

SOUTHERN TRINITY GROUNDWATER
CONSERVATION DISTRICT

FINANCIAL REPORT
and
INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2009

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**SOUTHERN TRINITY GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING SEPTEMBER 30, 2009**

This section of the Southern Trinity Groundwater Conservation District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended on September 30, 2009. Please read it in conjunction with the District's financial statements and accounting notes.

FINANCIAL HIGHLIGHTS

- ** The District's total net assets were \$ 195,009.
- ** Cash and investments were \$ 195,009.
- ** The District had no liabilities at the end of the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The district is a governmental entity and follows the accrual basis of accounting for a single purpose governmental entity. The District is not funded by property tax levies.

FINANCIAL ANALYSIS OF THE DISTRICT

Net Assets: The following table summarizes the changes in Net Assets

	<u>2009</u>
Current Assets	\$ 195,009
Capital Assets	744
Accumulated Depreciation	(744)
Total Liabilities	0
Net Assets	\$ 195,009

**SOUTHERN TRINITY GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING SEPTEMBER 30, 2009**

Operating Activities: The following table summarizes the changes in Operating Income for fiscal year 2009

	<u>2009</u>
Revenue	\$192,224
Interest Income	1,085
Expenditures excluding depreciation	95,532
Depreciation	0
Net Change in Net Assets	\$ 97,406

Actual results from operations of the District compared favorable with the budget for the year. The revenues were under the budget and total expenditures were below budget. The net budget results were positive.

CAPITAL ASSETS AND DEBT

The district's only capital assets include computer equipment that was purchased with cash, which has been fully depreciated. The District has paid its outstanding debt of \$50,000, due to McLennan County.

ALTON D. THIELE, P. C.

Certified Public Accountant
300 E. Ave. C
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BELTON, TX 76513-0808

INDEPENDENT AUDITORS' REPORT

Board of Directors
Southern Trinity Groundwater Conservation District
Waco, TX 76703

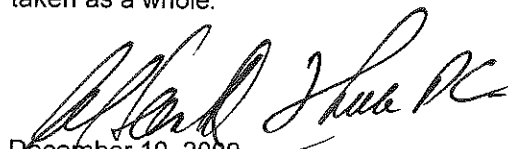
We have audited the accompanying statement of net assets of Southern Trinity Groundwater Conservation District as of September 30, 2009 and the related statements of activities and changes in net assets. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southern Trinity Groundwater Conservation District as of September 30, 2009 and the results of its activities for the year then ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2009, on our consideration of Southern Trinity Groundwater Conservation District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of the audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included is presented for the purpose of additional analysis and, although not required for a fair presentation of its financial position and results of its activities, was subjected to the audit procedures applied in the audit of the financial statements. In our opinion, the supplementary information is fairly presented, in all material respects, in relation to the financial statements taken as a whole.



December 10, 2009
Belton, Texas 76513

**SOUTHERN TRINITY GROUNDWATER CONSERVATION DISTRICT
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009**

ASSETS:

CURRENT ASSETS

Petty cash	\$ 702	
Operating account	174,405	
Accounts receivable	19,902	
Total Current Assets	195,009	\$ 195,009

FIXED ASSETS

Furniture & Equipment	744	
Accumulated Depreciation	(744)	
Net Book Value	-	

TOTAL ASSETS

\$ 195,009

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Note Payable McLennan County	\$ -	
Total Current Liabilities	-	
Total Liabilities		<u>\$ -</u>

NET ASSETS

Net Assets - Unrestricted	195,009	
Total Net Assets		<u>195,009</u>

TOTAL LIABILITIES AND UNRESTRICTED ASSETS

\$ 195,009

The accompanying notes to the financial statements are an integral part of this statement.
See Independent Auditors' Report.

**SOUTHERN TRINITY GROUNDWATER CONSERVATION DISTRICT
STATEMENT OF ACTIVITES AND CHANGE IN NET ASSETS
FOR YEAR ENDED SEPTEMBER 30, 2009**

USE OF FUNDS

OPERATIONS

Advertising - Public Notice	\$ 1,135
Audit Fees	2,198
Depreciation Expense	372
Insurance	803
Contract Labor	20,400
Meetings, Conventions and Seminars	20
Membership Dues	2,000
Miscellaneous	44
Office Expense	767
Postage	569
Accounting Fees	4,350
Engineering Fees	8,900
Hydrologist Fees	375
Legal Fees	53,865
Software	106
TOTAL USE OF FUNDS -OPERATIONS	<u>95,904</u>
TOTAL USE OF FUNDS	<u>95,904</u>

SOURCES OF FUNDS

OPERATIONS

Annual Well Fees	92,800
Production Fees	97,425
Well Drilling Permit Fees	2,000
Interest	1,085
TOTAL SOURCE OF FUNDS - OPERATIONS	<u>193,310</u>
TOTAL SOURCE OF FUNDS	<u>193,310</u>

CHANGE IN NET ASSETS 97,406

NET ASSET BEGINNING BALANCE 97,603

NET ASSET ENDING BALANCE \$ 195,009

The accompanying notes to the financial statements are an integral part of this statement.
See Independent Auditors' Report.

