Columbia project regardless of whether the project is ever completed. If the Authority fails to secure required permits for the construction of the lake, the Lake Columbia project will be determined to be infeasible, and the TWDB may not invest any additional funds. If the Lake Columbia project is determined infeasible, the Authority could choose one of the following actions: (1) continue to make scheduled bond payments, (2) purchase the TWDB interest as described in the master agreement, (3) negotiate with the TWDB to develop alternate repayment terms. The Authority has agreements in place with all Lake Columbia participants that require the participants to continue making the agreed-upon contributions regardless of the status of the project.

On March 2, 2022, the U.S. Army Corps of Engineers unilaterally withdrew the permit application for a Department of the Army Section 404 Permit that would allow the Authority to construct the dam for Lake Columbia within Jurisdictional Waters of the US. The withdrawal of the permit application is not a denial of the permit, nor does it prevent the Authority from submitting a new application for the Lake Columbia project at any time in the future. The Authority continues its efforts to develop the project elements required as part of a new permit application to be resubmitted at a future date.

NOTE 9 – AGREEMENTS TO ISSUE INDUSTRIAL DEVELOPMENT BONDS

During the year ended August 31, 2021, the Authority, with ANRA Industrial Development Corporation (ANRAIDC), a non-profit corporation, agreed to issue Industrial Development bonds as a conduit for other entities, not to exceed \$250,000,000, for the purposes of acquiring and revitalizing the Aspen Power Plant and other facilities for the treating of sewage and the treating and disposing of solid waste, the development of a specialty packaging products and a specialty chemicals plant using electricity from the Aspen Power. the grantor, Jefferson Enterprise Energy, LLC, or one or more affiliates thereof, will be the initial owner and operator of the project.

The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the of the conduit debt obligation were extended by the Authority or ANRAIDC for any of those bonds.

All expenses funded by the Authority for the benefit of ANRAIDC have been recognized and reported in the records of the Authority. The Authority is not liable for the following conduit bonds:

Grantor*	Issue Date	Balance 9/1/2022	Increase/ (Decreases)	Balance 8/31/2023
Jefferson Enterprise Energy, LLC	December 18, 2021	\$22,000,000	\$ -	\$22,000,000
Jefferson Enterprise Energy, LLC	June 11, 2022	35,000,000	-	35,000,000
Jefferson Enterprise Energy, LLC	June 11, 2022	30,000 000	-	30,000 000
Jefferson Enterprise Energy, LLC	June 11, 2022	35,000 000	-	35,000 000
		<u>\$122,000,000</u>	<u>\$ -</u>	<u>\$122,000,000</u>

* as listed on original issuance documents

ANGELINA & NECHES RIVER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues:			
Participant contributions	\$ 1,561,665	\$ 1,561,665	\$ -
Contracts and fees	919,107	828,238	(90,869)
Management fees	200,137	200,136	(1)
TCEQ contracts	248,150	384,626	136,476
Water and sewer charges	322,704	369,202	46,498
Total Operating Revenues	<u>3,251,763</u>	<u>3,343,867</u>	<u>92,104</u>
Operating Expenditures:			
Purchased utility services	71,290	136,193	(64,903)
Salaries and benefits	1,452,481	1,491,200	(38,719)
General and administrative	177,921	393,994	(216,073)
Professional fees	109,195	90,726	18,469
Management and contracted services	260,792	224,596	36,196
Repairs and supplies	387,645	403,505	(15,860)
Total Operating Expenditures	<u>2,459,324</u>	<u>2,740,214</u>	<u>(280,890)</u>
Excess (deficiency) revenues over expenditures before depreciation expense	<u>792,439</u>	<u>603,653</u>	<u>(188,786)</u>
Depreciation expense	<u>-</u>	<u>512,200</u>	<u>(512,200)</u>
Excess (deficiency) revenues over expenditures	<u>792,439</u>	<u>91,453</u>	<u>(700,986)</u>
Non-operating Revenues (Expenditures):			
Investment income	-	99,040	99,040
Interest expense	(790,415)	(357,674)	432,741
Bond issuance costs	-	(4,250)	(4,250)
Provision for loan forgiveness	-	220,481	220,481
Refunds and rebates	-	29,975	29,975
Other non-operating revenues (expenditures)	<u>-</u>	<u>5,120</u>	<u>5,120</u>
Total non-operating revenues (expenses)	<u>(790,415)</u>	<u>(7,308)</u>	<u>783,107</u>
Change in net position	2,024	84,145	82,121
Net position, beginning	<u>7,296,881</u>	<u>7,296,881</u>	<u>-</u>
Net position, ending	<u>\$ 7,298,905</u>	<u>\$ 7,381,026</u>	<u>\$ 82,121</u>

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

ANGELINA & NECHES RIVER AUTHORITY
SCHEDULE OF NET POSTION - BY DIVISION
AUGUST 31, 2023 AND 2022

	<u>ANRA Operations</u>	<u>Holmwood Utilities</u>	<u>Lake Columbia</u>	<u>Neches Compost</u>
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 30,068	\$ 40,760	\$ 82	\$ 60,671
Restricted cash and cash equivalents	79,039	28,071	-	5,435
Accounts receivable, net	71,525	21,828	2,086	16,782
Interfund receivables	274,038	-	-	1,697
Total current assets	<u>454,670</u>	<u>90,659</u>	<u>2,168</u>	<u>84,585</u>
Capital Assets:				
Land	555,040	1,577	-	52,993
Other capital assets, net of depreciation	1,675,731	201,782	-	430,246
Construction in progress	-	201,067	4,983,503	44,515
Total capital assets	<u>2,230,771</u>	<u>404,426</u>	<u>4,983,503</u>	<u>527,754</u>
 Total Assets	 <u>2,685,441</u>	 <u>495,085</u>	 <u>4,985,671</u>	 <u>612,339</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	43,948	4,352	-	7,317
Interfund payables	1,697	137	262,308	-
Accrued compensated absences	29,550	-	-	9,909
Accrued interest payable	7,655	6,095	2,632	472
Other accrued liabilities	45,331	10,220	-	9,159
Leases payable - current	-	-	-	17,437
Bonds payable - current	128,000	24,000	45,000	57,300
Total current liabilities	<u>256,181</u>	<u>44,804</u>	<u>309,940</u>	<u>101,594</u>
Long-term Liabilities:				
Deferred interest	-	-	548,964	-
Leases payable - noncurrent	-	-	-	178,525
Bonds payable - noncurrent	1,829,000	400,000	1,719,000	-
Total long-term liabilities	<u>1,829,000</u>	<u>400,000</u>	<u>2,267,964</u>	<u>178,525</u>
 Total Liabilities	 <u>2,085,181</u>	 <u>444,804</u>	 <u>2,577,904</u>	 <u>280,119</u>
DEFERRED INFLOWS OF RESOURCES				
Loan forgiveness - TWDB	-	-	-	-
Deferred amount on refunding	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Invested in capital assets, net of related debt	273,771	127,447	3,219,503	274,492
Restricted for debt service	79,039	16,026	-	5,435
Restricted for capital projects	-	12,045	-	-
Unrestricted	247,450	(105,237)	(811,736)	52,293
Total Net Position	<u>\$ 600,260</u>	<u>\$ 50,281</u>	<u>\$ 2,407,767</u>	<u>\$ 332,220</u>

See independent auditor's report.

