

VALWOOD IMPROVEMENT AUTHORITY

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021



**VALWOOD IMPROVEMENT AUTHORITY
FINANCIAL STATEMENTS AS OF
SEPTEMBER 30, 2021
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CERTIFICATE OF THE BOARD OF DIRECTORS

VALWOOD IMPROVEMENT AUTHORITY DALLAS
Name of Water District County

We, the undersigned, do hereby certify that the audit report of the above named Water District for the fiscal year ended September 30, 2021 was received by the Board of Directors on the 15th day of February, 2022 and was reviewed and ✓ approved; _____ disapproved at a meeting of the Board of Directors of the Water District on the 15th day of February, 2022


Signature of Board Secretary


Signature of Board President

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS }
 }
COUNTY OF Dallas }

I, Pat Canuteson
(Name of President, Chairman, Director of Attorney)

of the VALWOOD IMPROVEMENT AUTHORITY
(Name of District)

hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of Directors of the Water District on the 15th day of February, 2022 its annual audit report of the fiscal year or period ended September 30, 2021 and that copies of the annual audit report have been filed in the district office located at 1740 Briercroft Ct., Carrollton TX 75006

The annual filing affidavit and the attached copy of the annual audit report are being submitted to the Texas Natural Resource Conservation Commission in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code.

Date 2/15/22

By: Pat Canuteson
(Signature of District Official)

Pat Canuteson, Executive Director
(Typed Name and Title of above District Official)

Sworn to and subscribed to before me this 15th day of February, 2022




Sonja M. Dodds
(Signature of Notary)


Commission expires on Feb 5th 23 Notary Public in the State of Texas
(Annual Filing Affidavit Rev. 8/94)

After completion and notarization, send this form with the audit report to: **Reports and Management Unit, Districts Section, Texas Water Commission, PO Box 13087, Austin, Texas, 78711-3087.**



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INDEPENDENT AUDITORS' REPORT

*Board of Directors
Valwood Improvement Authority*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Valwood Improvement Authority (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.

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, each major fund, and the aggregate remaining fund information of Valwood Improvement Authority, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof 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, budgetary comparison and pension information on pages 5-6, 22 and 23 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.

Report on Summarized Comparative Information

We have previously audited Valwood Improvement Authority's financial statements as of September 30, 2020, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 13, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Haynie & Company

Dallas, Texas
February 3, 2022

VALWOOD IMPROVEMENT AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2021

Our discussion and analysis of the Valwood Improvement Authority's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2021. Please review it in conjunction with the transmittal letter and District's basic financial statements, which begin on page 7.

Financial Highlights

- Total net assets for the year ended September 30, 2021 were approximately \$58 million.
- General Revenues of approximately \$5.2 million accounted for 100% of all revenues.
- The District had approximately \$10.4 million in expenses related to governmental activities.
- Among the funds, the General, Capital Projects, and Debt Service funds had expenses of \$1,588,998, \$5,450,095, and \$3,319,782, respectively. The expenses within the Capital Projects fund relate to the continued work on the rail road bridge.

	<u>2021</u>	<u>2020</u>
Current assets and other assets	\$ 11,446,371	\$ 16,278,823
Capital assets	57,659,772	52,285,130
Intangible assets	21,076	49,180
Deferred outflows of resources	176,706	66,988
Total assets	<u>69,303,925</u>	<u>68,680,121</u>
Long-term obligations	10,279,076	13,433,094
Other liabilities	713,647	146,944
Net pension liability	186,184	108,233
Deferred inflows of resources	95,746	64,113
Total liabilities	<u>11,274,653</u>	<u>13,752,384</u>
Net position:		
Invested in capital assets, net of related debt	47,379,860	39,072,147
Restricted	9,890,360	15,125,483
Unrestricted	759,052	730,107
Total net position	<u>\$ 58,029,272</u>	<u>\$ 54,927,737</u>

The following is a chart showing the changes in year end fund balance.

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
General	\$ 759,052	\$ 730,107	3.96%
Capital Projects	8,685,689	14,106,963	-38.43%
Debt Services	1,204,671	1,018,520	18.28%
	<u>\$ 10,649,412</u>	<u>\$ 15,855,590</u>	<u>-32.83%</u>

The change in fund balances is reasonable based on District expenditures related to the ongoing capital projects.

The following is a chart that shows the changes in revenue.

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Property taxes	\$ 4,971,675	\$ 4,408,423	12.78%
Interest on investments	28,281	39,672	-28.71%
Other	152,741	182,784	-16.44%
	<u>\$ 5,152,697</u>	<u>\$ 4,630,879</u>	<u>11.27%</u>

Property tax revenues increased in 2020 from an increase in the appraised value of the district, there was no change in the assessed tax rate from prior year. The approximate 29% decrease in interest on investments can be attributed to the lower balances as a result of the additional capital expenditures on the rail road bridge.

The following is a chart that shows the changes in expenses.

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Governmental Activities			
General government	\$ 1,677,317	\$ 1,696,066	-1.11%
Interest on long-term debt	193,118	406,417	-52.48%
	<u>\$ 1,870,435</u>	<u>\$ 2,102,483</u>	<u>-11.04%</u>

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most financially significant funds.

Request for information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Executive Director, 1740 Briercroft Ct., Carrollton, Texas 75006.

Pat Canuteson, Executive Director

VALWOOD IMPROVEMENT AUTHORITY
Statement of Position
September 30, 2021

	<u>Primary Government</u>
Assets	<u>Governmental</u> <u>Activities</u>
Current Assets	
Cash	\$ 7,296
Temporary investments	11,345,263
Taxes receivable	<u>83,312</u>
Total current assets	11,435,871
Noncurrent Assets	
Deposits	10,500
Capital assets	
Non-depreciable	50,759,663
Depreciable	11,587,575
Accumulated depreciation	<u>(4,687,466)</u>
Intangible assets	
Bond refinancing costs	362,893
Accumulated amortization	<u>(341,817)</u>
Total noncurrent assets	<u>57,691,348</u>
Total Assets	<u>69,127,219</u>
Deferred outflows of resources	<u>176,706</u>
Total assets and deferred outflows	<u>\$ 69,303,925</u>
Liabilities:	
Current Liabilities	
Other current liabilities	\$ 566,945
Current portion of long-term debt	<u>3,319,062</u>
Total current liabilities	3,886,007
Noncurrent Liabilities	
Accrued vacation	146,702
Bonds payable, net of current portion	6,960,014
Net pension liability	<u>186,184</u>
Total noncurrent liabilities	<u>7,292,900</u>
Total Liabilities	<u>11,178,907</u>
Deferred inflows of resources	<u>95,746</u>
Total liabilities and deferred inflows	<u>11,274,653</u>
Net Position	
Invested in capital assets, net of related debt	47,379,860
Restricted for:	
Capital projects	8,685,689
Debt services	1,204,671
Unrestricted	<u>759,052</u>
Total net position	<u>\$ 58,029,272</u>