SOUTHERN TRINITY GROUNDWATER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2009

I. The Reporting Entity

Southern Trinity Groundwater Conservation District, formerly known as McLennan County Groundwater District, was formed on August 18, 2009. The creation of the District is under Senate Bill number 2513.

The District is governed by a five member board of Directors, which are appointed by the McLennan County Commissioners.

II. Summary of Significant Accounting Policies

Basis of Accounting

Basis of accounting refers to the period when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accrual basis of accounting is used for the Governmental Fund Type. This basis of accounting recognizes revenues in the accounting period in which they become available and measurable, and expenditures in the accounting period in which the fund liability is incurred.

Budgeting

An official budget is adopted by the Board of Directors at the beginning of each fiscal year. The Board approves amendments to the budget as needed throughout the year.

III. Deposits and Investments

The Board has designated one bank as the depository for the District's Funds, American Bank of Waco.

The District's cash deposits at September 30, 2009, were entirely covered by FDIC insurance or by pledged collateral. Deposits were properly secured at the time of the highest combined balance.

The following is disclosed regarding coverage of combined balances on the date of the highest deposit.

- a. Name of Bank: American Bank of Waco, TX.
- b. The largest cash savings, and time deposit combined account balance was \$174,405, which occurred on September 30, 2009.
- c. The amount of FDIC coverage available at the balance sheet date and at the date highest balance occurred was \$250,000.

SOUTHERN TRINITY GROUNDWATER CONSERVATION DISTRICT

Notes to Financial Statements September 30, 2009

The cash deposits held at a financial institution can be categorized according to three levels of risk. These three levels of risk are:

- Category 1 Deposits which are insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2 Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3 Deposits which are not collateralized.

Based on these three levels of risk, all the District's cash deposits are classified as Category 1.

IV. Fixed Assets

Property and equipment are carried at cost or at fair market value, if acquired other than by purchase. Estimated useful lives for depreciation calculations are as follows:

	<u>Years</u>
Office equipment	3

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

No assets were pledged as collateral on September 30, 2009.

Depreciation

Depreciation of fixed assets is calculated primarily on the straight-line and accelerated methods with an estimated useful.

V. Litigation

The District has no pending litigation not covered by insurance that would materially affect the financial statements of the District.

REQUIRED SUPPLEMENTARY INFORMATION

ALTON D. THIELE, P.C.

CERTIFIED PUBLIC ACCOUNTANT

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BELTON, TX 76513-0808

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

Board of Directors
Southern Trinity Groundwater Conservation District
Waco, TX

We have audited the financial statements of Southern Trinity Groundwater Conservation District as of and for the year ended September 30, 2009, and have issued our report thereon dated December 10, 2009. 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.

Compliance


As part of obtaining reasonable assurance about whether Southern Trinity Groundwater Conservation District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is solely intended for the information and use of the Board of Directors and management is not intended to be and should not be used by anyone other than these specified parties.


Belton, Texas
December 10, 2009

**SOUTHERN TRINITY GROUNDWATER CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES-BUDGET (GAAP) VS ACTUAL
SUPPLEMENTAL SCHEDULE I
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