<u>North Angelina County RWF</u>	<u>Redland Wholesale Utilities</u>	<u>Prairie Grove Utilities</u>	<u>Central Heights Utilities</u>	<u>Adjustments</u>	<u>Total 2023</u>	<u>Total 2022</u>
\$ 231,858	\$ 18,571	\$ 15,936	\$ 10,000	\$ -	\$ 407,946	\$ 633,460
2,417,465	-	130,447	-	-	2,660,457	2,712,655
-	13,761	16,403	-	-	142,385	199,414
-	-	-	-	(275,735)	-	-
<u>2,649,323</u>	<u>32,332</u>	<u>162,786</u>	<u>10,000</u>	<u>(275,735)</u>	<u>3,210,788</u>	<u>3,545,529</u>
617,026	-	13,859	-	-	1,240,495	1,226,636
5,879,452	-	-	-	-	8,187,211	8,514,117
2,815,190	-	78,063	-	-	8,122,338	7,601,465
<u>9,311,668</u>	<u>-</u>	<u>91,922</u>	<u>-</u>	<u>-</u>	<u>17,550,044</u>	<u>17,342,218</u>
<u>11,960,991</u>	<u>32,332</u>	<u>254,708</u>	<u>10,000</u>	<u>(275,735)</u>	<u>20,760,832</u>	<u>20,887,747</u>
260,128	4,448	7,582	2,981	-	330,756	129,749
888	189	273	10,243	(275,735)	-	-
-	-	-	-	-	39,459	40,716
33,138	-	4,383	-	-	54,375	29,574
-	-	4,979	-	-	69,689	51,003
-	-	-	-	-	17,437	16,999
<u>220,000</u>	<u>-</u>	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>483,300</u>	<u>409,500</u>
<u>514,154</u>	<u>4,637</u>	<u>26,217</u>	<u>13,224</u>	<u>(275,735)</u>	<u>995,016</u>	<u>677,541</u>
-	-	-	-	-	548,964	556,111
-	-	-	-	-	178,525	195,962
<u>6,015,000</u>	<u>-</u>	<u>191,000</u>	<u>-</u>	<u>-</u>	<u>10,154,000</u>	<u>10,437,300</u>
<u>6,015,000</u>	<u>-</u>	<u>191,000</u>	<u>-</u>	<u>-</u>	<u>10,881,489</u>	<u>11,189,373</u>
<u>6,529,154</u>	<u>4,637</u>	<u>217,217</u>	<u>13,224</u>	<u>(275,735)</u>	<u>11,876,505</u>	<u>11,866,914</u>
1,500,519	-	-	-	-	1,500,519	1,721,000
2,782	-	-	-	-	2,782	2,952
<u>1,503,301</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,503,301</u>	<u>1,723,952</u>
1,395,516	-	(112,461)	-	-	5,178,268	4,517,717
177,851	-	13,075	-	-	291,426	273,913
2,417,465	-	117,372	-	-	2,546,882	2,616,593
(62,296)	27,695	19,505	(3,224)	-	(635,550)	(111,342)
<u>\$ 3,928,536</u>	<u>\$ 27,695</u>	<u>\$ 37,491</u>	<u>\$ (3,224)</u>	<u>\$ -</u>	<u>\$ 7,381,026</u>	<u>\$ 7,296,881</u>

ANGELINA & NECHES RIVER AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION - BY DIVISION
FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022

	<u>ANRA Operations</u>	<u>Holmwood Utilities</u>	<u>Lake Columbia</u>	<u>Neches Compost</u>
Operating Revenues:				
Participant contributions	\$ -	\$ -	\$ 108,496	\$ 618,459
Contracts and fees	643,551	-	-	104,449
Management fees	797,329	-	-	-
TCEQ contracts	384,626	-	-	-
Water and sewer charges	-	221,374	-	-
Total Operating Revenues	<u>1,825,506</u>	<u>221,374</u>	<u>108,496</u>	<u>722,908</u>
Operating Expenditures:				
Purchased utility services	4,079	31,934	-	-
Salaries and benefits	1,310,988	-	-	180,212
General and administrative	158,327	12,654	1,299	162,044
Professional fees	90,726	-	-	-
Management and contracted services	146,927	121,520	-	269,324
Repairs and supplies	189,008	7,987	-	70,687
Depreciation	97,005	22,125	-	67,450
Total Operating Expenditures	<u>1,997,060</u>	<u>196,220</u>	<u>1,299</u>	<u>749,717</u>
Excess (deficiency) revenues over expenditures	<u>(171,554)</u>	<u>25,154</u>	<u>107,197</u>	<u>(26,809)</u>
Non-operating Revenues (Expenditures):				
Investment income	98,945	7	-	-
Interest expense	(78,819)	(14,223)	(102,521)	(7,773)
Bond issuance costs	-	-	-	-
Provision for loan forgiveness	-	-	-	-
Refunds and rebates	29,975	-	-	-
Other non-operating revenues (expenditures)	7,370	55	-	-
Total non-operating revenues (expenses)	<u>57,471</u>	<u>(14,161)</u>	<u>(102,521)</u>	<u>(7,773)</u>
Other Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(114,083)	10,993	4,676	(34,582)
Net position, beginning	714,343	39,288	2,403,091	366,802
Net position, ending	<u>\$ 600,260</u>	<u>\$ 50,281</u>	<u>\$ 2,407,767</u>	<u>\$ 332,220</u>

See independent auditor's report.

