



***IRVING FLOOD CONTROL DISTRICT,
SECTION I***

**Basic Financial Statements
and Supplemental Schedules
For the Year Ended September 30, 2021
and Independent Auditor's Report**

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Irving Flood Control District Section I
 Basic Financial Statements and Supplemental Schedules
 For the Fiscal Year Ended September 30, 2021
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Financial Section



Independent Auditor's Report

To the Board of Directors of
Irving Flood Control District Section I

We have audited the accompanying financial statements of the governmental activities and each major fund of the Irving Flood Control District Section I (the District) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Irving Flood Control District Section I as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8 and the budgetary comparison schedule on page 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the District's basic financial statements. The Texas Supplementary Information listed in the table of contents is required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* and is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The Texas Supplementary Information is the responsibility of management. The accompanying supplementary information, excluding the portion marked "Unaudited," for which we express no opinion, has been derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information (other than information marked as "Unaudited"), is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 13, 2022

Management's Discussion and Analysis

The following discussion and analysis of Irving Flood Control District Section I's (District) financial performance is presented as required under the Governmental Accounting Standards Board Statement No. 34 (GASB 34). The purpose hereof is to provide an overview of the District's financial position for its most recently completed fiscal year. The information presented herein should be reviewed in conjunction with the District's financial statements, including notes thereto, and supplemental information contained therein.

Overview of the Financial Statements

The District is a special purpose governmental entity engaged in the single governmental purpose to reclaim and protect all property in the District from flooding. The District's financial statements are presented under the provisions of GASB 34, which results in combining government-wide, and fund statements into one set of financial statements entitled "Statement of Net Position and Governmental Funds Balance Sheet" and "Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances." These statements are itemized by the District's three separate governmental funds. The District uses the following governmental funds:

General Fund. The General Fund is the general operating fund of the District.

Capital Projects Fund. The Capital Projects Fund accounts for the construction activity of the District.

Debt Service Fund The Debt Service Fund accounts for all accumulation of resources for, and the payment of long-term debt principal and interest.

Approximately 96.0% of the District's revenue was derived from ad valorem taxes collected on all taxable property in the District by the Dallas County Tax Collector under the contract with the District based upon taxable values set by the Dallas Central Appraisal District. All property is either commercial or industrial with no residential property. Approximately 1.0% of District revenue was from an Interlocal Agreement between the City of Irving and the District for desiltation and maintenance related to the District's waterways, investment earnings and lease revenue. The District does not allow freeport exemptions, tax abatements, or participation in any tax increment reinvestment zone.

District Management

The District is governed by a board of seven directors appointed by the City Council of the City of Irving. The District is subject to the supervision and filing requirements of the Texas Commission on Environmental Quality (TCEQ), which requires an annual independent audit of the District. The District is also subject to the applicable rules and regulations of various federal agencies.

Financial Highlights

- In the government-wide financial statements, assets of the District exceeded liabilities by \$8.9 million, with \$2.4 million of unrestricted net position.
- The District is in the process of building up the Debt Service Fund balance to be equivalent to one year's annual debt service requirements. Fiscal year 2021 Debt Service Fund balance is approximately 104% of one year's annual debt service requirements.
- The District's total governmental funds revenues were \$2.1 million for the year ended September 30, 2021, 96.0% of which was property taxes.

- The District's total expenses decreased by 6.33% to \$823 thousand due to lower maintenance projects costs.
- The fund balance for all funds totaled \$3.1 million. This amount is 27.9% higher than the total fund balance amount at September 30, 2020.
- The District maintains a policy of prospective capitalization of its infrastructure since its adoption of GASB 34 in October 2003.

Condensed Government-Wide Financial Information

	2021	2020
Current assets	\$ 3,122,409	\$ 2,599,386
Capital assets, net	9,653,194	9,567,997
Total assets	\$ 12,775,603	\$ 12,167,383
Current liabilities	\$ 72,360	\$ 66,735
Long-term liabilities	3,840,000	4,400,000
Total liabilities	\$ 3,912,360	\$ 4,466,735
Net position		
Net investment in capital assets	\$ 5,813,194	\$ 5,167,998
Restricted for debt service	692,238	631,604
Unrestricted	2,357,811	1,901,046
Total net position	\$ 8,863,243	\$ 7,700,648
Revenue	\$ 1,986,103	\$ 1,776,648
Expenses		
Operating	715,868	758,322
Interest and fiscal fees	107,640	120,851
Total expenses	823,508	879,173
Change in net position	\$ 1,162,595	\$ 897,475

Financial Analysis of the District

The District's net position at September 30, 2021 and 2020 was approximately \$8.9 million and \$7.7 million respectively. Net investment in capital assets increased by \$645 thousand to \$5.8 million due to a \$560.0 thousand reduction in long-term debt, depreciation of \$104 thousand and capitalized maintenance of \$189 thousand.

The District's total revenues were \$2.0 million. 96.0% of the District's revenues came from taxes. Another 4.0% was from an Interlocal Agreement between the City of Irving and the District for desiltation and maintenance related to the District's waterways, investment income and lease revenue. Total revenues of the District increased by 11.79% in fiscal year 2021 due to the increase in tax revenue due a large taxpayer paying their 2020 taxes in 2021.

The 2020 property tax rate (District's fiscal year 2021) was \$0.506, representing a .035 cent increase from the prior year, while the tax base decreased from \$377.5 million to \$366.1 million. These changes resulted in an increase of tax revenue from \$1.71 million to \$1.90 million.

The Board of Directors accepted a 5-year plan in fiscal year 2010, which is being updated on an annual basis. The 5-year plan is based on a 5-year list of proposed flood control facilities maintenance and improvements projects that need to be addressed, expenditures associated with them, and revenues necessary to finance these expenditures assuming a flat tax base throughout the 5-year period. The 2020 tax increase of approximately .035 cents was adopted after a public hearing was called to explain the improvements to the District taxpayers and give them the opportunity to express their views on the matter. The District tax rate will remain competitive in comparison to similar districts. There was no material change in tax collections in 2021.

The total expenses were \$823 thousand. 13.1% of these expenses are for the interest expense, 52.6% are related to maintenance, and 20.5% are administrative expenses. Total expenses of the District decreased by 5.69% in fiscal year 2021 due mainly to lower maintenance project costs.

The combined fund balance for all funds was \$3.1 million, a 27.9% increase from fiscal year 2020. The fund balance of the General Fund was \$1.8 million at September 30, 2021, a \$552.6 thousand increase from the preceding year due to the timing of prior year taxes and penalty and interest of \$139.0 thousand and timing of maintenance projects of \$401.4 thousand.

The fund balance of the Capital Projects Fund was \$585.3 thousand at September 30, 2021, a \$57 increase from the preceding year due to \$57 of investment earnings.

