



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

**Basic Financial Statements  
and Supplemental Schedules  
For the Year Ended September 30, 2023  
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, 2023  
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# **Financial Section**



## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities and each major fund of Irving Flood Control District Section I (the District) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

Weaver and Tidwell, L.L.P.  
1800 Hughes Landing Blvd, Suite 400 | The Woodlands, Texas 77380  
Main: 713.800.1060

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

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

In performing an audit in accordance with GAAS, we:

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

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

### ***Required Supplementary Information***

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

The Board of Directors of  
Irving Flood Control District I

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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 purpose 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, is 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.

The Woodlands, Texas  
January 11, 2024]

## 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 88.5% 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 10.75% 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 \$10.9 million, with \$3.3 million of unrestricted net position.
- The District's goal is for the Debt Service Fund balance to be equivalent to one year's annual debt service requirements. Fiscal year 2023 Debt Service Fund balance is approximately 119% of one year's annual debt service requirements.
- The District's total governmental funds revenues were \$2.2 million for the year ended September 30, 2023, 88.5% of which was property taxes.

- The District's total government-wide expenses increased by 13.73% to \$1.1 million due to greater maintenance project costs.
- The fund balance for all funds totaled \$4.2 million. This amount is 17.69% higher than the total fund balance amount at September 30, 2022.
- 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

	<u>2023</u>	<u>2022</u>
Current assets	\$ 4,198,027	\$ 3,577,076
Capital assets, net	<u>9,429,458</u>	<u>9,543,908</u>
<b>Total assets</b>	<b><u>\$ 13,627,485</u></b>	<b><u>\$ 13,120,984</u></b>
Current liabilities	\$ 28,665	\$ 41,099
Long-term liabilities	<u>2,650,000</u>	<u>3,255,000</u>
<b>Total liabilities</b>	<b><u>\$ 2,678,665</u></b>	<b><u>\$ 3,296,099</u></b>
Net position		
Net investment in capital assets	\$ 6,779,457	\$ 6,288,908
Restricted for debt service	822,234	743,888
Unrestricted	<u>3,347,129</u>	<u>2,792,089</u>
<b>Total net position</b>	<b><u>\$ 10,948,820</u></b>	<b><u>\$ 9,824,885</u></b>
Revenue	\$ 2,225,359	\$ 1,949,992
Expenses		
Operating	1,023,324	895,158
Interest and fiscal fees	<u>78,100</u>	<u>93,192</u>
<b>Total expenses</b>	<b><u>1,101,424</u></b>	<b><u>988,350</u></b>
<b>Change in net position</b>	<b><u>\$ 1,123,935</u></b>	<b><u>\$ 961,642</u></b>

### Financial Analysis of the District

The District's net position at September 30, 2023, and 2022 was approximately \$10.9 million and \$9.8 million respectively. Net investment in capital assets increased by \$490 thousand to \$6.8 million due to a \$605 thousand reduction in long-term debt, and depreciation of \$115 thousand.



The District's total revenues were \$2.2 million. 88.5% of the District's revenues came from taxes. Another 10.75% 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, lease revenue and special inventory tax. Total revenues of the District increased by 14.12% in fiscal year 2023 due to the increase in tax revenue, greater tax penalties and interest, greater interest income and special inventory tax.

The 2022 property tax rate (District's fiscal year 2023) was \$0.4772, representing a .05 cent decrease from the prior year, while the tax base increased from \$344.4 million to \$410.8 million. These changes resulted in an increase of tax revenue from \$1.84 million to \$1.97 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 2022 tax rate decrease of approximately .05 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 2023.

Total expenses were \$1.1 million, 7.1% of which are for interest expense, 63.7% are related to maintenance, and 17.2% are administrative expenses. Total expenses of the District increased by 13.7% in fiscal year 2023 due mainly to greater maintenance project costs.

The combined fund balance for all funds was \$4.2 million, a 17.7% increase from fiscal year 2022. The fund balance of the General Fund was \$2.7 million at September 30, 2023, a \$546.9 thousand increase from the preceding year primarily due to greater property tax income of \$149 thousand, greater interest income of \$82 thousand and timing of maintenance projects of \$180.9 thousand.