USE OF FUNDS	Actual	Budget	Variance (Under)Over
OPERATIONS			
Advertising	\$ -	\$ 3,000	\$ (3,000)
Advertising - Public Notice	1,135	30,000	(28,865)
Audit Fees	2,198	3,500	(1,302)
Confirmation Election	-	60,000	(60,000)
Depreciation Expense	372	-	372
Education	-	1,500	(1,500)
Insurance and bonds	803	700	103
Contract labor / Manager salary	20,400	20,400	-
Meetings, Conventions, Seminars	20	2,500	(2,480)
Membership dues	2,000	2,500	(500)
Miscellaneous	44	1,000	(956)
Office supplies	767	500	267
Postage	569	400	169
Professional fees			
Accounting	\$ 4,350	\$ 4,200	\$ 150
Engineering	8,900	-	8,900
Hydrologist	375	25,000	(24,625)
Legal	53,865	50,000	3,865
Web Site	-	1,200	(1,200)
Total Professional fees	67,490	80,400	(12,910)
Special Projects			
Spatial Mapping	-	10,000	(10,000)
Software	106	-	106
Total Use of Funds- Operations	95,904	216,400	(120,496)
Total Use of Funds	95,904	216,400	(120,496)
SOURCE OF FUNDS			
OPERATIONS			
Annual Well Fees	\$ 92,800	\$ 94,500	\$ 1,700
Production Fees	97,425	138,556	41,131
Well Drilling Fees	2,000	-	(2,000)
Interest	1,085	2,500	1,415
Total Source of Funds- Operations	193,310	235,556	(42,246)
Total Source of Funds	193,310	235,556	(42,246)
CHANGE IN NET ASSETS	\$ 97,406	\$ 19,156	\$ 78,250
NET ASSETS, BEGINNING	97,603	87,708	
NET ASSETS, ENDING	\$ 195,009	\$ 106,864	\$ 78,250

The accompanying notes to the financial statements are an integral part of this statement.
See Independent Auditors' Report.

SOUTHERN TRINITY GROUNDWATER
CONSERVATION DISTRICT

COMMUNICATIONS OF SIGNIFICANT DEFICIENCIES
AND
MATERIAL WEAKNESSES AS REQUIRED BY
STATEMENT ON AUDITING STANDARDS 115

SEPTEMBER 30, 2009

ALTON D. THIELE, P.C.

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Southern Trinity Groundwater Conservation District

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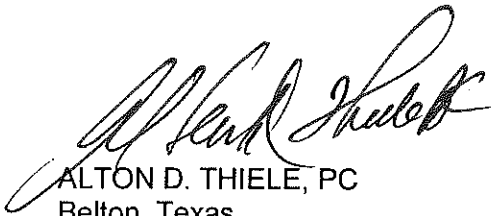
Waco, TX 76703

In planning and performing our audit of the financial statements of the Southern Trinity Groundwater Conservation District (the District) as of and for the year ended September 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 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 in a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management, the Board of Directors, others within the District and is not intended to be and should not be used by anyone other than these specified parties.



ALTON D. THIELE, PC

Belton, Texas

December 10, 2009

COMMUNICATIONS REQUIRED BY PROFESSIONAL STANDARDS

1. Auditors' responsibility under auditing standards generally accepted in the United States of America:

For a description of the level of responsibility assumed by us for the internal control structure, illegal acts and other matters under auditing standards generally accepted in the United States of America, please refer to our letter of engagement dated August 3, 2009, addressed to the Board of Directors.

2. Significant accounting policies and unusual transactions:

There were no new significant accounting policies adopted during 2009, and for a description of significant accounting policies, please refer to the notes to the financial statements.

3. Management's judgments and accounting estimates:

We have evaluated management's processes to derive estimates and have concluded that the processes appear reasonable.

4. Significant audit adjustments:

Our criterion, for making an adjustment to the financial statements, is broadly defined as any adjustment that, whether individually or in aggregate, is qualitatively material to the financial statements being audited. Audits adjustments were proposed and discussed with management.

5. Other information in documents containing audited financial statements:

To our knowledge, the audited financial statements have not been included in any other documents.

6. Disagreements with management:

To our knowledge, there have been no disagreements with management.

7. Consultation with other accountants:

To our knowledge, there were no consultations with other accountants.

**COMMUNICATIONS REQUIRED BY PROFESSIONAL STANDARDS,
(continued)**

8. Major issues discussed with management prior to retention:

No such issues were discussed prior to our retention.

9. Difficulties encountered in performing the audit:

We encountered no significant difficulties in performing the audit.

10. Deficiencies in internal control:

No material weaknesses were noted; however, reference is made to the comments and suggestions discussed informally with management and in this letter.

11. Irregularities and illegal acts:

The audit is not designed to detect fraud or irregularities. To date, we have not identified any transactions that would meet the definition of fraud as outlined by AICPA SAS 82.

12. Management advisory services:

We performed no management advisory services during fiscal 2009.

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The preceding comments and recommendations are intended solely for the information and use of the Southern Trinity Groundwater Conservation District and its management and others within the administration. This restriction is not intended to limit distribution of this report, which is a matter of public record.

SOUTHERN TRINITY GROUNDWATER
CONSERVATION DISTRICT

MANAGEMENT LETTER AND COMMUNICATIONS
WITH THOSE CHARGED WITH GOVERNANCE

SEPTEMBER 30, 2009

ALTON D. THIELE, P.C.