The Debt Service Fund fund balance was \$709.4 thousand, a \$113.5 thousand increase from fiscal year 2020 due to the increase in tax collections and penalty and interest. The Board's intention is to replenish the Debt Service Fund fund balance to the amount of one year's annual debt service requirements. The entire Debt Service Fund fund balance is restricted for the payment of debt service. The District makes semi-annual debt service interest payments and principal payments in June. Debt Service payments for the year ended September 30, 2021 included all scheduled payments.

General Fund Budget Compared with Actual Expenditures

The District's operating expenses have historically been under the budget to properly allow for increased repairs and operating costs caused by unpredictable weather conditions and other unforeseeable events. Actual expenditures were \$493.5 thousand under budgeted amounts, while resources available were \$34.5 thousand above the budgeted amounts. The actual revenues were above the budget due to property taxes above the budget. The District's expenditures were below the budget primarily due to maintenance expenditures, utilities, engineering fees, and legal fees expenditures being below the budget. A large maintenance project was budgeted to be completed in fiscal year 2021 but was carried over to 2022. This resulted into the variance between the actual maintenance expenditures and the respective budgeted amount.

Capital Assets. In accordance with GASB 34, the District is considered a small, special purpose district and has chosen to capitalize its infrastructure prospectively, effective October 1, 2003. During the year ended September 30, 2021, the District capitalized major improvements to flood control systems in the amount of \$189.4 thousand. Funds are on hand for the proposed capital improvements in 2021. More detailed information about the District's capital assets is presented in Note 5 to the financial statements.

Long-term Debt. At year-end the District had \$3.8 million in bonds outstanding, a decrease of \$560 thousand or 13.3% from the previous year. The District's bonded debt has an underlying A3 rating and an AAA insured rating by Moody's Investors Service ("Moody's"). More detailed information about the District's debt is presented in Note 7 to the Financial Statements.

Levee Recertification

In 2004, as a part of a nationwide program, the Federal Emergency Management Agency (FEMA) initiated a flood map modernization program that required levees to be certified by registered professional engineers in order to be included on the new flood maps. Property must be shown on the flood plain maps as being protected from flooding or be subject to having to purchase flood insurance.

The District is unique because it was created by the State, but is also a part of Federal Designated Dallas Floodway under the jurisdiction of the U.S. Army Corps of Engineers (USACE). Engineers of the District and USACE determined in 2007 that the District had deficiencies, and additional geotechnical studies were needed. At the District's request, USACE granted a provisionally accredited levee (PAL) designation which allowed an additional two years to May 2009 to complete the levee recertification. However, due to newly discovered levee deficiencies, that date could not be met. In addition, on September 30, 2010, the USACE released its new levee design standards to the City of Irving. These new standards included a component which required levees to be analyzed at a fully saturated condition. In the case of the District, this requirement would entail the levee to be able to withstand a 100 year flood level for the duration of three years. When preparing the formal certification documents for FEMA, new design standards instituted by the USACE became an issue. The District and its consultants proceeded with the USACE Section 408 Permit process for a Remediation Project of the Levee East Cell. The East Cell contains the developed properties. The West Cell includes the undeveloped land. The final approval for the East Cell 408 Permit was received in January 2015. The construction project commenced in October 2015 and substantially complete in the Spring of 2018. Commencing with an April 2, 2018 site visit, the USACE conducted another Periodic Inspection (PI) for the District. As documented in the PI Report in Appendix F, the District received a Minimally Acceptable rating for both the East and West Cell Levee Facilities. The next step will be to define a USCAE project for the West Cell Levee which consists of the undeveloped land within the District.

Redevelopment of Property in the District

Substantial improvements to the freeways within the District by the Texas Department of Transportation commenced in 2009 and Phase I became operational in 2012. The TxDOT project included replacements and improvements to the District facilities at no capital cost to the District, but it does increase the District's operating costs, primarily utilities. In addition, Dallas Area Rapid Transit (DART) completed the construction of light rail lines through the District and commenced operations in 2012. These improvements are an integral part of the planned redevelopment project for this area.

TxDOT has commenced a project of the substantial improvements to SH 183, SH 114, and Loop 12. A portion of this work will impact the District area, and the project duration is anticipated to be 5 years. Coordination with the TxDOT contractor and the City of Irving will continue throughout the project.

The City of Irving is actively pursuing development projects at the former Texas Stadium site. The site is not within the District, but should serve as a stimulus to new development within the District. As a result, there will be infrastructure considerations impacting the District. Significant land transactions within the District bring new opportunities and actions regarding increased development of properties.

Board of Directors

By Texas statute, the District's Board of Directors is appointed by the City of Irving. The current Board of Directors includes three directors with terms expiring in January 2022 and three directors with terms expiring in January 2023.

New Initiatives

On September 14, 2021, the District renewed the Interlocal Agreement with the Dallas County Utility and Reclamation District (DCURD), to provide certain consulting, management, operational and maintenance services to the District. Like the District, the DCURD is a political subdivision of the State of Texas and provides flood control and other services within the City of Irving. The agreement is for a one-year term, renewable annually.

On December 14, 2021 the District renewed the Interlocal Agreement with the City of Irving by which the City agrees to make available certain municipal drainage funds in the amount of \$21,600 for improvements to the District's infrastructure necessary for the recertification of the storm drainage and flood control facilities and for the maintenance of the storm drainage and flood control facilities in the District.

Economic Factors and Next Year's Budgets and Rates

Appraised value used for the 2022 budget preparation decreased by \$24.9 million, or 6.9% from 2021. The decrease in appraised values is primarily the result of the decreased taxable value of commercial and industrial property within the District.

These indicators were taken into account when adopting the operating budget for 2022. The General Fund budget for 2022 is \$1.13 million, which is \$202.8 thousand less than the final 2021 budget due mainly to a large taxpayer paying FY 2020 year taxes, penalty and interest in FY 2021. With careful budgeting, the carryover of maintenance projects and the building of reserves of the District, the District's budgetary General Fund Balance will increase to \$1.7 million.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to:

Tammy Tyrone, Controller
P. O. Box 140035, Irving, Texas 75014-0035
972-556-0625

Basic Financial Statements

Irving Flood Control District Section I

Statement of Net Position and Governmental Funds Balance Sheet

September 30, 2021

	Governmental Funds Balance Sheet				Adjustments (Note 2)	Statement of Net Position
	General	Capital Projects	Debt Service	Total		
ASSETS						
Cash	\$ 5,017	\$ 585,256	\$ 24,537	\$ 614,810	\$ -	\$ 614,810
Investments (cash equivalents)	1,792,445	-	684,912	2,477,357	-	2,477,357
Prepaid expenses	1,750	-	-	1,750	-	1,750
Taxes receivable, net	17,187	-	11,305	28,492	-	28,492
Capital assets, net	-	-	-	-	9,653,194	9,653,194
Total assets	<u>\$ 1,816,399</u>	<u>\$ 585,256</u>	<u>\$ 720,754</u>	<u>\$ 3,122,409</u>	<u>\$ 9,653,194</u>	<u>\$ 12,775,603</u>
LIABILITIES						
Accounts payable	\$ 43,844	\$ -	\$ -	\$ 43,844	\$ -	\$ 43,844
Accrued interest	-	-	-	-	28,516	28,516
Long-term liabilities, net:						
Due within one year	-	-	-	-	585,000	585,000
Due after one year	-	-	-	-	3,255,000	3,255,000
Total liabilities	43,844	-	-	43,844	3,868,516	3,912,360
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	17,187	-	11,305	28,492	(28,492)	-
Total deferred inflows of resources	17,187	-	11,305	28,492	(28,492)	-
Fund balances:						
Nonspendable:						
Prepays	1,750	-	-	1,750	(1,750)	-
Restricted:						
Debt service	-	-	709,449	709,449	(709,449)	-
Assigned:						
Capital Projects	-	585,256	-	585,256	(585,256)	-
Unassigned	1,753,618	-	-	1,753,618	(1,753,618)	-
Total fund balances	<u>1,755,368</u>	<u>585,256</u>	<u>709,449</u>	<u>3,050,073</u>	<u>(3,050,073)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,816,399</u>	<u>\$ 585,256</u>	<u>\$ 720,754</u>	<u>\$ 3,122,409</u>		
NET POSITION						
Net investment in capital assets					5,813,194	5,813,194
Restricted for debt service					692,238	692,238
Unrestricted					2,357,811	2,357,811
TOTAL NET POSITION					<u>\$ 8,863,243</u>	<u>\$ 8,863,243</u>

The Notes to the Financial Statements are an integral part of this statement.

Irving Flood Control District Section I

Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances For the Fiscal Year Ended September 30, 2021

	Statement of Governmental Funds Revenues, Expenditures, and Changes in Fund Balances				Adjustments (Note 2)	Statement of Activities
	General	Capital Projects	Debt Service	Total		
REVENUES						
Property taxes	\$ 1,298,089	\$ -	\$ 754,731	\$ 2,052,820	\$ (152,830)	\$ 1,899,990
Investment earnings	1,323	57	966	2,346	-	2,346
Penalties and interest	33,007	-	19,560	52,567	-	52,567
Intergovernmental revenue	21,600	-	-	21,600	-	21,600
Other	9,600	-	-	9,600	-	9,600
Total revenues	\$ 1,363,619	\$ 57	\$ 775,257	\$ 2,138,933	\$ (152,830)	\$ 1,986,103
EXPENDITURES						
Operations:						
Administrative	\$ 168,993	\$ -	\$ -	\$ 168,993	\$ -	\$ 168,993
Maintenance	622,241	-	-	622,241	(189,407)	432,834
Engineering fees	9,830	-	-	9,830	-	9,830
Depreciation	-	-	-	-	104,211	104,211
Debt service:						
Principal	-	-	560,000	560,000	(560,000)	-
Interest and fiscal fees	-	-	111,797	111,797	(4,157)	107,640
Total expenditures/expenses	\$ 801,064	\$ -	\$ 671,797	\$ 1,472,861	\$ (649,353)	\$ 823,508
Excess (deficiency) of revenues over (under) expenditures/ change in net position	562,555	57	103,460	666,072	496,523	1,162,595
OTHER FINANCING SOURCES (USES)						
Transfers in (out)	(10,000)	-	10,000	-	-	-
Total other financing sources (uses)	(10,000)	-	10,000	-	-	-
Net change in fund balance	552,555	57	113,460	666,072	496,523	1,162,595
Fund balance, beginning	1,202,813	585,199	595,989	2,384,001	5,316,647	7,700,648
FUND BALANCE, ending	\$ 1,755,368	\$ 585,256	\$ 709,449	\$ 3,050,073	\$ 5,813,170	\$ 8,863,243

The Notes to the Financial Statements are an integral part of this statement.

Irving Flood Control District Section I

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Irving Flood Control District Section I ("District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

A. Creation of District

The District was created by Chapter 135, Act of the 62nd Legislature, Regular Session 1971 (Codified as Article 8280-477) and approved on May 10, 1971. Effective October 1, 1983, the name of the Irving Flood Control District was changed to Irving Flood Control District Section I. Pursuant to Section 59, Article XVI of the Texas Constitution, the District provides flood control and drainage facilities.

B. Reporting Entity

The District has adopted GASB Statements No. 14, *The Financial Reporting Entity*, No. 39, *Determining Whether Certain Organizations Are Component Units*, and No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. In accordance with these statements, a financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are no component units that are legally separate for which the District is considered financially accountable.

The District is governed by the Board of Directors, each of whom must either own land in or be a resident of the District. The City of Irving appoints the directors to two-year staggered terms, but otherwise has no control over the District. As required by GAAP, these financial statements present the activities of the District, which is considered to be the primary government as well as the reporting entity. There are no other organizations which meet the criteria for inclusion herein as part of the financial reporting entity.

C. Financial Statement Presentation

The District is considered a special-purpose government engaged in a single governmental program. In accordance with GASB 34, the District has elected to combine its government-wide and governmental fund financial statements into one set of financial statements with a reconciliation of the individual line items in a separate column on the financial statements. The financial statements are referred to as the "Statement of Net Position and Governmental Funds Balance Sheet" and the "Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances."

The government-wide financial statement columns are labeled "Statement of Net Position" and "Statement of Activities". They report financial information for the District as a whole. The governmental fund financial statement columns are provided for each of the major individual governmental funds with a total column for all funds. The financial statements include an adjustment column which reconciles the governmental fund financial statements to the government-wide financial statements.

Irving Flood Control District Section I

Notes to the Financial Statements

D. Measurement Focus and Basis of Accounting

The financial statements of the District are prepared in accordance with accounting principles generally accepted in the United States of America.

The government-wide financial statement columns are reported using the economic resources measurement focus and the accrual basis of accounting, generally including the elimination of activity between or within the funds. Property tax revenues are recognized in the year for which they are levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statement columns are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, except for principal and interest on long-term debt, which is recognized when due.

E. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only uses governmental funds.

F. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets and deferred outflows are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities and deferred inflows are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows and liabilities and deferred inflows is reported as a fund balance.

The District reports the following major governmental funds:

The *general fund* is used to account for all financial resources of the District except for those required to be accounted for in another fund. The General Fund is the general operating fund of the District.

The *capital projects fund* is used to account for the acquisition or construction of major capital facilities. Principal sources of revenue are municipal long-term debt proceeds, interest income, and municipal drainage funds provided by the City of Irving in accordance with the Interlocal agreement entered into on October 23, 2014.

The *debt service fund* accounts for all accumulation of resources for, and the payment of, general long-term debt principal and interest.

Irving Flood Control District Section I

Notes to the Financial Statements

G. Governmental Fund Balance

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Non-Spendable fund balance. Assets that will never convert to cash, such as inventory and prepaid items. At September 30, 2021, the District had \$1,750 in non-spendable fund balance.

Restricted fund balance. The portion of fund balance that reflects resources that are subject to externally enforceable legal restrictions imposed by parties outside the District at September 30, 2021. The District has classified the Debt Service Fund balance, plus the debit service related unavailable tax revenue, less accrued interest payable as restricted.

