

Tarrant Regional Water District  
Fort Worth, Texas

Comprehensive Annual Financial Report  
As of and for year ended September 30, 2015





Tarrant Regional Water District  
Fort Worth, Texas  
Comprehensive Annual Financial Report  
As of and for the Year Ended  
September 30, 2015

Board of Directors

Victor W. Henderson, President

Jack R. Stevens, Vice-President

Martha V. Leonard, Secretary

James W. Lane, Secretary Pro-Tem

Mary Kelleher, Director

General Manager

James M. Oliver

Deputy General Manager

R. Alan Thomas

Assistant General Manager

Daniel L. Buhman

Director of Finance

Sandra Newby

# **TARRANT REGIONAL WATER DISTRICT – FORT WORTH, TEXAS**

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## Introductory Section (Unaudited)



(Cedar Creek Dam)



## Board Members

Victor W. Henderson, President  
Jack R. Stevens, Vice President  
Marty V. Leonard, Secretary  
Jim W. Lane, Secretary Pro-Tem  
Mary Kelleher, Director

James M. Oliver, General Manager

January 11, 2016

To the: Board of Directors of the Tarrant Regional Water District

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Tarrant Regional Water District (the District) as of and for the fiscal year ended September 30, 2015. This report is submitted in compliance with generally accepted accounting principles in the United States of America (GAAP) and has been prepared by the District's Finance Department staff.

The CAFR consists of management's representation concerning the finances of the District. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge and belief, the presented data is accurate in all material respects, and is reported in a manner designed to present fairly, the financial position and results of operations of the various funds. The District has established a comprehensive internal control framework in order to provide a reasonable basis for making these assertions. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District's financial statements have been audited by Deloitte & Touche LLP, an independent audit firm. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion for the District's financial statements for the fiscal year ended September 30, 2015. The Independent Auditors' Report is located in the beginning of the financial section of this report.

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis to accompany the basic financial statements. The MD&A immediately follows the Independent Auditors' Report and should be read in conjunction with the basic financial statements.

### **Profile of the Tarrant Regional Water District**

The District, formerly the Tarrant County Water Control and Improvement District Number One, is a water control and improvement district and political subdivision of the State of Texas created in October 1924 pursuant to Article 16, Section 59 of the Texas Constitution. The District is presently functioning under the general and special laws of the State of Texas, including Chapters 49 and 51, Texas Water Code, and pursuant to the provisions of Chapter 268, Acts of 1957, 55<sup>th</sup> Legislature of Texas, as amended, Regular Session (the District Act), and is authorized by the District Act to issue bonds and finance public works projects.

The District has spent the last 90 years enriching communities and improving the quality of life. This vision is accomplished through our three primary missions: provide a reliable, resilient supply of water





## Board Members

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Jack R. Stevens, Vice President  
Marty V. Leonard, Secretary  
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to the public at the lowest cost and highest quality possible; protect communities with dependable flood control infrastructure and operations; and enhance quality of life through recreation and education.

The District is governed by a board of five directors elected to serve four-year terms by the voters within the voting district. The Board of Directors in turn appoints the General Manager who oversees the day to day operations of the District.

The District is the primary supplier for raw water used by a total of approximately fifty municipal and non-municipal entities located both within and outside Tarrant County. Among the major municipal customers of the District are the Cities of Fort Worth, Arlington, Mansfield, and the Trinity River Authority of Texas. The total area serviced by the District through these four major municipal entities includes nearly all the populated regions within Tarrant County. The remainder of Tarrant County is supplied from ground water and reservoir sources. The District holds numerous water rights within its area of operation: Lake Bridgeport, Eagle Mountain Lake, Cedar Creek Reservoir, Richland-Chambers Reservoir, Trinity River Diversions, Benbrook Reservoir, and the West Fork of the Trinity River. The District's pipelines span 189 miles through several counties in north Texas. Additionally, the District owns land outside the boundaries of the District, in Tarrant, Wise, Jack, Henderson, Ellis, Navarro, Freestone, Anderson, Johnson, and Kauffman Counties.

The District engaged in multiple large, water supply related, construction projects funded through bond issues, as well as the Trinity River Vision Project which is funded through oil and gas and Tax Increment Reinvestment Zone #9 revenues and other smaller construction related projects. This year's progress on these projects are discussed on the following pages.

The District provides and maintains over seventy-two miles of trail along the Trinity River which connects to thirty-one neighborhoods throughout the communities. The District operates and maintains a floodway system consisting of levees and river channel improvements designed by the United States Army Corps of Engineers (USACE). The current floodway system improvements were designed and constructed between 1950 and 1970 and is based on flood flows for earlier projections of urbanization levels. The rapid growth of Fort Worth has exceeded the earlier projections resulting in an increased amount of runoff which affects the carrying capacity of the floodway system and its ability to function as a flood damage reduction system. To improve the current floodway system the District has partnered with the City of Fort Worth, Tarrant County, USACE, and TxDOT to build the Trinity River Vision Project (TRV Project). For more information on the TRV project please see Notes 13-15 beginning on page 70.

As required by GAAP, the financial reporting entity includes all funds of the primary government (the District), as well as the District's component units. Component units are legally separate entities for which the primary government (the District) is financially accountable. During the 2015 fiscal year there was one discretely presented component unit; the Trinity River Vision Authority (TRVA).