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

VALWOOD IMPROVEMENT AUTHORITY
Statement of Activities
For the fiscal year ended September 30, 2021

<u>Functions/Programs</u>	<u>Program revenues</u>			<u>Net revenues and</u>
	<u>Expenses</u>	<u>Charges for</u>	<u>Capital</u>	<u>changes in net position</u>
<u>Primary Government:</u>		<u>Services</u>	<u>Grants and</u>	<u>Primary government</u>
<u>Governmental Activities:</u>			<u>Contributions</u>	<u>Governmental</u>
General government	\$	-	-	\$
Interest and fiscal agent fees on long-term debt	\$	-	-	\$
Total primary government	\$	\$	\$	\$
	1,677,317	-	-	(1,677,317)
	193,118	-	-	(193,118)
	<u>1,870,435</u>	<u>-</u>	<u>-</u>	<u>(1,870,435)</u>

<u>General revenues:</u>		
Taxes levied for General Purposes	1,435,551	
Taxes levied for Debt Service	3,349,620	
Interest on investments	26,281	
Other general revenues	158,518	
	<u>4,971,970</u>	
		<u>3,101,535</u>
		<u>54,927,737</u>
Net position - Beginning		<u>54,927,737</u>
Net position - Ending	\$	<u>58,029,272</u>

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

VALWOOD IMPROVEMENT AUTHORITY
Balance Sheet
Governmental Funds
September 30, 2021

Assets

	Government Fund Types			Totals	
	General	Capital Projects	Debt Service	(Memorandum Only)	
				September 30, 2021	September 30, 2020
Assets					
Cash	\$ 4,145	\$ -	\$ 3,151	\$ 7,296	\$ 5,207
Temporary investments	891,371	9,252,372	1,201,520	11,345,263	15,986,827
Taxes receivable	32,547	-	50,765	83,312	276,288
Deposits	10,500	-	-	10,500	10,500
Due from Debt Service Fund	566,683	-	-	566,683	-
Total assets	\$ 1,505,246	\$ 9,252,372	\$ 1,255,436	\$ 12,013,054	\$ 16,278,822
Liabilities:					
Accounts payable	\$ 566,945	\$ -	\$ -	\$ 566,945	\$ 242
Deferred revenue	32,547	-	50,765	83,312	276,288
Accrued vacation	146,702	-	-	146,702	146,702
Due to General Funds	-	566,683	-	566,683	-
Total liabilities	746,194	566,683	50,765	1,363,642	423,232
Fund balance:					
Fund balances:					
Reserved for debt service	-	-	1,204,671	1,204,671	1,018,520
Unreserved:					
Designated for authorized expenditures	-	8,685,689	-	8,685,689	14,106,963
Undesignated	759,052	-	-	759,052	730,107
Total fund balance	759,052	8,685,689	1,204,671	10,649,412	15,855,590
Total liabilities and fund equity	\$ 1,505,246	\$ 9,252,372	\$ 1,255,436	\$ 12,013,054	\$ 16,278,822

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

VALWOOD IMPROVEMENT AUTHORITY
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
September 30, 2021

Total Governmental Fund Balance	\$	10,649,412
 Amounts reported for the governmental activities in the statement of activities are different because:		
<i>Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds</i>		57,659,772
<i>Costs incurred in the refinancing of long-term debt are not reported in the funds</i>		21,076
<i>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds</i>		(10,279,076)
<i>Revenues are accounted for on the modified accrual basis for fund balances, but are accounted for under the accrual method to calculate net position</i>		83,312
<i>The District's proportionate share of the net pension liability required by GASB 68 in the amount of \$186,184, a net Deferred Outflow of Resources related to the TCDRS of \$176,706 and a net Deferred Inflow of Resources related to the TCDRS of \$95,746.</i>		<u>(105,224)</u>
Net Position of Governmental Activities	\$	<u>58,029,272</u>

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

VALWOOD IMPROVEMENT AUTHORITY
Statements of Revenues, Expenditures, and
Changes in Fund Balances
All Governmental Fund Types
For the fiscal year ended September 30, 2021

	<u>Government Fund Types</u>			<u>Totals</u>	
	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>(Memorandum Only)</u>	
				<u>September 30, 2021</u>	<u>September 30, 2020</u>
Revenues					
Property taxes	\$ 1,469,938	\$	\$ 3,501,737	\$ 4,971,675	\$ 4,408,423
Interest on investments	1,737	22,348	4,196	28,281	39,672
Other	146,268	6,473	-	152,741	182,784
Total revenues	<u>1,617,943</u>	<u>28,821</u>	<u>3,505,933</u>	<u>5,152,697</u>	<u>4,630,879</u>
Expenditures					
Current:					
Administrative	167,027	-	750	167,777	179,157
Maintenance	185,843	-	-	185,843	178,894
Utilities	98,041	-	-	98,041	133,083
Directors meetings	15,300	-	-	15,300	6,900
Professional services - legal	-	-	-	-	2,078
Professional services - accounting	17,865	-	-	17,865	17,465
Professional services - engineering	7,275	-	-	7,275	4,232
Insurance	208,859	-	-	208,859	200,359
Salaries and related expenses	841,658	-	-	841,658	809,972
Capital outlay	47,130	5,450,095	-	5,497,225	850,455
Debt service:					
Principal reduction	-	-	3,019,940	3,019,940	2,735,000
Interest and fiscal agent fees	-	-	299,092	299,092	512,391
Total expenditures	<u>1,588,998</u>	<u>5,450,095</u>	<u>3,319,782</u>	<u>10,358,875</u>	<u>5,629,986</u>
Excess of revenues over (under) expenditures	<u>28,945</u>	<u>(5,421,274)</u>	<u>186,151</u>	<u>(5,206,178)</u>	<u>(999,107)</u>
Other financing sources (uses):					
Proceeds from bonds	-	-	-	-	7,419,940
Debt issue costs	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,419,940</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>28,945</u>	<u>(5,421,274)</u>	<u>186,151</u>	<u>(5,206,178)</u>	<u>6,420,833</u>
Fund balance at beginning of year	<u>730,107</u>	<u>14,106,963</u>	<u>1,018,520</u>	<u>15,855,590</u>	<u>9,434,757</u>
Fund balance at end of year	<u>\$ 759,052</u>	<u>\$ 8,685,689</u>	<u>\$ 1,204,671</u>	<u>\$ 10,649,412</u>	<u>\$ 15,855,590</u>

