

**Travis County
Water Control and Improvement
District No. 10**

**Financial Statements and
Supplemental Information for the
Year Ended September 30, 2021 and
Independent Auditors' Report**

Travis County Water Control and Improvement District No. 10

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Annual Filing Affidavit

The State of Texas

County of Travis

I, Paul E. Barker
(Name of Duly Authorized District Representative)

of the Travis County Water Control and Improvement District No. 10.

hereby swear, or affirm, that the District named above has reviewed and approved at a meeting of the Board of Directors of the District on the 12th day of January, 20 22, its annual audit report for the fiscal year ended September 30, 2021 and that copies of the annual audit report have been filed in the District office, located at 5324 Bee Cave Road, Austin, Texas 78746.

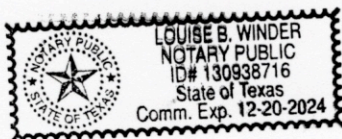
The annual filing affidavit and the attached copy of the audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code and to the Texas Comptroller of Public Accounts in satisfaction of the annual filing requirements of Section 140.008 of the Texas Local Government Code.

Date: January 12, 20 22. By: Paul Barker
(Signature of District Representative)

Paul Barker, Board President
(Typed Name and Title of above District Representative)

Sworn to and subscribed to before me this 12th day of January, 20 22.

(SEAL)



Louise B. Winder
(Signature of Notary)

Louise B. Winder
(Printed Name of Notary)

My Commission Expires On: 12-20-2024
Notary Public in and for the State of Texas.



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Accountants and Consultants

An Affiliate of CPAmerica International

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Austin, TX 78701

Round Rock: 411 West Main Street, Suite 300

Round Rock, TX 78664

Independent Auditors' Report

To the Board of Directors of

Travis County Water Control and Improvement District No. 10:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Travis County Water Control and Improvement District No. 10 (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.

Auditors' 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.

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

"A Registered Investment Advisor"

This firm is not a CPA firm

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

Opinions

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 District as of September 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund 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 5 through 9 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information required by the Texas Commission on Environmental Quality (the "TCEQ") listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information required by the TCEQ listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information required by the TCEQ listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Maxwell Locke + Ritter LLP

Austin, Texas
January 11, 2022

Travis County Water Control and Improvement District No. 10

Management's Discussion and Analysis For the Year Ended September 30, 2021

In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, the management of Travis County Water Control and Improvement District No. 10 (the "District") offers the following narrative on the financial performance of the District for the year ended September 30, 2021. Please read it in connection with the District's financial statements that follow.

For purposes of GASB Statement No. 34, the District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the "Total Governmental Funds" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

Overview of the Basic Financial Statements

The District's reporting is comprised of two parts:

- *Management's Discussion and Analysis* (this section)
- *Basic Financial Statements*
 - *Statement of Net Position and Governmental Funds Balance Sheet*
 - *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances*
 - *Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund*
 - *Notes to Basic Financial Statements*

Other supplementary information is also included.

The *Statement of Net Position and Governmental Funds Balance Sheet* includes a column (titled "Total Governmental Funds") that represents a balance sheet prepared using the modified accrual basis of accounting. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District's net position will indicate financial health.

The *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances* includes a column (titled "Total Governmental Funds") that derives the change in fund balances resulting from current year revenues, expenditures, and other financing sources or uses. These amounts are prepared using the modified accrual basis of accounting. The adjustments column converts those activities to full accrual, a basis that more closely represents the income statement of a private-sector business.

The *Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund* presents a comparison statement between the District's adopted budget to its actual results.

The *Notes to Basic Financial Statements* provide additional information that is essential to a full understanding of the information presented in 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*.

Schedules required by the Texas Commission on Environmental Quality are presented immediately following the *Notes to Basic Financial Statements*.

Comparative Financial Statements

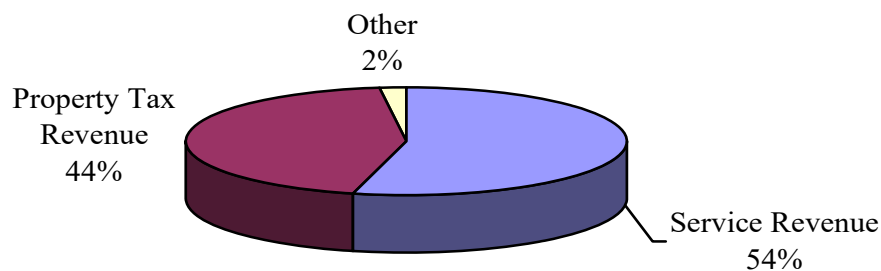
Statement of Net Position

	Governmental Activities		
	2021	2020	% Change
Current assets	\$ 38,580,344	\$ 45,103,159	(15%)
Capital assets	41,924,552	34,122,755	23%
Total assets	<u>\$ 80,504,896</u>	<u>\$ 79,225,914</u>	<u>2%</u>
Current liabilities	\$ 3,756,934	\$ 3,537,276	6%
Long-term liabilities	38,748,131	40,247,538	(4%)
Total liabilities	<u>\$ 42,505,065</u>	<u>\$ 43,784,814</u>	<u>(3%)</u>
Net investment in capital assets	\$ 19,732,882	\$ 18,519,361	7%
Restricted	482,219	439,841	10%
Unrestricted	17,784,730	16,481,898	8%
Total net position	<u>\$ 37,999,831</u>	<u>\$ 35,441,100</u>	<u>7%</u>

The District's total assets were approximately \$80.5 million as of September 30, 2021. Of this amount, approximately \$41.9 million was accounted for by capital assets. The District had outstanding liabilities of approximately \$42.5 million. Of this amount, approximately \$40.2 million was accounted for by bonds payable.

The District's property tax assessed value for fiscal year 2021 (which is based on the 2020 tax levy) was \$4.6 billion compared to approximately \$4.6 billion for fiscal year 2020. The tax rate is set after reviewing operations and maintenance requirements and proposed water rates. The District's primary revenue sources are utility services and property taxes.

