

Dallas County Park Cities Municipal Utility District

Independent Auditor's Report and Financial Statements

September 30, 2021

Dallas County Park Cities Municipal Utility District

September 30, 2021

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*N/A – not applicable

Annual Filing Affidavit

THE STATE OF TEXAS}
COUNTY OF: _____}

I, _____
(Name of Duly Authorized District Representative)

of the Dallas County Park Cities Municipal Utility District
(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 District on the ____ day of _____, 2022, its annual audit report for 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 1811 Regal Row, Dallas, Texas.

The annual filing affidavit and the attached copy of the annual 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.

Date: _____, 2022

By: _____
(Signature of District Representative)

(Typed Name & Title of Above District Representative)

Sworn to and subscribed to before me this _____ day of _____, 2022.

(Signature of Notary)

(SEAL)

My Commission expires on: _____, _____, Notary Public in and for the State of Texas.

Financial Section

Independent Auditor's Report

To the Board of Directors of
Dallas County Park Cities Municipal Utility District
Dallas, Texas

We have audited the accompanying basic financial statements of Dallas County Park Cities Municipal Utility District (District) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dallas County Park Cities Municipal Utility District, as of September 30, 2021, and the changes in its financial position and its cash flows 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, the schedule of changes in net pension liability and related ratios, schedule of employer contributions and notes to required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedule and the Texas Supplemental Information required by the Texas Commission on Environmental Quality as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information including the budgetary comparison schedule, schedule of expenses, schedule of temporary investments, schedule of long-term debt service requirements, and schedule of changes in long-term debt are the responsibility of management, was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information noted above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Directors of
Dallas County Park Cities Municipal Utility District
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The schedule of services and rates, comparative schedule of revenues and expenses, and board members, key personnel, and consultants have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

BKD, LLP

Dallas, Texas
January 19, 2022

Dallas County Park Cities Municipal Utility District

Management's Discussion and Analysis

September 30, 2021

The following discussion and analysis is provided by the Dallas County Park Cities Municipal Utility District, hereafter referred to as the District.

The District was created in 1938 primarily to treat raw water from Lake Grapevine, Texas, for the Town of Highland Park and City of University Park, Texas.

Financial Highlights

- The assets and deferred outflows of resources of the District at the end of the year totaled \$48,391,865.
- The net position of the District at the end of the year was \$29,292,809, and decreased during the year by \$324,029 or 1.09 percent.
- The District had operating income of \$89,256 for the year.
- The District's cash and cash equivalents decreased during the year by \$2,058,412.
- The District's net capital assets decreased during the year by \$562,712.
- The District's long-term bonds payable and unamortized bond premiums decreased during the year by \$1,692,575.
- Net pension liability totaled \$331,793, which was an increase of \$171,865 for the year.

Overview of the Financial Statements

This section is intended to serve as introduction to the District's basic financial statements. The basic financial statements are: 1) Statement of Net Position; 2) Statement of Revenues, Expenses, and Changes in Net Position; and 3) Statement of Cash Flows.

The financial statements of the District report information using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statement of Net Position includes all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its user fees and other charges, profitability, and creditworthiness.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Dallas County Park Cities Municipal Utility District

Management's Discussion and Analysis

September 30, 2021

The financial statements also include notes that explain in more detail some of the information in the financial statements.

Overview of Financial Activities and Analysis

To begin our analysis, summaries of the District's Statements of Net Position and Statement of Revenues, Expenses, and Changes in Net Position are presented below.

Condensed Statements of Net Position

	September 30, 2021	September 30, 2020	Dollar Change	Percent Change
Current and other assets	\$ 8,771,638	\$ 10,309,611	\$ (1,537,973)	-14.92%
Capital assets, net	<u>38,690,550</u>	<u>39,253,262</u>	<u>(562,712)</u>	<u>-1.43%</u>
Total assets	47,462,188	49,562,873	(2,100,685)	-4.24%
Deferred outflows of resources	<u>929,677</u>	<u>490,622</u>	<u>439,055</u>	<u>89.49%</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 48,391,865</u>	<u>\$ 50,053,495</u>	<u>\$ (1,661,630)</u>	<u>-3.32%</u>
Current liabilities	\$ 2,028,025	\$ 1,894,020	\$ 134,005	7.08%
Noncurrent liabilities	<u>16,704,966</u>	<u>18,270,676</u>	<u>(1,565,710)</u>	<u>-8.57%</u>
Total liabilities	18,732,991	20,164,696	(1,431,705)	-7.10%
Deferred inflows of resources	<u>366,065</u>	<u>271,961</u>	<u>94,104</u>	<u>34.60%</u>
Total liabilities and deferred inflows of resources	<u>19,099,056</u>	<u>20,436,657</u>	<u>(1,337,601)</u>	<u>-6.55%</u>
Net investment in capital assets	20,920,602	19,642,514	1,278,088	6.51%
Restricted for debt service	1,666,779	1,664,817	1,962	0.12%
Unrestricted	<u>6,705,428</u>	<u>8,309,507</u>	<u>(1,604,079)</u>	<u>-19.30%</u>
Total net position	<u>29,292,809</u>	<u>29,616,838</u>	<u>(324,029)</u>	<u>-1.09%</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 48,391,865</u>	<u>\$ 50,053,495</u>	<u>\$ (1,661,630)</u>	<u>-3.32%</u>

Dallas County Park Cities Municipal Utility District
Management's Discussion and Analysis
September 30, 2021

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	Year Ended September 30, 2021	Year Ended September 30, 2020	Dollar Change	Percent Change
Operating revenues	\$ 7,382,419	\$ 7,610,630	\$ (228,211)	-3.00%
Nonoperating revenues	49,053	119,951	(70,898)	-59.11%
Total revenues	7,431,472	7,730,581	(299,109)	-3.87%
Depreciation expense	2,419,975	2,457,714	(37,739)	-1.54%
Other operating expenses	4,873,188	3,679,933	1,193,255	32.43%
Nonoperating expenses	462,338	838,352	(376,014)	-44.85%
Total expenses	7,755,501	6,975,999	779,502	11.17%
Change in Net Position	(324,029)	754,582	(1,078,611)	-142.94%
Net Position at Beginning of Year	29,616,838	28,862,256	754,582	2.61%
Net Position at End of Year	\$ 29,292,809	\$ 29,616,838	\$ (324,029)	-1.09%

The overall financial position of the District is strong. The decrease in net capital assets represents depreciation taken on the Membrane Filter Facility and Plant Improvement project that was completed and placed in service in a prior year. The decrease in long-term liabilities is due primarily to scheduled principal payments during 2021.