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

VALWOOD IMPROVEMENT AUTHORITY
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Fund to the
Statement of Activities
For the fiscal year ended September 30, 2021

Net Change in Governmental Fund Balance	\$	(5,206,178)
 Amounts reported for the governmental activities in the statement of activities are different because:		
 <i>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated to capital assets.</i>		
		5,497,225
 <i>Bond proceeds received from the sale of bonds is revenue in the governmental funds, but the proceeds received increases the long-term liabilities in the statement of net position.</i>		
		-
 <i>Bond repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position.</i>		
		3,019,940
 <i>Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.</i>		
		(134,833)
 <i>Amortization of bond refinance costs are not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's amortization is to decrease net assets.</i>		
		(28,104)
 <i>Revenues are accounted for on the modified accrual basis for fund balances, but are accounted for under the accrual method to calculate net position.</i>		
		(192,977)
 <i>Current year gain on sale of fixed assets, in the governmental funds capital assets are not reported.</i>		
		12,250
 <i>Current year interest expense paid (adjusted) in excess of current year accrued interest</i>		
		134,078
 <i>The District's proportionate share of the pension expense in accordance with GASB 68</i>		
		134
Change in Net Position of Governmental Activities	\$	<u>3,101,535</u>

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

VALWOOD IMPROVEMENT AUTHORITY

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard - setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

Reporting Entity

The District was created as the Dallas County Levee Improvement District No. 16 by order of the Dallas County Commissioner's Court on December 19, 1974, as a conservation and reclamation district under Article XVI, Section 59, Texas Constitution and pursuant to the provisions of Chapter 57, Texas Water Code, in response to a petition executed by landowners who held title to a majority of the land within the District. The City Councils of Farmers Branch and Carrollton, respectively, authorized and consented to the creation of the District. Subsequently, in 1975 the State Legislature passed an act reorganizing the District into the Farmers Branch - Carrollton Flood Control District having certain specific rights in addition to those rights and powers conferred and imposed by the general laws of the State now in force or hereinafter enacted applicable to Levee Improvement Districts not in conflict with the legislative act. In June 1989, the District officially changed its name to Valwood Improvement Authority. The District's financial statements include the accounts of all District operations. In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence for special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon these criteria, the District has no component units.

Texas County and District Retirement System (TCDRS)

The District participates in the TCDRS, an employee benefit plan. However, control over the operation and administration of the plan, including investment decisions is vested in the State of Texas along with custody of the plan assets. See Note 7 for further discussion.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of change in net position) report information on all of the nonfiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. 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.

VALWOOD IMPROVEMENT AUTHORITY

Notes to Financial Statements

1. Summary of Significant Accounting Policies, continued

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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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 government 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.

Basis of Presentation

The accounts of the District are organized and operated on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. The following fund types are maintained by the District:

Governmental Fund Types

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

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund - Capital Project Funds are used to account for the acquisition or construction of major capital facilities. Principal sources of revenue are municipal long-term debt proceeds and interest income.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the statement of position. Operating statements of these funds present increases (i.e., expenditures and other financing uses) in net current position.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The District considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Those revenues susceptible to accrual are property taxes and interest revenue.

VALWOOD IMPROVEMENT AUTHORITY

Notes to Financial Statements

1. Summary of Significant Accounting Policies, continued

Budgets and Budgetary Accounting

The District prepares an operating budget which includes proposed expenditures and the means of financing them for the upcoming year. Prior to September 30, the budget is adopted by passage by the Directors. The budget for all the funds is adopted on a basis consistent with generally accepted accounting principles (GAAP).

Encumbrances

Encumbrances accounting, under which contracts for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized in the Capital Project Fund. Encumbrances outstanding at year-end are reported as designations of fund balances since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

Property Taxes

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

Property, Plant and Equipment

Property, plant and equipment are stated at cost or estimated historical cost. General fixed assets purchased for general governmental purposes are recorded as expenditures in the Governmental Fund Types and are capitalized at cost in the government-wide financial statements. Public domain ("infrastructure") general fixed assets consisting of certain improvements, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are capitalized along with other general fixed assets. Buildings, furniture, and equipment of the District are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30
Mowers	15
Equipment	5-10
Vehicles	5

Long-Term Debt

General obligation bonds, which have been issued to fund capital projects of the Governmental Fund Types, are to be repaid from ad valorem taxes, interest earnings and operating transfers from other funds. Proceeds from issuance of general obligation bonds which are utilized for construction of general fixed assets are reported as other financing sources in the appropriate Capital Projects Funds.

Comparative Data

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data, (i.e., presentation of prior year's totals by fund type in each of the statements) have not been presented since their inclusion would make the statements unduly complex and difficult to read.

Memorandum Only - Total Columns

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

VALWOOD IMPROVEMENT AUTHORITY

Notes to Financial Statements

1. Summary of Significant Accounting Policies, continued

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Date of Management's Review of Subsequent Events

Management has evaluated subsequent events through February 3, 2022, the date which the financial statements were available to be issued.

2. Cash and Investments

The cash and investments policies of the District are governed by State statutes and the adopted District Investment Policy. District policies governing bank deposits require depositories to be FDIC-insured institutions and depositories must fully collateralize all time deposits in excess of FDIC insurance limits.

Deposits

At year-end, the carrying amount of the District's cash was \$7,296 and the bank balance was \$53,625. The bank balance was not in excess of the limits covered by Federal Depository Insurance.

Investments

The District's investments are carried at cost or market value if the investment has a permanent decline in value. The investments are short-term certificates of deposit, government securities and government securities mutual funds. Funds of the District may be invested and reinvested by the Board or its authorized representative in direct or indirect obligations of the United States, the state, or any county, city, school district, or other political subdivision of the state. Funds of the District may be placed in certificates of deposit of state or national banks or savings and loan associations within the state provided that they are secured in the manner provided for the security of the funds of counties of the State of Texas.

