

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

**Financial Statements and  
Supplemental Information for the  
Year Ended September 30, 2022 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, \_\_\_\_\_  
(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 \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, its annual audit report for the fiscal year ended September 30, 2022 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: \_\_\_\_\_, 20\_\_\_\_. By: \_\_\_\_\_  
(Signature of District Representative)

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

Sworn to and subscribed to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
(Signature of Notary)

(SEAL)

\_\_\_\_\_  
(Printed Name of Notary)

My Commission Expires On: \_\_\_\_\_  
Notary Public in and for the State of Texas.



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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:

### **Opinions**

We have audited the 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, 2022, 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 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, 2022, 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.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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**

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.

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

*"A Registered Investment Advisor"*

*This firm is not a CPA firm*

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.

### **Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 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.

## **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 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. Such information 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. The 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, 2023

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

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## **Management’s Discussion and Analysis For the Year Ended September 30, 2022**

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, 2022. 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

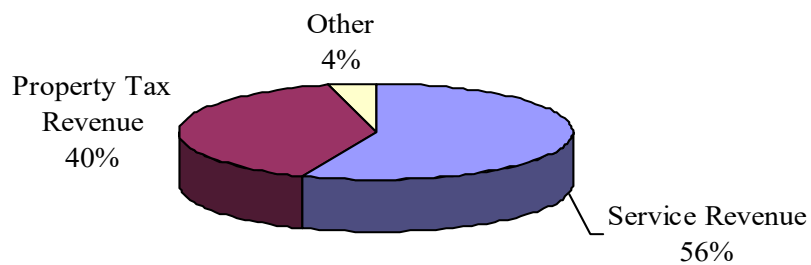
### Statement of Net Position

	Governmental Activities		
	2022	2021	% Change
Current assets	\$ 33,217,476	\$ 38,580,344	(14%)
Capital assets	48,882,525	41,924,552	17%
Total assets	<u>\$ 82,100,001</u>	<u>\$ 80,504,896</u>	<u>2%</u>
Current liabilities	\$ 3,822,622	\$ 3,756,934	2%
Long-term liabilities	37,218,724	38,748,131	(4%)
Total liabilities	<u>\$ 41,041,346</u>	<u>\$ 42,505,065</u>	<u>(3%)</u>
Net investment in capital assets	\$ 20,740,873	\$ 19,732,882	5%
Restricted	513,415	482,219	6%
Unrestricted	19,804,367	17,784,730	11%
Total net position	<u>\$ 41,058,655</u>	<u>\$ 37,999,831</u>	<u>8%</u>

The District's total assets were approximately \$82.1 million as of September 30, 2022. Of this amount, approximately \$48.9 million was accounted for by capital assets. The District had outstanding liabilities of approximately \$41.0 million. Of this amount, approximately \$38.7 million was accounted for by bonds payable.

The District's property tax assessed value for fiscal year 2022 (which is based on the 2021 tax levy) was \$5.1 billion compared to approximately \$4.6 billion for fiscal year 2021. 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		
	2022	2021	% Change
Utility services	\$ 5,514,212	\$ 4,776,527	15%
Taxes and miscellaneous	4,385,050	4,117,916	6%
Total revenues	<u>9,899,262</u>	<u>8,894,443</u>	<u>11%</u>
Purchased water	2,945,072	2,561,210	15%
Professional fees	264,488	277,462	(5%)
Contracted services	281,710	282,040	(<1%)
Consumable supplies and materials	644,694	562,399	15%
Recurring operating	865,345	865,960	(<1%)
Capital outlay	69,559	90,520	(23%)
Debt service	1,068,006	1,097,481	(3%)
Depreciation	<u>701,564</u>	<u>598,640</u>	<u>17%</u>
Total expenses	<u>6,840,438</u>	<u>6,335,712</u>	<u>8%</u>
Change in net position	3,058,824	2,558,731	20%
Beginning net position	<u>37,999,831</u>	<u>35,441,100</u>	<u>7%</u>
Ending net position	<u>\$ 41,058,655</u>	<u>\$ 37,999,831</u>	<u>8%</u>