The fund balance of the Capital Projects Fund was \$593.2 thousand at September 30, 2023, a \$7.4 thousand increase from the preceding year due to \$7.4 thousand of investment earnings.

The Debt Service Fund fund balance was \$838.3 thousand, a \$73.8 thousand increase from fiscal year 2022 due to the increases in tax collections and investment earnings. 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, 2023, 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 \$286.9 thousand under budgeted amounts, while revenues were \$18.3 thousand above the budgeted amounts. The actual revenues were above the budget primarily due to property taxes above the budget by \$15.3 thousand and greater investment earnings of \$2.6 thousand. The District's expenditures were below the budget primarily due to maintenance expenditures, utilities, engineering fees, and legal fees expenditures being below the budget.

**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, 2023, the District did not have any capitalized projects. 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 \$2.7 million in bonds outstanding, a decrease of \$605 thousand or 18.6% 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 four directors with terms expiring in January 2025 and three directors with terms expiring in January 2024.

## **New Initiatives**

On September 18, 2023, 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 October 12, 2023, 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 2024 budget preparation increased by \$53.8 million, or 13.0% from 2023. The increase in appraised values is primarily the result of the increased taxable value of commercial and industrial property within the District.

These indicators were taken into account when adopting the operating budget for 2024. The General Fund budget for 2024 is \$1.43 million, which is \$106.7 thousand more than the final 2023 which is mainly due to a large maintenance project budgeted for. 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 \$2.9 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, 2023

	Governmental Funds Balance Sheet				Adjustments (Note 2)	Statement of Net Position
	General	Capital Projects	Debt Service	Total		
<b>ASSETS</b>						
Cash	\$ 3,916	\$ 593,186	\$ 8,594	\$ 605,696	\$ -	\$ 605,696
Investments (cash equivalents)	2,750,114	-	830,559	3,580,673	-	3,580,673
Prepaid expenses	1,986	-	-	1,986	-	1,986
Taxes receivable, net	6,124	-	3,548	9,672	-	9,672
Internal receivables	790	-	-	790	(790)	-
Capital assets, net	-	-	-	-	9,429,458	9,429,458
Total assets	<u>\$ 2,762,930</u>	<u>\$ 593,186</u>	<u>\$ 842,701</u>	<u>\$ 4,198,817</u>	<u>\$ 9,428,668</u>	<u>\$ 13,627,485</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 8,987	\$ -	\$ -	\$ 8,987	\$ -	\$ 8,987
Accrued interest	-	-	-	-	19,678	19,678
Internal payables	-	-	790	790	(790)	-
Long-term liabilities, net:						
Due within one year	-	-	-	-	625,000	625,000
Due after one year	-	-	-	-	2,025,000	2,025,000
Total liabilities	8,987	-	790	9,777	2,668,888	2,678,665
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	6,124	-	3,548	9,672	(9,672)	-
Total deferred inflows of resources	6,124	-	3,548	9,672	(9,672)	-
Fund balances:						
Nonspendable:						
Prepays	1,986	-	-	1,986	(1,986)	-
Restricted:						
Debt service	-	-	838,363	838,363	(838,363)	-
Assigned:						
Capital Projects	-	593,186	-	593,186	(593,186)	-
Unassigned	2,745,833	-	-	2,745,833	(2,745,833)	-
Total fund balances	<u>2,747,819</u>	<u>593,186</u>	<u>838,363</u>	<u>4,179,368</u>	<u>(4,179,368)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,762,930</u>	<u>\$ 593,186</u>	<u>\$ 842,701</u>	<u>\$ 4,198,817</u>		
<b>NET POSITION</b>						
Net investment in capital assets					6,779,457	6,779,457
Restricted for debt service					822,234	822,234
Unrestricted					3,347,129	3,347,129
<b>TOTAL NET POSITION</b>					<u>\$ 10,948,820</u>	<u>\$ 10,948,820</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, 2023