Sources of Revenue



Statement of Activities

	Governmental Activities		
	2021	2020	% Change
Utility services	\$ 4,776,527	\$ 4,778,265	<1%
Taxes and miscellaneous	4,117,916	4,447,791	(7%)
Total revenues	8,894,443	9,226,056	(4%)
Purchased water	2,561,210	2,707,090	(5%)
Professional fees	277,462	313,105	(11%)
Contracted services	282,040	282,692	<1%
Consumable supplies and materials	562,399	619,665	(9%)
Recurring operating	865,960	661,754	31%
Capital outlay	90,520	487,011	(81%)
Debt service	1,097,481	1,126,355	(3%)
Depreciation	598,640	525,489	14%
Total expenses	6,335,712	6,723,161	(6%)
Change in net position	2,558,731	2,502,895	2%
Beginning net position	35,441,100	32,938,205	8%
Ending net position	\$ 37,999,831	\$ 35,441,100	7%

Operating revenues decreased by approximately \$332,000 to approximately \$8.9 million for the fiscal year ended September 30, 2021. Utility services provided approximately \$4.8 million in revenue and property taxes and other revenues generated approximately \$4.1 million in revenues. Total expenses decreased approximately \$387,000 to approximately \$6.3 million for the fiscal year ended September 30, 2021. Net position increased approximately \$2.6 million for the fiscal year ended September 30, 2021 compared to an increase of approximately \$2.5 million for the fiscal year ended September 30, 2020.

Analysis of Governmental Funds

Government Funds by Year

	2021	2020	2019
Cash	\$ 237,903	\$ 561,922	\$ 278,710
Investments	36,885,967	43,279,616	47,069,816
Receivables and prepaids	1,456,474	1,261,621	1,814,445
Interfund receivable	2,301	40,387	295
Total assets	<u>\$ 38,582,645</u>	<u>\$ 45,143,546</u>	<u>\$ 49,163,266</u>
Accounts payable	\$ 1,667,740	\$ 1,425,438	\$ 1,193,026
Customer deposits	434,386	434,035	390,782
Other liabilities	20,963	70,283	54,900
Interfund payable	2,301	40,387	295
Total liabilities	<u>2,125,390</u>	<u>1,970,143</u>	<u>1,639,003</u>
Deferred inflows of resources	<u>76,195</u>	<u>77,346</u>	<u>54,425</u>
Nonspendable	4,646	4,928	33,051
Restricted for debt service	569,681	531,731	529,745
Restricted for capital projects	18,056,461	26,114,144	31,710,016
Unassigned	<u>17,750,272</u>	<u>16,445,254</u>	<u>15,197,026</u>
Total fund balances	<u>36,381,060</u>	<u>43,096,057</u>	<u>47,469,838</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 38,582,645</u>	<u>\$ 45,143,546</u>	<u>\$ 49,163,266</u>

The *General Fund* pays for daily operating expenditures. When comparing actual to budget, expenditures were less than budgeted by approximately \$1.9 million due mainly to capital outlay and conservative budgeting. Revenues were less than budgeted by approximately \$604,000 due mainly to service revenue. More detailed information about the District's budgetary comparison is presented in the *Basic Financial Statements*.

The *Debt Service Fund* remitted bond principal of approximately \$1.5 million and bond interest of approximately \$1.1 million. More detailed information about the District's debt is presented in the *Notes to Basic Financial Statements*.

The *Capital Projects Fund* purchases primarily the District's infrastructure. During the year, approximately \$8.1 million was spent in the Capital Projects Fund to install larger diameter waterlines throughout select portions of the District.

Capital Assets and Long-Term Debt Activity

Capital Assets

	<u>2021</u>	<u>2020</u>
Land	\$ 1,405,272	\$ 1,405,272
Infrastructure	33,503,371	26,624,128
Buildings	371,885	371,885
Construction in progress	14,823,798	13,309,838
Other	<u>150,268</u>	<u>143,034</u>
Subtotal	50,254,594	41,854,147
Accumulated depreciation	<u>(8,330,042)</u>	<u>(7,731,402)</u>
Total	<u>\$ 41,924,552</u>	<u>\$ 34,122,755</u>

During the year, approximately \$8.4 million was added to capital assets related to capital improvements made within the District. More detailed information about the District's capital assets is presented in the *Notes to Basic Financial Statements*.

Long-Term Debt

Bonds payable consisted of the following at September 30, 2021:

Current portion	\$ 1,500,000
Long-term portion	<u>38,760,000</u>
Total	<u>\$ 40,260,000</u>

The District owes approximately \$40.3 million to bond holders. More detailed information about the District's long-term debt is presented in the *Notes to Basic Financial Statements*.

Currently Known Facts, Decisions, or Conditions

The fiscal year 2022 tax rate (2021 tax year) has been set at \$0.0773 per \$100 of assessed valuation, which consists of \$0.0273 for maintenance and operations and \$0.0500 for debt service. The adopted budget for fiscal year 2022 projects an operating fund balance increase of approximately \$600. When compared to the fiscal year 2021 budget, both revenues and expenditures are expected to decrease by approximately 1%.

Requests for Information

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District at 5324 Bee Cave Road, Austin, Texas 78746.