Operating revenues increased by approximately \$1.0 million to approximately \$9.9 million for the fiscal year ended September 30, 2022. Utility services provided approximately \$5.5 million in revenue and property taxes and other revenues generated approximately \$4.4 million in revenues. Total expenses increased approximately \$505,000 to approximately \$6.8 million for the fiscal year ended September 30, 2022. Net position increased approximately \$3.1 million for the fiscal year ended September 30, 2022 compared to an increase of approximately \$2.6 million for the fiscal year ended September 30, 2021.

## Analysis of Governmental Funds

### Government Funds by Year

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash	\$ 447,031	\$ 237,903	\$ 561,922
Investments	31,107,484	36,885,967	43,279,616
Receivables and prepaids	1,662,961	1,456,474	1,261,621
Interfund receivable	<u>5,961</u>	<u>2,301</u>	<u>40,387</u>
Total assets	<u>\$ 33,223,437</u>	<u>\$ 38,582,645</u>	<u>\$ 45,143,546</u>
Accounts payable	\$ 1,675,987	\$ 1,667,740	\$ 1,425,438
Customer deposits	458,866	434,386	434,035
Other liabilities	27,674	20,963	70,283
Interfund payable	<u>5,961</u>	<u>2,301</u>	<u>40,387</u>
Total liabilities	<u>2,168,488</u>	<u>2,125,390</u>	<u>1,970,143</u>
Deferred inflows of resources	<u>77,818</u>	<u>76,195</u>	<u>77,346</u>
Nonspendable	5,015	4,646	4,928
Restricted for debt service	594,879	569,681	531,731
Restricted for capital projects	10,607,072	18,056,461	26,114,144
Unassigned	<u>19,770,165</u>	<u>17,750,272</u>	<u>16,445,254</u>
Total fund balances	<u>30,977,131</u>	<u>36,381,060</u>	<u>43,096,057</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 33,223,437</u>	<u>\$ 38,582,645</u>	<u>\$ 45,143,546</u>

The *General Fund* pays for daily operating expenditures. When comparing actual to budget, expenditures were less than budgeted by approximately \$1.7 million due primarily to less capital outlay and conservative budgeting. Revenues were more than budgeted by approximately \$358,000 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 \$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 \$7.5 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>2022</u>	<u>2021</u>
Land	\$ 1,405,272	\$ 1,405,272
Infrastructure	33,515,463	33,503,371
Buildings	371,885	371,885
Construction in progress	22,394,296	14,823,798
Other	227,215	150,268
Subtotal	57,914,131	50,254,594
Accumulated depreciation	<u>(9,031,606)</u>	<u>(8,330,042)</u>
Total	<u>\$ 48,882,525</u>	<u>\$ 41,924,552</u>

During the year, approximately \$7.7 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, 2022:

Current portion	\$ 1,530,000
Long-term portion	<u>37,230,000</u>
Total	<u>\$ 38,760,000</u>

The District owes approximately \$38.8 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 2023 tax rate (2022 tax year) has been set at \$0.0675 per \$100 of assessed valuation, which consists of \$0.0250 for maintenance and operations and \$0.0425 for debt service. The adopted budget for fiscal year 2023 projects an operating fund balance increase of approximately \$4,000. When compared to the fiscal year 2022 budget, both revenues and expenditures are expected to increase by approximately 2%.