North Angelina County RWF	Redland Wholesale Utilities	Prairie Grove Utilities	Central Heights Utilities	Adjustments	Total 2023	Total 2022
\$ 834,710	\$ -	\$ -	\$ -	\$ -	\$ 1,561,665	\$ 1,563,809
116,383	-	-	-	(36,145)	828,238	667,908
-	165,136	-	-	(762,329)	200,136	200,136
-	-	-	-	-	384,626	277,740
-	-	147,828	-	-	369,202	337,507
<u>951,093</u>	<u>165,136</u>	<u>147,828</u>	<u>-</u>	<u>(798,474)</u>	<u>3,343,867</u>	<u>3,047,100</u>
56,672	39,937	3,571	-	-	136,193	123,290
-	-	-	-	-	1,491,200	1,373,097
29,756	11,429	15,261	3,224	-	393,994	327,920
-	-	-	-	-	90,726	58,052
297,051	99,345	88,903	-	(798,474)	224,596	157,829
90,699	16,421	28,703	-	-	403,505	468,349
325,620	-	-	-	-	512,200	506,572
<u>799,798</u>	<u>167,132</u>	<u>136,438</u>	<u>3,224</u>	<u>(798,474)</u>	<u>3,252,414</u>	<u>3,015,109</u>
<u>151,295</u>	<u>(1,996)</u>	<u>11,390</u>	<u>(3,224)</u>	<u>-</u>	<u>91,453</u>	<u>31,991</u>
88	-	-	-	-	99,040	13,197
(147,677)	-	(6,661)	-	-	(357,674)	(343,453)
-	-	(4,250)	-	-	(4,250)	(45,850)
220,481	-	-	-	-	220,481	99,000
-	-	-	-	-	29,975	19,720
(4,651)	-	2,346	-	-	5,120	3,895
<u>68,241</u>	<u>-</u>	<u>(8,565)</u>	<u>-</u>	<u>-</u>	<u>(7,308)</u>	<u>(253,491)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
219,536	(1,996)	2,825	(3,224)	-	84,145	(221,500)
3,709,000	29,691	34,666	-	-	7,296,881	7,518,381
<u>\$ 3,928,536</u>	<u>\$ 27,695</u>	<u>\$ 37,491</u>	<u>\$ (3,224)</u>	<u>\$ -</u>	<u>\$ 7,381,026</u>	<u>\$ 7,296,881</u>

ANGELINA & NECHES RIVER AUTHORITY
SCHEDULE OF CASH FLOWS - BY DIVISION
FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022

	<u>ANRA Operations</u>	<u>Holmwood Utilities</u>	<u>Lake Columbia</u>	<u>Neches Compost</u>
Cash Flows from Operating Activities:				
Cash received from customers	\$ 1,966,288	\$ 211,817	\$ 98,909	\$ 706,126
Cash paid to suppliers	(591,219)	(172,265)	(1,299)	(497,494)
Cash paid to employees	(1,304,256)	-	-	(171,660)
Net cash provided by operating activities	<u>70,813</u>	<u>39,552</u>	<u>97,610</u>	<u>36,972</u>
Cash Flows from Capital and Related Financing Activities:				
Purchase of capital assets	-	(148,201)	-	(59,448)
Proceeds from bond issuance	-	-	-	-
Bond issuance costs	-	-	-	-
Principal payments on long-term debt	(123,000)	(26,000)	-	(72,499)
Interest paid on long-term debt	(74,399)	(10,296)	(107,036)	(8,970)
Net cash provided (used) by capital and related financing activities	<u>(197,399)</u>	<u>(184,497)</u>	<u>(107,036)</u>	<u>(140,917)</u>
Cash Flows from Noncapital and Related Financing Activities:				
Transfers	(10,000)	-	-	-
Net cash provided(used) by noncapital and related financing activities	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:				
Interest from investments	98,945	7	-	-
Other income (expense)	7,370	-	-	-
Net cash provided by capital and related financing activities	<u>106,315</u>	<u>7</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(30,271)	(144,938)	(9,426)	(103,945)
Cash and cash equivalents, beginning of period	139,378	213,769	9,508	170,051
Cash and cash equivalents, end of period	<u>\$ 109,107</u>	<u>\$ 68,831</u>	<u>\$ 82</u>	<u>\$ 66,106</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ (171,554)	\$ 25,154	\$ 107,197	\$ (26,809)
Adjustments to reconcile operating income to cash provided by operating activities:				
Depreciation	97,005	22,125	-	67,450
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	140,782	(9,557)	(9,587)	(16,782)
Increase (Decrease) in:				
Accounts payable	(2,152)	1,214	-	4,561
Accrued liabilities	6,732	616	-	8,552
Net cash provided by operating activities	<u>\$ 70,813</u>	<u>\$ 39,552</u>	<u>\$ 97,610</u>	<u>\$ 36,972</u>

See independent auditor's report.

	North Angelina County RWF	Redland Wholesale Utilities	Prairie Grove Utilities	Central Heights Utilities	Adjustments	Total 2023	Total 2022
\$	951,093	\$ 151,375	\$ 143,367	\$ -	\$ (798,474)	\$ 3,430,501	\$ 3,182,785
	(288,289)	(164,005)	(129,340)	-	798,474	(1,045,437)	(1,335,098)
	-	-	-	-	-	(1,475,916)	(1,376,968)
	<u>662,804</u>	<u>(12,630)</u>	<u>14,027</u>	<u>-</u>	<u>-</u>	<u>909,148</u>	<u>470,719</u>
	(430,412)	-	(81,965)	-	-	(720,026)	(690,585)
	-	-	200,000	-	-	200,000	450,000
	-	-	(4,250)	-	-	(4,250)	(45,850)
	(205,000)	-	-	-	-	(426,499)	(602,043)
	<u>(137,041)</u>	<u>-</u>	<u>(2,278)</u>	<u>-</u>	<u>-</u>	<u>(340,020)</u>	<u>(392,018)</u>
	<u>(772,453)</u>	<u>-</u>	<u>111,507</u>	<u>-</u>	<u>-</u>	<u>(1,290,795)</u>	<u>(1,280,496)</u>
	-	-	-	10,000	-	-	-
	-	-	-	10,000	-	-	-
	88	-	-	-	-	99,040	13,197
	<u>(4,821)</u>	<u>-</u>	<u>2,346</u>	<u>-</u>	<u>-</u>	<u>4,895</u>	<u>3,701</u>
	<u>(4,733)</u>	<u>-</u>	<u>2,346</u>	<u>-</u>	<u>-</u>	<u>103,935</u>	<u>16,898</u>
	(114,382)	(12,630)	127,880	10,000	-	(277,712)	(792,879)
	2,763,705	31,201	18,503	-	-	3,346,115	4,138,994
\$	<u><u>2,649,323</u></u>	<u><u>18,571</u></u>	<u><u>146,383</u></u>	<u><u>10,000</u></u>	<u><u>-</u></u>	<u><u>3,068,403</u></u>	<u><u>3,346,115</u></u>
\$	151,295	\$ (1,996)	\$ 11,390	\$ (3,224)	\$ -	\$ 91,453	\$ 31,991
	325,620	-	-	-	-	512,200	506,572
	-	(13,761)	(4,461)	-	-	86,634	135,685
	185,889	3,127	5,567	3,224	-	201,430	(201,437)
	-	-	1,531	-	-	17,431	(2,092)
\$	<u><u>662,804</u></u>	<u><u>(12,630)</u></u>	<u><u>14,027</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>909,148</u></u>	<u><u>470,719</u></u>