Travis County Water Control and Improvement District No. 10

Statement of Net Position and Governmental Funds Balance Sheet September 30, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Note 2)	Statement of Net Position
Assets:						
Cash	\$ 237,903	-	-	237,903	-	237,903
Investments	17,037,400	571,799	19,276,768	36,885,967	-	36,885,967
Receivables:						
Service accounts	1,021,169	-	-	1,021,169	-	1,021,169
Taxes	29,812	46,384	-	76,196	-	76,196
Interest	6,902	182	-	7,084	-	7,084
Other	347,379	-	-	347,379	-	347,379
Prepays	4,646	-	-	4,646	-	4,646
Due from other funds	2,301	-	-	2,301	(2,301)	-
Capital assets (net of accumulated depreciation):						
Land	-	-	-	-	1,405,272	1,405,272
Infrastructure	-	-	-	-	25,352,301	25,352,301
Buildings	-	-	-	-	316,874	316,874
Vehicles	-	-	-	-	1,223	1,223
Furniture and equipment	-	-	-	-	25,084	25,084
Construction in progress	-	-	-	-	14,823,798	14,823,798
Total assets	<u>\$ 18,687,512</u>	<u>618,365</u>	<u>19,276,768</u>	<u>38,582,645</u>	<u>41,922,251</u>	<u>80,504,896</u>
Liabilities:						
Accounts payable	447,433	-	1,220,307	1,667,740	-	1,667,740
Customer deposits	434,386	-	-	434,386	-	434,386
Engineering review fee deposits	16,989	-	-	16,989	-	16,989
Other liabilities	3,974	-	-	3,974	-	3,974
Due to other funds	-	2,301	-	2,301	(2,301)	-
Accrued bond interest payable	-	-	-	-	133,845	133,845
Long-term liabilities:						
Due within one year - bonds	-	-	-	-	1,500,000	1,500,000
Due after one year - bonds	-	-	-	-	38,748,131	38,748,131
Total liabilities	<u>\$ 902,782</u>	<u>2,301</u>	<u>1,220,307</u>	<u>2,125,390</u>	<u>40,379,675</u>	<u>42,505,065</u>
Deferred Inflows of Resources-						
Deferred revenue - property taxes	29,812	46,383	-	76,195	(76,195)	-
Fund Balances/Net Position:						
Fund balances:						
Nonspendable	4,646	-	-	4,646	(4,646)	-
Restricted for:						
Debt service	-	569,681	-	569,681	(569,681)	-
Capital projects	-	-	18,056,461	18,056,461	(18,056,461)	-
Unassigned	17,750,272	-	-	17,750,272	(17,750,272)	-
Total fund balances	<u>17,754,918</u>	<u>569,681</u>	<u>18,056,461</u>	<u>36,381,060</u>	<u>(36,381,060)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,687,512</u>	<u>618,365</u>	<u>19,276,768</u>	<u>38,582,645</u>		
Net position:						
Net investment in capital assets					\$ 19,732,882	19,732,882
Restricted for debt service					482,219	482,219
Unrestricted					17,784,730	17,784,730
Total net position					<u>\$ 37,999,831</u>	<u>37,999,831</u>

The notes to the financial statements are an integral part of this statement.

Travis County Water Control and Improvement District No. 10

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

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Note 2)	Statement of Activities
Expenditures/Expenses:						
Service operations:						
Purchased water	\$ 2,561,210	-	-	2,561,210	-	2,561,210
Professional fees	274,037	-	3,425	277,462	-	277,462
Contracted services	282,040	-	-	282,040	-	282,040
Consumable supplies and materials	546,787	-	15,612	562,399	-	562,399
Recurring operating	865,960	-	-	865,960	-	865,960
Capital outlay	438,571	-	8,052,386	8,490,957	(8,400,437)	90,520
Debt service:						
Principal payments	-	1,470,000	-	1,470,000	(1,470,000)	-
Interest and fiscal charges	-	1,100,563	-	1,100,563	(3,082)	1,097,481
Depreciation	-	-	-	-	598,640	598,640
Total expenditures/expenses	4,968,605	2,570,563	8,071,423	15,610,591	(9,274,879)	6,335,712
Revenues:						
Program revenues:						
Water service	4,732,526	-	-	4,732,526	-	4,732,526
Tap connection fees	44,001	-	-	44,001	-	44,001
Total program revenues	4,776,527	-	-	4,776,527	-	4,776,527
Net program expense						(1,559,185)
General revenues:						
Property taxes	1,368,475	2,595,244	-	3,963,719	(1,151)	3,962,568
Interest on temporary investments	22,970	2,572	13,740	39,282	-	39,282
Penalties and interest on tax accounts	5,681	10,694	-	16,375	-	16,375
Other	99,688	3	-	99,691	-	99,691
Total general revenues	1,496,814	2,608,513	13,740	4,119,067	(1,151)	4,117,916
Total revenues	6,273,341	2,608,513	13,740	8,895,594	(1,151)	8,894,443
Excess (deficiency) of revenues over (under) expenditures	1,304,736	37,950	(8,057,683)	(6,714,997)	6,714,997	-
Change in net position	-	-	-	-	2,558,731	2,558,731
Fund balances/net position:						
Beginning of year	16,450,182	531,731	26,114,144	43,096,057	(7,654,957)	35,441,100
End of year	\$ 17,754,918	569,681	18,056,461	36,381,060	1,618,771	37,999,831

The notes to the financial statements are an integral part of this statement.

Travis County Water Control and Improvement District No. 10

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund Year Ended September 30, 2021

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 1,317,153	1,368,475	51,322
Interest on temporary investments	150,000	22,970	(127,030)
Water service	5,300,000	4,732,526	(567,474)
Tap connection fees	15,000	44,001	29,001
Penalties and interest on tax accounts	3,500	5,681	2,181
Other	91,450	99,688	8,238
Total revenues	6,877,103	6,273,341	(603,762)
Expenditures:			
Service operations:			
Purchased water	2,800,000	2,561,210	238,790
Professional fees	472,800	274,037	198,763
Contracted services	343,000	282,040	60,960
Consumable supplies and materials	832,000	546,787	285,213
Recurring operating	908,970	865,960	43,010
Capital outlay	1,518,000	438,571	1,079,429
Total expenditures	6,874,770	4,968,605	1,906,165
Excess of revenues over expenditures	2,333	1,304,736	1,302,403
Fund balance:			
Beginning of year	16,450,182	16,450,182	-
End of year	\$ 16,452,515	17,754,918	1,302,403

The notes to the financial statements are an integral part of this statement.

Travis County Water Control and Improvement District No. 10

Notes to Basic Financial Statements

Year Ended September 30, 2021

1. Summary of Significant Accounting Policies

Travis County Water Control and Improvement District No. 10 (the “District”) was created by the Travis County Commissioners Court on September 29, 1956, in accordance with Article XVI, Section 29 of the Constitution of the State of Texas (the “State”) and with Chapter 54 of the Texas Water Code. The Board of Directors (the “Board”) held its first meeting April 5, 1956, and the first bonds of the District were issued August 1, 1957.