The District's investments are categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the District's name.

	Category			Carrying Amount	Market Value
	1	2	3		
Money Markets	\$ 11,345,263	\$ -	\$ -	\$ 11,345,263	\$ 11,345,263
Total Investments	\$ 11,345,263	\$ -	\$ -	\$ 11,345,263	\$ 11,345,263

VALWOOD IMPROVEMENT AUTHORITY

Notes to Financial Statements

3. Property Taxes

The District's property taxes are levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Assessed values are established at 100% of estimated market value. Property taxes attach as an enforceable lien on property as of January 1.

The tax rate for the fiscal year ending September 30, 2021, was 0.1800 per \$100 assessed valuation, of which 0.0540 went to finance general governmental services and 0.1260 went to finance the payment of principal and interest on long-term debt.

The District bills and collects its own property taxes. District property tax revenues are recognized when collected. Taxes are due by January 31 following the October 1 levy date and are considered delinquent after January 31 of each year. Current tax collections for the year ended September 30, 2021, were 99.47% of the tax levy.

4. General Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group during the fiscal year:

	Balance October 01, 2020	Additions/ Adjustments	Deletions/ Transfers	Balance September 30, 2021
Land, easements and R.O.W.	\$ 10,373,016	\$ -	\$ -	\$ 10,373,016
Levee	33,943,619	-	-	33,943,619
Equipment	1,805,145	89,911	(642,647)	1,252,409
Organization costs	5,860,635	-	-	5,860,635
Vehicles	154,359	-	(30,512)	123,847
Buildings	4,042,358	-	-	4,042,358
Rail road bridge	1,330,040	5,421,314	-	6,751,354
Total	57,509,172	5,511,225	(673,159)	62,347,238
Accumulated depreciation	(5,224,042)	(134,833)	671,409	(4,687,466)
Net fixed assets	\$ 52,285,130	\$ 5,376,392	\$ (1,750)	\$ 57,659,772

Depreciation expense as of September 30, 2021 was \$134,833.

5. Long-term Debt

General Obligation Bonds - The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

Long-term liability activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Additions (Net)	Reductions (Net)	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation debt	\$ 13,164,940	\$ -	\$ (3,019,940)	\$ 10,145,000	\$ 3,130,000
Accreted interest - Capital					
Appreciation Bonds	268,154	-	(134,078)	134,076	189,062
Total	\$ 13,433,094	\$ -	\$ (3,154,018)	\$ 10,279,076	\$ 3,319,062

VALWOOD IMPROVEMENT AUTHORITY

Notes to Financial Statements

5. Long-term Debt, continued

The annual requirements to amortize all debt outstanding as of September 30, 2021 are as follows:

Year Ending September 30,	Principal	Interest	Total
2022	\$ 3,130,000	\$ 189,062	\$ 3,319,062
2023	2,290,000	59,287	2,349,287
2024	2,340,000	35,905	2,375,905
2025	2,385,000	12,044	2,397,044
Total	\$ 10,145,000	\$ 296,298	\$ 10,441,298

General obligation bonds payable at September 30, 2021 are comprised of the following individual issues:

Issue	Rate(s)	Due	Principal	Interest	Total
Series 2015	2.00% -4.00%	2016 - 2022	2,930,000	134,076	3,064,076
Series 2020	1.01%	2021-2025	7,215,000	-	7,215,000
Total			\$ 10,145,000	\$ 134,076	\$ 10,279,076

The District refinanced outstanding general obligation bonds in October 2011 and sold general obligation bonds in May 2015. The costs associated with the refinance are amortized over the extended payment terms of five years for the Series 2011 bond and for seven years for the Series 2015 bond. The following table details the related costs and accumulated amortization through September 30, 2021:

Bond refinancing costs	\$ 362,893
Accumulated amortization	(341,817)
	\$ 21,076

Amortization expense as of September 30, 2021 was \$28,104.

6. Deferred Compensation Plan

District employees may participate in a private deferred compensation program. Employees participate by having the District withhold a voluntary amount of their gross salary from their paychecks.

Money withheld from employee checks is sent monthly to the administrator of the National Association of Counties Deferred Compensation Plan which invests the money for the benefit of each participant. Upon retirement or discontinuance of employment with the District, each employee makes personal application to the plan administrator to receive amounts contributed to that employee's account plus any interest earned on that account as appropriate.

Pursuant to Section 457 of the Internal Revenue Code, all amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall remain (until made available to the participant or other beneficiary) solely the property and rights of the District subject only to the claims of the District's general creditors.

VALWOOD IMPROVEMENT AUTHORITY

Notes to Financial Statements

7. Employee Retirement Plan

Plan Description

The District participates in the Texas County & District Retirement System (TCDRS), which is a state wide, agent multiple-employer, and public employee retirement system. The District provides pension benefits for all of its full- and part-time non-temporary employees, regardless of the number of hours they work in a year. The plan provides retirement, disability and survivor benefits. TCDRS is a savings-based plan, 4% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% of interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 200%) and is then converted to an annuity. Benefit terms are established under the TCDRS Act. The District's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate.

The District's contribution rate is based on the TCDRS funding policy adopted by TCDRS Board of Trustees and must conform with the TCDRS Act. During the fiscal year the District's required and actual contributions amounted to \$55,632 which was 8.36% of its current-year covered payroll. Employees' required and actual contributions amounted to \$26,618 which was 4% of the District's current-year covered payroll. The TCDRS held no securities of the District or other related parties during the year or as of the close of the fiscal year.

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees and beneficiaries	1
Active employees	7
	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>
	8
	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>

Net Pension Liability

The District's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%	per year
Overall payroll growth	4.60%	per year
Investment Rate of Return	7.50%	net of pension plan investment expense, including inflation

Salary increases were based on age and years of service, which was a 4.6% average over an employee's career including inflation. Mortality rates were based on the RP-2000 Mortality Rate Tables published in 2014, which projected a multiple of 110%.