Committed fund balance. The portion of fund balance that reflects resources that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. At September 30, 2021, the District had no committed fund balance.

Assigned fund balance. The portion of fund balance that reflects resources intended for a specific purpose. Intent is expressed or authorized by the Board of Directors. The District had \$585,256 of assigned fund balance at September 30, 2021.

Unassigned fund balance. The portion of fund balances in excess of non-spendable, restricted, committed, and assigned. This classification includes the residual fund balance for the General Fund and the Capital Projects fund.

Spending Prioritization in Using Available Resources – when both restricted and unrestricted (i.e. committed, assigned, and unassigned) resources are available to be used for the same purpose, the District considers the restricted resources to be expended first. When all categories of unrestricted fund balance are available, the flow assumption is as follows: the committed resources get expended first, the assigned resources get expended second, and the unassigned resources get expended last.

H. Revenues and Expenditures/Expenses

1. Revenues - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 of the taxable year. Taxes are levied on or about October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent February 1 of the following year.

In the governmental fund financial statement columns, property tax revenues are recognized when they become available. The amount available includes those property tax receivables expected to be collected within sixty days after the fiscal year end.

In the government-wide financial statement columns, property tax revenues are recorded when due regardless of when cash is received.

Irving Flood Control District Section I

Notes to the Financial Statements

2. Capital Assets

Purchased or constructed capital assets are reported at cost. General infrastructure assets acquired prior to October 1, 2003, are not reported in the basic financial statements. The District generally capitalizes assets with cost of \$2,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Asset Class	Estimated Useful Life
Earthen Levees and Sumps	100 years
Drainage Channels	40 years
Gravity and Auto. Discharge Gates	30 years
Vertical Turbine Pumps	25-40 years
Electric Motors and Controls	30-40 years
SCADA System	12 years
Alarm System	5 years
Fencing	12 years

3. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

4. Budgets and Budgetary Accounting

The Board of Directors adopts an annual operating budget prior to September 30 of the previous fiscal year. The budget includes proposed expenditures and the means of financing them for the upcoming fiscal year. The annual operating budget is adopted on a basis consistent with GAAP. Any subsequent amendment to the budget must be approved by the Board of Directors. All unused budget authorizations lapse at year end.

5. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Irving Flood Control District Section I

Notes to the Financial Statements

Note 2. Reconciliation of Fund Statements to Government-Wide Statements

TOTAL FUND BALANCE - GOVERNMENTAL FUND \$ 3,050,073

Amounts reported in governmental activities in the Statement of activities are different because:

Capital assets of \$10,312,658, net of accumulated depreciation of \$659,464 are not financial resources and, therefore, are not reported in the funds. 9,653,194

Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental funds, an interest expenditure is reported when due. (28,516)

Receivables not available to pay for current period expenditures are deferred in the funds. 28,492

Long-term liabilities, including bonds payable and accreted interest for capital appreciation bonds, are not due and payable in the current period and, therefore, are not reported in the funds. (3,840,000)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 8,863,243

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUND \$ 666,072

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

Revenue from property taxes is deferred in the fund financial statements until it is considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectible accounts, in the government-wide financial statements. (152,830)

Current year long-term debt principal payments/refundings reported as expenditures in the governmental fund financial statements are shown as a reduction in long-term debt in the government-wide financial statements. 560,000

Certain expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. This amount represents the current year change in accrued interest payable. 4,157

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which capitalizable maintenance (\$189,407) exceeded depreciation (\$104,211) 85,196

CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 1,162,595

Irving Flood Control District Section I

Notes to the Financial Statements

Note 3. Cash and Investments

Funds of the District may be invested or reinvested by the Board or its authorized representative in investments authorized by the Public Funds Investment Act, Governmental Code Section 2256.005 (Act). The Act authorizes the District to invest funds under a written investment policy. The District’s deposits and investments are invested pursuant to the investment policy, which is approved by the Board of Directors. The primary objectives of the District’s investment strategy, in order of priority, are safety, liquidity, public trust, and yield.

The District is authorized to invest in obligations of the United States, State of Texas and their agencies and instrumentalities, certificates of deposit issued by a depository institution that has its main office or a branch office in Texas, fully collateralized direct repurchase agreements, money market mutual funds, regulated by the Securities and Exchange Commission and rated AAA by at least one nationally recognized rating service, and eligible local government investment pools.

At September 30, 2021, the District’s cash consisted of two operating bank accounts and two savings accounts with the balances as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking accounts	\$ 7,657	\$ 8,212
Savings accounts	607,153	607,153
	<u>\$ 614,810</u>	<u>\$ 615,365</u>

At September 30, 2021, the District had the following investments:

	<u>Reported Amount</u>	<u>Fair Value</u>	<u>Weighted Average Maturity in Days</u>
Local government investment pools LOGIC	<u>\$ 2,477,357</u>	<u>\$ 2,477,357</u>	55

Investment pools are measured at amortized cost and are exempt for fair value reporting.

LOGIC: LOGIC is administered by First Southwest and JPMorgan Chase. Together, these organizations bring to the LOGIC program the powerful partnership of two leaders in financial services with a proven track record in local government investment pool management and extensive industry resources. LOGIC is a local government investment cooperative created under the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. LOGIC is an AAA rated local government investment pool created by Texas local government officials who understand the specific needs and challenges of investing public funds. The general investment objectives of LOGIC are safety of principal, liquidity in accordance with the operating requirements of the Participants, and a competitive rate of return.

Credit risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District will manage this risk by limiting investments to the safest types of investments and pre-qualifying the financial institutions and broker/dealers with which the District will do business. At September 30, 2021, the District’s cash was partially covered by the federal depository insurance, and the balance was fully collateralized by securities held by the District’s agent in the District’s name.

Irving Flood Control District Section I

Notes to the Financial Statements

Interest rate risk. Interest rate risk is the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates. The District will manage this risk by limiting the maximum weighted average maturity of the investment portfolio to 185 days.

Note 4. Property Taxes

All property values are determined by the Dallas Central Appraisal District. A tax lien attaches to properties within the District on January 1 of each year when property valuations for the use in levying taxes are established. Taxes are levied on or about October 1 and are due and payable at that time. All unpaid taxes levied on October 1 become delinquent on February 1 of the following year. The Dallas County Tax Assessor/Collector bills and collects the District's property taxes.

The tax rate for the 2020 tax year (the District's 2021 fiscal year) was \$0.506 per \$100 assessed valuation, of which \$0.3217 went to finance general government services and \$0.1843 went to finance the payment of principal and interest on long-term debt.

In the governmental fund financial statement columns, the receivables at year end represent delinquent taxes. If delinquent taxes are not paid within sixty days of year end, they are recorded as unavailable revenue.

In the government-wide financial statement columns, property taxes receivable and related revenue include all amounts due to the District regardless of when cash is received. Property taxes receivable are recorded net of allowance of \$2,696.