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The fiscal year for the District begins on the first day of October and ends on the last day of September. The District's finance department coordinates and prepares the budget on the fund and activity level. Management may approve and conduct transfers within funds when needed. In June, the preliminary budget is presented at the Advisory Committee workshop (the Advisory Committee consists of representatives from the four largest water customers) and then in July is presented at the Board of Directors budget workshop. In August the Advisory Committee reviews and recommends the budget to the Board of Directors for approval, and in September the budget is approved by the Board of Directors.

## Local Economy

The District's taxing authority consists of a portion of Tarrant County. Tarrant County historically has seen steady, modest growth. In the past several years the economic impact of developing the Barnett Shale natural gas resources of the area has provided significant employment and other business opportunities. Beginning in fiscal year 2004, Oil and Gas revenues were a large source of revenue for the District's General Fund, however in the 2015 prices in the oil and gas industry declined significantly.

During the 2015 fiscal year, north Texas, along with the rest of the state, experienced a record month of rain in May. The Dallas-Fort Worth metroplex received over 16.9 inches of rain, three inches more than the previous record. The storms impacted the District's operations in several ways including increasing maintenance expenses for damage repairs and increased flood control activities. The storms also affected the District's customers' demand for raw water and consequently, the pumping power needs.

## Major initiatives

### Integrated Pipeline Project—

As part of our mission to build a reliable water supply system the District and the City of Dallas Water Utilities (DWU) partnered to finance, plan, design, construct, and operate the Integrated Pipeline Project (IPL project). The IPL project is an integrated water delivery transmission system connecting Lake Palestine to Lake Benbrook with connections to the Cedar Creek and Richland-Chambers Reservoirs integrating the District's existing pipelines and creating flexibility in delivery as well as quick response to fluctuating customer water demands. The IPL project consists of 150 miles of large diameter pipeline, three new lake pump stations to draw water from the reservoirs, and three new booster pump stations delivering up to 350 million gallons per day of raw water to north central Texas. The IPL will allow the District to continue supporting community and economic growth throughout our service area. On-going studies, additional design, and construction are being paid for with the TRWD 2009, 2010, 2012, and 2014 bond issues, and DWU 2012 and 2014 bond issues, as well as future bond issues. The estimated total cost to the District for this project is approximately \$1.4 billion and to DWU the cost is approximately \$936 million.

During fiscal year 2015 construction continued for the IPL project, as of fiscal year end \$512.0 million in cost has been incurred for the Project, with \$171.7 million being spent in the 2015 fiscal year. As of September 30, 2015, the IPL Project has acquired 310 of the 523 required parcels.



(Photo showing pipe placed along the site for the IPL Project)

Current construction summary:

Section 15-1 began in fiscal year 2015 and will continue into fiscal year 2016. The construction contract of \$93.5 million is 91% complete.

The JB3 Pump Station construction contract was approved and signed in fiscal year 2015 for a contract amount of \$56.8 million. Construction began in the end of fiscal year 2015 and the contract is 9% complete.

The contract for construction of pipeline sections 12 and 13 as well as the Midlothian Balancing Reservoir began in fiscal year 2015 for \$143 million and is 42% complete.

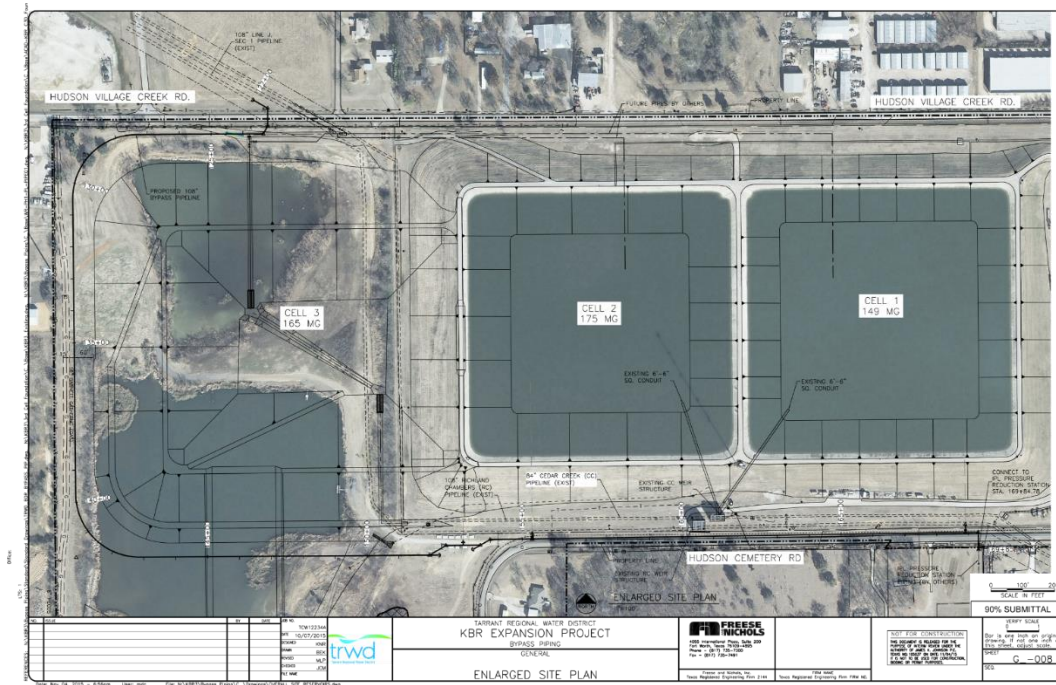
Construction of section 15-2 was given notice to proceed in fiscal year 2015, the contract is for \$52 million and is 26% complete.