The long-term expected rate return on pension plan investments is 7.60%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

The long-term expected rate or return on pension plan investments was determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The target allocation and best estimates or geometric real rates of return for each major asset class are summarized in the following table:

VALWOOD IMPROVEMENT AUTHORITY

Notes to Financial Statements

7. Employee Retirement Plan, continued

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Geometric Real Rate of Return</u>
U.S. Equities	11.50%	4.25%
Private Equity	25.00%	7.25%
Global Equities	2.50%	4.55%
Int'l Equities - Developed Markets	5.00%	4.25%
Int'l Equities - Emerging Markets	6.00%	4.75%
Investment - Grade Bonds	3.00%	-0.85%
Strategic Credit	9.00%	2.11%
Direct Lending	16.00%	6.70%
Distressed Debt	4.00%	5.70%
REIT Equities	2.00%	3.45%
Master Limited Partnerships (MLPs)	2.00%	5.10%
Private Real Estate Partnerships	6.00%	4.90%
Hedge Funds	6.00%	1.85%
Cash equivalents	2.00%	-0.70%
Total	100.00%	

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
Balance at December 31, 2019	\$ 2,823,800	\$ 2,715,567	\$ 108,233
Changes for the year:			
Service cost	45,084	-	45,084
Interest on total pension liability	232,303	-	232,303
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(2,501)	-	(2,501)
Effect of assumptions changes or inputs	164,638	-	164,638
Refund of contributions	-	-	-
Benefit payments	(1,939)	(1,939)	-
Administrative expenses	-	(2,250)	2,250
Member contributions	-	25,646	(25,646)
Net investment income	-	280,697	(280,697)
Employer contributions	-	54,885	(54,885)
Other changes	-	2,595	(2,595)
Net changes	437,585	359,634	77,951
Balance at December 31, 2020	\$ 3,261,385	\$ 3,075,201	\$ 186,184

VALWOOD IMPROVEMENT AUTHORITY

Notes to Financial Statements

7. Employee Retirement Plan, continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the District, calculated using the discount rate of 7.60%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.60%) or 1 percentage-point higher (8.60%) than the current rate:

	1% Decrease in Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase in Discount Rate (8.60%)
District's net pension liability	\$ 551,106	\$ 186,184	\$ (134,007)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2021, the District recognized pension benefit of \$134.

At September 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 3,876	\$ 1,140
Changes of assumptions	-	134,090
Net difference between projected and actual earnings	91,870	-
Contributions made subsequent to measurement date	-	41,476
Total	\$ 95,746	\$ 176,706

The District reported \$41,476 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,:

2021	\$ 5,140
2022	29,446
2023	(16,006)
2024	20,904
	\$ 39,484

8. Oil, Gas and Mineral Lease

Effective May 9, 2008, the District entered into an oil, gas and mineral lease agreement. The lease agreement has a primary term of three (3) years, with an option to extend the primary term for an additional two (2) years, and is effective as long thereafter as oil and gas is produced on the land. In exchange for the oil, gas and mineral lease agreement, the District received a bonus payment of \$4,750 per net mineral acre for 403.5448 acres, or a total of \$1,916,838 for the year ended September 30, 2008, with a future royalty of 25%. No royalty payments were received for the year ended September 30, 2021. In May 2013, the District elected to extend the lease agreement from 3 years to 7 years.

VALWOOD IMPROVEMENT AUTHORITY
Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual - General Fund
For the fiscal year ended September 30, 2021

	<u>General Fund</u>		Variance- Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
Revenues			
Property taxes	\$ 1,419,400	\$ 1,469,938	\$ 50,538
Interest on investments	4,000	1,737	(2,263)
Other	147,000	146,268	(732)
Total revenues	<u>1,570,400</u>	<u>1,617,943</u>	<u>47,543</u>
Expenditures			
Administrative	179,100	167,027	12,073
Maintenance	160,000	185,843	(25,843)
Utilities	147,000	98,041	48,959
Directors meetings	14,000	15,300	(1,300)
Professional services - legal	7,000	-	7,000
Professional services - accounting	17,000	17,865	(865)
Professional services - engineering	6,000	7,275	(1,275)
Insurance	231,500	208,859	22,641
Salaries	808,800	841,658	(32,858)
Total expenditures	<u>1,570,400</u>	<u>1,541,868</u>	<u>28,532</u>
Capital outlay	-	47,130	(47,130)
Excess of revenues and other sources over (under) expenditures	<u>-</u>	<u>28,945</u>	<u>28,945</u>
Fund balance at beginning of year	<u>730,107</u>	<u>730,107</u>	<u>-</u>
Fund balance at end of year	<u>\$ 730,107</u>	<u>\$ 759,052</u>	<u>\$ 28,945</u>

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

VALWOOD IMPROVEMENT AUTHORITY
Schedule of District Contributions
Fiscal Year Ended September 30, 2021

	<u>2020</u>	<u>2019</u>
<i>Contractually Required Contribution (a)</i>	\$ 54,882	\$ 48,633
<i>Contribution in Relation to the Contractually Required Contribution</i>	54,882	48,633
<i>Contribution Deficiency (Excess)</i>	\$ <u> -</u>	\$ <u> -</u>
<i>District's Covered-Employee Payroll (b)</i>	\$ 641,144	\$ 614,828
<i>Contributions as a Percentage of Covered-Employee Payroll</i>	8.60%	7.90%


(a) TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis.


(b) Payroll is calculated based on contributions as reported to TCDRS.

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



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL SCHEDULES

Board of Directors
Valwood Improvement Authority

We have audited the financial statements of Valwood Improvement Authority as of and for the year ended September 30, 2021, and our report thereon dated February 3, 2022, which expressed an unmodified opinion on those financial statements, appears on pages 3-4. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Haynie & Company

Dallas, Texas
February 3, 2022

VALWOOD IMPROVEMENT AUTHORITY
 Services and Rates
 September 30, 2021

1. Services Provided by the District:

- | | | |
|---|---|-------------------------------------|
| <input 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 checked="" type="checkbox"/> Flood Control | <input type="checkbox"/> Roads |
| <input type="checkbox"/> Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect) | | |
| <input type="checkbox"/> Other (specify) : _____ | | |

2. Retail Rates Based on 5/8" Meter: Retail Rates Not Applicable

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

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

District employs winter averaging for wastewater usage? Yes No

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

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

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

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

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

VALWOOD IMPROVEMENT AUTHORITY
 Services and Rates
 September 30, 2021

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

Gallons pumped into system: N/A

Gallons billed to customers: N/A

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

For the most recent full fiscal year, FYE _____:

<i>Debt Service:</i>	Total levy	\$ _____
	Total Collected	\$ _____
	Percentage Collected	_____ %
<i>Operation & Maintenance</i>	Total levy	\$ _____
	Total Collected	\$ _____
	Percentage Collected	_____ %