	Statement of Governmental Funds Revenues, Expenditures, and Changes in Fund Balances				Adjustments (Note 2)	Statement of Activities
	General	Capital Projects	Debt Service	Total		
<b>REVENUES</b>						
Property taxes	\$ 1,303,345	\$ -	\$ 664,746	\$ 1,968,091	\$ 826	\$ 1,968,917
Investment earnings	93,578	7,433	90,956	191,967	-	191,967
Penalties and interest	11,607	-	5,659	17,266	-	17,266
Intergovernmental revenue	21,600	-	-	21,600	-	21,600
Other	25,609	-	-	25,609	-	25,609
Total revenues	1,455,739	7,433	761,361	2,224,533	826	2,225,359
<b>EXPENDITURES/ EXPENSES</b>						
Operations:						
Administrative	189,817	50	-	189,867	-	189,867
Maintenance	701,114	-	-	701,114	-	701,114
Engineering fees	17,893	-	-	17,893	-	17,893
Depreciation	-	-	-	-	114,450	114,450
Debt service:						
Principal	-	-	605,000	605,000	(605,000)	-
Interest and fiscal fees	-	-	82,594	82,594	(4,494)	78,100
Total expenditures/expenses	908,824	50	687,594	1,596,468	(495,044)	1,101,424
Excess of revenues over expenditures/ expenses	546,915	7,383	73,767	628,065	495,870	1,123,935
Net change in fund balance	546,915	7,383	73,767	628,065	495,870	1,123,935
Fund balance, beginning	2,200,904	585,803	764,596	3,551,303	6,273,582	9,824,885
<b>FUND BALANCE, ending</b>	<u>\$ 2,747,819</u>	<u>\$ 593,186</u>	<u>\$ 838,363</u>	<u>\$ 4,179,368</u>	<u>\$ 6,769,452</u>	<u>\$ 10,948,820</u>

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 62<sup>nd</sup> 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 funds 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, 2023, the District had \$1,986 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, 2023. The District has classified the Debt Service Fund balance, as restricted. Net position reported as restricted for debt service in the Statement of Net Position includes debt service fund balance plus debt service-related known tax unavailable less accrued interest.

**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, 2023, 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 \$593,186 of assigned fund balance at September 30, 2023.

**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 FUNDS** \$ 4,179,368

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

Capital assets of \$10,312,658, net of accumulated depreciation of \$883,200 are not financial resources and, therefore, are not reported in the funds. 9,429,458

Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental funds, an interest expenditure is reported when due. (19,678)

Receivables not available to pay for current period expenditures are deferred in the funds. 9,672

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. (2,650,000)

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** \$ 10,948,820

**TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** \$ 628,065

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. 826

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. 605,000

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. 4,494

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 depreciation exceeded capitalizable maintenance. (114,450)

**CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES** \$ 1,123,935

# 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, 2023, 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	\$ 6,546	\$ 6,596
Savings accounts	599,150	599,150
	<u>\$ 605,696</u>	<u>\$ 605,746</u>

At September 30, 2023, 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>\$ 3,580,673</u>	<u>\$ 3,580,673</u>	39

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, 2023, 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 2022 tax year (the District's 2023 fiscal year) was \$0.4772 per \$100 assessed valuation, of which \$0.3174 went to finance general government services and \$0.1598 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 \$9,658.

#### 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, 2022	Transfers/ Additions	Transfers/ Retirements	September 30, 2023
Capital assets being depreciated:				
Flood control and drainage	\$ 9,785,550	\$ -	\$ -	\$ 9,785,550
Equipment	489,628	-	-	489,628
Fencing	37,480	-	-	37,480
Total capital assets being depreciated	10,312,658	-	-	10,312,658
Less accumulated depreciation for:				
Flood control and drainage	(675,436)	(97,856)	-	(773,292)
Equipment	(58,790)	(14,198)	-	(72,988)
Fencing	(34,524)	(2,396)	-	(36,920)
Total accumulated depreciation	(768,750)	(114,450)	-	(883,200)
Capital assets being depreciated, net	9,543,908	(114,450)	-	9,429,458
<b>Total capital assets, net</b>	<b>\$ 9,543,908</b>	<b>\$ (114,450)</b>	<b>\$ -</b>	<b>\$ 9,429,458</b>

# Irving Flood Control District Section I

## Notes to the Financial Statements

### Note 6. Interfund Transactions

summary of interfund receivable and payable at September 30, 2023, is as follows:

Fund	Internal Receivable	Internal Payable
General Fund	\$ 790	\$ -
Debt Service Fund	-	790

The internal receivable and payable between the General Fund and the Debt Service Fund is due to the District's practice of depositing all property taxes collected into the Debt Service Fund and then transferring the maintenance and operating portion to the General Fund and the Capital Projects Fund as needed. All interfund receivables and payables arise for general operating purposes and will be paid in full within the next fiscal year.