A contract for the construction of pipeline section 2/12 interconnection was approved and signed for \$10.6 million in fiscal year 2015. The construction is scheduled to begin in fiscal year 2016.

#### Kennedale Balancing Reservoir Expansion—

The Kennedale Balancing Reservoir Expansion is in phase two with a budget of \$31.4 million. The first phase, installing a pipeline from the Kennedale Balancing Reservoir to the Arlington Outlet, was completed in fiscal year 2015. The second phase of the project will add a third cell, new piping, and modify the existing piping at the Kennedale Balancing Reservoir. These components are necessary to handle the additional capacity that the IPL will bring. The changes will improve operations, increase reliability and add redundancy to the system. The proposed expansion will provide the District more flexibility for pipeline operations for water supply to best serve its customers. Design work began in fiscal year 2015 and construction is scheduled to begin in fiscal year 2016.

Below is the site plan of the project:





#### Board Members

Victor W. Henderson, President  
Jack R. Stevens, Vice President  
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Jim W. Lane, Secretary Pro-Tem  
Mary Kelleher, Director

James M. Oliver, General Manager

#### Asset Management Project—

In 2014 the District began an Asset Management Project to implement a formalized asset management plan using PAS 55 and ISO 55000 as guidelines. This project includes developing levels of service and key performance indicators that will enable the District to measure its success. This project will help the District optimize the investment in maintenance and capital expenditures by formalizing business case evaluations and looking at life-cycle costs. Strategic asset management includes determination of likelihood and consequence of failure of assets, which will help the District to be more proactive than reactive with pipeline system maintenance activities. This project is a District wide effort and is aligned with the overall District goals and strategy, as well as with the maintenance and capital improvement activities.

#### Trinity River Vision Project—

The Trinity River Vision project (TRV project) is a multi-agency collaboration between the District, the City of Fort Worth, TxDot, USACE, and Tarrant County, bringing flood protection and related infrastructure to an 800 acre area north of downtown Fort Worth between the Tarrant County Courthouse and Northside Drive. The key component is the construction of a bypass channel, approximately 1.5 miles long, which will divert flood flows around the segment of the Trinity River adjacent to downtown. Construction of this new bypass channel and related dam and isolation gates will allow the existing river to function as a “quiescent watercourse”—a calm, constant-level, lake-like body that can be enjoyed all year round. The public improvements of the TRV project include flood protection and related infrastructure. The United States Army Corps of Engineers (USACE) has identified this area as “at risk” due to an aging levee system. Technology has changed substantially since the levees were erected in the 1950’s and the bypass channel is now the preferred method of urban flood control. Improved roads and bridges will provide access to the area; upgraded utilities will improve the existing infrastructure; and ecosystem enhancement will restore the balance after decades of industrial use. During fiscal year 2015, the TRV project continued work with acquisition, relocation, environmental, and demolition of properties on the north segment of the bypass channel and the remaining properties for all three bridges. In fiscal year 2015, four properties were successfully relocated (272 total properties have been successfully relocated from inception of the TRV project). TxDot continued construction for all three bridges and the Henderson Street roundabout. Water, sanitary sewer lines, and franchise utilities relocations were completed in the areas required for bridge construction.



Design work for valley storage at Gateway Park Sites A & C was completed during fiscal year 2015. The construction portion was bid and awarded in fiscal year 2015 and construction will begin in fiscal year 2016. The design work for Riverside Park is 98% complete at the end of fiscal year 2015. The bypass channel is in the final design phase and design work on the pedestrian bridges is 60% complete.



(Fiscal year 2015 progress map)

- ① Construction of the Main St. bridge has started and the expected completion time is in 2018.
- ② Environmental remediation work happening along the location where the USACE will construct the proposed bypass channel.
- ③ Construction of Henderson St. bridge is currently in progress, and expected to complete in 2018.
- ④ Henderson St. Roundabout Public Art Installation
- ⑤ Asbestos abatement and demolition work in progress along the proposed bypass channel
- ⑥ Construction of White Settlement bridge is currently in progress, and expected to complete in 2018.
- ⑦ Asbestos abatement and demolition work in progress the Main St. corridor.
- ⑧ Significant progress of Franchise Utility, Water and Sanitary Sewer relocations continue in preparation of future bypass channel construction.

As of 2015 fiscal year-end, the District and TRVA have spent a total of \$64.4 million on this project. The City of Fort Worth Tax Increment Reinvestment Zone Number Nine in accordance with the project cost funding agreement as described in Note 1, which accompanies the financial statements, has spent \$144.1 million on the project and has an outstanding loan of \$124.3 million with the District. Pictures depicting the concept for the Henderson Street Bridge and the construction progress on the Henderson Street Bridge during fiscal year 2015 are shown on the next page.



#### Board Members

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Jack R. Stevens, Vice President  
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Jim W. Lane, Secretary Pro-Tem  
Mary Kelleher, Director

James M. Oliver, General Manager



(Bridge concept)



(Henderson Street Bridge Construction)

## Recreation—

The District participated in recreation components throughout the fiscal year in numerous ways, including construction and planning, events, as well as river and lake cleanups:

At the confluence of the Clear Fork and West Fork (Panther Island Pavilion), where the urban lake will be created, TRVA and the District held numerous events throughout the year which brought over 135,000 attendees to Panther Island Pavilion.