The decrease in operating revenues is due primarily to two factors: The District sold less water to Highland Park in 2021 than in 2020, and the water rates for both Highland Park and University Park were decreased for FY2021 as compared to FY2020.

There were no amendments to the District's budget during the year. Operating expenses were \$502,007 less than budgeted, primarily as a result of less repairs and maintenance, chemicals, professional fees, and lower utility expenses than previously budgeted.

Capital Asset and Debt Administration

The District's investment in capital assets as of September 30, 2021, consists of buildings, water systems, easements and rights-of-way, vehicles, machinery and equipment, and furniture and fixtures. The District issued no new debt in fiscal year 2021.

Economic Factors and Next Year's Budget and Rates

The economic outlook for both the water industry and the District continues to be stable. Water revenues are influenced directly by weather conditions. A dry year will result in increased revenues as well as increased expenses, while a wet year will result in decreased revenues as well as decreased expenses. The 2022 budget is based on an rolling average for the previous ten years.

Dallas County Park Cities Municipal Utility District
Management's Discussion and Analysis
September 30, 2021

Request for Information

This financial report is designed to provide a general overview of the District's finances for those with an interest in the District's activities. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Dallas County Park Cities Municipal Utility District, 1811 Regal Row, Dallas, Texas 75235, or contact Richard Wagner at (214) 652-8639.

Dallas County Park Cities Municipal Utility District
Statement of Net Position
September 30, 2021

Assets

Current Assets

Cash and cash equivalents	\$ 5,500,899
Receivables	
City of University Park	579,725
Town of Highland Park	857,462
City of Grapevine	32,088
Brookhollow Country Club	10,127
Prepaid items and other assets	124,558
Restricted cash and cash equivalents	<u>1,666,779</u>
 Total current assets	 <u>8,771,638</u>

Noncurrent Assets

Capital assets	64,775,133
Less: accumulated depreciation	<u>(26,084,583)</u>
 Total noncurrent assets	 <u>38,690,550</u>

Total assets 47,462,188

Deferred Outflow of Resources

Related to TCDRS Pension	781,452
Deferred loss on refunding	<u>148,225</u>
 Total deferred outflow of resources	 <u>929,677</u>

Total assets and deferred outflow of resources \$ 48,391,865

Liabilities

Current Liabilities

Current portion of bonds payable	\$ 1,545,000
Accounts payable	224,706
Salaries and wages payable	12,049
Payroll taxes and related payables	59,706
Accrued compensated absences	88,056
Accrued interest payable	<u>98,508</u>
 Total current liabilities	 <u>2,028,025</u>

Noncurrent Liabilities

Bonds payable	16,373,173
Net pension liability – TCDRS	<u>331,793</u>
 Total noncurrent liabilities	 <u>16,704,966</u>

Total liabilities 18,732,991

Deferred Inflows of Resources

Related to TCDRS Pension	<u>366,065</u>
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Net Position

Net investment in capital assets	20,920,602
Restricted for debt service	1,666,779
Unrestricted	
Special restoration and capital projects	3,884,571
Subsequent year's operating expenses	<u>2,820,857</u>
 Total net position	 <u>29,292,809</u>

Total liabilities, deferred inflows of resources, and net position \$ 48,391,865

Dallas County Park Cities Municipal Utility District
Statement of Revenues, Expenses, and Changes in Net Position
Fiscal Year Ended September 30, 2021

Operating Revenues	
City of University Park	\$ 4,648,677
Town of Highland Park	2,314,354
City of Grapevine	387,855
Brookhollow Country Club	<u>31,533</u>
 Total operating revenues	 <u>7,382,419</u>
Operating Expenses	
Salaries and wages	1,658,729
Utilities	402,362
Depreciation	2,419,975
Chemicals	388,666
Group insurance premiums	297,709
Retirement premiums	84,274
Social Security and Medicare tax	121,997
Professional fees	177,754
Maintenance and repairs	279,146
Other operating expenses	1,293,817
Insurance and surety bond premiums	130,976
Contract labor	24,750
Legal notices and publications	2,272
Fuels and lubricants	6,443
Printing, office supplies, and postage	<u>4,293</u>
 Total operating expenses	 <u>7,293,163</u>
 Operating Income	 89,256
Nonoperating Revenues (Expenses)	
Investment income	9,401
Interest expense	(426,188)
Loss on retirement of capital assets	(36,150)
Miscellaneous income	<u>39,652</u>
 Total nonoperating revenues (expenses)	 <u>(413,285)</u>
 Change in Net Position	 (324,029)
 Net Position at Beginning of Year	 <u>29,616,838</u>
 Net Position at End of Year	 <u><u>\$ 29,292,809</u></u>

Dallas County Park Cities Municipal Utility District
Statement of Cash Flows
Fiscal Year Ended September 30, 2021