**ANGELINA & NECHES RIVER AUTHORITY
HOLMWOOD UTILITIES
TSI – 1 SERVICES AND RATES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

1. Service Provided by the District during the Fiscal Year:

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

2. Retail Service Providers

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

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

	<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	\$ 45.31	3,000	N	\$2.24	3,001 to 10,000
				\$3.00	10,001 and up
				\$ -	
Waste	\$44.79	3,000	N	\$3.58	3,001 to 10,000
				\$4.00	10,001 and up
Basic Service Fee	\$0.00				
District employs winter averaging for wastewater usage?					Yes ___ No
					<input checked="" type="checkbox"/>
Total water and sewer charges per 10,000 gallons usage (including surcharges)					<u>\$130.84</u>

b. Water and Wastewater Retail Connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
≤ 3/4"	168	158	X 1.0	158
1"	13	7	X 2.5	18
1 1/2"	-	-	X 5.0	-
2"	-	-	X 8.0	-
3"	-	-	X 15.0	-
4"	-	-	X 25.0	-
Total Water	<u>181</u>	<u>165</u>		<u>176</u>
Total Wastewater	<u>175</u>	<u>175</u>	X 1.0	<u>175</u>

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

**ANGELINA & NECHES RIVER AUTHORITY
HOLMWOOD UTILITIES
TSI – 1 SERVICES AND RATES (continued)
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

3. Total Water Consumption during the Fiscal Year:

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

Gallons pumped into system:	13,520,829	Water Accountability Ratio:
		(Gallons billed / Gallons pumped)
Gallons flushed from system:	198,281	
Gallons billed to customers:	<u>10,067,367</u>	<u>75.92%</u>

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

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

Does the District have Debt Service standby fees? Yes No

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

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

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

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

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

Is the District located entirely within one county? Yes No

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

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

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

ETJs in which the District is located: City of Jasper

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

If Yes, by whom? Governor

**ANGELINA & NECHES RIVER AUTHORITY
PRAIRIE GROVE UTILITIES
TSI – 1 SERVICES AND RATES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

1. Service Provided by the District during the Fiscal Year:

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

2. Retail Service Providers

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

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

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons Over Minimum	Usage Levels
Water	\$ 60.00	0	N	\$3.25	2,001 to 10,000
				\$3.75	10,001 to 20,000
				\$4.00	20,000 and up
Waste	-	-			
Basic Service Fee	\$0.00				
District employs winter averaging for wastewater usage?					Yes ___ No
					<input checked="" type="checkbox"/>
Total water and sewer charges per 10,000 gallons usage (including surcharges)					\$92.50

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
≤ 3/4"	228	215	X 1.0	215
1"	-	-	X 2.5	-
1 ½"	-	-	X 5.0	-
2"	-	-	X 8.0	-
3"	-	-	X 15.0	-
4"	-	-	X 25.0	-
Total Water	228	215		215
Total Wastewater	-	-	X 1.0	-

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

**ANGELINA & NECHES RIVER AUTHORITY
PRAIRIE GROVE UTILITIES
TSI – 1 SERVICES AND RATES (continued)
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

3. Total Water Consumption during the Fiscal Year:

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

Gallons pumped into system:	12,947,231	Water Accountability Ratio:
		(Gallons billed / Gallons pumped)
Gallons flushed from system:	33,456	
Gallons billed to customers:	<u>9,861,482</u>	<u>76.43%</u>

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

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

Does the District have Debt Service standby fees? Yes No

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

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

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

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

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

Is the District located entirely within one county? Yes No

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

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

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

ETJs in which the District is located: City of Diboll

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

If Yes, by whom? Governor

**ANGELINA & NECHES RIVER AUTHORITY
TSI-5 - LONG TERM DEBT REQUIREMENTS
ALL BONDED DEBT SERIES - BY YEAR
FOR THE YEAR ENDED AUGUST 31, 2023**

Fiscal Year Ended	Annual Debt Service Requirements - All Series Bonds			
	Principal	Interest	Deferred Interest	Total Debt Service
2024	\$ 483,300	\$ 296,074	\$ -	\$ 779,374
2025	435,000	279,372	-	714,372
2026	455,000	264,418	-	719,418
2027	471,000	248,332	-	719,332
2028	551,000	231,193	-	782,193
2029	572,000	214,065	-	786,065
2030	543,000	194,702	-	737,702
2031	571,000	176,905	-	747,905
2032	593,000	157,897	-	750,897
2033	599,000	138,217	-	737,217
2034	631,000	118,135	-	749,135
2035	643,000	96,770	-	739,770
2036	437,000	74,894	-	511,894
2037	460,000	59,229	-	519,229
2038	319,000	45,241	-	364,241
2039	205,000	35,260	-	240,260
2040	205,000	31,507	-	236,507
2041	210,000	27,670	-	237,670
2042	215,000	23,691	-	238,691
2043	220,000	19,568	-	239,568
2044	230,000	15,299	-	245,299
2045	964,000	721,551	548,963	2,234,514
2046	240,000	6,455	-	246,455
2047	130,000	3,142	-	133,142
2048	135,000	1,066	-	136,066
2049	30,000	-	-	30,000
2050	30,000	-	-	30,000
2051	30,000	-	-	30,000
2052	30,000	-	-	30,000
	<u>\$ 10,637,300</u>	<u>\$ 3,480,653</u>	<u>\$ 548,963</u>	<u>\$ 14,666,916</u>

See independent auditor's report.

**ANGELINA & NECHES RIVER AUTHORITY
 TSI-5 - LONG TERM DEBT REQUIREMENTS
 GENERAL IMPROVEMENT REVENUE REFUNDING BOND, SERIES 2017
 ANGELINA & NECHES RIVER AUTHORITY
 FOR THE YEAR ENDED AUGUST 31, 2023**

Fiscal Year Ended	Annual Debt Service Requirements			Total Debt Service
	Principal	Interest	Deferred Interest	
2024	\$ 98,000	\$ 65,094	\$ -	\$ 163,094
2025	101,000	61,313	-	162,313
2026	105,000	57,399	-	162,399
2027	109,000	53,333	-	162,333
2028	113,000	49,115	-	162,115
2029	117,000	44,745	-	161,745
2030	122,000	40,204	-	162,204
2031	127,000	35,473	-	162,473
2032	132,000	30,552	-	162,552
2033	137,000	25,441	-	162,441
2034	142,000	20,140	-	162,140
2035	147,000	14,649	-	161,649
2036	153,000	8,949	-	161,949
2037	159,000	3,021	-	162,021
2038	-	-	-	-
2039	-	-	-	-
2040	-	-	-	-
2041	-	-	-	-
2042	-	-	-	-
2043	-	-	-	-
2044	-	-	-	-
2045	-	-	-	-
2046	-	-	-	-
2047	-	-	-	-
2048	-	-	-	-
2049	-	-	-	-
2050	-	-	-	-
2051	-	-	-	-
2052	-	-	-	-
	<u>\$ 1,762,000</u>	<u>\$ 509,428</u>	<u>\$ -</u>	<u>\$ 2,271,428</u>

See independent auditor's report.