The Twin Points Park project has been ongoing since 2010. To date, the District has spent \$7.5 million for cleanup, a boat ramp, docks, paved parking areas, fence and gated park access, an aide station, and additional restrooms. Now in Phase 2B of the project, a swim area and beach area are in progress. Construction on these portions of the project continued within the park during Fiscal Year 2015. Future plans include concessions and RV parking areas.



(Photo of the completed Marine Creek trail)



(Photo of completed Twin Points Aide Station)

Marine Creek Trailhead and Park project is a partnered effort between the District and Tarrant County Precinct 4. The project includes two miles of 12 foot wide asphalt trail that will provide access for Tarrant County College and the area neighborhoods. The looped trail around the Marine Creek Lake opened in fiscal year 2015. Construction and the trailhead will continue into fiscal year 2016. To date the District had spent a total of \$2.5 million on the project.

The Airfield Falls Conservation Park project has been ongoing since 2013. The project includes a new conservation garden and trailhead to honor the history of the Naval Air Station Joint Reserve Base (NASJRB) with an educational art piece featuring military aircraft components. Other amenities such as parking, restrooms, water fountains and picnic tables will be on site as well. To date, the District has spent \$2.0 million on this project.

The District puts on Trash Bash, an annual event that brings the community together and helps clean up the Trinity River. This year the Trash Bash participants collected over 16 tons of trash.





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#### Long-term Financial Planning

An ongoing goal of the District is to stabilize the water rate. The District issues debt to finance the construction of large system assets used for providing raw water. The issued debt allows the District to maintain smooth changes to the water rate. The District expects to issue debt in both fiscal years 2016 and 2018. After the fiscal year 2018 bond issue, the District expects the water rate to hold steady until customer demands require the next large project.

The ad valorem tax rate for the 2015 fiscal year totaled \$0.02 per \$100 valuation to fund maintenance and improvements of the floodway.

#### Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awards the Certificate of Achievement for Excellence in Financial Reporting. We believe that our current CAFR meets the Certificate of Achievement for Excellence in Financial Reporting Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

The completion of this report could not have been accomplished without the dedicated efforts of the District's staff who provided information and analyses for this report. We would like to thank the District's Board of Directors, the District's Finance Department and our independent auditors, Deloitte & Touche LLP.

Sincerely,

A handwritten signature in black ink, appearing to read "J. M. Oliver", written over a horizontal line.

James M. Oliver  
General Manager

A handwritten signature in black ink, appearing to read "Sandra Newby", written over a horizontal line.