Cash Flows from Operating Activities	
Cash received from customers	\$ 6,861,902
Cash paid to employees	(2,316,224)
Cash paid to suppliers	<u>(2,741,498)</u>
Net cash provided by operating activities	<u>1,804,180</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(1,893,413)
Principal paid on bonds	(1,500,000)
Interest paid on bonds	<u>(642,732)</u>
Net cash used in capital and related financing activities	<u>(4,036,145)</u>
Cash Flow from Investing Activities	
Interest received	9,401
Miscellaneous income	<u>39,652</u>
Net cash provided by investing activities	<u>49,053</u>
Net decrease in cash and cash equivalents	(2,182,912)
Cash and cash equivalents at beginning of year	<u>9,350,590</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 7,167,678</u></u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities	
Operating income	\$ 89,256
Adjustments to reconcile operating income to net cash provided in operating activities	
Depreciation expense	2,419,975
Decrease (increase) in assets and deferred outflows:	
Accounts receivable	(520,517)
Prepaid items and other assets	(124,422)
Deferred TCDRS outflow	(422,586)
Increase (decrease) in liabilities and deferred inflows	
Accounts payable	93,403
Accrued compensated absences	3,102
Deferred TCDRS inflow	94,104
Net pension liability	<u>171,865</u>
Net Cash Provided by Operating Activities	<u><u>\$ 1,804,180</u></u>

Dallas County Park Cities Municipal Utility District

Notes to Financial Statements

September 30, 2021

Note 1: Summary of Significant Accounting Policies

Organization

The Dallas County Park Cities Municipal Utility District (District) was originally created in 1938 as the Dallas County Park Cities Water Control and Improvement District No. 2 by the Board of Water Engineers of the State of Texas. The Action of the Board responded to the joint petition of the Town of Highland Park and the City of University Park (Park Cities) for creation of the District as an agency through which the Park Cities could act together to obtain a common and independent water supply. The design and construction of the District's water supply and treatment facilities were completed in August 1950. Bond issues provided the original funds required to purchase and construct the facilities. In March 1973, the District was converted from a Water District into a Municipal Utility District under Chapter 54 of the Texas Water Code. In 1995, the code was recodified, and the District currently operates under Chapter 49.

The District serves as an agency through which the Park Cities act jointly to assure their citizens of an adequate water supply. The raw water is provided solely from Lake Grapevine, Texas. Treated water is sold and delivered by the District to the two municipalities; each in turn then retails the water to its customer citizens through its own distribution facilities. The District's charge for treated water is adjusted from time to time to provide adequate revenues to meet all of its financial obligations. For the fiscal year ending September 30, 2021, treated water was sold for \$2.4791 per thousand gallons to Highland Park and \$2.4703 per thousand gallons to University Park. The District also provides raw water to other entities in the area.

The District's operations are directed by a board of five directors who are elected biennially for overlapping four-year terms (three or two directors elected biennially) by the voters of the Town of Highland Park and City of University Park in a common election.

The Reporting Entity

The District's financial statements include the accounts of all District operations. The criteria for including organizations within the District's reporting entity are set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* (GASB Codification). The District's financial statements do not include any component units because none of the criteria for inclusion as set forth in the GASB Codification have been met.

Dallas County Park Cities Municipal Utility District

Notes to Financial Statements

September 30, 2021

Basis of Presentation

The District presents its financial statements in accordance with GASB Statement No. 34, *Accounting and Financial Reporting Alternatives* (GASB 34) guidance for governments engaged in business-type activities. Accordingly, the basic financial statements and Required Supplementary Information (RSI) of the District consist of MD&A and Pension Related Schedules; Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; Statement of Cash Flows; and Notes to the Financial Statements. Additionally, the Authority complies with the reporting requirements promulgated by the “Water Authority’s Financial Management Guide” published by the Texas Commission on Environmental Quality.

GASB 34 requires the classification of net position into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net assets that do not meet the definition of “restricted,” or “net investment in capital assets.”

Generally, the District would first apply restricted resources, then unrestricted resources when an expense is incurred for purposes for which more than one classification of net position is available.

Measurement Focus

The accompanying basic financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. The District’s enterprise fund accounts for the operations of treating raw water for municipal use from Lake Grapevine, Texas.

The District expenses all supplies used in the water treatment operations on a continuous basis as needed; therefore, no inventory balances are reflected in the financial statements.

Dallas County Park Cities Municipal Utility District
Notes to Financial Statements
September 30, 2021

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, demand deposit accounts in banks and local government investment pools. Investments are recorded at amortized cost. The District invests funds exclusively in local government investment pools which are considered cash equivalents for financial statement purposes.

Receivables

Accounts receivable are considered fully collectible; accordingly, no allowance for doubtful accounts is required. In the event an account in whole or in part becomes uncollectible in the future, such amount will be charged to operations when that determination is made.

Inventories

The District expends all supplies used in the water treatment operations on a continuous basis as needed; therefore, no inventory balances are reflected in the financial statements.

Depreciation

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives on the straight-line method. The District's capitalization threshold is \$500 for water systems and buildings, and \$250 for furniture and equipment. The estimated service lives by type of asset are as follows:

Water systems	15 - 50 years
Buildings	10 - 50 years
Auto, furniture, and equipment	5 - 50 years

Compensated Absences

District employees are entitled to certain compensated absences based on their length of employment. Compensated absences for vacation time accumulate and are accrued when they are earned.

Net Position

In accordance with the District's water contract with the Park Cities, each year the District reserves a portion of net position for: (a) 50 percent of the subsequent year's estimated operating and maintenance expenditures, and (b) up to 100 percent of future estimated capital projects expenditures.

Dallas County Park Cities Municipal Utility District

Notes to Financial Statements

September 30, 2021

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources and liabilities, and deferred inflows of resources 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.

Note 2: Deposits and Investments

Deposits

The Board of Directors designates a financial institution to serve as the depository for the funds of the District. To the extent that funds in the depository are not insured by the Federal Deposit Insurance Corporation, they are secured in the manner provided by law for the security of funds per Chapter 2257, Texas Government Code (the *Public Funds Collateral Act*).