### 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 65<sup>th</sup> Legislature of Texas, R. S., 1977 and H.B. 2391, Acts of the 68<sup>th</sup> 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, 2023:

	Balance October 1, 2022	Debt Issued	Principal Retirement/ Refunding	Balance September 30, 2023	Amount Due In One Year
Series 2019 Unlimited Tax Bonds	\$ 3,255,000	\$ -	\$ (605,000)	\$ 2,650,000	\$ 625,000
<b>Total</b>	<u>\$ 3,255,000</u>	<u>\$ -</u>	<u>\$ (605,000)</u>	<u>\$ 2,650,000</u>	<u>\$ 625,000</u>

**Irving Flood Control District Section I**

Notes to the Financial Statements

As of September 30, 2023, the debt service requirements on outstanding bonds are as follows:

	Principal	Interest	Total
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
<b>Total</b>	<b>\$ 2,650,000</b>	<b>\$ 171,450</b>	<b>\$ 2,821,450</b>

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.

**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, 2023, the lease income was \$9,600.

**Note 9. Commitments and Contingencies**

There are no claims or lawsuits pending against the District at September 30, 2023. Management is not aware of any contingencies that would have a material effect on the financial statements.

On September 18, 2023, the District renewed the Interlocal Agreement with the Dallas County Utility and Reclamation District (DCURD) for the period from October 1, 2023 through September 30, 2024. 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.

## Irving Flood Control District Section I

### Notes to the Financial Statements

#### 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 \$446.4 thousand to DCURD in fiscal year 2023.

#### Note 12. New Accounting Pronouncements

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 became effective for the District fiscal year 2023, There was no impact to the District related to the implementation.

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 became effective for the District fiscal year 2023, There was no impact to the District related to the implementation.

GASB Statement No. 99. Omnibus 2022 was issued on April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives



## Irving Flood Control District Section I

### Notes to the Financial Statements

- Clarification of provisions in Statement No. 94, Public-Private and Public Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments
- Clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short term SBITA, and recognition and measurement of a subscription liability
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position
- Terminology used in Statement 53 to refer to resource flows statements
- This standard became effective for the District fiscal year 2023, There was no impact to the District related to the implementation.

GASB Statement No. 100. Accounting Changes and Error Corrections was issued on June 2022. The primary objective of this Statement is to enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This standard becomes effective for the District fiscal year 2024, The District has not determined the impact of this statement.

GASB Statement No. 101. Compensated Absences was issued on June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This standard becomes effective for the District fiscal year 2025, The District has not determined the impact of this statement.

### **Note 13. Subsequent Events**

On October 13, 2023, the District renewed the Interlocal Agreement with the City of Irving for the period from October 1, 2023, through September 30, 2024. 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 2024 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, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 1,303,739	\$ 1,288,032	\$ 1,303,345	\$ 15,313
Investment earnings	7,000	91,000	93,578	2,578
Penalties and interest	-	11,183	11,607	424
Intergovernmental and other	10,000	47,208	47,209	1
Total revenues	1,320,739	1,437,423	1,455,739	18,316
<b>EXPENDITURES</b>				
Administrative:				
Administrative	91,223	91,223	87,840	3,383
Utilities	56,638	56,638	14,391	42,247
Salaries and wages	12,600	12,600	6,000	6,600
Meeting expenses	4,563	4,563	2,173	2,390
Legal fees	40,000	40,000	4,640	35,360
Insurance	2,500	2,500	2,167	333
Audit fees	7,775	7,775	7,775	-
Tax appraisal and collection fees	9,706	9,706	6,229	3,477
Tax Increment	51,076	56,620	56,620	-
Miscellaneous	5,773	5,773	1,982	3,791
Total administrative	281,854	287,398	189,817	97,581
Maintenance:				
Maintenance and operations	850,564	850,564	669,614	180,950
Mowing	28,000	28,000	31,500	(3,500)
Total maintenance	878,564	878,564	701,114	177,450
Engineering fees	29,792	29,792	17,893	11,899
Total expenditures	1,190,210	1,195,754	908,824	286,930
Excess of revenues over expenditures	130,529	241,669	546,915	305,246
Net change in fund balance	\$ 130,529	\$ 241,669	546,915	\$ 305,246
Fund balance, beginning			2,200,904	
<b>FUND BALANCE, ending</b>			<u>\$ 2,747,819</u>	