Certified Public Accountant
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Southern Trinity Groundwater Conservation District
P.O. Box 2205
Waco, TX 76703

In planning and performing our audit of the financial statements of the Southern Trinity Groundwater Conservation District (District) for the year ended September 30, 2009, we considered the District's internal control and accounting policies and procedures in order to determine our auditing procedures for the purpose of expressing the opinion on the financial statements and not to provide assurance on internal control.

As required by Statement on Auditing Standards No.115, we have issued our *Communication of Significant Deficiencies and Material Weaknesses* dated December 10, 2009, including *Communications Required by Professional Standards*.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not include all suggestions, but rather those considered of more importance for the District and management's consideration.

Adequate Fund Balance

At September 30, 2009, there were unrestricted funds available in the amount of \$175,107 in the operating accounts. It is recommended that 3 to 4 months of operating expenses be available in fund balances. This would be between \$23,882 and \$30,760. The District has maintained adequate funds to cover its operations.

Independent Contractor

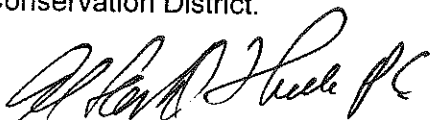
The IRS has utilized a court ruling establishing a 20 factor worksheet to assist in determining the status of an employee or independent contractor. We urge the Board to review these guidelines and consider its relationship with its contract labor personnel. We have attached a copy of the 20 questions used in determine whether a worker is an employee or independent contractor.

The District should be sure that 1099's are issued for all independent contractors. Also it should be noted that a 1099 should be issued to lawyers regardless of their business structure and dollar amounts paid.

Collection of Accounts Receivable

We noted a significant portion of the accounts receivable was past due. Further discussions with your staff indicated several accounts were either in your attorney's office for legal action or had been authorized to be written off as uncollectible. We recommend the Board more closely monitor the billings to your members and, as situations warrant, take steps documenting in the minutes, to authorize accounts be adjusted to reflect their collectability.

We sincerely appreciate the opportunity to provide audit services to the Southern Trinity Groundwater Conservation District.



Alton D. Thiele, P.C.
December 10, 2009

Portion of IRS rules regarding the 20 questions to determine Independent Contractor vs. Employee

As an aid to determining whether an individual is an employee under the common law rules, twenty factors or elements have been identified as indicating whether sufficient control is present to establish an employer-employee relationship. The twenty factors have been developed based on an examination of cases and rulings considering whether an individual is an employee. The degree of importance of each factor varies depending on the occupation and the factual context in which the services are performed. The twenty factors are designed only as guides for determining whether an individual is an employee; special scrutiny is required in applying the twenty factors to assure that formalistic aspects of an arrangement designed to achieve a particular status do not obscure the substance of the arrangement (that is, whether the person or persons for whom the services are performed exercise sufficient control over the individual for the individual to be classified as an employee).

The twenty factors are described below:

1. INSTRUCTIONS.

A worker who is required to comply with other persons' instructions about when, where, and how he or she is to work is ordinarily an employee. This control factor is present if the person or persons for whom the services are performed have the RIGHT to require compliance with instructions.

2. TRAINING.

Training a worker by requiring an experienced employee to work with the worker, by corresponding with the worker, by requiring the worker to attend meetings, or by using other methods, indicates that the person or persons for whom the services are performed want the services performed in a particular method or manner.

3. INTEGRATION.

Integration of the worker's services into the business operations generally shows that the worker is subject to direction and control. When the success or continuation of a business depends to an appreciable degree upon the performance of certain services, the workers who perform those services must necessarily be subject to a certain amount of control by the owner of the business.

4. SERVICES RENDERED PERSONALLY.

If the Services must be rendered personally, presumably the person or persons for whom the services are performed are interested in the methods used to accomplish the work as well as in the results.

5. HIRING, SUPERVISING, AND PAYING ASSISTANTS.

If the person or persons for whom the services are performed hire, supervise, and pay assistants, that factor generally shows control over the workers on the job. However, if one worker hires, supervises, and pays the other assistants pursuant to a contract under which the worker agrees to provide materials and labor and under which the worker is responsible only for the attainment of a result, this factor indicates an independent contractor status.

6. CONTINUING RELATIONSHIP.

A continuing relationship between the worker and the person or persons for whom the services are performed indicates that an employer-employee relationship exists. A continuing relationship may exist where work is performed at frequently recurring although irregular intervals.