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned, or the District will not be able to recover collateral securities in the possession of an outside party. At September 30, 2021, the District's deposits were entirely insured or collateralized with securities held by the pledging financial institution's trust department or agent in the District's name; as a result, the District's deposits were not exposed to custodial credit risk.

Investments

Funds of the District may be invested and reinvested by the District's investment officer or its authorized representative in U.S. Treasury and federal agency securities, certificates of deposit, repurchase agreements, and local government investment pools. The Board adopted an investment and collateral policy to comply with Chapter 2256 and 2257 of the Texas Government Code on September 10, 1998, and reviews yearly.

The District is a voluntary participant in TexPool Prime. The State Comptroller exercises oversight responsibility over all other aspects of TexPool Prime including investment and accounting activity, development plans, etc. Oversight responsibility is demonstrated by financial interdependency, ability to significantly influence operations, designation of management, and accountability for fiscal matters. As a result, the financial statements of TexPool Prime are included in the financial statements of the Texas Trust as an investment trust fund, which are ultimately included in the financial statements of the State of Texas. TexPool Prime uses amortized costs rather than market value to report net assets to compute share prices.

The District currently has no investments that are required to be reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

Dallas County Park Cities Municipal Utility District
Notes to Financial Statements
September 30, 2021

At September 30, 2021, the District's cash and cash equivalents were as follows:

Investment Type	Fair Value	Weighted Average Maturity	S&P Credit Rating
Deposits with a financial institution	\$ 56,416	N/A	N/A
Imprest cash	300	N/A	N/A
Local government investment pools			
TexPool Prime	<u>7,110,962</u>	32 days	AAAm
Total cash and cash equivalents	<u>\$ 7,167,678</u>		

Note 3: Capital Assets

The District's capital asset activity for the year ended September 30, 2021, is as follows:

	Balance October 1, 2020	Additions	Retirements	Transfers	Balance September 30, 2021
Buildings, water system, easements, and right-of-way	\$ 30,037,113	\$ 350,808	\$ (24,471)	\$ 31,750	\$ 30,395,200
Machinery and equipment	32,786,225	1,459,122	(502,930)	186,156	33,928,573
Vehicles	212,081	14,512	-	-	226,593
Furniture and fixtures	91,913	1,100	(4,106)	-	88,907
Construction in progress	<u>285,886</u>	<u>67,880</u>	<u>-</u>	<u>(217,906)</u>	<u>135,860</u>
Total capital assets	63,413,218	1,893,422	(531,507)	-	64,775,133
Accumulated depreciation	<u>(24,159,956)</u>	<u>(2,419,975)</u>	<u>495,348</u>	<u>-</u>	<u>(26,084,583)</u>
	<u>\$ 39,253,262</u>	<u>\$ (526,553)</u>	<u>\$ (36,159)</u>	<u>\$ -</u>	<u>\$ 38,690,550</u>

Dallas County Park Cities Municipal Utility District
Notes to Financial Statements
September 30, 2021

Note 4: Long-Term Debt

The District's long-term debt activity for the year ended September 30, 2021, is as follows:

	Balance October 1, 2020	Issued During the Year	Retired During the Year	Balance September 30, 2021	Current Current
Water System Revenue Refunding Bonds, Series 2020	\$ 17,685,000	\$ -	\$ (1,500,000)	\$ 16,185,000	\$ 1,545,000
Unamortized Bond Premium	<u>1,925,748</u>	<u>-</u>	<u>(192,575)</u>	<u>1,733,173</u>	<u>-</u>
	<u>\$ 19,610,748</u>	<u>\$ -</u>	<u>\$ (1,692,575)</u>	<u>\$ 17,918,173</u>	<u>\$ 1,545,000</u>

Details of bonds payable as of September 30, 2021, are as follows:

Water System Revenue Refunding Bonds, Series 2020 dated August 1, 2020, in the aggregate principal amount of \$17,760,000; interest payable semi-annually at coupon rates ranging from 3.00 percent to 4.00 percent; principal payable annually through August 1, 2030; secured by a first lien on and pledge of certain revenues of the District's water system, including contract payments from the District's contracts for the sale of treated water to the Town of Highland Park and the City of University Park.

Dallas County Park Cities Municipal Utility District
Notes to Financial Statements
September 30, 2021

The scheduled maturities of bonds payable as of September 30, 2021, are as follows:

Years Ended December 31,	Principal	Interest	Total
2022	\$ 1,545,000	\$ 591,050	\$ 2,136,050
2023	1,590,000	544,700	2,134,700
2024	1,655,000	481,100	2,136,100
2025	1,720,000	414,900	2,134,900
2026	1,790,000	346,100	2,136,100
2027 – 2030	7,885,000	659,550	8,544,550
Totals	<u>\$ 16,185,000</u>	<u>\$ 3,037,400</u>	<u>\$ 19,222,400</u>

Note 5: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The District purchases commercial insurance to indemnify it in the event of loss. Insurance settlements have not exceeded insurance coverage in any of the past three years.

Note 6: Retirement Plan

The District provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 800 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (*TCDRS Act*). Members can retire at ages 60 and above with 10 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after 10 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Dallas County Park Cities Municipal Utility District
Notes to Financial Statements
September 30, 2021

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the *TCDRS Act* so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee’s accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the *TCDRS Act*.

Contributions

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the *TCDRS Act*. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the *TCDRS Act*, the contribution rate of the employer is actuarially determined annually. The employer contributed \$100,000 more than the actuarially determined rate during the year ending December 31, 2020.

The contribution rate payable by the employee members for calendar years 2020 and 2021 is the rate of 7.00 percent as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the *TCDRS Act*.

Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2020
Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	20.0 years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.6% average over career including inflation.
Investment Rate of Return	7.50%
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Dallas County Park Cities Municipal Utility District

Notes to Financial Statements

September 30, 2021

Discount Rate

The discount rate used to measure the total pension liability was 7.60 percent. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. 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. The long-term rate of return on pension plan investments is 8.10 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of December 31, 2020, are summarized below:

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected Minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Private Equity	Cambridge Associates Global Private Equity & Venture, Capital Index	25.00%	7.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
International Equities - Developed	MSCI World Ex USA (net)	5.00%	4.25%
International Equities - Emerging	MSCI EM Standard (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	4.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-0.70%

(1) Target asset allocation adopted at the March 2021 TCDRS Board meeting.

(2) Geometric real rates of return in addition to assumed inflation of 2.00%, per Cliffwater's 2021 capital market assumptions.

(3) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

(4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

(5) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

Dallas County Park Cities Municipal Utility District
Notes to Financial Statements
September 30, 2021

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability/(Asset) if the discount rate used was 1.00 percent less than and 1.00 percent greater than the discount rate that was used (7.60 percent) in measuring the 2021 Net Pension Liability/(Asset):

	1% Decrease	Current Discount Discount Rate	1% Increase
	<u>6.60%</u>	<u>7.60%</u>	<u>8.60%</u>
Total pension liability	\$ 11,351,667	\$ 10,198,437	\$ 9,205,331
Fiduciary net position	<u>9,866,643</u>	<u>9,866,644</u>	<u>9,866,643</u>
Net pension liability/(asset)	<u>\$ 1,485,024</u>	<u>\$ 331,793</u>	<u>\$ (661,312)</u>

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension (a)	Plan Fiduciary Net (b)	Net Pension (Asset) (a) – (b)
Balance at October 1, 2020	<u>\$ 9,162,406</u>	<u>\$ 9,002,478</u>	<u>\$ 159,928</u>
Changes for the year			
Service cost	184,877	-	184,877
Interest	739,536	-	739,536
Difference between expected and actual experience	43,247	-	43,247
Changes in assumptions	511,406	-	511,406
Contributions – employer	-	271,333	(271,333)
Contributions – employee	-	114,005	(114,005)
Net investment income	-	929,898	(929,898)
Benefit payments, including refunds of employee contributions	(443,035)	(443,035)	-
Administrative expense	-	(7,220)	7,220
Other changes	-	(815)	815
Net Changes	<u>1,036,031</u>	<u>864,166</u>	<u>171,865</u>
Balance at September 30, 2021	<u>\$ 10,198,437</u>	<u>\$ 9,866,644</u>	<u>\$ 331,793</u>

Dallas County Park Cities Municipal Utility District
Notes to Financial Statements
September 30, 2021

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

At September 30, 2021, the District reported \$331,793 for the net pension liability and pension expense of \$92,837 related to the December 31, 2020, valuation. The breakdown of the components of pension expense follows:

	Pension Expense (Income)
Service cost	\$ 184,877
Interest on total pension liability ⁽¹⁾	739,536
Administrative expenses	7,220
Member contributions	(114,005)
Expected investment return net of investment expenses	(726,590)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	11,880
Recognition of assumption changes or inputs	84,444
Recognition of investment gains or losses	(95,340)
Other ⁽²⁾	815
Pension Expense / (Income)	\$ 92,837

(1) Reflects the change in the liability due to the time value of money.

(2) Relates to allocation of system-wide items.

The District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 102,899	\$ 40,279
Changes of assumptions	445,487	-
Net difference between projected and actual earnings	-	325,786
Contributions made subsequent to measurement date	233,066	-
	\$ 781,452	\$ 366,065

Dallas County Park Cities Municipal Utility District
Notes to Financial Statements
September 30, 2021

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$233,066 will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. The net amounts of the employer's balances of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Years Ended September 30,</u>	
2022		\$ (11,978)
2023		78,442
2024		(91,276)
2025		38,582
2026		89,314
Thereafter		<u>79,237</u>
		<u>\$ 182,321</u>

Required Supplementary Information

Dallas County Park Cities Municipal Utility District

Schedule of Changes in Net Pension Liability and Related Ratios

Fiscal Year Ended September 30, 2021

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 184,877	\$ 169,194	\$ 156,067	\$ 156,557	\$ 168,420	\$ 168,749	\$ 149,415
Interest on total pension liability	739,536	697,227	668,597	631,460	590,267	555,172	515,873
Effect of plan changes	-	-	-	-	-	(4,239)	-
Effect of assumption changes or inputs	511,406	-	-	21,419	-	46,899	-
Effect of economic/demographic (gains) or losses	43,247	70,546	(70,486)	35,708	21,222	(22,779)	8,332
Benefit payments/refunds of contributions	(443,035)	(418,073)	(409,800)	(363,429)	(327,941)	(252,453)	(186,499)
Net change in total pension liability	1,036,031	518,894	344,378	481,715	451,968	491,349	487,121
Total pension liability, beginning	9,162,406	8,643,512	8,299,136	7,817,421	7,365,453	6,874,102	6,386,981
Total Pension Liability, Ending (a)	\$ 10,198,437	\$ 9,162,406	\$ 8,643,514	\$ 8,299,136	\$ 7,817,421	\$ 7,365,451	\$ 6,874,102
Fiduciary Net Position							
Employer contributions	\$ 271,333	\$ 270,551	\$ 166,416	\$ 143,041	\$ 141,109	\$ 149,544	\$ 148,183
Member contributions	114,005	102,919	96,995	88,453	85,743	86,800	86,729
Investment income net of investment expenses	929,898	1,277,188	(152,266)	1,045,742	500,150	(9,430)	448,861
Benefit payments/refunds of contributions	(443,035)	(418,072)	(409,800)	(363,429)	(327,941)	(252,453)	(186,499)
Administrative expenses	(7,220)	(6,860)	(6,247)	(5,377)	(5,450)	(4,882)	(5,048)
Other	(815)	(273)	(3,549)	(1,819)	12,548	13,592	(12,214)
Net change in fiduciary net position	864,166	1,225,453	(308,451)	906,611	406,159	(16,829)	480,012
Fiduciary net position, beginning	9,002,478	7,777,025	8,085,478	7,178,867	6,772,708	6,789,537	6,309,525
Fiduciary net position, ending (b)	\$ 9,866,644	\$ 9,002,478	\$ 7,777,027	\$ 8,085,478	\$ 7,178,867	\$ 6,772,708	\$ 6,789,537
Net Pension Liability / (Asset), Ending <= (a) - (b)	\$ 331,793	\$ 159,928	\$ 866,487	\$ 213,658	\$ 638,554	\$ 592,743	\$ 84,565
Fiduciary net position as a % of total pension liability	96.75%	98.25%	89.98%	97.43%	91.83%	91.95%	98.77%
Covered payroll	\$ 1,628,637	\$ 1,470,270	\$ 1,385,642	\$ 1,263,611	\$ 1,224,902	\$ 1,240,002	\$ 1,238,989
Net pension liability as a % of covered payroll	20.37%	10.88%	62.53%	16.91%	52.13%	47.80%	6.83%