The reporting entity of the District encompasses those activities and functions over which the District’s elected officials exercise significant oversight or control. The District is governed by a five member Board which has been elected by District residents or appointed by the Board. The District is not included in any other governmental “reporting entity” as defined by the Governmental Accounting Standards Board (“GASB”) since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units which are included in the District’s reporting entity.

Government-wide and Fund Financial Statements

For purposes of GASB Statement No. 34, the District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the “Total Governmental Funds” column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the statement of net position and the statement of activities. The government-wide financial statements report information on all of the activities of the District. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the expenses are offset by program revenues. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the District. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements 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 when they are collectible 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Major revenue sources considered susceptible to accrual include interest income. No accrual for property taxes collected within sixty days of year end has been made as such amounts are deemed immaterial; delinquent property taxes at year end are reported as deferred inflows of resources.

The District reports the following major governmental funds:

The General Fund includes financial resources used for general operations. It is a budgeted fund, and any unassigned fund balance is considered resources available for current operations.

The Debt Service Fund includes debt service taxes and other revenues collected to retire bond principal and to pay interest due.

The Capital Projects Fund is used to account for financial resources restricted for authorized construction and other capital asset acquisitions.

Budgets and Budgetary Accounting

Formal budgetary integration is employed as a management control device for the General Fund. Formal budgetary integration is not employed for the Debt Service Fund and Capital Projects Fund. The budget is proposed by the District's General Manager for the fiscal year commencing the following October 1, and is adopted on the modified accrual basis, which is consistent with generally accepted accounting principles.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Investments - Temporary investments throughout the year consisted of investments in an external local government investment pool and certificates of deposit. The external local government investment pool is recognized at amortized cost as permitted by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The District's deposits and investments are invested pursuant to the investment policy, which is approved annually by the Board. The District's investment policies and types of investments are governed by Section 2256 of the Texas Government Code ("Public Funds Investment Act"). The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policy. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments.

Accounts Receivable - The District provides for uncollectible accounts receivable using the allowance method of accounting for bad debts. Under this method of accounting, a provision for uncollectible accounts is charged to earnings. The allowance account is increased or decreased based on past collection history and management's evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance account, and recoveries of previously charged off accounts are added to the allowance. The District believes all accounts were collectible at September 30, 2021.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets in both the government-wide and fund financial statements. Prepaid assets are charged to expenditures when consumed.

Capital Assets - Capital assets, which include land, infrastructure (water systems purchased, constructed, or donated in years ending after September 30, 1980), buildings, vehicles, furniture and equipment, construction in progress, and other capital assets are reported in the governmental activities columns in the government-wide financial statements. Generally, capital assets are defined by the District as assets with an initial, individual cost of at least \$2,500. Such assets are recorded at historical cost if purchased or estimated acquisition value at the date of donation if donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Capital assets (other than land and construction in progress) are depreciated using the straight line method over the following estimated useful lives: infrastructure - fifty years, buildings - thirty years, vehicles - five years, furniture and equipment - five to twenty years, and other capital assets - five to ten years.

Long-Term Debt - Unlimited tax bonds, which have been issued to fund capital projects, are to be repaid from tax revenues of the District.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and 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 fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Fund Equity - The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. See Note 8 for additional information on those fund balance classifications.

Ad Valorem Property Taxes - Property taxes, penalties, and interest are reported as revenue in the fiscal year in which they become available to finance expenditures of the District. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectibles within the General and Debt Service Funds, if any, are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Deferred Outflows and Inflows of Resources - The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.

The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Fair Value Measurements - The District complies with GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- Level 3 inputs are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities.
- Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).
- Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Use of Estimates - The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In June 2017, the GASB issued GASB Statement No. 87, *Leases*, effective for fiscal years beginning after June 15, 2021. The objective of GASB Statement No. 87 is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities 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. GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. Management is evaluating the effects that the full implementation of GASB Statement No. 87 will have on its financial statements for the year ended September 30, 2022.

2. Reconciliation of Government-Wide and Fund Financial Statements

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

Governmental funds total fund balances	\$ 36,381,060
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	41,924,552
Deferred tax revenue is not available to pay for current-period expenditures and, therefore, is deferred in the funds.	76,195
The following liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable, net of discount	(40,248,131)
Bond interest payable	<u>(133,845)</u>
Total net position	<u>\$ 37,999,831</u>

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

Change in fund balances	\$ (6,714,997)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:	
Capital outlay	8,400,437
Depreciation expense	(598,640)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred tax revenue	(1,151)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Repayment of bond principal	1,470,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in bond interest payable	3,675
Amortization of original issue discount	<u>(593)</u>
Change in net position	<u>\$ 2,558,731</u>

3. Cash and Temporary Investments

The District's deposits are required to be secured in the manner provided by law for the security of the funds. At September 30, 2021, such deposits were entirely covered by Federal Deposit Insurance Corporation ("FDIC") insurance or secured by collateral pledged by the depository.

The Public Funds Investment Act authorizes the District to invest in funds under a written investment policy. The District's deposits and investments are invested pursuant to the investment policy, which is approved annually by the Board. The primary objectives of the District's investment strategy, in order of priority, are safety, liquidity, and yield.

The District is entitled to invest in obligations of the United States of America, the State and their agencies, or any state, county, city and any other political subdivisions of any state rated by a nationally recognized investment rating firm with a rating not less than A or its equivalent, certificates of deposit of state or national banks or savings and loan associations within the State, prime domestic bankers' acceptances, commercial paper with a stated maturity of 270 days or less from the date of its issuance, fully collateralized repurchase agreements, no-load money market mutual funds regulated by the United States Securities and Exchange Commission, and eligible public funds investment pools.