**ANGELINA & NECHES RIVER AUTHORITY
 TSI-5 - LONG TERM DEBT REQUIREMENTS
 GENERAL IMPROVEMENT REVENUE REFUNDING BOND, SERIES 2018
 ANGELINA & NECHES RIVER AUTHORITY
 FOR THE YEAR ENDED AUGUST 31, 2023**

Fiscal Year Ended	Annual Debt Service Requirements			Total Debt Service
	Principal	Interest	Deferred Interest	
2024	\$ 30,000	\$ 8,550	\$ -	\$ 38,550
2025	30,000	7,125	-	37,125
2026	30,000	5,700	-	35,700
2027	35,000	4,156	-	39,156
2028	35,000	2,494	-	37,494
2029	35,000	831	-	35,831
2030	-	-	-	-
2031	-	-	-	-
2032	-	-	-	-
2033	-	-	-	-
2034	-	-	-	-
2035	-	-	-	-
2036	-	-	-	-
2037	-	-	-	-
2038	-	-	-	-
2039	-	-	-	-
2040	-	-	-	-
2041	-	-	-	-
2042	-	-	-	-
2043	-	-	-	-
2044	-	-	-	-
2045	-	-	-	-
2046	-	-	-	-
2047	-	-	-	-
2048	-	-	-	-
2049	-	-	-	-
2050	-	-	-	-
2051	-	-	-	-
2052	-	-	-	-
	<u>\$ 195,000</u>	<u>\$ 28,856</u>	<u>\$ -</u>	<u>\$ 223,856</u>

See independent auditor's report.

**ANGELINA & NECHES RIVER AUTHORITY
 TSI-5 - LONG TERM DEBT REQUIREMENTS
 IMPROVEMENT AND REFUNDING BOND, SERIES 2022
 HOLMWOOD UTILITIES
 FOR THE YEAR ENDED AUGUST 31, 2023**

Fiscal Year Ended	Annual Debt Service Requirements			Total Debt Service
	Principal	Interest	Deferred Interest	
2024	\$ 24,000	\$ 15,900	\$ -	\$ 39,900
2025	25,000	15,000	-	40,000
2026	25,000	14,063	-	39,063
2027	26,000	13,125	-	39,125
2028	27,000	12,150	-	39,150
2029	28,000	11,138	-	39,138
2030	29,000	10,088	-	39,088
2031	31,000	9,000	-	40,000
2032	32,000	7,838	-	39,838
2033	33,000	6,638	-	39,638
2034	34,000	5,400	-	39,400
2035	35,000	4,125	-	39,125
2036	37,000	2,813	-	39,813
2037	38,000	1,425	-	39,425
2038	-	-	-	-
2039	-	-	-	-
2040	-	-	-	-
2041	-	-	-	-
2042	-	-	-	-
2043	-	-	-	-
2044	-	-	-	-
2045	-	-	-	-
2046	-	-	-	-
2047	-	-	-	-
2048	-	-	-	-
2049	-	-	-	-
2050	-	-	-	-
2051	-	-	-	-
5052	-	-	-	-
	<u>\$ 424,000</u>	<u>\$ 128,703</u>	<u>\$ -</u>	<u>\$ 552,703</u>

See independent auditor's report.

**ANGELINA & NECHES RIVER AUTHORITY
 TSI-5 - LONG TERM DEBT REQUIREMENTS
 WATER SYSTEM IMPROVEMENT REVENUE BOND
 PRAIRIE GROVE UTILITY
 FOR THE YEAR ENDED AUGUST 31, 2023**

Fiscal Year Ended	Annual Debt Service Requirements			Total Debt Service
	Principal	Interest	Deferred Interest	
2024	9,000	10,146	-	19,146
2025	9,000	9,679	-	18,679
2026	10,000	9,186	-	19,186
2027	11,000	8,641	-	19,641
2028	11,000	8,070	-	19,070
2029	12,000	7,474	-	19,474
2030	12,000	6,851	-	18,851
2031	13,000	6,202	-	19,202
2032	14,000	5,501	-	19,501
2033	14,000	4,775	-	18,775
2034	15,000	4,022	-	19,022
2035	16,000	3,218	-	19,218
2036	17,000	2,361	-	19,361
2037	18,000	1,453	-	19,453
2038	19,000	495	-	19,495
2039	-	-	-	-
2040	-	-	-	-
2041	-	-	-	-
2042	-	-	-	-
2043	-	-	-	-
2044	-	-	-	-
2045	-	-	-	-
2046	-	-	-	-
2047	-	-	-	-
2048	-	-	-	-
2049	-	-	-	-
2050	-	-	-	-
2051	-	-	-	-
2052	-	-	-	-
	<u>\$ 200,000</u>	<u>\$ 88,074</u>	<u>\$ -</u>	<u>\$ 288,074</u>

See independent auditor's report.

**ANGELINA & NECHES RIVER AUTHORITY
 TSI-5 - LONG TERM DEBT REQUIREMENTS
 CONTRACT REVENUE REFUNDING BOND, SERIES 2005
 LAKE COLUMBIA
 FOR THE YEAR ENDED AUGUST 31, 2023**

Fiscal Year Ended	Annual Debt Service Requirements			Total Debt Service
	Principal	Interest	Deferred Interest	
2024	\$ 10,000	\$ 13,224	\$ -	\$ 23,224
2025	10,000	12,656	-	22,656
2026	15,000	12,088	-	27,088
2027	10,000	11,236	-	21,236
2028	15,000	10,668	-	25,668
2029	15,000	9,809	-	24,809
2030	15,000	8,950	-	23,950
2031	15,000	8,090	-	23,090
2032	15,000	7,230	-	22,230
2033	15,000	6,371	-	21,371
2034	15,000	5,504	-	20,504
2035	20,000	4,637	-	24,637
2036	15,000	3,481	-	18,481
2037	20,000	2,614	-	22,614
2038	25,000	1,458	-	26,458
2039	-	-	-	-
2040	-	-	-	-
2041	-	-	-	-
2042	-	-	-	-
2043	-	-	-	-
2044	-	-	-	-
2045	-	-	-	-
2046	-	-	-	-
2047	-	-	-	-
2048	-	-	-	-
2049	-	-	-	-
2050	-	-	-	-
2051	-	-	-	-
5052	-	-	-	-
	<u>\$ 230,000</u>	<u>\$ 118,016</u>	<u>\$ -</u>	<u>\$ 348,016</u>

See independent auditor's report.