Note: Ten years of data not available.

Dallas County Park Cities Municipal Utility District
Schedule of Employer Contributions
Fiscal Year Ended September 30, 2021

Years Ending December 31,	Actuarially Determined Contribution ⁽¹⁾	Actual Employer Contribution ⁽¹⁾	Contribution Deficiency (Excess)	Pensionable Covered Payroll ⁽²⁾	Actual Contribution as a % of Covered Payroll
2011	\$ 123,525	\$ 123,525	\$ -	\$ 1,159,859	10.7%
2012	145,039	145,039	-	1,268,935	11.4%
2013	136,845	136,845	-	1,170,614	11.7%
2014	148,183	148,183	-	1,238,989	12.0%
2015	149,544	149,544	-	1,240,002	12.1%
2016	141,109	141,109	-	1,224,902	11.5%
2017	143,041	143,041	-	1,263,611	11.3%
2018	166,416	166,416	-	1,385,642	12.0%
2019	170,551	270,551	(100,000)	1,470,270	18.4%
2020	171,333	271,333	(100,000)	1,628,637	16.7%

(1) 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. If additional assistance is needed, please contact TCDRS.

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

Notes to Schedule:

Valuation Date:

Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January, 12 months and a day later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	20.0 years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.6% average over career including inflation.
Investment Rate of Return	7.50%
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Dallas County Park Cities Municipal Utility District
Notes to Required Supplementary Information
Fiscal Year Ended September 30, 2021

Note 1: Pension Liability

Change in Benefit Terms

There were no changes of benefit terms that affected the measurement of the total pension liability during the measurement period.

Change in Assumptions

The following changes of assumptions occurred during the measurement period ended December 31, 2010:

1. Amortization period increased from 11.5 years to 20 years
2. Inflation decreased from 2.75% to 2.50%
3. Average salary increase over career decreased from 4.9% to 4.6%
4. Investment rate of return decreased from 8.00% to 7.5%

Other Supplemental Section

Dallas County Park Cities Municipal Utility District
Budgetary Comparison Schedule
Fiscal Year Ended September 30, 2021

	Original Budget	Actual	Variance Positive (Negative)
Operating Revenue			
City of University Park	\$ 5,039,400	\$ 4,648,677	\$ (390,723)
Town of Highland Park	2,676,699	2,314,354	(362,345)
City of Grapevine	390,908	387,855	(3,053)
Brookhollow Country Club	47,049	31,533	(15,516)
	<u>8,154,056</u>	<u>7,382,419</u>	<u>(771,637)</u>
Operating Expenses			
Salaries and wages	1,633,187	1,658,729	(25,542)
Utilities	580,000	402,362	177,638
Chemicals	554,450	388,666	165,784
Group insurance premiums	304,300	297,709	6,591
Retirement premiums	271,259	84,274	186,985
Social Security and Medicare tax	125,594	121,997	3,597
Professional fees	280,000	177,754	102,246
Maintenance and repairs	1,257,000	279,146	977,854
Other operating expenses	171,000	1,293,817	(1,122,817)
Insurance and surety bond premiums	133,975	130,976	2,999
Contract labor	30,000	24,750	5,250
Legal notices and publications	5,000	2,272	2,728
Fuels and lubricants	20,000	6,443	13,557
Printing, office supplies and postage	9,500	4,293	5,207
	<u>5,375,265</u>	<u>4,873,188</u>	<u>502,077</u>
	<u>2,778,791</u>	<u>2,509,231</u>	<u>(269,560)</u>
Operating Income			
Non-Operating Revenues (Expenses)			
Investment income	100,000	9,401	(90,599)
Interest expense	(636,050)	(426,188)	209,862
	<u>(536,050)</u>	<u>(416,787)</u>	<u>119,263</u>
	<u>\$ 2,242,741</u>	<u>2,092,444</u>	<u>\$ (150,297)</u>
Increase In Net Position Before Non-Budgeted Revenues (Expenses)			
Non-Budgeted Revenues (Expenses)			
Depreciation		(2,419,975)	
Loss on retirement of capital assets		(36,150)	
Miscellaneous income		39,652	
		<u>(2,416,473)</u>	
Decrease In Net Position		<u>\$ (324,029)</u>	

Dallas County Park Cities Municipal Utility District
Index of Supplemental Schedules Required by the Texas Commission of
Environmental Quality
Fiscal Year Ended September 30, 2021

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*N/A - not applicable

Dallas County Park Cities Municipal Utility District

Schedule of Services and Rates (Unaudited)

Fiscal Year Ended September 30, 2021

TSI-1

1. Services Provided by the District:

<input type="checkbox"/> Retail Water	<input checked="" 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
<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 Available

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

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Usage	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:

N/A	Active Connections	Active ESFCs	Inactive Connections (ESFC)**
Single Family	_____	_____	_____
Multi-Family	_____	_____	_____
Commercial	_____	_____	_____
Other -- Recreational Centers, Government, & VFD	_____	_____	_____
TOTAL	_____	_____	_____

4. Total Water Consumption (in Thousands) during the Fiscal Year: N/A

Gallons pumped into the system: _____

Gallons billed to customers: _____

* 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.