7. SET HOURS OF WORK.

The establishment of set hours of work by the person or persons for whom the services are performed is a factor indicating control.

8. FULL TIME REQUIRED.

If the worker must devote substantially full time to the business of the person or persons for whom the services are performed, such person or persons have control over the amount of time the worker spends working and impliedly restrict the worker from doing other gainful work. An independent contractor on the other hand, is free to work when and for whom he or she chooses.

9. DOING WORK ON EMPLOYER'S PREMISES.

If the work is performed on the premises of the person or persons for whom the services are performed, that factor suggests control over the worker, especially if the work could be done elsewhere. . Work done off the premises of the person or persons receiving the services, such as at the office of the worker, indicates some freedom from control. However, this fact by itself does not mean that the worker is not an employee. The importance of this factor depends on the nature of the service involved and the extent to which an employer generally would require that employees perform such services on the employer's premises. Control over the place of work is indicated when the person or persons for whom the services are performed have the right to compel the worker to travel a designated route, to canvass a territory within a certain time, or to work at specific places as required. .

10. ORDER OR SEQUENCE SET.

If a worker must perform services in the order or sequence set by the person or persons for whom the services are performed, that factor shows that the worker is not free to follow the worker's own pattern of work but must follow the established routines and schedules of the person or persons for whom the services are performed. Often, because of the nature of an occupation, the person or persons for whom the services are performed do not set the order of the services or set the order infrequently. It is sufficient to show control, however, if such person or persons retain the right to do so.

11. ORAL OR WRITTEN REPORTS.

A requirement that the worker submit regular or written reports to the person or persons for whom the services are performed indicates a degree of control.

12. PAYMENT BY HOUR, WEEK, MONTH.

Payment by the hour, week, or month generally points to an employer-employee relationship, provided that this method of payment is not just a convenient way of paying a lump sum agreed upon as the cost of a job.

Payment made by the job or on a straight commission generally indicates that the worker is an independent contractor.

13. PAYMENT OF BUSINESS AND/OR TRAVELING EXPENSES.

If the person or persons for whom the services are performed ordinarily pay the worker's business and/or traveling expenses, the worker is ordinarily an employee.

An employer, to be able to control expenses, generally retains the right to regulate and direct the worker's business activities.

14. FURNISHING OF TOOLS AND MATERIALS.

The fact that the person or persons for whom the services are performed furnish significant tools, materials, and other equipment tends to show the existence of an employer-employee relationship.

15. SIGNIFICANT INVESTMENT.

If the worker invests in facilities that are used by the worker in performing services and are not typically

maintained by employees (such as the maintenance of an office rented at fair value from an unrelated party), that factor tends to indicate that the worker is an independent contractor. On the other hand, lack of investment in facilities indicates dependence on the person or persons for whom the services are performed for such facilities and, accordingly, the existence of an employer-employee relationship. Special scrutiny is required with respect to certain types of facilities, such as home offices.

16. REALIZATION OF PROFIT OR LOSS.

A worker who can realize a profit or suffer a loss as a result of the worker's services (in addition to the profit or loss ordinarily realized by employees) is generally an independent contractor, but the worker who cannot is an employee. For example, if the worker is subject to a real risk of economic loss due to significant investments or a bona fide liability for expenses, such as salary payments to unrelated employees, that factor indicates that the worker is an independent contractor. The risk that a worker will not receive payment for his or her services, however, is common to both independent contractors and employees and thus does not constitute a sufficient economic risk to support treatment as an independent contractor.

17. WORKING FOR MORE THAN ONE FIRM AT A TIME.

If a worker performs more than de minimis services for a multiple of unrelated persons or firms at the same time, that factor generally indicates that the worker is an independent contractor. . However, a worker who performs services for more than one person may be an employee of each of the persons, especially where such persons are part of the same service arrangement.

18. MAKING SERVICE AVAILABLE TO GENERAL PUBLIC.

The fact that a worker makes his or her services available to the general public on a regular and consistent basis indicates an independent contractor relationship.

19. RIGHT TO DISCHARGE.

The right to discharge a worker is a factor indicating that the worker is an employee and the person possessing the right is an employer. An employer exercises control through the threat of dismissal, which causes the worker to obey the employer's instructions. An independent contractor, on the other hand, cannot be fired so long as the independent contractor produces a result that meets the contract specifications.

20. RIGHT TO TERMINATE.

If the worker has the right to end his or her relationship with the person for whom the services are performed at any time he or she wishes without incurring liability, that factor indicates an employer-employee relationship.