Note 5. Capital Assets

In accordance with GASB 34, the District is considered a small district and has chosen to capitalize its infrastructure prospectively effective October 1, 2003. A summary of changes in capital assets is as follows:

	October 1, 2020	Transfers/ Additions	Transfers/ Retirements	September 30, 2021
Capital assets not being depreciated:				
Construction in Progress	\$ 201,568	\$ 136,774	\$ -	\$ 338,342
Total capital assets not being depreciated	201,568	136,774	-	338,342
Capital assets being depreciated:				
Flood control and drainage	9,785,550	-	-	9,785,550
Equipment	98,653	52,633	-	151,286
Fencing	37,480	-	-	37,480
Total capital assets being depreciated	9,921,683	52,633	-	9,974,316
Less accumulated depreciation for:				
Flood control and drainage	(479,726)	(97,854)	-	(577,580)
Equipment	(46,516)	(3,600)	-	(50,116)
Fencing	(29,012)	(2,756)	-	(31,768)
Total accumulated depreciation	(555,254)	(104,210)	-	(659,464)
Capital assets being depreciated, net	9,366,429	(51,577)	-	9,314,852
Total capital assets, net	\$ 9,567,997	\$ 85,197	\$ -	\$ 9,653,194

Irving Flood Control District Section I

Notes to the Financial Statements

Note 6. Interfund Transactions

There were no interfund receivables or payables at September 30, 2021.

In fiscal year 2021, the District made one budgeted transfer:

- 1) From the General Fund to the Debt Service Fund in the amount of \$10,000. This transfer was authorized by the Board of Directors in order to increase the Debt Service Fund reserve.

Note 7. Long-Term Debt

On October 8, 1988, the District's voters authorized the issuance of a total of \$10,000,000 bonds, of which \$8,185,000 have been issued, and a total of \$1,815,000 remains authorized but unissued, for the purpose of providing improvements to the District's flood control and drainage systems. The District is in compliance with provisions of the orders authorizing the issuance of the outstanding bonds.

The District issued \$4,925,000 Unlimited Refunding Tax Bonds, Series 2019 (Series 2019 Bonds) in April 2019. The Series 2019 Bonds were issued pursuant to the terms and provisions of an order of the Board of Directors of the District and in accordance with the Constitution and general laws of the State of Texas, including particularly Article 8280-477, V.A.T.C.S., as amended by H.B. 1213, Acts of the 65th Legislature of Texas, R. S., 1977 and H.B. 2391, Acts of the 68th Legislature of Texas, R. S., 1983, and will constitute direct and general obligations of the District.

The Series 2019 Bonds were issued by the District to refund the Series 2007 and 2009 Bonds. The Series 2019 Bonds are dated April 17, 2019 with interest rate of 2.54% payable semi-annually on each June 15 and December 15 through 2027. Principal on the Series 2019 Bonds is due each June 15 as it matures.

The following is a summary of changes in bonds payable for the year ended September 30, 2021:

	Balance October 1, 2020	Debt Issued	Principal Retirement/ Refunding	Balance September 30, 2021	Amount Due In One Year
Series 2019 Unlimited Tax Bonds	\$ 4,400,000	\$ -	\$ (560,000)	\$ 3,840,000	\$ 585,000
Total	\$ 4,400,000	\$ -	\$ (560,000)	\$ 3,840,000	\$ 585,000

As of September 30, 2021, the debt service requirements on outstanding bonds are as follows:

	Principal	Interest	Total
2022	\$ 585,000	\$ 97,536	\$ 682,536
2023	605,000	82,677	687,677
2024	625,000	67,310	692,310
2025	650,000	51,435	701,435
2026	675,000	34,925	709,925
2027	700,000	17,780	717,780
Total	\$ 3,840,000	\$ 351,663	\$ 4,191,663

Series 2019 bonds are payable from the proceeds of an ad valorem tax levied on all taxable property situated within the District without limitation as to rate or amount.

Irving Flood Control District Section I

Notes to the Financial Statements

Note 8. Lease Revenue

The District leases a 40-foot by 80-foot area to Clear Channel Outdoor, Inc. for the purpose of erecting and maintaining an advertising sign on the property. The lease term ended on December 31, 2007, but gets automatically extended on an annual basis with the same provisions, unless either party gives a notice of termination sixty days prior to the termination date. For the year ended September 30, 2021, the lease income was \$9,600.

Note 9. Commitments and Contingencies

There are no claims or lawsuits pending against the District at September 30, 2021. Management is not aware of any contingencies that would have a material effect on the financial statements.

On September 14, 2021, the District renewed the Interlocal Agreement with the Dallas County Utility and Reclamation District (DCURD) for the period from October 1, 2021 through September 30, 2022. In accordance with this agreement, DCURD will provide certain consulting, management, operational and maintenance services to the District. The agreement was originally signed on March 3, 2010, is for one year term, and shall continue for successive one year terms unless either party terminates the agreement upon providing a thirty day advanced written notice.

Note 10. Risk Management

The general liability coverage carried by the District covers damage resulting from claims for bodily injury and personal injury. Covered parties include District directors, appointed and employed consultants, and persons and volunteers acting within the scope of their duties for the District. The insurer has the right and duty to defend the District against any suit for damages. Certain types of actions are excluded, including primarily damages or injuries related to aircraft and law enforcement activities. This coverage is in addition to the legal limitations the District is subject to under the Texas Tort Claims Act. In addition, the District carries Errors and Omissions coverage to secure the faithful performance of the District's directors.

The District participates in the Texas Municipal League Intergovernmental Risk Pool (Pool), which is the predominant insurer for most governmental entities in Texas. The rights and duties of the Pool and the insured are described in detail in the interlocal agreement between the parties. The Pool covers General Liability and Errors and Omissions Liability to \$5,000,000 each occurrence and \$10,000,000 annual aggregate limits. In addition, Automobile Liability coverage limit of liability is \$2,000,000 each occurrence with medical payments limited to \$25,000 each person.

The District had no claims or lawsuits within the past three years.

Note 11. Related Party Transactions

The District's Board of Directors is appointed by the City of Irving. In addition, the District has an Interlocal Agreement with the City of Irving by which the City agrees to provide the District with certain municipal drainage funds for improvements, repairs, and maintenance of the storm drainage and flood control facilities.

The District has an Interlocal Agreement with DCURD for consulting, management, and operation and maintenance services. In accordance with the agreement, the District paid \$407.6 thousand to DCURD in fiscal year 2021.

Irving Flood Control District Section I

Notes to the Financial Statements

Note 12. New Accounting Pronouncements

GASB Statement No. 87. Leases. Statement 87 was issued on June 2017. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying assets. This standard becomes effective for the District fiscal year 2022. The District has not determined the impact of this statement.

GASB Statement No. 91. Conduit Debt Obligations. Statement 91 was issued on May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This standard becomes effective for the District fiscal year 2022, The District has not determined the impact of this statement.