Sandra Newby  
Finance Director



### Board of Directors

Victor W. Henderson, President

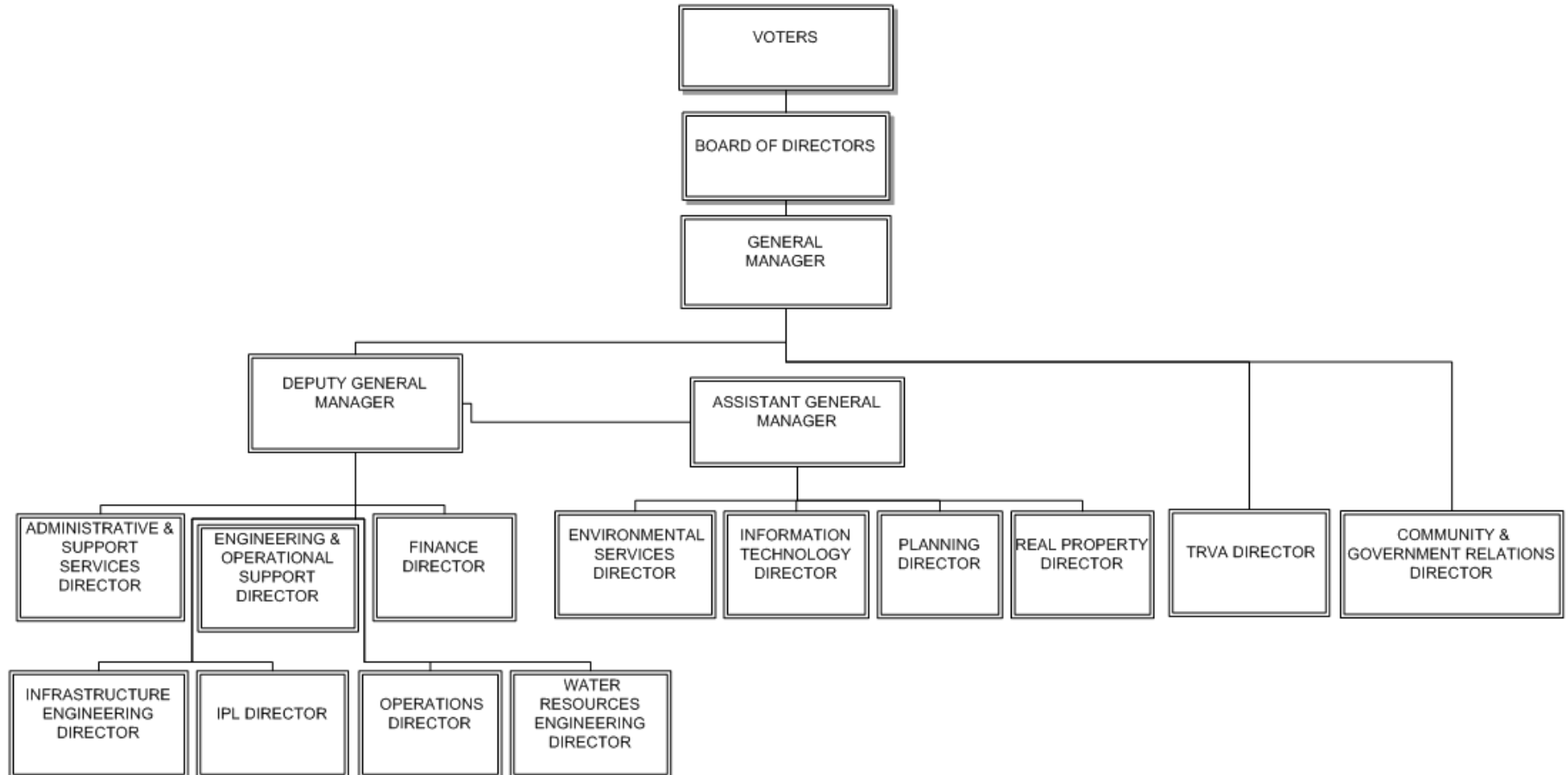
Jack R. Stevens, Vice-President

Martha V. Leonard, Secretary

James W. Lane, Secretary Pro-Tem

Mary Kelleher, Director

# Tarrant Regional Water District Organizational Chart



## **Financial Section (audited)**



(Richland Chambers Wetlands)

## **INDEPENDENT AUDITORS' REPORT**

Members of the Board of Directors  
Tarrant Regional Water District  
Fort Worth, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Tarrant Regional Water District (the "District"), as of and for the year ended September 30, 2015, 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 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 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 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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Tarrant Regional Water District as of September 30, 2015, 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 management's discussion and analysis, General Fund budgetary comparison information, and Other Post-Employment Benefits Schedule of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Introductory Section, Required Texas Commission on Environmental Quality Schedules and Statistical Section Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Introductory Section, required Texas Commission on Environmental Quality schedules and Statistical Section Schedules 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.

*Deloitte & Touche LLP*

January 8, 2016

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## **TARRANT REGIONAL WATER DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

This section of the District's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended September 30, 2015. Please read this analysis in conjunction with the District's audited financial statements, which follow this discussion.

### **FINANCIAL HIGHLIGHTS**

#### **NET POSITION**

The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$935.5 million (*net position*). Of this amount, \$176.7 million (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.

At the end of the current fiscal year: Business-Type Activities total net position increased by \$59.4 million mainly due to the increase in net investment in capital assets, for design and construction related to the 2012 and 2014 bond issues. Governmental activities total net position increased by \$45.2 million mainly due to the continuation of several recreation projects such as Twin Points and the Trinity River Vision Project.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements contain three components: 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other required supplementary information in addition to the basic financial statements.

#### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, presented in a manner similar to that of a private-sector business.

#### **Statement of Net Position**

The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred inflows. The difference between those assets, liabilities, and deferred inflows are reported as net position.

Over time, increases and decreases in net position could provide a useful indicator of whether the financial position of the District is improving or deteriorating.

### **Statement of Activities**

The Statement of Activities presents information showing how the District's net position has changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Both the Statement of Net Position and the Statement of Activities distinguish between the two functions of the District. Property taxes, oil and gas royalties, and inter-governmental revenues support the governmental activities. These activities include flood control, floodway maintenance, and improvements, recreation, and general government administration. The business-type activities of the District are intended to recover all or a significant portion of their costs through user fees and charges. The District's business-type activity is supplying raw water to municipalities. The government-wide financial statements can be found beginning on page 28 and 29 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The funds of the District can be divided into three categories: governmental, proprietary, and fiduciary.

#### **Governmental Funds**

Governmental funds are used to account for the same functions shown in the governmental activities on the Statement of Activities mentioned above. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows and the expending of available resources, as well as on balances of resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities. The District maintains only one governmental fund: the General Fund.

#### **Proprietary Funds**

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District's proprietary funds account for the raw water system, its repairs, and its improvements.

## **Fiduciary Funds**

Fiduciary Funds account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. Fiduciary Funds meet the following criteria: 1) Fiduciary funds are properly used only for resources over which the government maintains some meaningful degree of ongoing responsibility, 2) Fiduciary funds are properly used only for resources that do not belong to the government, and 3) Fiduciary funds are properly used only for resources that government cannot use to further its own objectives. The District's only Fiduciary Fund is the Other Post Employee Benefits Trust Fund which holds assets to be used for the future payments of benefits offered through the District's post-employment healthcare benefit plan.

## **Component Unit**

Component units are organizations that are legally separate, tax exempt entities that have the following characteristics: 1) the economic resources received or held are almost entirely for the direct benefit of the primary government, 2) the primary government has the ability to access a majority of the economic resources held by the separate organization and 3) the assets held by the separate entity are significant to the primary government. The District has one discretely-presented component unit: the Trinity River Vision Authority.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 41 of this report.

## FINANCIAL ANALYSIS: GOVERNMENT-WIDE STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceed liabilities and deferred inflows by \$935.5 million at the close of the 2015 fiscal year.