**Dallas County Park Cities Municipal Utility District
Schedule of Services and Rates (Unaudited)
(Continued)
Fiscal Year Ended September 30, 2021**

TSI-1

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

For the most recent full fiscal year, FYE _____:

Debt Service:	Total Levy	\$ _____
	Total Collected	\$ _____
	Percentage Collected	_____

Operation & Maintenance:	Total Levy	\$ _____
	Total Collected	\$ _____
	Percentage Collected	_____

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

6. Anticipated Sources of Funds to be Used for Debt Service Payments in the District's Following Fiscal Year:

a. Debt Service Tax Receipts	\$ _____
b. Surplus Construction Funds	_____
c. Water and/or Wastewater Revenue	2,136,050
d. Standby Fees	_____
e. Debt Service Fund Balance to be Used	_____
f. Interest Revenue	_____
g. Other (Describe)	_____
*TOTAL ANTICIPATED FUNDS TO BE USED	\$ <u>2,136,050</u>

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 within a city? Entirely Partly Not at all

City(ies) in which District is located: Highland Park, University Park

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

ETJs in which District located: _____

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

If Yes, by whom? _____

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

Dallas County Park Cities Municipal Utility District
Schedule of Expenses
Fiscal Year Ended September 30, 2021

TSI-2

Operating Expenses

Salaries and wages	\$ 1,658,729
Utilities	402,362
Depreciation	2,419,975
Chemicals	388,666
Group insurance premiums	297,709
Retirement premiums	84,274
Social Security and Medicare tax	121,997
Professional fees	177,754
Maintenance and repairs	279,146
Other operating expenses	1,293,817
Insurance and surety bond premiums	130,976
Contract labor	24,750
Legal notices and publications	2,272
Fuels and lubricants	6,443
Printing, office supplies, and postage	<u>4,293</u>

Total operating expenses	<u>7,293,163</u>
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Nonoperating Expenses

Interest expense	426,188
Loss on retirement of capital assets	<u>36,150</u>

Total nonoperating expenses	<u>462,338</u>
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Total expenses	<u><u>\$ 7,755,501</u></u>
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**Dallas County Park Cities Municipal Utility District
Schedule of Temporary Investments
Fiscal Year Ended September 30, 2021**

TSI-3

Funds	Maturity Date	September 30, 2021
Enterprise Fund		
Investment pool	N/A	\$ 5,444,183
Investment pool	N/A	1,666,779
		\$ 7,110,962

Dallas County Park Cities Municipal Utility District
Schedule of Long-Term Debt Service Requirements
Fiscal Year Ended September 30, 2021

TSI-5

Due During Fiscal Years September 30,	Water System Revenue Refunding Bonds Series 2020		
	Principal Due August 1,	Interest Due February 1, August 1,	Total
2022	\$ 1,545,000	\$ 591,050	\$ 2,136,050
2023	1,590,000	544,700	2,134,700
2024	1,655,000	481,100	2,136,100
2025	1,720,000	414,900	2,134,900
2026	1,790,000	346,100	2,136,100
2027	1,860,000	274,500	2,134,500
2028	1,935,000	200,100	2,135,100
2029	2,015,000	122,700	2,137,700
2030	2,075,000	62,250	2,137,250
Totals	\$ 16,185,000	\$ 3,037,400	\$ 19,222,400

Dallas County Park Cities Municipal Utility District
Schedule of Changes in Long-term Debt
Fiscal Year Ended September 30, 2021

TSI-6

	<u>Series 2020</u>
Interest rates	3.0% to 4.0%
Dates interest payable	2/1 and 8/1
Maturity dates	8/1/2020 to 8/1/2030
Bonds outstanding at beginning of current year	\$ 17,685,000
Bonds sold during current year	-
Bonds retired during current year	<u>(1,500,000)</u>
Bonds outstanding, end of current year	<u>\$ 16,185,000</u>
Interest paid during current year	<u>\$ 642,732</u>

<u>Bond Authority</u>	<u>Tax Bonds</u>	<u>Other Bonds</u>	<u>Refunding Bonds</u>
Amount authorized	\$ -	\$ -	\$ -
Amount Issued	-	-	-
Remaining to be issued	-	-	-

Dallas County Park Cities Municipal Utility District
Comparative Schedule of Revenues and Expenses
For the Five Years Ended September 30, 2021, 2020, 2019, 2018 and 2017