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

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

	<u>Amount</u>
a. Debt Service Tax Receipts	\$ <u>3,319,062</u>
b. Surplus Construction Funds	_____
c. Water and/or Wastewater Revenue	_____
d. Standby Fees	_____
e. Debt Service Fund Balance To Be Used	_____
f. Interest Revenues	_____
g. Other (Describe)	_____
_____	_____
_____	_____
TOTAL ANTICIPATED FUNDS TO BE USED	\$ <u>3,319,062</u>

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

VALWOOD IMPROVEMENT AUTHORITY
Services and Rates
September 30, 2021

7. Location of District:

County(ies) in which district is located. Dallas

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. Carrollton Farmers Branch

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

ETJ's in which district is located. _____

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

If Yes, by whom? 3 City of Carrollton, 3 City of Farmers Branch, 1 Dallas County

VALWOOD IMPROVEMENT AUTHORITY
Schedule of General Fund Expenditures
Fiscal Year Ended September 30, 2021

<i>Personnel expenditures</i>	\$	791,132
<i>Payroll taxes</i>		50,526
<i>Professional fees:</i>		
<i>Auditing</i>		17,865
<i>Legal</i>		-
<i>Engineering</i>		7,275
<i>Financial advisor</i>		-
<i>Purchased services for resale</i>		-
<i>Contracted services:</i>		
<i>Bookkeeping</i>		-
<i>General manager</i>		-
<i>Appraisal district</i>		-
<i>Other contracted services</i>		-
<i>Utilities</i>		98,041
<i>Repairs and maintenance</i>		185,843
<i>Administrative expenditures</i>		
<i>Directors' fees</i>		15,300
<i>Office - other</i>		167,027
<i>Insurance</i>		208,859
<i>Bond paying agent</i>		-
<i>Tax administration</i>		-
<i>Copies</i>		-
<i>Capital outlay</i>		47,130
<i>Solid waste disposal</i>		-
<i>Fire fighting</i>		-
<i>Parks and recreation</i>		-
<i>Other expenditures</i>		-
<i>Total Expenditures</i>	\$	<u><u>1,588,998</u></u>

Number of persons employed by the District: 7 Full-Time, 0 Part-Time

The preceding notes are an integral part of these supplemental schedules.

VALWOOD IMPROVEMENT AUTHORITY
Schedule of Temporary Investments
Fiscal Year Ended September 30, 2021

<u>Funds</u>	<u>Average Interest Rate</u>	<u>Maturity Date</u>	<u>Balance September 30, 2021</u>
<i>General Fund</i>			
<i>Money market fund</i>	0.15%	N/A	\$ 891,371
<i>Capital Projects Fund</i>			
<i>Money market fund</i>	0.18%	N/A	9,252,372
<i>Debt Service Fund</i>			
<i>Money market fund</i>	0.15%	N/A	<u>1,201,520</u>
<i>Total - All Funds</i>			\$ <u><u>11,345,263</u></u>

The preceding notes are an integral part of these supplemental schedules.

VALWOOD IMPROVEMENT AUTHORITY
Analysis of Taxes Levied and Receivable
Fiscal Year Ended September 30, 2021

	<i>Maintenance Taxes</i>	<i>Debt Service Taxes</i>
<i>Taxes receivable at beginning of year</i>	\$ 71,034	\$ 205,254
<i>2020 original tax levy (less abatements)</i>	1,486,250	3,467,916
<i>Total to be accounted for</i>	1,557,284	3,673,170
<i>Tax collections:</i>		
<i>Current year</i>	1,505,999	3,422,009
<i>Prior years</i>	(18,372)	(41,745)
<i>Total collections</i>	1,487,627	3,380,264
<i>Prior year adjustments</i>	(37,110)	(242,141)
<i>Taxes receivable at end of year</i>	\$ 32,547	\$ 50,765
 <i>Taxes receivable, by years</i>		
2020	\$ 7,847	\$ 18,311
2019	4,702	10,686
2018	4,475	10,956
2017	5,529	16,588
2016	1,081	2,836
2015	450	1,226
2014	2,546	5,942
2013	3,565	8,598
2012	4,814	12,104
2011	4,213	11,960
2010	(241)	(927)
2009	(394)	(1,220)
2008	(18)	(52)
2007	105	399
2006	(77)	(314)
2005	(6)	(27)
2004	(46)	(205)
2003	1	3
2002	(381)	(1,673)
2001	16	71
2000	12	63
1999	(94)	(449)
1998	9	48
1997	(796)	(5,121)
1996	12	62
1995	(137)	(716)
1994	(810)	(5,718)
1993	(820)	(5,788)
1992	(391)	(2,760)
1991	(684)	(6,259)
1990 & prior	(1,937)	(17,859)
<i>Taxes receivable at end of year</i>	\$ 32,547	\$ 50,765

The preceding notes are an integral part of these supplemental schedules.

WILLOW IMPROVEMENT AUTHORITY
Analysis of Taxes Levied and Receivable
Fiscal Year Ended September 30, 2021

	Tax Year 2020	Tax Year 2019	Tax Year 2018	Tax Year 2017	Tax Year 2016	Tax Year 2015	Tax Year 2014	Tax Year 2013	Tax Year 2012	Tax Year 2011
Property Valuations:										
Land	\$ 394,178,150	\$ 430,453,480	\$ 331,883,800	\$ 300,964,230	\$ 293,783,480	\$ 235,582,750	\$ 215,063,480	\$ 217,484,170	\$ 217,362,180	\$ 222,170,580
Improvements	1,779,329,120	1,128,163,200	898,181,930	912,872,800	841,814,850	784,952,410	712,454,500	677,905,430	658,834,170	642,752,240
Personal property	1,788,253,980	1,281,082,370	1,253,271,480	1,073,414,340	1,071,421,330	1,191,920,970	1,006,788,300	909,132,200	841,835,000	787,020,600
Exemptions	(802,516,183)	(340,868,942)	(384,423,260)	(298,613,989)	(329,906,808)	(399,185,433)	(257,415,198)	(253,689,123)	(205,909,340)	(208,917,508)
Tax abatements	-	-	-	-	-	-	-	-	-	-
Total Property Valuations	\$ 2,620,245,077	\$ 2,497,033,088	\$ 2,198,891,750	\$ 1,988,237,831	\$ 1,876,853,052	\$ 1,783,260,897	\$ 1,676,871,092	\$ 1,650,862,677	\$ 1,513,222,010	\$ 1,443,025,922
Tax Rates Per \$100 Valuation:										
Debt service tax rates	\$ 0.12800	\$ 0.12500	\$ 0.14200	\$ 0.16500	\$ 0.18100	\$ 0.19750	\$ 0.18800	\$ 0.20500	\$ 0.22000	\$ 0.23000
Maintenance tax rates	0.05400	0.05500	0.05800	0.05500	0.08800	0.07250	0.08100	0.08500	0.08750	0.07750
Other district tax rates	-	-	-	-	-	-	-	-	-	-
Total Tax Rates Per \$100 Valuation	\$ 0.18000	\$ 0.18000	\$ 0.20000	\$ 0.22000	\$ 0.25000	\$ 0.27000	\$ 0.27000	\$ 0.29000	\$ 0.30750	\$ 0.30750
Original Tax Levy:	\$ 4,732,841	\$ 4,488,582	\$ 4,389,833	\$ 4,374,123	\$ 4,692,133	\$ 4,861,348	\$ 4,537,888	\$ 4,545,133	\$ 4,673,921	\$ 4,471,744
Percent of Taxes Collected to Taxes Levied	89.47%	89.33%	89.45%	89.32%	87.65%	89.58%	89.13%	87.63%	88.98%	88.54%