GASB Statement No. 92. Omnibus 2020. Statement 92 was issued January 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

This standard becomes effective for the District fiscal year 2022. The District has not determined the impact of this statement.

Irving Flood Control District Section I

Notes to the Financial Statements

GASB Statement No. 93. Replacement of Interbank Offered Rates. Statement 93 was issued March 2020. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of *reference rate*, as it is used in Statement 53, as amended

This standard became effective for the District fiscal year 2021. There was no impact to the District related to implementation.

GASB Statement No. 94. Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Statement 94 was issued on March 2020. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This standard becomes effective for the District fiscal year 2023, The District has not determined the impact of this statement.

GASB Statement No. 96. Subscription -Based Information Technology Arrangements. Statement 96 was issued on May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This standard becomes effective for the District fiscal year 2023, The District has not determined the impact of this statement.

Irving Flood Control District Section I

Notes to the Financial Statements

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an Amendment of GASB Statements No. 14 and No. 84 and a Supersession of GASB Statement No. 32. Statement 97 was issued on June 2020. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This standard becomes effective for the District fiscal year 2022, The District has not determined the impact of this statement.

Note 13. Subsequent Events

On December 14, 2021, the District renewed the Interlocal Agreement with the City of Irving for the period from October 1, 2021 through September 30, 2022. In accordance with this agreement, the City agrees to make available certain municipal drainage funds for improvements to the District's infrastructure necessary for the recertification of the storm drainage and flood control facilities and for the maintenance of the storm drainage and flood control facilities in the District. The maximum authorized for funding for fiscal year 2022 is \$21,600. This agreement was originally entered into on April 20, 2010.

Required Supplementary Information

Irving Flood Control District Section I
 Budgetary Comparison Schedule – General Fund
 For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 1,154,245	\$ 1,259,209	\$ 1,298,089	\$ 38,880
Investment earnings	5,375	5,375	1,323	(4,052)
Penalties and interest	-	32,953	33,007	54
Intergovernmental and other	10,000	31,600	31,200	(400)
Total revenues	1,169,620	1,329,137	1,363,619	34,481
EXPENDITURES				
Administrative:				
Administrative	84,294	84,294	80,826	3,468
Utilities	55,935	55,935	28,510	27,425
Salaries & wages	12,600	12,600	10,650	1,950
Meeting expenses	4,430	4,430	-	4,430
Legal fees	40,000	40,000	3,345	36,655
Insurance	2,500	2,500	1,442	1,058
Audit fees	7,375	7,375	7,375	-
Tax appraisal and collection fees	9,010	9,010	7,049	1,961
Tax Increment	10,316	26,421	26,421	-
Miscellaneous	4,434	4,434	3,375	1,059
Total administrative	230,894	246,999	168,993	78,006
Maintenance:				
Maintenance and operations	789,946	988,545	590,342	398,203
Mowing	34,000	34,000	31,899	2,101
Total maintenance	823,946	1,022,545	622,241	400,304
Engineering fees	25,000	25,000	9,830	15,170
Total expenditures	1,079,840	1,294,544	801,064	493,480
Excess of revenues over expenses	89,780	34,593	562,555	527,961
OTHER FINANCING USES				
Transfers out	(10,000)	(10,000)	(10,000)	-
Net change in fund balance	\$ 79,780	\$ 24,593	552,555	\$ 527,961
Fund balance, beginning			1,202,813	
FUND BALANCE, ending			\$ 1,755,368	

The Notes to the Required Supplementary Information are an integral part of this statement.

Irving Flood Control District Section I

Notes to the Required Supplementary Information (Unaudited)

Note 1. Budgets and Budgetary Accounting

The District maintains control over operating expenditures by the establishment of an annual operating budget which includes the General Fund, Capital Projects Fund and Debt Service Fund. The annual operating budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budget, as formally adopted by the Board of Directors, establishes the maximum authorization of operating funds to be expended by any fund. Any subsequent amendment thereto must be approved by the President of the Board of Directors and/or the Board of Directors. All unused budget authorizations lapse at the end of the year.

Texas Supplementary Information

Irving Flood Control District Section I

TSI 1- Services and Rates (Unaudited)

September 30, 2021

1. Services Provided by the District:

- | | | |
|---|---|--|
| <input type="checkbox"/> Retail Water | <input type="checkbox"/> Wholesale Water | <input checked="" type="checkbox"/> Drainage |
| <input type="checkbox"/> Retail Wastewater | <input type="checkbox"/> Wholesale Wastewater | <input checked="" type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks/Recreation | <input checked="" type="checkbox"/> Fire Protection | <input type="checkbox"/> Security |
| <input type="checkbox"/> Solid Waste/Garbage | <input checked="" 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 Rates Based on 5/8" Meter: Retail Rates Not Applicable

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

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1000 Gallons Over Minimum	Usage Levels
WATER:	\$ _____	_____	_____	\$ _____	_____ to _____
				\$ _____	_____ to _____
WASTEWATER:	\$ _____	_____	_____	\$ _____	_____ to _____
				\$ _____	_____ to _____
SURCHARGE:	\$ _____	_____	_____	\$ _____	_____ to _____

District employs winter averaging for wastewater usage? Yes No

Total water and wastewater charges per 10,000 gallons usage (including surcharges). \$ _____

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

N/A	Active Connections	Active ESFC	Inactive Connections (ESFC)**
Single Family	_____	_____	_____
Multi-Family	_____	_____	_____
Commercial	_____	_____	_____
Other - recreational centers, government & VFD	_____	_____	_____
TOTAL	=====	=====	=====

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

** "Inactive" means that water and wastewater connections were made, but service is not being provided.

Irving Flood Control District Section I
 TSI 1- Services and Rates (Unaudited) – Continued
 September 30, 2021

4. Total Water Consumption (In Thousands) During The Fiscal Year:

Gallons pumped into system: N/A

Gallons billed to customers: N/A

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

For the most recent full fiscal year, FYE _____, :

Debt Service:	Total levy	\$ _____
	Total Collected	\$ _____
	Percentage Collected	_____ %
Operation & Maintenance:	Total levy	\$ _____
	Total Collected	\$ _____
	Percentage Collected	_____ %

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

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

	<u>Amount</u>
a. Debt Service Tax Receipts	\$ <u>669,284</u>
b. Surplus Construction Funds	_____
c. Water and/or Wastewater Revenue	_____
d. Standby Fees	_____
e. Debt Service Fund Balance To Be Used	_____
f. Interest Revenues	<u>2,476</u>
g. Other (Describe)	_____
_____	_____
_____	_____
TOTAL ANTICIPATED FUNDS TO BE USED*	\$ <u><u>671,760</u></u>

*This total should equal the district's total annual debt service for the fiscal year following the fiscal year reported or in the audited financial statements.