### **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, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Note 2)	Statement of Net Position
<b>Assets:</b>						
Cash	\$ 447,031	-	-	447,031	-	447,031
Investments	18,655,194	600,108	11,852,182	31,107,484	-	31,107,484
Receivables:						
Service accounts	1,216,427	-	-	1,216,427	-	1,216,427
Taxes	29,187	48,631	-	77,818	-	77,818
Interest	14,803	732	-	15,535	-	15,535
Other	348,166	-	-	348,166	-	348,166
Prepays	5,015	-	-	5,015	-	5,015
Due from other funds	5,961	-	-	5,961	(5,961)	-
Capital assets (net of accumulated depreciation):						
Land	-	-	-	-	1,405,272	1,405,272
Infrastructure	-	-	-	-	24,692,224	24,692,224
Buildings	-	-	-	-	298,290	298,290
Vehicles	-	-	-	-	67,038	67,038
Furniture and equipment	-	-	-	-	25,405	25,405
Construction in progress	-	-	-	-	22,394,296	22,394,296
Total assets	<u>\$ 20,721,784</u>	<u>649,471</u>	<u>11,852,182</u>	<u>33,223,437</u>	<u>48,876,564</u>	<u>82,100,001</u>
<b>Liabilities:</b>						
Accounts payable	430,877	-	1,245,110	1,675,987	-	1,675,987
Customer deposits	458,866	-	-	458,866	-	458,866
Engineering review fee deposits	2,979	-	-	2,979	-	2,979
Other liabilities	24,695	-	-	24,695	-	24,695
Due to other funds	-	5,961	-	5,961	(5,961)	-
Accrued bond interest payable	-	-	-	-	130,095	130,095
Long-term liabilities:						
Due within one year - bonds	-	-	-	-	1,530,000	1,530,000
Due after one year - bonds	-	-	-	-	37,218,724	37,218,724
Total liabilities	<u>\$ 917,417</u>	<u>5,961</u>	<u>1,245,110</u>	<u>2,168,488</u>	<u>38,872,858</u>	<u>41,041,346</u>
<b>Deferred Inflows of Resources-</b>						
Deferred revenue - property taxes	<u>29,187</u>	<u>48,631</u>	<u>-</u>	<u>77,818</u>	<u>(77,818)</u>	<u>-</u>
<b>Fund Balances/Net Position:</b>						
Fund balances:						
Nonspendable	5,015	-	-	5,015	(5,015)	-
Restricted for:						
Debt service	-	594,879	-	594,879	(594,879)	-
Capital projects	-	-	10,607,072	10,607,072	(10,607,072)	-
Unassigned	<u>19,770,165</u>	<u>-</u>	<u>-</u>	<u>19,770,165</u>	<u>(19,770,165)</u>	<u>-</u>
Total fund balances	<u>19,775,180</u>	<u>594,879</u>	<u>10,607,072</u>	<u>30,977,131</u>	<u>(30,977,131)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,721,784</u>	<u>649,471</u>	<u>11,852,182</u>	<u>33,223,437</u>		
Net position:						
Net investment in capital assets					\$ 20,740,873	20,740,873
Restricted for debt service					513,415	513,415
Unrestricted					<u>19,804,367</u>	<u>19,804,367</u>
Total net position					<u>\$ 41,058,655</u>	<u>41,058,655</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, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Note 2)	Statement of Activities
<b>Expenditures/Expenses:</b>						
Service operations:						
Purchased water	\$ 2,945,072	-	-	2,945,072	-	2,945,072
Professional fees	263,463	-	1,025	264,488	-	264,488
Contracted services	281,710	-	-	281,710	-	281,710
Consumable supplies and materials	632,046	-	12,648	644,694	-	644,694
Recurring operating	865,345	-	-	865,345	-	865,345
Capital outlay	191,342	-	7,537,754	7,729,096	(7,659,537)	69,559
Debt service:						
Principal payments	-	1,500,000	-	1,500,000	(1,500,000)	-
Interest and fiscal charges	-	1,071,163	-	1,071,163	(3,157)	1,068,006
Depreciation	-	-	-	-	701,564	701,564
Total expenditures/expenses	<u>5,178,978</u>	<u>2,571,163</u>	<u>7,551,427</u>	<u>15,301,568</u>	<u>(8,461,130)</u>	<u>6,840,438</u>
<b>Revenues:</b>						
Program revenues:						
Water service	5,506,231	-	-	5,506,231	-	5,506,231
Tap connection fees	7,981	-	-	7,981	-	7,981
Total program revenues	<u>5,514,212</u>	<u>-</u>	<u>-</u>	<u>5,514,212</u>	<u>-</u>	<u>5,514,212</u>
Net program expense						<u>(1,326,226)</u>
General revenues:						
Property taxes	1,405,099	2,570,579	-	3,975,678	1,623	3,977,301
Interest on temporary investments	151,286	13,213	102,038	266,537	-	266,537
Penalties and interest on tax accounts	7,996	12,567	-	20,563	-	20,563
Other	120,647	2	-	120,649	-	120,649
Total general revenues	<u>1,685,028</u>	<u>2,596,361</u>	<u>102,038</u>	<u>4,383,427</u>	<u>1,623</u>	<u>4,385,050</u>
Total revenues	<u>7,199,240</u>	<u>2,596,361</u>	<u>102,038</u>	<u>9,897,639</u>	<u>1,623</u>	<u>9,899,262</u>
Excess (deficiency) of revenues over (under) expenditures	2,020,262	25,198	(7,449,389)	(5,403,929)	5,403,929	-
Change in net position	-	-	-	-	3,058,824	3,058,824
Fund balances/net position:						
Beginning of year	17,754,918	569,681	18,056,461	36,381,060	1,618,771	37,999,831
End of year	<u>\$ 19,775,180</u>	<u>594,879</u>	<u>10,607,072</u>	<u>30,977,131</u>	<u>10,081,524</u>	<u>41,058,655</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 Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund Year Ended September 30, 2022