### CONDENSED SCHEDULE OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Current and other assets	\$ 217,260,350	\$ 219,853,073	\$ 752,025,675	\$ 556,927,637	\$ 969,286,025	\$ 776,780,710
Capital assets	279,586,633	311,416,677	1,063,297,783	1,267,478,984	1,342,884,416	1,578,895,661
Total Assets	496,846,983	531,269,750	1,815,323,458	1,824,406,621	2,312,170,441	2,355,676,371
Deferred Outflows of Resources				5,636,221	-	5,636,221
Current liabilities	9,849,698	4,888,653	89,445,012	85,268,956	99,294,710	90,157,609
Long-term liabilities	27,899,372	22,075,421	1,351,542,092	1,311,403,253	1,379,441,464	1,333,478,674
Total Liabilities	37,749,070	26,964,074	1,440,987,104	1,396,672,209	1,478,736,174	1,423,636,283
Deferred Inflows of Resources			2,469,138	2,137,702	2,469,138	2,137,702
Net position:						
Net investment in capital assets	279,586,633	311,416,677	308,579,683	357,632,834	588,166,316	669,049,511
Restricted for debt service			90,811,279	89,822,147	90,811,279	89,822,147
Unrestricted	179,511,280	192,888,999	(27,523,746)	(16,222,050)	151,987,534	176,666,949
Total Net Position	\$ 459,097,913	\$ 504,305,676	\$ 371,867,216	\$ 431,232,931	\$ 830,965,129	\$ 935,538,607

### Government-wide

- **Current and Other Assets**

The current and other assets decrease of \$192.5 million is mainly due to the capital expenditures of construction cash for an increase in capital assets for the Cedar Creek Dam Stability Analysis project, the ongoing IPL project, and the TRV project.

- **Capital Assets**

The capital assets increase of \$236.0 million is due to the design and construction related to the 2010, 2012, and 2014 bond issues which included projects such as the Cedar Creek Dam Stability Analysis and the IPL project and the ongoing acquisition of property for the TRV project.

- **Net Investment in Capital Assets**

The District has \$669.0 million (71%) of its net position in Capital Assets (e.g. dams, spillways and water transmission facilities as well as land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses the majority of these capital assets to provide services to its water customers; consequently, those assets are not available for future spending.

Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

- **Restricted for Debt Service**

An additional \$89.8 million (10%) of the District's net position represents resources that are subject to restrictions for debt service.

- **Unrestricted Net Position**

The remaining balance of \$176.7 million (19%) is considered unrestricted net position and may be used to meet the District's ongoing liabilities.

### **Governmental Activities**

- **Capital Assets**

Increase of \$31.8 million was due to the TRV Project and ongoing park and trail construction.

### **Business-Type Activities**

- **Current and Other Assets**

The decrease of \$195.1 million in current and other assets is largely due to the increase in expenditures of construction cash for capital assets for large capital projects.

- **Capital Assets**

The capital assets increase of \$204.2 million is due to on-going bond projects, including the Cedar Creek Dam Analysis and the IPL project.

- **Long-Term Liabilities**

The decrease of \$40.1 million in long-term liabilities is due primarily to the debt service payment for fiscal year 2016. More information on long-term liabilities can be found in footnote 6 in the Footnotes to the Financial Statements.

# **CONDENSED SCHEDULE OF ACTIVITIES**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>
Revenues:						
Program Revenues:						
Charges for services	\$ 26,048,278	\$ 16,595,055	\$ 136,041,137	\$ 142,578,670	\$ 162,089,415	\$ 159,173,725
Capital Contributions	49,101,393	36,043,940		680,633	49,101,393	36,724,573
Total Program Revenues	75,149,671	52,638,995	136,041,137	143,259,303	211,190,808	195,898,298
General Revenues:						
Property tax revenues	9,231,193	9,757,583			9,231,193	9,757,583
Unrestricted investment income	367,655	403,723	1,598,019	3,748,796	1,965,674	4,152,519
Other revenues	94,854	137,097	817,080	357,551	911,934	494,648
Total Revenues	84,843,373	62,937,398	138,456,236	147,365,650	223,299,609	210,303,048
Expenses:						
General government	13,462,903	12,766,315			13,462,903	12,766,315
Flood control	3,241,255	4,963,320			3,241,255	4,963,320
TRV Contribution	18,369,944				18,369,944	
Water supply			104,901,544	87,999,935	104,901,544	87,999,935
Total Expenses	35,074,102	17,729,635	104,901,544	87,999,935	139,975,646	105,729,570
Changes in Net Position	49,769,271	45,207,763	33,554,692	59,365,715	83,323,963	104,573,478
Net Position - Beginning	409,328,642	459,097,913	338,312,524	371,867,216	747,641,166	830,965,129
Net Position - Ending	\$ 459,097,913	\$ 504,305,676	\$ 371,867,216	\$ 431,232,931	\$ 830,965,129	\$ 935,538,607

## **Governmental Activities**

- **Charges for Services**

The balance decrease of \$9.5 million is due primarily to decreased oil and gas revenues related to the decline in the petroleum market.

- **Capital Contribution**

The capital contributions decrease of \$13.1 million is primarily due to the \$18.4 million White Settlement Bridge contribution made in fiscal year 2014. In fiscal year 2015 there was a small contribution of \$3 thousand for the local street modifications design.

- **Flood Control**

The flood control expenses increase of \$1.7 million is due to the operation and maintenance expenses related to the flooding that occurred in the spring of fiscal year 2015.

- **TRV Contribution Expense**

The White Settlement Bridge design (\$18.4 million) was contributed to TxDot in fiscal year 2014. In fiscal year 2015 a very small contribution occurred and is accounted for in general government expenses due to its insignificance.

## **Business Type Activities**

- **Program Revenues – Charges for Services**

The increase of \$6.5 million is due to increased revenue from the sale of system capacity to Dallas Water Utilities.