Investments held at September 30, 2021, consisted of the following:

Type	Fair Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
Certificates of deposit	\$ 2,850,000	140	N/A
Public funds investment pool - TexPool	34,035,967	1	AAAm
Total	<u>\$ 36,885,967</u>		

TexPool - The Comptroller of Public Accounts is the sole officer and director of the Texas Treasury Safekeeping Trust Company, which is authorized to operate the state investment pool ("TexPool"). Although TexPool is not registered with the SEC as an investment company, they operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. These investments are stated at amortized cost in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. TexPool also has an advisory board to advise on TexPool's investment policy. This board is made up equally of participants and nonparticipants who do not have a business relationship with TexPool. Federated Investors manage daily operations of TexPool under a contract with the Comptroller and is the investment manager for the pool. TexPool's investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

In accordance with GASB Statement No. 79, the external local government investment pool does not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. This pool does not impose any liquidity fees or redemption gates.

Credit Risk - At September 30, 2021, investments were included in an external local governmental investment pool and certificates of deposit with ratings from Standard & Poor's in compliance with the District's investment policy.

Interest Rate Risk - The District considers the holdings in the external local governmental investment pool to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholders, unless there has been a significant change in value. At September 30, 2021, the District's holdings in certificates of deposit had a weighted average maturity of 140 days.

4. Capital Assets

Capital assets activity for the year ended September 30, 2021 was as follows:

	Balance September 30, 2020	Additions	Retirements and Transfers	Balance September 30, 2021
Capital assets, not being depreciated:				
Land	\$ 1,405,272	-	-	1,405,272
Construction in progress	13,309,838	8,235,190	(6,721,230)	14,823,798
Total capital assets, not being depreciated	14,715,110	8,235,190	(6,721,230)	16,229,070
Capital assets being depreciated:				
Water systems	26,624,128	158,013	6,721,230	33,503,371
Buildings	371,885	-	-	371,885
Vehicles	29,454	-	-	29,454
Furniture and equipment	39,300	7,234	-	46,534
Organizational costs	74,280	-	-	74,280
Total capital assets being depreciated	27,139,047	165,247	6,721,230	34,025,524
Less accumulated depreciation for:				
Water systems	(7,579,225)	(571,845)	-	(8,151,070)
Buildings	(36,427)	(18,584)	-	(55,011)
Vehicles	(21,535)	(6,696)	-	(28,231)
Furniture and equipment	(19,935)	(1,515)	-	(21,450)
Organizational costs	(74,280)	-	-	(74,280)
Total accumulated depreciation	(7,731,402)	(598,640)	-	(8,330,042)
Total capital assets being depreciated, net	19,407,645	(433,393)	6,721,230	25,695,482
Capital assets, net	<u>\$ 34,122,755</u>	<u>7,801,797</u>	<u>-</u>	<u>41,924,552</u>

5. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds.” The composition of interfund balances as of September 30, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
General	Debt Service	<u>\$ 2,301</u>

6. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2021:

	Balance September 30, 2020	Additions	Retirements	Balance September 30, 2021
Bonds payable	\$ 41,730,000	-	(1,470,000)	40,260,000
Issuance discount on bonds	(12,462)	-	593	(11,869)
Total	<u>\$ 41,717,538</u>	<u>-</u>	<u>(1,469,407)</u>	<u>40,248,131</u>

Long-term debt at September 30, 2021 was comprised of the Series 2016 Unlimited Tax Bonds, due in annual installments from August 15, 2018 thru 2041. Interest varies from 2.00% to 3.00% and is payable on February 15 and August 15 each year.

The bonds require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and cover the cost of assessing and collecting taxes. These provisions have been met, and the cash allocated for these purposes is sufficient to meet debt service requirements through the fiscal year ended September 30, 2021.

Debt service requirements to maturity for District's bonds are summarized as follows:

Fiscal Year	Principal	Interest	Total Requirement
2022	\$ 1,500,000	1,070,763	2,570,763
2023	1,530,000	1,040,762	2,570,762
2024	1,575,000	1,010,163	2,585,163
2025	1,625,000	978,662	2,603,662
2026	1,670,000	946,163	2,616,163
2027-2031	9,140,000	4,190,587	13,330,587
2032-2036	10,655,000	2,863,950	13,518,950
2037-2041	12,565,000	1,156,650	13,721,650
Total	<u>\$ 40,260,000</u>	<u>13,257,700</u>	<u>53,517,700</u>

At September 30, 2021, there were \$1,510,000 of bonds authorized by voters of the District but unissued.

7. Property Taxes

The Texas Water Code authorizes the District to levy a tax each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located within its boundaries. Assessed values are established annually by the Travis Central Appraisal District. District property tax revenues are recognized when levied to the extent that they are collected in the current year. The uncollected balance is reported as deferred revenue. Taxes receivable are due January 1 and are delinquent if received after January 31 and are subject to penalty and interest charges.

In September 2020, the District levied a combined tax rate of \$0.0840 per \$100 of assessed valuation to finance operating expenditures and debt service requirements. The maintenance tax rate and the debt service tax rate were \$0.0290 and \$0.0550, respectively. The total 2020 tax levy was \$3,998,085 based on a taxable valuation of \$4,634,598,972.

8. Fund Balances

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

Nonspendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned - For the General Fund, amounts that are appropriated by the Board that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

The detail of the fund balances are included in the Governmental Funds Balance Sheet on page 10.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board may also assign fund balance for a specific purpose.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

The District has adopted a minimum fund balance requirement in the General Fund equal to twelve months of operating expenditures.

9. Commitments and Contingent Liabilities

The District entered into an agreement in 1987 which obligates the District to reimburse costs incurred by Travis County to relocate a District waterline. The District's obligation for this relocation, which was necessitated by a capital improvement project undertaken by Travis County, was not to exceed \$100,000. No request for reimbursement has been presented to the District at this time, although the project was completed during 1988. The District has not recorded a liability associated with this project as its monetary obligation is not presently determinable.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the world. While the disruption is expected to be temporary, there is uncertainty around the severity and duration. Due to the nature of the District's services, the pandemic may negatively impact the District's business, results of operations, and financial position; however, the related financial impact cannot be reasonably estimated at this time.