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)  
 For the Fiscal Year Ended September 30, 2023

**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	_____	_____	_____
<b>TOTAL</b>	=====	=====	=====

\* 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  
 For the Fiscal Year Ended September 30, 2023

**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>632,310</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>60,000</u>
g. Other (Describe)	_____
_____	_____
_____	_____
<b>TOTAL ANTICIPATED FUNDS TO BE USED*</b>	<b>\$ <u>692,310</u></b>

\*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  
For the Fiscal Year Ended September 30, 2023

**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, 2023

Professional fees:		
Auditing	\$	7,775
Legal		4,640
Engineering		17,893
Purchased services for resale:		
Bulk water and wastewater service purchases		-
Tap connection expenditures		-
Contracted services:		
Mowing		31,500
Appraisal district		5,802
Tax collector		427
Other contracted services		-
Utilities		14,392
Repairs and maintenance		669,614
Administrative expenditures:		
Salaries and wages		6,000
Insurance		2,167
Tax Increment		56,620
Other administrative expenditures		91,994
Capital outlay		-
Other expenditures		-
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b>908,824</b>

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  
 September 30, 2023

<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	5.5168%	N/A	\$ 2,750,114	\$ -
Debt Service Fund:					
Logic	207307001	5.5168%	N/A	830,559	-
<b>Totals</b>				<u>\$ 3,580,673</u>	<u>\$ -</u>

**Irving Flood Control District Section I**  
 TSI-4 Analysis of Taxes Levied and Receivable  
 For the Fiscal Year Ended September 30, 2023

	<u>Maintenance Taxes</u>	<u>Debt Service Taxes</u>	<u>Total</u>
Taxes receivable, beginning of year	\$ 12,389	\$ 4,627	\$ 17,016
2022 original tax levy	<u>1,309,317</u>	<u>659,196</u>	<u>1,968,513</u>
Total to be accounted for	1,321,706	663,823	1,985,529
Tax Collections:			
Current year	(1,309,714)	(659,396)	(1,969,110)
Prior year	650	368	1,018
Total collections	<u>(1,309,064)</u>	<u>(659,028)</u>	<u>(1,968,092)</u>
Adjustments	<u>1,344</u>	<u>548</u>	<u>1,892</u>
Taxes receivable, end of year	<u>\$ 13,986</u>	<u>\$ 5,343</u>	<u>\$ 19,329</u>
Taxes receivable, by years			
2022	\$ 1,966	\$ 990	\$ 2,956
2021	412	252	664
2020	451	258	709
2019	3,024	1,837	4,861
2018	271	211	482
Prior years	7,863	1,795	9,658
Less: allowance for doubtful accounts	<u>(7,863)</u>	<u>(1,795)</u>	<u>(9,658)</u>
Taxes receivable, end of year	<u>\$ 6,124</u>	<u>\$ 3,548</u>	<u>\$ 9,672</u>

	<u>2022 tax year</u>	<u>2021 tax year</u>	<u>2020 tax year</u>	<u>2019 tax year</u>
Property valuations:				
Land	\$ 94,983,130	\$ 93,463,960	\$ 86,047,570	\$ 77,350,560
Improvements	90,159,920	75,622,910	81,062,070	83,888,410
Business personal property	278,440,330	239,049,070	233,121,200	244,365,590
Less exemptions	<u>(51,070,131)</u>	<u>(45,271,333)</u>	<u>(40,485,607)</u>	<u>(38,191,153)</u>
Total property valuations	<u>\$ 412,513,249</u>	<u>\$ 362,864,607</u>	<u>\$ 359,745,233</u>	<u>\$ 367,413,407</u>
Tax rates per \$100 valuation				
Debt service tax rates	0.1598	0.2	0.1843	0.178
Maintenance tax rates	<u>0.3174</u>	<u>0.327</u>	<u>0.3217</u>	<u>0.293</u>
Total tax rates	<u>0.477200</u>	<u>0.527000</u>	<u>0.506000</u>	<u>0.471000</u>
Original tax levy	<u>\$ 1,968,513</u>	<u>\$ 1,912,296</u>	<u>\$ 1,820,311</u>	<u>\$ 1,730,517</u>
Percent of taxes collected to taxes levied	<u>100.0%</u>	<u>100.2%</u>	<u>103.4%</u>	<u>90.0%</u>