TSI-7

	Amounts				
	2020	2020	2019	2018	2017
Operating Revenue					
Water sales	\$ 7,382,419	\$ 7,610,630	\$ 7,215,736	\$ 8,201,035	\$ 7,430,718
Operating Expenses					
Salaries and wages	1,658,729	1,617,148	1,416,407	1,376,865	1,202,112
Utilities	402,362	431,358	436,367	544,786	475,951
Chemicals and fuels	388,666	509,928	417,591	463,367	413,323
Group insurance premiums	297,709	215,615	273,901	248,502	265,823
Other operating expenses	1,462,551	326,414	741,452	515,676	251,079
Retirement premiums	84,274	218,146	296,869	188,896	264,351
Social Security and Medicare tax	121,997	117,572	104,403	100,810	88,545
Professional fees	177,754	44,670	32,305	43,208	78,305
Maintenance and repairs	279,146	199,082	159,422	148,614	1,047,536
Depreciation	2,419,975	2,457,714	2,470,015	2,442,987	2,452,543
	<u>7,293,163</u>	<u>6,137,647</u>	<u>6,348,732</u>	<u>6,073,711</u>	<u>6,539,568</u>
Operating Income	<u>89,256</u>	<u>1,472,983</u>	<u>867,004</u>	<u>2,127,324</u>	<u>891,150</u>
Nonoperating Revenues (Expenses)					
Investment income	9,401	104,018	211,061	152,841	94,239
Interest expense	(426,188)	(470,513)	(789,946)	(848,513)	(887,796)
Bond issuance costs	-	(315,845)	-	-	-
Loss on retirement of capital assets	(36,150)	(51,994)	(347,352)	(129,938)	(111,117)
Miscellaneous income	39,652	15,933	19,100	51,395	13,783
Contributions to other governments	-	-	-	(1,052,000)	(1,052,000)
	<u>(413,285)</u>	<u>(718,401)</u>	<u>(907,137)</u>	<u>(1,826,215)</u>	<u>(1,942,891)</u>
Increase (Decrease) in Net Position	<u>\$ (324,029)</u>	<u>\$ 754,582</u>	<u>\$ (40,133)</u>	<u>\$ 301,109</u>	<u>\$ (1,051,741)</u>

Dallas County Park Cities Municipal Utility District
Comparative Schedule of Revenues and Expenses
(Continued)
For the Five Years Ended September 30, 2021, 2020, 2019, 2018 and 2017

TSI-7

	Amounts				
	2021	2020	2019	2018	2017
Operating Revenue					
Water sales	100%	100%	100%	100%	100%
Expenses					
Salaries and wages	22.47%	21.25%	19.60%	16.80%	16.20%
Utilities	5.45%	5.67%	6.00%	6.60%	6.40%
Chemicals and fuels	5.26%	6.70%	5.80%	5.70%	5.60%
Group insurance premiums	4.03%	2.83%	3.80%	3.00%	3.60%
Other operating expenses	19.81%	4.29%	10.30%	6.30%	3.40%
Retirement premiums	1.14%	2.87%	4.10%	2.30%	3.60%
Social Security and Medicare tax	1.65%	1.54%	1.40%	1.20%	1.20%
Professional fees	2.41%	0.59%	0.40%	0.50%	1.10%
Maintenance and repairs	3.78%	2.62%	2.20%	1.80%	14.10%
Depreciation	32.78%	32.29%	34.20%	29.80%	33.00%
	<u>98.79%</u>	<u>80.65%</u>	<u>87.80%</u>	<u>74.00%</u>	<u>88.20%</u>
Operating Income	<u>1.21%</u>	<u>19.35%</u>	<u>12.20%</u>	<u>26.00%</u>	<u>11.80%</u>
Non-Operating Revenues (Expenses)					
Investment income	0.13%	1.37%	2.90%	1.90%	1.30%
Interest expense	-5.77%	-6.18%	-10.90%	-10.30%	-11.90%
Bond issuance costs	0.00%	-4.15%	0.00%	0.00%	0.00%
Loss on retirement of capital assets	-0.49%	-0.68%	-4.80%	-1.60%	-1.50%
Miscellaneous income	0.54%	0.21%	0.30%	0.60%	0.20%
Contributions to other governments	0.00%	0.00%	0.00%	-12.80%	-14.20%
	<u>-5.60%</u>	<u>-9.43%</u>	<u>-12.50%</u>	<u>-22.20%</u>	<u>-26.10%</u>
Increase (Decrease) in Net Position	<u><u>-4.39%</u></u>	<u><u>9.92%</u></u>	<u><u>-0.30%</u></u>	<u><u>3.80%</u></u>	<u><u>-14.30%</u></u>

**Dallas County Park Cities Municipal Utility District
Board Members, Key Personnel, and Consultants – Unaudited
September 30, 2021**

TSI-8

District Mailing Address: District Business Telephone Number:
Dallas County Park Cities M.U.D. (214) 652-8639
1811 Regal Row
Dallas, Texas 75235

Name and Address	Term of Office Elected and Appointed	Fees Fiscal Year Ended September 30, 2021	Reimbursements Fiscal Year Ended September 30, 2021	Title at End of Year	Resident of District
Board Members					
Mr. Donald H. Snell 4229 Versailles Avenue Dallas, TX 75205	(Elected) 5/18 - 5/22	\$ -	\$ -	President	Yes
Mr. James S. Cornelius 3707 Maplewood Dallas, TX 75205	(Appointed) 5/20 - 5/24	-	-	Vice President	Yes
Mr. B. Neil Harris 3701 Colgate Dallas, TX 72225	(Appointed) 5/20 - 5/24	-	-	Secretary	Yes
Mr. Michael D. McKenzie 3712 Caruth Blvd. Dallas, TX 75225	(Elected) 5/20 - 5/24	-	-	Director	Yes
Mr. John L Wagner 3621 Rosedale Dallas, TX 75205	(Elected) 5/20 - 5/24	-	-	Director	Yes

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

Key Administrative Personnel:

Larry McDaniel 1811 Regal Row Dallas, TX 75235	10/1	\$ -	\$ -	General Manager & Investment Officer
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Consultants:

Gupta & Associates	2005	\$ 51,570	\$ -	Consultant
Burns McDonnell	2020	\$ 19,929	\$ -	Consultant
CDM	2020	\$ 148,438	\$ -	Consultant
Tetra Tech, Inc.	2020	\$ 79,640	\$ -	Consultant
BKD, L.L.P.	2020	\$ 18,250	\$ -	Auditor