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 1,375,017	1,405,099	30,082
Interest on temporary investments	40,200	151,286	111,086
Water service	5,300,000	5,506,231	206,231
Tap connection fees	15,000	7,981	(7,019)
Penalties and interest on tax accounts	5,000	7,996	2,996
Other	105,700	120,647	14,947
Total revenues	<u>6,840,917</u>	<u>7,199,240</u>	<u>358,323</u>
<b>Expenditures:</b>			
Service operations:			
Purchased water	2,800,000	2,945,072	(145,072)
Professional fees	537,000	263,463	273,537
Contracted services	344,000	281,710	62,290
Consumable supplies and materials	847,000	632,046	214,954
Recurring operating	858,328	865,345	(7,017)
Capital outlay	1,454,000	191,342	1,262,658
Total expenditures	<u>6,840,328</u>	<u>5,178,978</u>	<u>1,661,350</u>
Excess of revenues over expenditures	589	2,020,262	2,019,673
Fund balance:			
Beginning of year	<u>17,754,918</u>	<u>17,754,918</u>	<u>-</u>
End of year	<u>\$ 17,755,507</u>	<u>19,775,180</u>	<u>2,019,673</u>

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, 2022

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### 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, 2022.

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.

Interfund Transactions - Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay that amount and if the debtor fund has the ability to repay the advance on a timely basis. Operating transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

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.

### **Change in Accounting Principle for Recently Adopted Accounting Pronouncement**

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. These changes had no impact on the District’s financial statements for the year ended September 30, 2022.

### **Recently Issued Accounting Pronouncement**

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for fiscal years beginning after June 15, 2022. The objective of GASB Statement No. 96 is to improve accounting and financial reporting by establishing a definition for a subscription-based information technology arrangement (“SBITA”) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. GASB Statement No. 96 will require a government to report a right-to-use subscription asset as an intangible asset and a corresponding subscription liability for a SBITA, and also require certain disclosures about the SBITA. GASB Statement No. 96 also provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. Management is evaluating the effects that the full implementation of GASB Statement No. 96 will have on its financial statements for the year ended September 30, 2023.