- **Expenses – Water Supply**

The expenses for water supply decreased \$16.9 million primarily due to the District's service area receiving record breaking rain in the spring of fiscal year 2015, which resulted in a \$10.1 million decrease of pumping power used.

## **FINANCIAL ANALYSIS: FUND STATEMENTS**

### **General Fund**

As of the end of the 2015 fiscal year, the District's General Fund reported an ending fund balance of \$90.9 million, a decrease of \$24.8 million in comparison to the prior year. This total includes non-spendable fund balance in the amount of \$2.2 million, and \$88.7 million in an unassigned fund balance, which is available for spending at the District's discretion.

The General Fund includes floodway support and maintenance, flood control efforts, recreation, and general administrative costs. Tax revenues, oil and gas royalties, and a reimbursement from the Proprietary Funds for allocated costs provide the major sources of revenue.

### **Enterprise Fund**

The District's Enterprise Fund provides the same type of information found in the government-wide financial statements (found on page 28) and has an end of year net position of \$431.2 million.

### **Fiduciary Fund**

The District's Fiduciary Fund is the Other Post Employee Benefit Trust Fund which holds assets to be used for the future payments of benefits offered through the District's post-employment healthcare benefit plan. The Fiduciary fund is not included in the government-wide financial statements, and has an end of year net position of \$1.9 million.



## FINANCIAL ANALYSIS: CAPITAL ASSETS

	CAPITAL ASSETS					
	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Nondepreciable:						
Land	\$ 187,854,778	\$ 213,885,734	\$ 133,783,193	\$ 141,029,945	\$ 321,637,971	\$ 354,915,679
Construction in progress	58,960,125	66,501,734	363,799,258	516,384,610	422,759,383	582,886,344
Total nondepreciable assets	246,814,903	280,387,468	497,582,451	657,414,555	744,397,354	937,802,023
Depreciable :						
Dams and spillways	3,378,736	3,378,736	212,929,639	212,929,639	216,308,375	216,308,375
Pipeline			510,290,880	545,107,106	510,290,880	545,107,106
Wetlands			54,091,602	54,202,563	54,091,602	54,202,563
Communications			1,087,448	1,087,448	1,087,448	1,087,448
Buildings	34,533,160	34,937,726	6,816,587	7,008,523	41,349,747	41,946,249
Machinery and equipment	11,155,730	11,426,609	12,922,394	12,892,630	24,078,124	24,319,239
Flood control and other project costs	8,095,940	8,095,940	65,096,010	90,893,378	73,191,950	98,989,318
Capital Lease-Machinery & Equip	1,447,140	1,447,140			1,447,140	1,447,140
	58,610,706	59,286,151	863,234,560	924,121,287	921,845,266	983,407,438
Less:						
Accumulated depreciation	(25,025,969)	(27,206,664)	(298,011,898)	(314,479,974)	(323,037,867)	(341,686,638)
Capital Lease-Accum. Depr.	(813,007)	(1,050,278)			(813,007)	(1,050,278)
Total depreciable assets	32,771,730	31,029,209	565,222,662	609,641,313	597,994,392	640,670,522
Water rights, net of Accum Depr.			492,670	423,116	492,670	423,116
Total	\$ 279,586,633	\$ 311,416,677	\$ 1,063,297,783	\$ 1,267,478,984	\$ 1,342,884,416	\$ 1,578,895,661

The District's capital assets for its governmental and business-type activities as of September 30, 2015 were \$1.6 billion. Capital assets include: dams, spillways and water transmission facilities as well as land, roads, buildings, machinery, equipment, construction costs, and surplus water rights. More information on capital assets can be found in footnote 4 in the Footnotes to the Financial Statements.

Major asset events during the current year included the following:

- **Land – Governmental Activities**
  - Trinity River Vision project land, relocation, demolition, and environmental costs including pollution remediation increased the land balance by \$24.7 million.
- **Construction in Progress – Governmental Activities**
  - Trinity River Vision construction in progress increased by \$10.9 million.
  - Twin Points Project increased by \$1.7 million.

- **Land – Business-type Activities**
  - Integrated Pipeline land purchases of \$7.0 million.
- **Construction in Progress – Business-type Activities**
  - Integrated Pipeline increased \$164.7 million.
  - Cedar Creek Dam Stability Analysis increased \$9.0 million.
  - Pump Room Cooling Project increased \$5.2 million.
  - Capitalized Interest on construction in progress increased \$11.6 million net of transfers to other project costs.
- **Pipeline**
  - Arlington Outlet Hydroelectric Generation was completed for a total cost of \$9.6 million of which \$416 thousand was cost in the current fiscal year.
  - Kennedale Balancing Reservoir Line J section 1C was completed and moved out of construction in progress for a total cost of \$24.5 million of which \$186 thousand was cost in the current fiscal year.
- **Other Project Costs**
  - Capitalized Interest increased \$25.8 million of which \$18.0 million was cost in the current year.

## **BUDGETARY HIGHLIGHTS**

### **GENERAL FUND**

The 2015 budgeted revenues for the General Fund were \$32.9 million and the year ended with actual revenues of \$30.5 million.

The 2015 budgeted expenditures for the General Fund were \$69.6 million and the year ended with actual expenditures of \$55.3 million.

The Fiscal Year 2016 General Fund budgeted expenditures of \$65.5 million was a decrease of \$4.1 million over the fiscal year 2015 approved budget of \$69.6 million. This decrease is due to the decrease in ongoing construction within the General Fund. The property tax rate will remain at the current \$.02/\$100 valuation.