The preceding notes are an integral part of these supplemental schedules.

VALWOOD IMPROVEMENT AUTHORITY
Analysis of Changes In General Fixed Assets
Fiscal Year Ended September 30, 2021

	<u>Balance</u> <u>October 01, 2020</u>	<u>Additions/</u> <u>Adjustments</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30, 2021</u>
Land, easements and R.O.W.	\$ 10,373,016	\$ -	\$ -	\$ 10,373,016
Levee	33,943,619	-	-	33,943,619
Equipment	1,805,145	89,911	(642,647)	1,252,409
Organization costs	5,860,635	-	-	5,860,635
Vehicles	154,359	-	(30,512)	123,847
Buildings	4,042,358	-	-	4,042,358
Rail road bridge	<u>1,330,040</u>	<u>5,421,314</u>	<u>-</u>	<u>6,751,354</u>
Total	<u>57,509,172</u>	<u>5,511,225</u>	<u>(673,159)</u>	<u>62,347,238</u>
Accumulated depreciation	<u>(5,224,042)</u>	<u>(134,833)</u>	<u>671,409</u>	<u>(4,687,466)</u>
Net fixed assets	<u>\$ 52,285,130</u>	<u>\$ 5,376,392</u>	<u>\$ (1,750)</u>	<u>\$ 57,659,772</u>

The preceding notes are an integral part of these supplemental schedules.

VALWOOD IMPROVEMENT AUTHORITY
General Long-Term Debt Service Requirements - By Years
Fiscal Year Ended September 30, 2021

<i>Due During Fiscal Years Ending</i>	<i>Annual Requirements for All Series</i>		
	<i>Principal Due</i>	<i>Interest Due</i>	<i>Total</i>
2022	\$ 3,130,000	\$ 189,062	\$ 3,319,062
2023	2,290,000	59,287	2,349,287
2024	2,340,000	35,905	2,375,905
2025	2,385,000	12,044	2,397,044
	\$ 10,145,000	\$ 296,298	\$ 10,441,298

Cash and Temporary Investments Balances as of September 30, 2021

Debt Service Fund: \$ 1,204,671

The preceding notes are an integral part of these supplemental schedules.

VALWOOD IMPROVEMENT AUTHORITY
Analysis Of Changes In General Long-Term Debt
Fiscal Year Ended September 30, 2021

<i>Paying agents</i> Name and Address	Series 2015	The Bank of New York Mellon 240 Greenwich Street New York City, NY 10286
	Series 2020	JP Morgan Chase Bank 1111 Polaris Parkway Columbus, OH 43240

<i>Bond Authority:</i>	<u>Tax Bonds</u>	<u>Other Bonds</u>
<i>Amount authorized by voters</i>	\$ 95,000,000	\$ -
<i>Amount issued</i>	\$ 10,145,000	\$ -
<i>Remaining that could be issued</i>	\$ 84,855,000	\$ -
<i>Debt Service Fund cash and temporary investment balances as of September 30, 2021</i>	\$ <u>1,204,671</u>	
<i>Average annual debt service payment (principal and interest) for remaining term of all debt</i>	\$ <u>2,610,325</u>	

The preceding notes are an integral part of these supplemental schedules.

VALWOOD IMPROVEMENT AUTHORITY
Comparative Schedule of Revenue and Expenditures
General Fund and Debt Service Fund
Five Years Ended September 30, 2021

GENERAL FUND:	Amounts					Percent of Fund Total Revenues				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Revenues:										
Property taxes	\$ 1,469,938	\$ 1,386,792	\$ 1,216,108	\$ 1,454,330	\$ 1,237,971	91%	91%	88%	92%	90%
Interest on time deposits	1,737	3,536	9,014	2,861	1,610	0%	0%	1%	0%	0%
Other	146,268	140,912	149,347	125,979	140,581	9%	9%	11%	8%	10%
Total Revenues	1,617,943	1,531,240	1,374,469	1,583,170	1,380,162	100%	100%	100%	100%	100%
Expenditures:										
Administrative	167,027	170,976	170,723	182,746	164,359	10%	11%	12%	12%	12%
Professional fees	25,140	23,775	32,270	28,481	29,683	2%	2%	2%	2%	2%
Payroll	841,658	809,972	775,281	742,707	718,451	52%	53%	56%	47%	52%
Utilities	98,041	133,083	173,044	89,378	59,878	6%	9%	13%	6%	4%
Repairs and maintenance	185,843	178,894	166,681	139,354	148,224	11%	12%	12%	9%	11%
Other expenditures	224,159	207,259	203,639	243,736	159,655	14%	14%	15%	15%	12%
Capital outlay	47,130	-	-	-	-	3%	0%	0%	0%	0%
Total Expenditures	1,588,998	1,523,959	1,521,438	1,426,402	1,280,230	98%	100%	111%	90%	93%
Excess Revenues Over (Under) Expenditures	\$ 28,945	\$ 7,281	\$ (146,969)	\$ 156,768	\$ 99,932	1.8%	0.5%	-11%	10%	7%
DEBT SERVICE FUND:										
Revenues:										
Property taxes	\$ 3,501,737	\$ 3,021,631	\$ 3,075,249	\$ 3,282,743	\$ 3,339,923	99.9%	99.7%	99%	100%	100%
Interest on time deposits	4,196	9,122	25,871	7,281	5,113	0.1%	0.3%	1%	0%	0%
Other	-	-	(7,350)	(4,553)	-	0%	0%	0%	0%	0%
Total Revenues	3,505,933	3,030,753	3,093,770	3,285,471	3,345,036	100%	100%	100%	100%	100%
Expenditures:										
Debt service, interest and fees	3,319,032	3,125,601	3,090,519	3,346,577	3,473,634	95%	103%	100%	102%	104%
Administrative	750	8,181	750	1,577	1,510	0%	0%	0%	0%	0%
Total Expenditures	3,319,782	3,133,682	3,091,269	3,348,154	3,475,144	95%	103%	100%	102%	104%
Excess Revenues Over (Under) Expenditures	\$ 186,151	\$ (102,929)	\$ 2,501	\$ (62,683)	\$ (130,108)	5%	-3%	0%	-2%	-4%
Total Active Retail Water and / or Wastewater Connections	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The preceding notes are an integral part of these supplemental schedules.