## 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	\$ 30,977,131
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	48,882,525
Deferred tax revenue is not available to pay for current-period expenditures and, therefore, is deferred in the funds.	77,818
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	(38,748,724)
Bond interest payable	<u>(130,095)</u>
Total net position	<u>\$ 41,058,655</u>

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

Change in fund balances	\$ (5,403,929)
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	7,659,537
Depreciation expense	(701,564)
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	1,623
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	1,500,000
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	3,750
Amortization of original issue discount	<u>(593)</u>
Change in net position	<u>\$ 3,058,824</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, 2022, 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, 2022, consisted of the following:

Type	Fair Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
Certificates of deposit	\$ 1,880,000	67	N/A
Public funds investment pool - TexPool	<u>29,227,484</u>	1	AAAm
Total	<u>\$ 31,107,484</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, 2022, 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, 2022, the District's holdings in certificates of deposit had a weighted average maturity of 67 days.

#### 4. Capital Assets

Capital assets activity for the year ended September 30, 2022 was as follows:

	Balance September 30, 2021	Additions	Retirements and Transfers	Balance September 30, 2022
Capital assets, not being depreciated:				
Land	\$ 1,405,272	-	-	1,405,272
Construction in progress	14,823,798	7,570,498	-	22,394,296
Total capital assets, not being depreciated	16,229,070	7,570,498	-	23,799,568
Capital assets being depreciated:				
Water systems	33,503,371	12,092	-	33,515,463
Buildings	371,885	-	-	371,885
Vehicles	29,454	73,979	-	103,433
Furniture and equipment	46,534	2,968	-	49,502
Organizational costs	74,280	-	-	74,280
Total capital assets being depreciated	34,025,524	89,039	-	34,114,563
Less accumulated depreciation for:				
Water systems	(8,151,070)	(672,169)	-	(8,823,239)
Buildings	(55,011)	(18,584)	-	(73,595)
Vehicles	(28,231)	(8,164)	-	(36,395)
Furniture and equipment	(21,450)	(2,647)	-	(24,097)
Organizational costs	(74,280)	-	-	(74,280)
Total accumulated depreciation	(8,330,042)	(701,564)	-	(9,031,606)
Total capital assets being depreciated, net	25,695,482	(612,525)	-	25,082,957
Capital assets, net	<u>\$ 41,924,552</u>	<u>6,957,973</u>	<u>-</u>	<u>48,882,525</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, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
General	Debt Service	<u>\$ 5,961</u>

## 6. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2022:

	Balance September 30, 2021	Additions	Retirements	Balance September 30, 2022
Bonds payable	\$ 40,260,000	-	(1,500,000)	38,760,000
Issuance discount on bonds	(11,869)	-	593	(11,276)
Total	<u>\$ 40,248,131</u>	<u>-</u>	<u>(1,499,407)</u>	<u>38,748,724</u>

Long-term debt at September 30, 2022 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, 2022.

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

Fiscal Year	Principal	Interest	Total Requirement
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
2028-2032	9,420,000	3,974,425	13,394,425
2033-2037	11,000,000	2,544,300	13,544,300
2038-2041	10,220,000	779,700	10,999,700
Total	<u>\$ 38,760,000</u>	<u>12,186,937</u>	<u>50,946,937</u>

At September 30, 2022, 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 2021, the District levied a combined tax rate of \$0.0773 per \$100 of assessed valuation to finance operating expenditures and debt service requirements. The maintenance tax rate and the debt service tax rate were \$0.0273 and \$0.0500, respectively. The total 2021 tax levy was \$3,998,153 based on a taxable valuation of \$5,139,480,826.

## 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.

## **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, 2022, 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 \$29,250 during the year ended September 30, 2022.