Irving Flood Control District Section I

TSI 1- Services and Rates (Unaudited) – Continued

September 30, 2021

7. Location of District:

County(ies) in which district is located. Dallas 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 district is located. Irving _____

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

ETJ's in which district is located. N/A _____

Is the general membership of the Board appointed by an office outside the district?
Yes No

If Yes, by whom? Irving City Council _____

Irving Flood Control District Section I
 TSI 2- Schedule of General Fund Expenditures
 For the Fiscal Year Ended September 30, 2021

Professional fees:		
Auditing	\$	7,375
Legal		3,345
Engineering		9,830
Purchased services for resale:		
Bulk water and wastewater service purchases		-
Tap connection expenditures		-
Contracted services:		
Mowing		31,899
Appraisal district		6,670
Tax collector		379
Other contracted services		-
Utilities		28,510
Repairs and maintenance		590,342
Administrative expenditures:		
Salaries & Wages		10,650
Insurance		1,442
Tax Increment		26,421
Other administrative expenditures		84,201
Capital outlay		-
Other expenditures		-
TOTAL EXPENDITURES	\$	801,064

Number of persons employed by the District Full time -0- Part time -0-

Irving Flood Control District Section I
 TSI 3- Schedule of Temporary Investments
 For the Fiscal Year Ended September 30, 2021

<u>Funds</u>	<u>Account Number</u>	<u>Average Monthly Yield</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
General Fund: Logic	207307002	3.6400%	N/A	\$ 2,477,357	\$ -

Irving Flood Control District Section I
TSI-4 Analysis of Taxes Levied and Receivable
For the Fiscal Year Ended September 30, 2021

	<u>Maintenance Taxes</u>	<u>Debt Service Taxes</u>	<u>Total</u>
Taxes receivable, beginning of year	\$ 119,976	\$ 74,881	\$ 194,857
2020 original tax levy	<u>1,132,380</u>	<u>687,931</u>	<u>1,820,311</u>
Total to be accounted for	1,252,356	762,811	2,015,167
Tax Collections:			
Current year	(1,197,181)	(685,858)	(1,883,038)
Prior year	<u>(105,541)</u>	<u>(64,241)</u>	<u>(169,782)</u>
Total collections	(1,302,722)	(750,099)	(2,052,820)
Adjustments	<u>68,588</u>	<u>253</u>	<u>68,841</u>
Taxes receivable, end of year	<u>\$ 18,222</u>	<u>\$ 12,966</u>	<u>\$ 31,188</u>
Taxes receivable, by years			
2020	\$ 4,036	\$ 2,312	\$ 6,348
2019	9,014	5,476	14,490
2018	373	290	663
2017	812	656	1,468
2016	2,952	2,571	5,523
Prior years	1,035	1,661	2,696
Less: allowance for doubtful accounts	<u>(1,035)</u>	<u>(1,661)</u>	<u>(2,696)</u>
Taxes receivable, end of year	<u>\$ 17,187</u>	<u>\$ 11,305</u>	<u>\$ 28,492</u>

	<u>2020 tax year</u>	<u>2019 tax year</u>	<u>2018 tax year</u>	<u>2017 tax year</u>
Property valuations:				
Land	\$ 86,047,570	\$ 77,350,560	\$ 76,320,810	\$ 76,320,810
Improvements	81,062,070	83,888,410	79,030,860	74,446,140
Business personal property	233,121,200	244,365,590	246,870,820	232,885,690
Less exemptions	<u>(40,485,607)</u>	<u>(38,191,153)</u>	<u>(42,428,374)</u>	<u>(38,876,353)</u>
Total property valuations	<u>\$ 359,745,233</u>	<u>\$ 367,413,407</u>	<u>\$ 359,794,116</u>	<u>\$ 344,776,287</u>
Tax rates per \$100 valuation				
Debt service tax rates	0.1843	0.178	0.1989	0.199300
Maintenance tax rates	<u>0.3217</u>	<u>0.293</u>	<u>0.2561</u>	<u>0.246700</u>
Total tax rates	<u>0.506000</u>	<u>0.471000</u>	<u>0.455000</u>	<u>0.446000</u>
Original tax levy	<u>\$ 1,820,311</u>	<u>\$ 1,730,517</u>	<u>\$ 1,637,063</u>	<u>\$ 1,537,702</u>
Percent of taxes collected to taxes levied	<u>103.4%</u>	<u>90.0%</u>	<u>99.9%</u>	<u>100.7%</u>

Irving Flood Control District Section I

TSI-4 Analysis of Taxes Levied and Receivable – Continued

September 30, 2021

Tax rate for any other special district which (a) encompasses less than a county, (b) provides water, wastewater collection, drainage or roads to property in the district **AND** (C) taxes property in the district. [Do not include taxes levied by the district.]

Name of Special District(s)	Service Provided	Tax Rate
_____	_____	\$ _____ . _____
_____	_____	_____ . _____
Total Rate(s) of Special District(s)		\$ _____ . _____

Tax rates for all overlapping jurisdictions. Include any taxing entities which overlap **10% or more** of the district.

	Taxing Jurisdiction	Tax Rate
a.	County <u>Dallas</u>	\$ _____ . <u>239740</u>
b.	City <u>Irving</u>	_____ . <u>5941</u>
c.	School District <u>Irving ISD</u>	<u>1</u> . <u>310</u>
d.	Special District(s) not included above:	
	_____	_____ . _____
	_____	_____ . _____
e.	Total Special District(s) (from top of this page)	_____ . _____
f.	Total District (from previous page)	_____ . <u>506</u>
	Total Overlapping Tax Rate (Sum of a.-f.)	\$ <u>2</u> . <u>64984</u>

Irving Flood Control District Section I

TSI-5 General Long-Term Debt Service Requirements – By Years

September 30, 2021

Due during Fiscal Year Ending	Series 2019		
	Principal Due June 15	Interest Due June 15, Dec 15	Total
2022	\$ 585,000	\$ 97,536	\$ 682,536
2023	605,000	82,677	687,677
2024	625,000	67,310	692,310
2025	650,000	51,435	701,435
2026	675,000	34,925	709,925
2027	700,000	17,780	717,780
	<u>\$ 3,840,000</u>	<u>\$ 351,663</u>	<u>\$ 4,191,663</u>

Irving Flood Control District Section I

TSI-6 Analysis of Changes in General Long-term Debt
For the Fiscal Year Ended September 30, 2021

	<u>Series 2019</u>			
Interest rate	2.540%			
Dates interest payable	6/16; 12/16			
Maturity date	6/15/2027			
Bonds outstanding at beginning of current year	\$	4,400,000		
Bonds sold during the current year	-			
Principal retirements/refundings	<u>(560,000)</u>			
Bonds outstanding at end of current year	\$	<u>3,840,000</u>		
Interest paid during the current year	\$	<u>111,797</u>		
Paying agent/registrar	Amergy Bank			
	<u>Bond Authority</u>	<u>Tax Bonds</u>	<u>Other Bonds</u>	<u>Refunding Bonds</u>
Amount authorized by voters	\$	10,000,000		\$ -
Amount issued		8,185,000		-
Remaining to be issued		1,815,000		-
Debt service fund cash and temporary investments as of September 30, 2021:		<u>\$ 709,449</u>		
Average annual debt service payment (Principal & Interest) for remaining term of all debt:		<u>\$ 698,611</u>		