10. Risk Management

The District's risk management program includes coverage through third party insurance providers for automobile liability, director and officer liability, public officials position liability and commercial umbrella and general liability. During the year ended September 30, 2021, there were no significant reductions in insurance coverage from coverage in the prior year. Losses in excess of the various deductible levels are covered through traditional indemnity coverage with various insurance firms. Settled claims have not exceeded insurance limits for the past three years.

11. Retirement Plan

The District has a Simplified Employee Pension Plan (the "Plan") for the benefit of the employees of the District. The employees may contribute to the Plan subject to certain limitations. Under the provisions of the Plan, the District may make discretionary contributions. The District made contributions to the Plan of \$26,578 during the year ended September 30, 2021.

Travis County Water Control and Improvement District No. 10

Index of Supplemental Schedules Required by Texas Commission on Environmental Quality Year Ended September 30, 2021

Schedule Included			
Yes	No		
<u>X</u>	<u> </u>	TSI-0	Notes Required by the Water District Accounting Manual
<u>X</u>	<u> </u>	TSI-1	Schedule of Services and Rates
<u>X</u>	<u> </u>	TSI-2	Schedule of General Fund Expenditures
<u>X</u>	<u> </u>	TSI-3	Schedule of Temporary Investments
<u>X</u>	<u> </u>	TSI-4	Analysis of Taxes Levied and Receivable
<u>X</u>	<u> </u>	TSI-5	Long-Term Debt Service Requirements by Years
<u>X</u>	<u> </u>	TSI-6	Analysis of Changes in Long-Term Bonded Debt
<u>X</u>	<u> </u>	TSI-7	Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund - Five Years
<u>X</u>	<u> </u>	TSI-8	Board Members, Key Personnel and Consultants

Travis County Water Control and Improvement District No. 10

TSI-0 Notes Required by the Water District Accounting Manual Year Ended September 30, 2021

The notes which follow are not necessarily required for fair presentation of the audited basic financial statements of the District which are contained in the preceding section of this report. They are presented in conformity with requirements of the Texas Commission on Environmental Quality to assure disclosure of specifically required facts.

(A) Creation of District

See Note 1 to basic financial statements.

(B) Contingent Liabilities

See Note 9 to basic financial statements.

(C) Pension Coverage

Not applicable.

(D) Pledge of Revenues

See Note 6 to basic financial statements.

(E) Compliance with Debt Service Requirements

See Note 6 to basic financial statements.

(F) Redemption of Bonds

See Note 6 to basic financial statements.

Travis County Water Control and Improvement District No. 10

TSI-1 Schedule of Services and Rates Year Ended September 30, 2021

1. Services Provided by the District:

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

2. Retail Service Providers:

a. Retail Rates for a 5/8" Meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons Over Minimum Use	Usage Levels
Water	\$ 25.00	-	Y	\$ 2.50	0 to 5,000
				3.13	5,001 to 10,000
				3.91	10,001 to 15,000
				4.88	15,001 to 20,000
				6.10	20,001 to 30,000
				7.63	30,001 to 45,000
				9.71	Over 45,000
Wastewater	\$ N/A	-	-	\$ -	-
Surcharge	\$ None	-	-	\$ -	-

District employs winter averaging for wastewater usage? ☐ Yes ☒ No

Total charges per 10,000 gallons usage: Water: \$ 53.15 Wastewater: \$ N/A

(continued)

Travis County Water Control and Improvement District No. 10

TSI-1 Schedule of Services and Rates (continued) Year Ended September 30, 2021

b. Water and Wastewater Retail Connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered	2	2	x 1.0	2
<=3/4"	2,151	2,095	x 1.0	2,095
1"	681	673	x 2.5	1,683
1 1/2"	103	100	x 5.0	500
2"	73	73	x 8.0	584
3"	8	8	x 15.0	120
4"	1	1	x 25.0	25
6"	1	1	x 50.0	50
8"	-	-	x 80.0	-
10"	1	1	x 115.0	115
Total Water	3,021	2,954		5,174
Total Wastewater	N/A	N/A	x 1.0	-

3. Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):

Gallons pumped into system:	<u>746,163,000</u>	Water accountability ratio:
Gallons billed to customers:	<u>677,549,000</u>	(Gallons billed/gallons pumped)
		<u>90.80%</u>

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

Does the District have Debt Service standby fees? ☐ Yes ☒ No

If yes, Date of the most recent Commission Order: N/A

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

If yes, Date of the most recent Commission Order: N/A

(continued)

Travis County Water Control and Improvement District No. 10

TSI-1 Schedule of Services and Rates (continued)

Year Ended September 30, 2021

5. Location of District:

County(ies) in which district is located: Travis

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: City of Westlake

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

ETJ's in which district is located: Cities of Austin and Westlake

Are Board members appointed by an office outside the District? ☐ Yes ☒ No

If yes, by whom? N/A

Travis County Water Control and Improvement District No. 10

TSI-2 Schedule of General Fund Expenditures Year Ended September 30, 2021

Personnel expenditures (including benefits)	\$ 267,061
Professional fees:	
Auditing	20,000
Legal	64,099
Engineering	136,407
Purchased services for resale-	
Bulk water service purchases	2,561,210
Contracted services:	
Billing and bookkeeping	257,364
General manager	-
Appraisal district	24,676
Tax Collector	-
Other contracted services	-
Utilities	192,232
Repairs and maintenance	546,787
Administrative expenditures:	
Directors' fees	-
Office supplies	58,986
Insurance	31,563
Other administrative expenses	45,495
Capital outlay:	
Capitalized assets	348,051
Expenditures not capitalized	90,520
Tap connection expenditures	-
Solid waste disposal	-
Fire fighting	-
Parks and recreation	-
Other expenditures	324,154
Total expenditures	<u>\$ 4,968,605</u>

Number of persons employed by the District: 2 Full-Time 5 Part-Time
(Does not include independent contractors or consultants)