VALWOOD IMPROVEMENT AUTHORITY
Insurance Coverage
Fiscal Year Ended September 30, 2021

<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Name of Insurer</u>	<u>Co- Insurance</u>
<i>General Liability</i>	\$ 1,000,000 each occurrence \$ 3,000,000 annual limit	<i>Philadelphia Indemnity Insurance Company</i>	<i>No</i>
<i>Auto Liability</i>	\$ 1,000,000 each occurrence \$ 1,000,000 annual limit	<i>Philadelphia Indemnity Insurance Company</i>	<i>No</i>
<i>Directors and Officers Professional Liability</i>	\$ 1,000,000 each occurrence \$ 3,000,000 annual limit	<i>Philadelphia Insurance Company</i>	<i>No</i>
<i>Employment Practices Liability</i>	\$ 1,000,000 each occurrence \$ 3,000,000 annual limit	<i>Philadelphia Indemnity Insurance Company</i>	
<i>Workers Compensation</i>	\$ 1,000,000 each accident \$ 1,000,000 each employee \$ 1,000,000 policy limit	<i>Texas Mutual</i>	<i>No</i>
<i>Property</i>	\$ 519,030 building \$ 1,272,355 contractors equipment	<i>Philadelphia Indemnity Insurance Company</i> <i>Philadelphia Indemnity Insurance Company</i>	<i>No</i>
<i>Property and Inland Marine Coverage</i>	\$ 300,000 each occurrence \$	<i>Philadelphia Indemnity Insurance Company</i>	<i>No</i>
<i>Excess Liability</i>	\$ 1,000,000 each occurrence \$ 1,000,000 annual limit	<i>Philadelphia Indemnity Insurance Company</i>	<i>No</i>
<i>Errors Omissions</i>	\$ 100,000 Employee Dishonesty \$ 25,000 Forgery/Alteration \$ 10,000 Inside/Outside	<i>Philadelphia Indemnity Insurance Company</i>	<i>No</i>
<i>Employees Benefits Liability</i>	\$ 1,000,000 per person \$ 3,000,000 aggregate	<i>Philadelphia Indemnity Insurance Company</i>	<i>No</i>

The preceding notes are an integral part of these supplemental schedules.

VALWOOD IMPROVEMENT AUTHORITY
Board Members, Key Personnel and Consultants
Fiscal Year Ended September 30, 2021

Complete District Mailing Address:
 1740 Briercroft Ct.
 Carrollton, Texas 75006
 District Business Telephone Number: (972) 245-5235

<u>Name and Address</u>	<u>Term of Office</u>	<u>Fees</u>	<u>Expense Reimbursements</u>	<u>Title</u>	<u>Resident of District</u>
<u>Administration</u>					
Pat Canuteson 1740 Briercroft Ct. Carrollton, TX 75006	1989	\$ 264,400	\$ 24,864	Executive Director	No
Sonja Dodds 1740 Briercroft Ct. Carrollton, TX 75006	1990	\$ 136,400	-	Tax Assessor/ Collector	No
<u>Board Members:</u>					
Dave Denison 328 Catlin Circle Lewisville, TX 75077	Appointed	\$ 2,250	-	President	No
Brent Wicker Wicker & Associates 16479 North Dallas Pkwy, Suite 215 Dallas, TX 75001	Appointed	\$ 2,250	-	Director	No
David Koch 1038 Elm St. Carrollton, TX 75006	Appointed	\$ 2,250	-	Director	No
Henry Billingsley 1722 Routh St, Suite 770 Dallas, Texas 75201	Appointed	\$ 2,100	-	Secretary	No
R.L. Lemke 1603 LBJ, Suite 800 Dallas, Texas 75234	Appointed	\$ 2,250	-	Treasurer	No
Jim Jackson P O Box 110247 Carrollton, TX 75011	Appointed	\$ 1,950	-	Vice- President	No
Michelle Holmes 14621 Cheny Hills Dr. Farmers Branch, TX 75234	Appointed	\$ 2,250	-	Asst Secretary/ Treasurer	No

The preceding notes are an integral part of these supplemental schedules.

VALWOOD IMPROVEMENT AUTHORITY
Board Members, Key Personnel, and Consultants
Fiscal Year Ended September 30, 2021

Complete District Mailing Address:
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 Carrollton, Texas 75006
 District Business Telephone Number: (972) 245-5235

<u>Name and Address</u>	<u>Term of Office</u>	<u>Fees</u>	<u>Expense Reimbursements</u>	<u>Title</u>	<u>Resident of District</u>
<u>Consultants</u>					
Boyle & Lowry, L.L.P. 1700 West Pioneer Irving, TX 75061-6842	1989	\$ -	\$ -	General counsel	No
Dallas Central Appraisal District 2949 N. Stemmons Freeway Dallas, TX 75247	1989	\$ 19,132	\$ -	Property appraisal	No
Judd, Thomas, Smith & Company 12222 Merit Drive, Suite 1900 Dallas, TX 75251	1991	\$ 17,865	\$ -	Auditor	No
Nathan D. Maier Three NorthPark 8800 N. Central, Suite 300 Dallas, TX 75231	1989	\$ 7,275	\$ -	Engineers	No

The preceding notes are an integral part of these supplemental schedules.