**ANGELINA & NECHES RIVER AUTHORITY
 TSI-5 - LONG TERM DEBT REQUIREMENTS
 CONTRACT REVENUE REFUNDING BOND, SERIES 2005
 LAKE COLUMBIA
 FOR THE YEAR ENDED AUGUST 31, 2023**

Fiscal Year Ended	Annual Debt Service Requirements			Total Debt Service
	Principal	Interest	Deferred Interest*	
2024	\$ -	\$ -	\$ -	\$ -
2025	-	-	-	-
2026	-	-	-	-
2027	-	-	-	-
2028	-	-	-	-
2029	-	-	-	-
2030	-	-	-	-
2031	-	-	-	-
2032	-	-	-	-
2033	-	-	-	-
2034	-	-	-	-
2035	-	-	-	-
2036	-	-	-	-
2037	-	-	-	-
2038	-	-	-	-
2039	-	-	-	-
2040	-	-	-	-
2041	-	-	-	-
2042	-	-	-	-
2043	-	-	-	-
2044	-	-	-	-
2045	734,000	711,613	548,963	1,994,576
2046	-	-	-	-
2047	-	-	-	-
2048	-	-	-	-
2049	-	-	-	-
2050	-	-	-	-
2051	-	-	-	-
5052	-	-	-	-
	<u>\$ 734,000</u>	<u>\$ 711,613</u>	<u>\$ 548,963</u>	<u>\$ 1,994,576</u>

* *Principal and interest are both deferred until 2045*

See independent auditor's report.

**ANGELINA & NECHES RIVER AUTHORITY
 TSI-5 - LONG TERM DEBT REQUIREMENTS
 CONTRACT REVENUE REFUNDING BOND, SERIES 2005
 LAKE COLUMBIA
 FOR THE YEAR ENDED AUGUST 31, 2023**

Fiscal Year Ended	Annual Debt Service Requirements			Total Debt Service
	Principal	Interest	Deferred Interest	
2024	\$ 35,000	\$ 46,000	\$ -	\$ 81,000
2025	35,000	44,012	-	79,012
2026	40,000	42,024	-	82,024
2027	45,000	39,752	-	84,752
2028	40,000	37,196	-	77,196
2029	50,000	34,904	-	84,904
2030	45,000	32,039	-	77,039
2031	55,000	29,461	-	84,461
2032	55,000	26,309	-	81,309
2033	55,000	23,157	-	78,157
2034	65,000	19,979	-	84,979
2035	60,000	16,222	-	76,222
2036	70,000	12,753	-	82,753
2037	75,000	8,708	-	83,708
2038	75,000	4,373	-	79,373
2039	-	-	-	-
2040	-	-	-	-
2041	-	-	-	-
2042	-	-	-	-
2043	-	-	-	-
2044	-	-	-	-
2045	-	-	-	-
2046	-	-	-	-
2047	-	-	-	-
2048	-	-	-	-
2049	-	-	-	-
2050	-	-	-	-
2051	-	-	-	-
5052	-	-	-	-
	<u>\$ 800,000</u>	<u>\$ 416,889</u>	<u>\$ -</u>	<u>\$ 1,216,889</u>

See independent auditor's report.

**ANGELINA & NECHES RIVER AUTHORITY
 TSI-5 - LONG TERM DEBT REQUIREMENTS
 CONTRACT REVENUE BOND, SERIES 2014
 NORTH ANGELINA COUNTY RWF
 FOR THE YEAR ENDED AUGUST 31, 2023**

Fiscal Year Ended	Annual Debt Service Requirements			Total Debt Service
	Principal	Interest	Deferred Interest	
2024	\$ 20,000	\$ 701	\$ -	\$ 20,701
2025	25,000	253	-	25,253
2026	-	-	-	-
2027	-	-	-	-
2028	-	-	-	-
2029	-	-	-	-
2030	-	-	-	-
2031	-	-	-	-
2032	-	-	-	-
2033	-	-	-	-
2034	-	-	-	-
2035	-	-	-	-
2036	-	-	-	-
2037	-	-	-	-
2038	-	-	-	-
2039	-	-	-	-
2040	-	-	-	-
2041	-	-	-	-
2042	-	-	-	-
2043	-	-	-	-
2044	-	-	-	-
2045	-	-	-	-
2046	-	-	-	-
2047	-	-	-	-
2048	-	-	-	-
2049	-	-	-	-
2050	-	-	-	-
2051	-	-	-	-
5052	-	-	-	-
	<u>\$ 45,000</u>	<u>\$ 954</u>	<u>\$ -</u>	<u>\$ 45,954</u>

See independent auditor's report.

**ANGELINA & NECHES RIVER AUTHORITY
 TSI-5 - LONG TERM DEBT REQUIREMENTS
 CONTRACT REVENUE BOND, SERIES 2016
 NORTH ANGELINA COUNTY RWF
 FOR THE YEAR ENDED AUGUST 31, 2023**

Fiscal Year Ended	Annual Debt Service Requirements			Total Debt Service
	Principal	Interest	Deferred Interest	
2024	\$ 10,000	\$ 37,394	\$ -	\$ 47,394
2025	10,000	37,273	-	47,273
2026	30,000	36,994	-	66,994
2027	30,000	36,547	-	66,547
2028	75,000	35,703	-	110,703
2029	75,000	35,451	-	110,451
2030	75,000	33,135	-	108,135
2031	80,000	31,708	-	111,708
2032	80,000	30,184	-	110,184
2033	80,000	28,620	-	108,620
2034	85,000	26,965	-	111,965
2035	85,000	25,218	-	110,218
2036	85,000	23,429	-	108,429
2037	90,000	21,547	-	111,547
2038	90,000	19,576	-	109,576
2039	95,000	17,518	-	112,518
2040	95,000	15,380	-	110,380
2041	95,000	13,223	-	108,223
2042	100,000	10,990	-	110,990
2043	100,000	8,680	-	108,680
2044	105,000	6,292	-	111,292
2045	105,000	2,826	-	107,826
2046	110,000	1,298	-	111,298
2047	-	-	-	-
2048	-	-	-	-
2049	-	-	-	-
2050	-	-	-	-
2051	-	-	-	-
5052	-	-	-	-
	<u>\$ 1,785,000</u>	<u>\$ 535,951</u>	<u>\$ -</u>	<u>\$ 2,320,951</u>

See independent auditor's report.