Irving Flood Control District Section I

TSI-7 Comparative Schedule of Revenues and Expenditures – General For the Last Five Fiscal Years Ended September 30

	Amounts					Percent of Fund Total Revenues				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
General Fund										
Revenues:										
Property taxes	\$ 1,298,089	\$ 958,244	\$ 920,632	\$ 853,491	\$ 787,512	95.2 %	95.1 %	95.8 %	79.1 %	97.9 %
Investment earnings	1,323	12,892	23,509	275	18	0.1	1.3	2.4	-	-
Penalties and interest	33,007	1,117	3,572	774	3,297	2.4	0.1	0.4	0.5	0.4
Intergovernmental revenue	21,600	21,600	3,188	-	1,786	1.6	2.1	0.3	15.7	0.2
Other	9,600	13,718	9,600	9,600	11,483	0.7	1.4	1.0	4.7	1.4
Total revenues	1,363,619	1,007,571	960,501	864,140	804,096	100.00	100.00	100.00	100.00	100.00
Expenditures:										
Administrative	80,826	77,361	74,387	65,268	70,425	5.9	7.7	7.7	7.6	8.8
Legal fees	3,345	4,495	7,085	6,544	6,464	0.2	0.4	0.7	2.4	0.8
Audit fees	7,375	7,300	7,225	7,165	6,825	0.5	0.7	0.8	1.0	0.8
Tax appraisal and collection fees	7,049	6,765	7,076	6,882	6,972	0.5	0.7	0.7	1.0	0.9
Director fees (salaries & wages) and meeting expenses	10,650	12,236	11,218	16,229	10,540	0.8	1.2	1.2	1.7	1.3
Utilities	28,510	55,410	42,047	31,392	19,629	2.1	5.5	4.4	0.6	2.4
Maintenance and operations	622,241	676,934	393,412	461,823	311,800	45.6	67.2	41.0	37.6	38.8
Engineering fees	9,830	10,442	29,897	34,647	11,139	0.7	1.0	3.1	7.2	1.4
Tax Increment	26,421	-	-	-	-	1.9	0.0	0.0	8.2	0.0
Miscellaneous	4,817	5,748	3,627	3,835	2,610	0.4	0.6	0.4	0.10	0.30
Total expenditures	801,064	856,691	575,974	633,785	446,404	58.6	85.0	60.0	67.4	55.5
Excess (deficiency) of revenues over expenditures	<u>\$ 562,555</u>	<u>\$ 150,880</u>	<u>\$ 384,527</u>	<u>\$ 230,355</u>	<u>\$ 357,692</u>	<u>41.4 %</u>	<u>15.0 %</u>	<u>40.0 %</u>	<u>32.6 %</u>	<u>44.5 %</u>

Irving Flood Control District Section I

TSI-7 Comparative Schedule of Revenues and Expenditures – Continued

Debt Service Fund

For the Last Five Fiscal Years Ended September 30

	Amounts					Percent of Fund Total Revenues				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Debt Service										
Revenues:										
Taxes	\$ 754,731	\$ 580,142	\$ 715,937	\$ 689,326	\$ 694,059	97.4 %	96.9 %	97.4 %	99.4 %	99.2 %
Investment earnings	966	11,529	15,129	3,586	2,452	0.1	1.9	2.1	0.5	0.4
Penalties and interest	19,560	691	4,203	640	2,893	2.5	0.1	0.6	0.1	0.4
Other	-	6,273	-	-	-	-	-	-	-	-
Total revenues	775,257	598,635	735,269	693,552	699,404	100.0	99.0	100.0	100.0	100.0
Expenditures:										
Interest and fiscal fees	111,797	145,339	248,488	268,194	288,813	14.4	24.3	33.8	38.7	41.3
Principal retirement	560,000	525,000	465,000	425,000	410,000	72.2	87.7	63.2	61.3	58.6
Bond issuance costs	-	-	84,890	-	-	-	-	12	-	-
Total expenditures	671,797	670,339	798,378	693,194	698,813	86.7	112.0	108.6	99.9	99.9
Excess (deficiency) of revenues over expenditures	\$ 103,460	\$ (71,704)	\$ (63,109)	\$ 358	\$ 591	13.3 %	(13.0) %	(8.6) %	0.1 %	0.1 %

Irving Flood Control District Section I

TSI-8 Board Members, Key Personnel and Consultants (Unaudited)

September 30, 2021

District's Mailing Address: Irving Flood Control District Section I
P.O. Box 140035
Irving, TX 75014-0035

District Business Telephone Number (972) 556-0625

<u>Names and addresses</u>	<u>Terms of Office or Date Hired</u>	<u>Fees (Cash Basis)</u>	<u>Expense Reimbursements</u>	<u>Title at Year End</u>	<u>Resident of District?</u>
Board Members:					
Robert M. Galecke 1845 E. Northgate Dr. Irving, TX 75062	reappointed on January 14, 2021 to a term ending in January 2023	\$ 1,524	\$ -	Assistant Secretary	No
Jon Schneider 2221 Century Circle Irving, TX 75062	reappointed on January 14, 2021 to a term ending in January 2023	1,524	-	President	No
Shawn Davies 2304 Century Center Blvd. Irving, TX 75062	reappointed on January 23, 2018 to a term ending in January 2022	1,524	-	Vice President	No
Stephen LaMure 3303 Lee Pkwy., Ste. 300 Dallas, TX 75219	reappointed on January 23, 2018 to a term ending in January 2022	1,247	-	Secretary	No
Ryan Baker 2304 Century Ctr Blve Irving, TX 75062	appointed on June 20, 2019 to a term ending in January 2022	1385	-	Director	No
Nicholas Wehmeier 778 Corner Post Path Celina, TX 75009	appointed on March 11, 2021 to a term ending in January 2023	970	-	Director	No

Irving Flood Control District Section I

TSI-8 Board Members, Key Personnel and Consultants (Unaudited) – Continued
September 30, 2021

<u>Names and addresses</u>	<u>Terms of Office or Date Hired</u>	<u>Fees (Cash Basis)</u>	<u>Expense Reimbursements</u>	<u>Title at Year End</u>	<u>Resident of District?</u>
Consultants:					
Weaver LLP 2300 N, Field Street Suite 1000 Dallas, TX 75201		\$ 7,375	\$ -	Auditor	No
Dallas County Utility and Reclamation District P.O. Box 140035 Irving, TX 75014-0035		440,272	-	General Management Construction Management Investment Officer	No
John Ames Dallas County Tax Office 500 Elm Street Dallas, TX 75202		379	-	Tax Collector	No
Boyle & Lowry LLP 4201 Wingren Suite 108 Irving, TX 75062		3,345	-	Attorneys	No
Half & Associates P.O. Box 678316 Dallas, TX 75267		9,830	-	Engineer	No