Travis County Water Control and Improvement District No. 10

TSI-3 Schedule of Temporary Investments Year Ended September 30, 2021

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at September 30, 2021	Accrued Interest Receivable at September 30, 2021
<u>General Fund</u>					
Investment in TexPool	2278100006	Variable	N/A	\$ 7,669,971	-
Investment in TexPool	2278100002	Variable	N/A	6,697,883	-
Investment in TexPool	2278100003	Variable	N/A	19,546	-
Certificate of Deposit at BancorpSouth	91300011963299	0.44%	9/15/2022	240,000	43
Certificate of Deposit at Frontier Bank	12270	0.50%	1/13/2022	240,000	855
Certificate of Deposit at Horizon Bank Texas SSB	102210222907	0.75%	7/18/2021	250,000	177
Certificate of Deposit at Independent Bank	440011465	0.30%	5/16/2022	240,000	270
Certificate of Deposit at Plains State Bank	4191320	0.25%	6/15/2022	240,000	176
Certificate of Deposit at Southstar Bank	2000000222	0.35%	11/17/2021	240,000	730
Certificate of Deposit at Texas Capital Bank	3216000475	0.25%	10/17/2021	240,000	521
Certificate of Deposit at Wallis Bank	6550110165	0.40%	11/17/2021	240,000	834
Certificate of Deposit at Third Coast Bank	6000039633	0.75%	12/15/2021	240,000	1,425
Certificate of Deposit at Spirit of Texas Bank	36000288	0.55%	10/15/2021	240,000	1,266
Certificate of Deposit at Veritex Community Bank	9009004464	0.40%	2/12/2022	240,000	605
Totals				17,037,400	6,902
<u>Debt Service Fund</u>					
Investment in TexPool	2278100011	Variable	N/A	3,005	-
Investment in TexPool	2278100004	Variable	N/A	368,794	-
Certificate of Deposit at Frontier Bank	12687	0.40%	1/6/2022	200,000	182
Totals				571,799	182
<u>Capital Projects Fund</u>					
Investment in TexPool	2278100010	Variable	N/A	19,276,768	-
Total - all funds				\$ 36,885,967	\$ 7,084

Travis County Water Control and Improvement District No. 10

TSI-4 Analysis of Taxes Levied and Receivable Year Ended September 30, 2021

	Maintenance Taxes	Debt Service Taxes
Taxes receivable, September 30, 2020	\$ 31,716	\$ 45,630
2020 Tax roll	1,380,291	2,617,794
Adjustments	(13,720)	(21,796)
Total to be accounted for	1,398,287	2,641,628
Tax collections:		
Current year	1,360,997	2,581,201
Prior years	7,478	14,043
Total collections	1,368,475	2,595,244
Taxes receivable, September 30, 2021	<u>\$ 29,812</u>	<u>\$ 46,384</u>
Taxes receivable, by years		
2020	\$ 10,703	\$ 20,299
2019	5,527	10,531
2018	3,706	7,448
2017	2,156	4,642
2016 and prior	7,720	3,464
Taxes receivable, September 30, 2021	<u>\$ 29,812</u>	<u>\$ 46,384</u>
Property valuations-		
Land improvements and personal property	\$ 4,634,598,972	\$ 4,567,062,769
	\$ 4,273,312,578	\$ 3,976,623,320
Tax rates per \$100 valuation:		
Maintenance tax rates	0.0290	0.0296
Debt service tax rates	0.0550	0.0564
Total tax rates per \$100 valuation	<u>\$ 0.0840</u>	<u>\$ 0.0860</u>
	<u>\$ 0.0900</u>	<u>\$ 0.0946</u>
Original tax levy	<u>\$ 3,998,085</u>	<u>\$ 3,923,651</u>
	<u>\$ 3,850,855</u>	<u>\$ 3,780,874</u>
Percent of taxes collected to taxes levied	<u>99.2%</u>	<u>99.6%</u>
	<u>99.7%</u>	<u>99.8%</u>

Travis County Water Control and Improvement District No. 10

TSI-5 Long-Term Debt Service Requirements - By Years September 30, 2021

Due During Fiscal Years Ending 9/30	Unlimited Tax Bonds Series 2016		
	Principal Due 8/15	Interest Due 2/15, 8/15	Total
2022	\$ 1,500,000	1,070,763	2,570,763
2023	1,530,000	1,040,762	2,570,762
2024	1,575,000	1,010,163	2,585,163
2025	1,625,000	978,662	2,603,662
2026	1,670,000	946,163	2,616,163
2027	1,720,000	912,762	2,632,762
2028	1,775,000	878,363	2,653,363
2029	1,825,000	842,862	2,667,862
2030	1,880,000	801,800	2,681,800
2031	1,940,000	754,800	2,694,800
2032	2,000,000	696,600	2,696,600
2033	2,060,000	636,600	2,696,600
2034	2,130,000	574,800	2,704,800
2035	2,195,000	510,900	2,705,900
2036	2,270,000	445,050	2,715,050
2037	2,345,000	376,950	2,721,950
2038	2,425,000	306,600	2,731,600
2039	2,510,000	233,850	2,743,850
2040	2,595,000	158,550	2,753,550
2041	2,690,000	80,700	2,770,700
	<u>\$ 40,260,000</u>	<u>13,257,700</u>	<u>53,517,700</u>

Travis County Water Control and Improvement District No. 10

TSI-6 Analysis of Changes in Long-Term Bonded Debt Year Ended September 30, 2021

	<u>Series 2016</u>
Interest rate	2.00 to 3.00%
Dates interest payable	2/15; 8/15
Maturity date	8/15/2041
Bonds outstanding, beginning of year	\$ 41,730,000
Bonds issued during the current year	-
Bonds retired during the current year	<u>(1,470,000)</u>
Bonds outstanding, end of year	<u>\$ 40,260,000</u>
Interest paid during the current year	<u>\$ 1,100,163</u>

Paying Agent's Name & Address: BOKF, NA, Austin, Texas

	<u>Tax Bonds</u>	<u>Other Bonds</u>	<u>Refunding Bonds</u>
Bond Authority:			
Bond authorized by voters	\$ 53,270,000	-	-
Amount issued	<u>51,760,000</u>	<u>-</u>	<u>-</u>
Remaining to be issued	<u>\$ 1,510,000</u>	<u>-</u>	<u>-</u>