# Travis County Water Control and Improvement District No. 10

## Index of Supplemental Schedules Required by Texas Commission on Environmental Quality Year Ended September 30, 2022

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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, 2022

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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, 2022

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### 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):

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons Over Minimum Use</u>	<u>Usage Levels</u>
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, 2022**

**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	<u>2</u>	<u>2</u>	x 1.0	<u>2</u>
<=3/4"	<u>2,136</u>	<u>2,073</u>	x 1.0	<u>2,073</u>
1"	<u>720</u>	<u>697</u>	x 2.5	<u>1,743</u>
1 1/2"	<u>103</u>	<u>100</u>	x 5.0	<u>500</u>
2"	<u>73</u>	<u>73</u>	x 8.0	<u>584</u>
3"	<u>8</u>	<u>8</u>	x 15.0	<u>120</u>
4"	<u>1</u>	<u>1</u>	x 25.0	<u>25</u>
6"	<u>1</u>	<u>1</u>	x 50.0	<u>50</u>
8"	<u>-</u>	<u>-</u>	x 80.0	<u>-</u>
10"	<u>1</u>	<u>1</u>	x 115.0	<u>115</u>
Total Water	<u>3,045</u>	<u>2,956</u>		<u>5,212</u>
Total Wastewater	<u>N/A</u>	<u>N/A</u>	x 1.0	<u>-</u>

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

Gallons pumped into system:	<u>897,005,000</u>	Water accountability ratio:
Gallons billed to customers:	<u>808,786,000</u>	(Gallons billed/gallons pumped)
		<u>90.17%</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, 2022

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### 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, 2022

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Personnel expenditures (including benefits)	\$	344,822
Professional fees:		
Auditing		20,500
Legal		82,603
Engineering		110,235
Purchased services for resale-		
Bulk water service purchases		2,945,072
Contracted services:		
Billing		257,363
General manager		-
Appraisal district		24,347
Tax Collector		-
Other contracted services		-
Utilities		227,656
Repairs and maintenance		632,046
Administrative expenditures:		
Directors' fees		6,900
Office supplies		63,312
Insurance		37,290
Other administrative expenses		59,025
Capital outlay:		
Capitalized assets		121,783
Expenditures not capitalized		69,559
Tap connection expenditures		-
Solid waste disposal		-
Fire fighting		-
Parks and recreation		-
Other expenditures		176,465
Total expenditures	\$	<u>5,178,978</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, 2022

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at September 30, 2022	Accrued Interest Receivable at September 30, 2022
<u>General Fund</u>					
Investment in TexPool	2278100006	Variable	N/A	\$ 9,319,066	-
Investment in TexPool	2278100002	Variable	N/A	7,636,422	-
Investment in TexPool	2278100003	Variable	N/A	19,706	-
Certificate of Deposit at Frontier Bank	12270	0.50%	1/13/2023	240,000	855
Certificate of Deposit at Southstar Bank	2000000222	0.15%	11/17/2022	240,000	313
Certificate of Deposit at Texas Capital Bank	3216000475	0.25%	10/13/2022	240,000	579
Certificate of Deposit at Wallis Bank	6550110165	0.12%	11/17/2022	240,000	250
Certificate of Deposit at Third Coast Bank	6000039633	0.40%	12/15/2022	240,000	6,651
Certificate of Deposit at Simmons Bank	36000288	0.25%	10/15/2022	240,000	575
Certificate of Deposit at Veritex Community Bank	9009004464	0.30%	2/12/2023	240,000	5,580
Totals				18,655,194	14,803
<u>Debt Service Fund</u>					
Investment in TexPool	2278100011	Variable	N/A	12,740	-
Investment in TexPool	2278100004	Variable	N/A	387,368	-
Certificate of Deposit at Frontier Bank	12687	0.50%	1/6/2023	200,000	732
Totals				600,108	732
<u>Capital Projects Fund</u>					
Investment in TexPool	2278100010	Variable	N/A	11,852,182	-
Total - all funds				\$ 31,107,484	\$ 15,535