**ANGELINA & NECHES RIVER AUTHORITY
 TSI-5 - LONG TERM DEBT REQUIREMENTS
 CONTRACT REVENUE REFUNDING BOND, SERIES 2017
 NORTH ANGELINA COUNTY RWF
 FOR THE YEAR ENDED AUGUST 31, 2023**

Fiscal Year Ended	Annual Debt Service Requirements			Total Debt Service
	Principal	Interest	Deferred Interest	
2024	\$ 5,000	\$ 25,733	\$ -	\$ 30,733
2025	5,000	25,701	-	30,701
2026	5,000	25,660	-	30,660
2027	5,000	25,610	-	30,610
2028	30,000	25,395	-	55,395
2029	30,000	24,999	-	54,999
2030	30,000	24,567	-	54,567
2031	30,000	24,107	-	54,107
2032	35,000	23,581	-	58,581
2033	35,000	22,991	-	57,991
2034	35,000	22,379	-	57,379
2035	35,000	21,749	-	56,749
2036	35,000	21,108	-	56,108
2037	35,000	20,461	-	55,461
2038	85,000	19,339	-	104,339
2039	85,000	17,742	-	102,742
2040	85,000	16,127	-	101,127
2041	90,000	14,447	-	104,447
2042	90,000	12,701	-	102,701
2043	95,000	10,888	-	105,888
2044	95,000	9,007	-	104,007
2045	95,000	7,112	-	102,112
2046	100,000	5,157	-	105,157
2047	100,000	3,142	-	103,142
2048	105,000	1,066	-	106,066
2049	-	-	-	-
2050	-	-	-	-
2051	-	-	-	-
2052	-	-	-	-
	<u>\$ 1,375,000</u>	<u>\$ 450,769</u>	<u>\$ -</u>	<u>\$ 1,825,769</u>

See independent auditor's report.

**ANGELINA & NECHES RIVER AUTHORITY
 TSI-5 - LONG TERM DEBT REQUIREMENTS
 CONTRACT REVENUE REFUNDING AND IMPROVEMENT BOND, SERIES 2020
 NORTH ANGELINA COUNTY RWF
 FOR THE YEAR ENDED AUGUST 31, 2023**

Fiscal Year Ended	Annual Debt Service Requirements			Total Debt Service
	Principal	Interest	Deferred Interest	
2024	\$ 160,000	\$ 71,413	\$ -	\$ 231,413
2025	160,000	66,360	-	226,360
2026	170,000	61,304	-	231,304
2027	175,000	55,932	-	230,932
2028	180,000	50,402	-	230,402
2029	185,000	44,714	-	229,714
2030	190,000	38,868	-	228,868
2031	195,000	32,864	-	227,864
2032	205,000	26,702	-	231,702
2033	205,000	20,224	-	225,224
2034	215,000	13,746	-	228,746
2035	220,000	6,952	-	226,952
2036	-	-	-	-
2037	-	-	-	-
2038	-	-	-	-
2039	-	-	-	-
2040	-	-	-	-
2041	-	-	-	-
2042	-	-	-	-
2043	-	-	-	-
2044	-	-	-	-
2045	-	-	-	-
2046	-	-	-	-
2047	-	-	-	-
2048	-	-	-	-
2049	-	-	-	-
2050	-	-	-	-
2051	-	-	-	-
2052	-	-	-	-
	<u>\$ 2,260,000</u>	<u>\$ 489,481</u>	<u>\$ -</u>	<u>\$ 2,749,481</u>

See independent auditor's report.

**ANGELINA & NECHES RIVER AUTHORITY
 TSI-5 - LONG TERM DEBT REQUIREMENTS
 CONTRACT REVENUE BOND, SERIES 2021
 NORTH ANGELINA COUNTY RWF
 FOR THE YEAR ENDED AUGUST 31, 2023**

Fiscal Year Ended	Annual Debt Service Requirements			Total Debt Service
	Principal	Interest	Deferred Interest	
2024	\$ 25,000	\$ -	\$ -	\$ 25,000
2025	25,000	-	-	25,000
2026	25,000	-	-	25,000
2027	25,000	-	-	25,000
2028	25,000	-	-	25,000
2029	25,000	-	-	25,000
2030	25,000	-	-	25,000
2031	25,000	-	-	25,000
2032	25,000	-	-	25,000
2033	25,000	-	-	25,000
2034	25,000	-	-	25,000
2035	25,000	-	-	25,000
2036	25,000	-	-	25,000
2037	25,000	-	-	25,000
2038	25,000	-	-	25,000
2039	25,000	-	-	25,000
2040	25,000	-	-	25,000
2041	25,000	-	-	25,000
2042	25,000	-	-	25,000
2043	25,000	-	-	25,000
2044	30,000	-	-	30,000
2045	30,000	-	-	30,000
2046	30,000	-	-	30,000
2047	30,000	-	-	30,000
2048	30,000	-	-	30,000
2049	30,000	-	-	30,000
2050	30,000	-	-	30,000
2051	30,000	-	-	30,000
2052	30,000	-	-	30,000
	<u>\$ 770,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 770,000</u>

See independent auditor's report.

**ANGELINA & NECHES RIVER AUTHORITY
 TSI-5 - LONG TERM DEBT REQUIREMENTS
 CONTRACT REVENUE REFUNDING BOND, SERIES 2014 (TAX EXEMPT)
 NECHES COMPOST FACILITY
 FOR THE YEAR ENDED AUGUST 31, 2023**

Fiscal Year Ended	Annual Debt Service Requirements			Total Debt Service
	Principal	Interest	Deferred Interest	
2024	\$ 50,300	\$ 1,534	\$ -	\$ 51,834
2025	-	-	-	-
2026	-	-	-	-
2027	-	-	-	-
2028	-	-	-	-
2029	-	-	-	-
2030	-	-	-	-
2031	-	-	-	-
2032	-	-	-	-
2033	-	-	-	-
2034	-	-	-	-
2035	-	-	-	-
2036	-	-	-	-
2037	-	-	-	-
2038	-	-	-	-
2039	-	-	-	-
2040	-	-	-	-
2041	-	-	-	-
2042	-	-	-	-
2043	-	-	-	-
2044	-	-	-	-
2045	-	-	-	-
2046	-	-	-	-
2047	-	-	-	-
2048	-	-	-	-
2049	-	-	-	-
2050	-	-	-	-
2051	-	-	-	-
2052	-	-	-	-
	<u>\$ 50,300</u>	<u>\$ 1,534</u>	<u>\$ -</u>	<u>\$ 51,834</u>

See independent auditor's report.