Debt Service Fund Cash and Temporary Investments balances
as of September 30, 2021: \$ 571,799

Average annual debt service payment (principal & interest)
for remaining term of all debt: \$ 2,675,885

Travis County Water Control and Improvement District No. 10

TSI-7 Comparative Schedule of Revenues and Expenditures -General Fund and Debt Service Fund Five Years Ended September 30, 2021

	Amounts					Percent of Fund Total Revenues				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
General Fund										
Revenues and other financing sources:										
Property taxes	\$ 1,368,475	1,336,681	1,268,016	1,168,543	1,107,243	21.8 %	21.0	18.9	18.7	18.3
Water service	4,732,526	4,743,079	4,658,145	4,767,625	4,739,313	75.4	74.7	69.6	76.1	78.4
Tap connection fees	44,001	35,186	48,375	61,765	51,125	0.7	0.6	0.7	1.0	0.8
Interest on temporary investments	22,970	161,859	336,086	190,388	69,270	0.4	2.5	5.0	3.0	1.1
Other	99,688	70,173	66,964	69,274	77,384	1.6	1.1	1.0	1.1	1.3
Penalties and interest on tax accounts	5,681	5,306	5,211	3,450	4,439	0.1	0.1	0.1	0.1	0.1
Proceeds from sale of capital assets	-	-	314,000	-	-	-	-	4.7	-	-
Total revenues and other financing sources	6,273,341	6,352,284	6,696,797	6,261,045	6,048,774	100.0	100.0	100.0	100.0	100.0
Expenditures and other financing uses:										
Purchased water	2,561,210	2,707,090	2,336,959	2,048,598	2,090,903	40.8	42.6	34.9	32.7	34.6
Professional fees	274,037	310,655	235,652	210,297	282,950	4.4	4.9	3.5	3.4	4.7
Contracted services	282,040	282,692	281,750	280,917	266,344	4.5	4.5	4.2	4.5	4.4
Consumable supplies and materials	546,787	581,664	282,827	291,262	362,625	8.7	9.2	4.2	4.7	6.0
Recurring operating	865,960	661,754	784,785	681,610	688,061	13.8	10.4	11.7	10.9	11.4
Capital outlay	438,571	588,324	891,825	462,563	42,227	7.0	9.3	13.3	7.4	0.7
Transfers out	-	-	-	-	19,335	-	-	-	-	0.3
Total expenditures and other financing uses	4,968,605	5,132,179	4,813,798	3,975,247	3,752,445	79.2	80.9	71.8	63.6	62.1
Excess of revenues and other financing sources over expenditures and other financing uses	\$ 1,304,736	1,220,105	1,882,999	2,285,798	2,296,329	20.8 %	19.1	28.2	36.4	37.9
Debt Service Fund										
Revenues:										
Property taxes	\$ 2,595,244	2,545,502	2,548,544	2,526,021	1,393,906	99.6 %	99.1	98.1	98.8	99.3
Penalties and interest on tax accounts	10,694	9,460	10,452	5,505	3,612	0.3	0.3	0.3	0.1	0.2
Interest and other	2,575	16,387	40,562	28,367	6,704	0.1	0.6	1.6	1.1	0.5
Total revenues	2,608,513	2,571,349	2,599,558	2,559,893	1,404,222	100.0	100.0	100.0	100.0	100.0
Expenditures-										
Debt service	2,570,563	2,569,363	2,572,663	2,570,363	1,402,406	98.5	99.0	100.4	99.9	-
Total expenditures	2,570,563	2,569,363	2,572,663	2,570,363	1,402,406	98.5	99.0	100.4	99.9	-
Excess (deficiency) of revenues over (under) expenditures	\$ 37,950	1,986	26,895	(10,470)	1,816	1.5 %	1.0	(0.4)	0.1	100.0
Total active retail water connections	2,954	2,945	2,924	2,924	2,914					
Total active retail wastewater connections	-	-	-	-	-					

Travis County Water Control and Improvement District No. 10

TSI-8 Board Members, Key Personnel and Consultants September 30, 2021

Complete District Mailing Address: 5324 Bee Cave Road, Austin, Texas 78746

District Business Telephone Number: (512) 327-2230

Submission date of the most recent District Registration Form: September 8, 2021
(TWC Sections 36.054 and 49.054)

Limit on fees of office that a director may receive during a fiscal year: \$ 7,200
(Set by Board Resolution - TWC Sections 49.060)

<u>Names</u>	<u>Term of Office Elected & Expires or Date Hired</u>	<u>Fees 9/30/2021</u>	<u>Expense Reimbursements 9/30/2021</u>	<u>Title at Year End</u>
Board Members:				
Paul Barker	(Elected) 11/20 - 11/24	\$ -	\$ -	President
James Robertson	(Elected) 11/18 - 11/22	2,100	-	Vice President
Jon Luce	(Elected) 11/20 - 11/24	2,100	-	Secretary
Emmett McCall	(Elected) 11/20 - 11/24	1,800	-	Director
Greg Reynolds	(Appointed) 09/20 - 11/22	1,650	-	Director

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

Key Administrative Personnel-

Carla A. Orts	03/01	\$ 140,819 (Salary)	\$ - (reimbursements)	General Manager
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(continued)

Travis County Water Control and Improvement District No. 10

TSI-8 Board Members, Key Personnel and Consultants (continued) September 30, 2021

Names and Addresses	Term of Office Elected & Expires or Date Hired	Fees & Expense Reimbursements 9/30/2021	Title at Year End
Consultants:			
Gilbert Wilburn, PLLC	8/12	\$ 45,855	Former Attorney
The Carlton Law Firm	4/21	61,689	Attorney
Dannenbaum Engineering Company, LLC	8/84	1,138,335	District Engineer
Maxwell Locke & Ritter LLP	9/91	20,000	Auditor
Travis Central Appraisal District	Unknown	15,783	Tax Appraiser
Municipal Accounts & Consulting LP	8/08	54,827	Bookkeeper
Crossroads Utility Services	8/09	1,220,939	Operator