# Travis County Water Control and Improvement District No. 10

## TSI-4 Analysis of Taxes Levied and Receivable Year Ended September 30, 2022

	Maintenance Taxes	Debt Service Taxes
Taxes receivable, September 30, 2021	\$ 29,812	\$ 46,384
2021 Tax roll	1,412,026	2,586,127
Adjustments	(7,552)	(13,301)
Total to be accounted for	<u>1,434,286</u>	<u>2,619,210</u>
Tax collections:		
Current year	1,397,477	2,559,481
Prior years	7,622	11,098
Total collections	<u>1,405,099</u>	<u>2,570,579</u>
Taxes receivable, September 30, 2022	<u>\$ 29,187</u>	<u>\$ 48,631</u>

Taxes receivable, by years		
2021	\$ 10,719	\$ 19,631
2020	5,865	11,122
2019	3,202	6,101
2018	2,964	5,958
2017 and prior	6,437	5,819
Taxes receivable, September 30, 2022	<u>\$ 29,187</u>	<u>\$ 48,631</u>

	2021	2020	2019	2018
Property valuations-				
Land improvements and personal property	\$ 5,139,480,826	\$ 4,634,598,972	\$ 4,567,062,769	\$ 4,273,312,578
Tax rates per \$100 valuation:				
Maintenance tax rates	0.0273	0.0290	0.0296	0.0299
Debt service tax rates	0.0500	0.0550	0.0564	0.0601
Total tax rates per \$100 valuation	<u>\$ 0.0773</u>	<u>\$ 0.0840</u>	<u>\$ 0.0860</u>	<u>\$ 0.0900</u>
Original tax levy	<u>\$ 3,998,153</u>	<u>\$ 3,998,085</u>	<u>\$ 3,923,651</u>	<u>\$ 3,850,855</u>
Percent of taxes collected to taxes levied	<u>99.2%</u>	<u>99.6%</u>	<u>99.8%</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, 2022

Due During Fiscal Years Ending 9/30	Unlimited Tax Bonds Series 2016		
	Principal Due 8/15	Interest Due 2/15, 8/15	Total
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>\$ 38,760,000</u>	<u>12,186,937</u>	<u>50,946,937</u>

# Travis County Water Control and Improvement District No. 10

## TSI-6 Analysis of Changes in Long-Term Bonded Debt Year Ended September 30, 2022

	<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	\$ 40,260,000
Bonds issued during the current year	-
Bonds retired during the current year	<u>(1,500,000)</u>
Bonds outstanding, end of year	<u>\$ 38,760,000</u>
Interest paid during the current year	<u>\$ 1,070,763</u>

Paying Agent's Name & Address:

BOKF, NA, Austin, Texas

Bond Authority:	<u>Tax Bonds</u>	<u>Other Bonds</u>	<u>Refunding Bonds</u>
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, 2022:

\$ 600,108

Average annual debt service payment (principal & interest)  
for remaining term of all debt:

\$ 2,681,418

## 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, 2022

General Fund	Amounts					Percent of Fund Total Revenues				
	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
Revenues and other financing sources:										
Property taxes	\$ 1,405,099	1,368,475	1,336,681	1,268,016	1,168,543	19.5 %	21.8	21.0	18.9	18.7
Water service	5,506,231	4,732,526	4,743,079	4,658,145	4,767,625	76.5	75.4	74.7	69.6	76.1
Tap connection fees	7,981	44,001	35,186	48,375	61,765	0.1	0.7	0.6	0.7	1.0
Interest on temporary investments	151,286	22,970	161,859	336,086	190,388	2.1	0.4	2.5	5.0	3.0
Other	120,647	99,688	70,173	66,964	69,274	1.7	1.6	1.1	1.0	1.1
Penalties and interest on tax accounts	7,996	5,681	5,306	5,211	3,450	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	7,199,240	6,273,341	6,352,284	6,696,797	6,261,045	100.0	100.0	100.0	100.0	100.0
Expenditures:										
Purchased water	2,945,072	2,561,210	2,707,090	2,336,959	2,048,598	40.9	40.8	42.6	34.9	32.7
Professional fees	263,463	274,037	310,655	235,652	210,297	3.7	4.4	4.9	3.5	3.4
Contracted services	281,710	282,040	282,692	281,750	280,917	3.9	4.5	4.5	4.2	4.5
Consumable supplies and materials	632,046	546,787	581,664	282,827	291,262	8.8	8.7	9.2	4.2	4.7
Recurring operating	865,345	865,960	661,754	784,785	681,610	12.0	13.8	10.4	11.7	10.9
Capital outlay	191,342	438,571	588,324	891,825	462,563	2.7	7.0	9.3	13.3	7.4
Total expenditures and other financing uses	5,178,978	4,968,605	5,132,179	4,813,798	3,975,247	72.0	79.2	80.9	71.8	63.6
Excess of revenues and other financing sources over expenditures	\$ 2,020,262	1,304,736	1,220,105	1,882,999	2,285,798	28.0 %	20.8	19.1	28.2	36.4
<b>Debt Service Fund</b>										
Revenues:										
Property taxes	\$ 2,570,579	2,595,244	2,545,502	2,548,544	2,526,021	99.1 %	99.6	99.1	98.1	98.8
Penalties and interest on tax accounts	12,567	10,694	9,460	10,452	5,505	0.4	0.3	0.3	0.3	0.1
Interest and other	13,215	2,575	16,387	40,562	28,367	0.5	0.1	0.6	1.6	1.1
Total revenues	2,596,361	2,608,513	2,571,349	2,599,558	2,559,893	100.0	100.0	100.0	100.0	100.0
Expenditures-										
Debt service	2,571,163	2,570,563	2,569,363	2,572,663	2,570,363	99.0	98.5	99.0	100.4	99.9
Total expenditures	2,571,163	2,570,563	2,569,363	2,572,663	2,570,363	99.0	98.5	99.0	100.4	99.9
Excess (deficiency) of revenues over (under) expenditures	\$ 25,198	37,950	1,986	26,895	(10,470)	1.0 %	1.5	1.0	(0.4)	0.1
Total active retail water connections	2,956	2,954	2,945	2,924	2,924					
Total active retail wastewater connections	-	-	-	-	-					

# Travis County Water Control and Improvement District No. 10

## TSI-8 Board Members, Key Personnel and Consultants September 30, 2022

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 14, 2022  
(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 &amp; Expires or Date Hired</u>	<u>Fees 9/30/2022</u>	<u>Expense Reimbursements 9/30/2022</u>	<u>Title at Year End</u>
<b>Board Members:</b>				
Paul Barker	(Elected) 11/20 - 11/24	\$ -	\$ -	President
Emmett McCall	(Elected) 11/20 - 11/24	1,800	-	Vice President
Jon Luce	(Elected) 11/20 - 11/24	1,800	-	Secretary
Greg Reynolds	(Appointed) 09/20 - 11/22	1,800	-	Treasurer
Pamela Reed	(Appointed) 02/22-11/22	1,200	-	Director
<b>Former Board Member-</b>				
James Robertson	(Elected) 11/18 - 2/22	300	-	

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

### Key Administrative Personnel-

Carla A. Orts	03/01	\$ 145,952 (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, 2022

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<b>Names and Addresses</b>	<b>Term of Office Elected &amp; Expires or Date Hired</b>	<b>Fees &amp; Expense Reimbursements 9/30/2022</b>	<b>Title at Year End</b>
<b>Consultants:</b>			
The Carlton Law Firm	4/21	\$ 123,216	Attorney
Dannenbaum Engineering Company, LLC	8/84	93,621	District Engineer
Maxwell Locke & Ritter LLP	9/91	20,500	Auditor
Travis Central Appraisal District	Unknown	16,134	Tax Appraiser
Municipal Accounts & Consulting LP	8/08	67,035	Bookkeeper
Crossroads Utility Services	8/09	871,904	Operator