**ANGELINA & NECHES RIVER AUTHORITY
 TSI-5 - LONG TERM DEBT REQUIREMENTS
 CONTRACT REVENUE REFUNDING BOND, SERIES 2014 (TAXABLE)
 NECHES COMPOST FACILITY
 FOR THE YEAR ENDED AUGUST 31, 2023**

Fiscal Year Ended	Annual Debt Service Requirements			Total Debt Service
	Principal	Interest	Deferred Interest	
2024	\$ 7,000	\$ 385	\$ -	\$ 7,385
2025	-	-	-	-
2026	-	-	-	-
2027	-	-	-	-
2028	-	-	-	-
2029	-	-	-	-
2030	-	-	-	-
2031	-	-	-	-
2032	-	-	-	-
2033	-	-	-	-
2034	-	-	-	-
2035	-	-	-	-
2036	-	-	-	-
2037	-	-	-	-
2038	-	-	-	-
2039	-	-	-	-
2040	-	-	-	-
2041	-	-	-	-
2042	-	-	-	-
2043	-	-	-	-
2044	-	-	-	-
2045	-	-	-	-
2046	-	-	-	-
2047	-	-	-	-
2048	-	-	-	-
2049	-	-	-	-
2050	-	-	-	-
2051	-	-	-	-
2052	-	-	-	-
	<u>\$ 7,000</u>	<u>\$ 385</u>	<u>\$ -</u>	<u>\$ 7,385</u>

See independent auditor's report.

**ANGELINA & NECHES RIVER AUTHORITY
 TWDB INTEREST & SINKING FUND WORKSHEETS
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

If the Texas Water Development Board (TWDB) serves as revenue bondholder for your entity, and the information requested here is not included in your annual audit, please complete and mail this worksheet to: Audit and Funds Management Division, TWDB, P.O Box 13231, Austin, Texas 78711-3231

ISSUER'S NAME: Angelina & Neches River Authority/North Angelina County Regional Waste Water Facility

FISCAL YEAR ENDING: August 31, 2023

The Required Ultimate Balances and the Required Present Balances shown below are per the current bond ordinances authorizing the currently outstanding First Lien and Junior Lien Revenue Bonds, respectively, in the fiscal year referenced above. The Actual Present Balances, which are maintained in separate accounts of the Issuer as per the bond covenants, appear as restricted cash and investments in the Issuer's audited financial statements for the fiscal year referenced above.

	<u>INTEREST & SINKING FUND</u>	<u>RESERVE FUND</u>
<u>FIRST LIEN BONDS</u>		
REQUIRED ULTIMATE BALANCE	\$ 171,518	\$ 10,834
REQUIRED PRESENT BALANCE (8/31/2023)	<u>\$ 171,518</u>	<u>\$ 10,834</u>
ACTUAL PRESENT BALANCE (8/31/2023)	<u>\$ 178,626</u>	<u>\$ 10,834</u>
 <u>JUNIOR LIEN BONDS</u>		
REQUIRED ULTIMATE BALANCE	\$ -	\$ -
REQUIRED PRESENT BALANCE (8/31/2023)	<u>\$ -</u>	<u>\$ -</u>
ACTUAL PRESENT BALANCE (8/31/2023)	<u>\$ -</u>	<u>\$ -</u>

The above is true and correct to the best of my knowledge: _____
Preparer's Signature
Date

cc: Axley & Rode, LLP.
 Certified Public Accountants

**ANGELINA & NECHES RIVER AUTHORITY
SCHEDULE OF BOARD MEMBERS AND KEY PERSONNEL
AUGUST 31, 2023
(UNAUDITED)**

Board of Directors

Mr. Jody Anderson, President
361 Red Loving Road
Lufkin, Texas 75901
Term Ends: 9-5-2025

Mr. Thomas R “Tom” Murphy, Vice President
908 E. Mimosa Lane
Crockett, Texas 75835
Term Ends: 9-5-2025

Mr. Dale Morton, Secretary-Treasurer
289 CR 2093
Nacogdoches, Texas, 75965
Term Ends: 9-5-2027

Mrs. Francis G. Spruiell, Secretary Pro Tem
P.O. Box 631788
Nacogdoches, Texas, 75963
Term Ends: 9-5-2027

Mrs. Virginia M. “Ginger” Lymbery, Director
365 Attaberry Road
Lufkin, Texas 75901
Term Ends: 9-5-2024

Mr. Donnie R. Kee, Director
3416 FM 819
Diboll, Texas 75941
Term Ends: 9-5-2024

Mr. Robert E. “Eddie” Hopkins, Director
808 Oakwood Drive
Jasper, Texas, 75951
Term Ends: 9-5-2024

Mrs. Kimberly “Kim” Childs, Director
3290 Oak Creek Drive
Nacogdoches, Texas 75965
Term Ends: 9-5-2025

Mrs. Erin Holloway, Director
12644 FM 2607
Arp, Texas 75750
Term Ends: 9-5-2027

Key Personnel

Kelley Holcomb
General Manager
Telephone: (936) 633-7795
E-mail Address: kholcomb@anra.org

Chris Key, P.E.
Executive Manager, Utilities
Telephone: (936) 633-7544
E-mail Address: ckey@anra.org

Kimberly Wagner
Executive Manager, Communications
Telephone: (936) 633-7507
E-mail Address: keagner@anra.org

Jeremiah Poling
Deputy General Manager
Telephone: (936) 633-7751
E-mail Address: jpoling@anra.org

Executive staff mailing address is 2901 N John Redditt Dr., Lufkin, TX 75904

ANGELINA & NECHES RIVER AUTHORITY
SCHEDULE OF INSURANCE IN FORCE
AUGUST 31, 2023
(UNAUDITED)

<u>Name of Insurance Company</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Details of Coverage</u>	<u>Per Occurance Limits of Liability</u>
Texas Water Conservation Association	00042	7/1/23-7/1/24	Auto Liability	\$ 1,000,000
Texas Water Conservation Association	00042	7/1/23-7/1/24	General Liability	\$ 1,000,000
Texas Water Conservation Association	00042	7/1/23-7/1/24	Errors & Ommissions	\$ 1,000,000
Texas Water Conservation Association	00042	7/1/23-7/1/24	Property Liabilty	\$ 16,217,430
Texas Water Conservation Association	00042	7/1/23-7/1/24	Auto Physical Damage	Scheduled
Texas Water Conservation Association	00042	7/1/23-7/1/24	Crime	\$10,000/\$25,000/ \$50,000

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Angelina & Neches River Authority
Lufkin, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Angelina & Neches River Authority (the "Authority"), as of and for the years ended August 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 15, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lufkin, Texas
November 15, 2023


CERTIFIED PUBLIC ACCOUNTANTS

**ANGELINA & NECHES RIVER AUTHORITY
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2023**

No findings reported.

**ANGELINA & NECHES RIVER AUTHORITY
SCHEDULE OF STATUS OF PRIOR FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2023**

There were no findings in the prior year.

**ANGELINA & NECHES RIVER AUTHORITY
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2023**

None Required.