**Irving Flood Control District Section I**

TSI-4 Analysis of Taxes Levied and Receivable – Continued

For the Fiscal Year Ended September 30, 2023

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>	\$ _____ . 217946
b. City <u>Irving</u>	_____ . 5891
c. School District <u>Irving ISD</u>	1 _____ . 1474
d. Special District(s) not included above:	
_____	_____ . _____
_____	_____ . _____
e. Total Special District(s) (from top of this page)	_____ . _____
f. Total District (from previous page)	_____ . 4772
Total Overlapping Tax Rate (Sum of a.-f.)	\$ <u>2</u> . <u>431646</u>

## Irving Flood Control District Section I

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

For the Fiscal Year Ended September 30, 2023

Due during Fiscal Year Ending	Series 2019		
	Principal Due June 15	Interest Due June 15, Dec 15	Total
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>\$ 2,650,000</u>	<u>\$ 171,450</u>	<u>\$ 2,821,450</u>

**Irving Flood Control District Section I**

TSI-6 Analysis of Changes in General Long-term Debt  
 For the Fiscal Year Ended September 30, 2023

	<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	\$ 3,255,000
Bonds sold during the current year	-
Principal retirements/refundings	<u>(605,000)</u>
Bonds outstanding at end of current year	<u>\$ 2,650,000</u>
Interest paid during the current year	<u>\$ 82,594</u>
Paying agent/registrar	Amegy 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, 2023:				<u>\$ 839,153</u>
Average annual debt service payment (Principal and interest) for remaining term of all debt:				<u>\$ 705,363</u>

# Irving Flood Control District Section I

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

	Amounts					Percent of Fund Total Revenues				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
<b>General Fund</b>										
Revenues:										
Property taxes	\$ 1,303,345	\$ 1,154,281	\$ 1,298,089	\$ 958,244	\$ 920,632	89.5 %	93.0 %	95.2 %	95.1 %	79.1 %
Investment earnings	93,578	11,597	1,323	12,892	23,509	6.4	0.9	0.1	1.3	-
Penalties and interest	11,607	9,492	33,007	1,117	3,572	0.8	0.8	2.4	0.1	0.5
Intergovernmental revenue	21,600	21,600	21,600	21,600	3,188.00	1.5	1.7	1.6	2.1	15.7
Other	25,609	44,438	9,600	13,718	9,600	1.8	3.6	0.7	1.4	4.7
<b>Total revenues</b>	<b>1,455,739</b>	<b>1,241,408</b>	<b>1,363,619</b>	<b>1,007,571</b>	<b>960,501</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Expenditures:										
Administrative	87,840	84,419	80,826	77,361	74,387	6.0	6.8	5.9	7.7	7.7
Legal fees	4,640	2,900	3,345	4,495	7,085	0.3	0.2	0.2	0.4	2.4
Audit fees	7,775	7,475	7,375	7,300	7,225	0.5	0.6	0.5	0.7	1.0
Tax appraisal and collection fees	6,229	7,254	7,049	6,765	7,076	0.4	0.6	0.5	0.7	1.0
Director fees (salaries and wages) and meeting expenses	8,173	10,962	10,650	12,236	11,218	-	0.6	0.9	1.2	1.7
Utilities	14,391	14,577	28,510	55,410	42,047	1.0	1.2	2.1	5.5	0.6
Maintenance and operations	701,114	613,792	622,241	676,934	393,412	48.2	49.4	45.6	67.2	37.6
Engineering fees	17,893	18,759	9,830	10,442	29,897	1.2	1.5	0.7	1.0	7.2
Tax Increment	56,620	21,689	26,421	-	-	3.9	1.7	1.9	0.0	8.2
Miscellaneous	4,149	4,045	4,817	5,748	3,627	0.3	0.3	0.4	0.6	0.10
<b>Total expenditures</b>	<b>908,824</b>	<b>785,872</b>	<b>801,064</b>	<b>856,691</b>	<b>575,974</b>	<b>62.4</b>	<b>63.2</b>	<b>58.6</b>	<b>85.0</b>	<b>67.5</b>
Excess of revenues over expenditures	<u>\$ 546,915</u>	<u>\$ 455,536</u>	<u>\$ 562,555</u>	<u>\$ 150,880</u>	<u>\$ 384,527</u>	<u>37.6 %</u>	<u>36.8 %</u>	<u>41.4 %</u>	<u>15.0 %</u>	<u>32.5 %</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				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
<b>Debt Service</b>										
Revenues:										
Taxes	\$ 664,746	\$ 708,637	\$ 754,731	\$ 580,142	\$ 715,937	87.3 %	97.4 %	97.4 %	96.9 %	97.4 %
Investment earnings	90,956	13,024	966	11,529	15,129	11.9	1.8	0.1	1.9	2.1
Penalties and interest	5,659	6,022	19,560	691	4,203	0.7	0.8	2.5	0.1	0.5
Other	-	-	-	6,273	-	-	-	-	1.0	-
Total revenues	761,361	727,683	775,257	598,635	735,269	100.0	100.0	100.0	100.0	100.0
Expenditures:										
Interest and fiscal fees	82,594	97,536	111,797	145,339	248,488	10.8	13.4	14.4	24.3	33.8
Principal retirement	605,000	585,000	560,000	525,000	465,000	79.5	80.4	72.2	87.7	63.2
Bond issuance costs	-	-	-	-	84,890	-	-	-	-	12
Total expenditures	687,594	682,536	671,797	670,339	798,378	90.3	93.8	86.6	112.0	109.0
Excess (deficiency) of revenues over expenditures	\$ 73,767	\$ 45,147	\$ 103,460	\$ (71,704)	\$ (63,109)	9.7 %	6.2 %	13.4 %	(12.0) %	(9.0) %



# Irving Flood Control District Section I

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

For the Fiscal Year Ended September 30, 2023

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>
<b>Board Members:</b>					
Robert M. Galecke 1845 E. Northgate Dr. Irving, TX 75062	reappointed on January 14, 2021 to a term ending in January 2025	\$ 1,108	\$ -	President	No
Stephen LaMure 3303 Lee Pkwy., Ste. 300 Dallas, TX 75219	reappointed on January 23, 2018 to a term ending in January 2024	831	-	Asst. Secretary	No
Ryan Baker 2304 Century Ctr Blve Irving, TX 75062	appointed on June 20, 2019 to a term ending in January 2024	693	-	Vice President	No
Benjamin Gibbs 1845 E Northgate Dr Irving, TX 75062	appointed on January 27, 2023 to a term ending in January 2025	970	-	Secretary	No
Garrett Schneider 679 Creekview Drive Irving, TX 75039	appointed on August 15, 2023 to a term ending in January 2025	277	-	Treasurer	No
John Plotts 1845 E Northgate Dr Irving, TX 75062	appointed on December 9, 2021 to a term ending in January 2025	1108	-	Director	No

**Irving Flood Control District Section I**

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

For the Fiscal Year Ended September 30, 2023

<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>
<b>Consultants:</b>					
Weaver LLP 2300 N, Field Street Suite 1000 Dallas, TX 75201		\$ 7,775	\$ -	Auditor	No
Dallas County Utility and Reclamation District P.O. Box 140035 Irving, TX 75014-0035		446,354	-	General Management Construction Management Investment Officer	No
John Ames Dallas County Tax Office 500 Elm Street Dallas, TX 75202		427	-	Tax Collector	No
Boyle & Lowry LLP 4201 Wingren Suite 108 Irving, TX 75062		4,640	-	Attorneys	No
Halff & Associates P.O. Box 678316 Dallas, TX 75267		16,043	-	Engineer	No
Moir Watershed Services 4134 FM 66 Waxahachie, TX 75167		277,200	-	Wetland Management	No