### **ENTERPRISE FUND**

The fiscal year 2016 Enterprise Fund Budget, prepared in accordance with the Tarrant Regional Water Supply Facilities Amendatory Contract, totals \$142.6 million. This reflects an increase of \$6.5 million from the fiscal year 2015 approved budget of \$136.1 million. The increase is mainly due to an increase in debt repayments of \$6.3 million. The total budget includes administrative expenses, operating and maintenance expenses, capital expenditures, and Debt Service that provides for principal and interest payments to retire outstanding bonds.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Tarrant Regional Water District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

Sandra Newby  
Director of Finance  
800 East Northside Drive  
Fort Worth, Texas 76102

**TARRANT REGIONAL WATER DISTRICT**

**STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 38,183,921	\$ 32,897,170	\$ 71,081,091	\$ 2,872,696
Investments	44,080,941	7,008,417	51,089,358	
Receivables:				
Accounts, oil and gas royalties, and other	2,335,271	986,967	3,322,238	34,778
Taxes-net of allowance	68,226		68,226	
Accrued interest	97,467	30,775	128,242	
Long-term receivable	124,348,732		124,348,732	
Internal balances	9,327,384	(9,327,384)	-	
Prepaid items	1,353,935	4,294,982	5,648,917	23,990
Inventory of supplies-at cost	57,196		57,196	
Cash and cash equivalents for bond projects		215,207,364	215,207,364	
Investments held for bond projects		211,103,658	211,103,658	
Accrued interest receivable for bond projects		192,987	192,987	
Cash and cash equivalents restricted		1,100,000	1,100,000	
Cash and cash equivalents for debt service		7,398,522	7,398,522	
Investments restricted for debt service		85,695,167	85,695,167	
Accrued interest receivable restricted for debt service		339,012	339,012	
Land	213,885,734	141,029,945	354,915,679	
Construction in progress	66,501,734	516,384,610	582,886,344	
Depreciable capital assets, net of accumulated depreciation	31,029,209	609,641,313	640,670,522	
Water rights, net of amortization		423,116	423,116	
<b>Total Assets</b>	<b>531,269,750</b>	<b>1,824,406,621</b>	<b>2,355,676,371</b>	<b>2,931,464</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred bond refunding-loss		5,636,221	5,636,221	
<b>LIABILITIES:</b>				
Accounts payable	2,574,642	27,621,663	30,196,305	2,450,977
Accrued vacation - due within one year	285,977	843,398	1,129,375	
Other liabilities	2,028,034	15,058,341	17,086,375	450,420
Payable from restricted assets - Accrued bond interest payable		4,710,554	4,710,554	
Revenue bonds payable, net of discount:				
Due within one year		37,035,000	37,035,000	
Due in more than one year		1,302,813,678	1,302,813,678	
Long-term Payables:				
Pollution remediation obligations	18,032,459		18,032,459	
Net other post employment benefits payable	3,585,780	7,241,263	10,827,043	
Accrued Vacation - due in more than one year	457,182	1,348,312	1,805,494	
<b>Total Liabilities</b>	<b>26,964,074</b>	<b>1,396,672,209</b>	<b>1,423,636,283</b>	<b>2,901,397</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred bond refunding-gain		2,137,702	2,137,702	
<b>NET POSITION:</b>				
Net investment in capital assets	311,416,677	357,632,834	669,049,511	
Restricted for debt service		89,822,147	89,822,147	
Unrestricted	192,888,999	(16,222,050)	176,666,949	30,067
<b>Total Net Position</b>	<b>\$ 504,305,676</b>	<b>\$ 431,232,931</b>	<b>\$ 935,538,607</b>	<b>\$ 30,067</b>

The accompanying notes are an integral part of these financial statements.

## TARRANT REGIONAL WATER DISTRICT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Functions/Programs		Program Revenues		Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for services	Capital Grants and Contributions	Primary Government		Total	
				Governmental Activities	Business Type Activities		
Expenses							
<b>PRIMARY GOVERNMENT</b>							
Governmental activities:							
General government	\$ 12,766,315	\$ 16,595,055	\$ 36,043,940	\$ 39,872,680		\$ 39,872,680	
Flood control	4,963,320			(4,963,320)		(4,963,320)	
Total governmental activities	<u>17,729,635</u>	<u>16,595,055</u>	<u>36,043,940</u>	<u>34,909,360</u>		<u>34,909,360</u>	
Business type activities	87,999,935	142,578,670	680,633		\$ 55,259,368	55,259,368	
	<u>\$ 105,729,570</u>	<u>\$ 159,173,725</u>	<u>\$ 36,724,573</u>		55,259,368	90,168,728	
<b>COMPONENT UNIT</b>							
Trinity River Vision Authority							
Project development	23,581,313		23,581,313				\$ -
Recreation programs	<u>901,088</u>	<u>618,690</u>	<u>282,398</u>				-
Total component unit	<u>\$ 24,482,401</u>	<u>\$ 618,690</u>	<u>\$ 23,863,711</u>				<u>\$ -</u>
<b>GENERAL REVENUES:</b>							
Property taxes				9,757,583		9,757,583	
Investment income				403,723	3,748,796	4,152,519	928
Miscellaneous				37,951	288,461	326,412	4,800
Gain/loss on disposal of assets				<u>99,146</u>	<u>69,090</u>	<u>168,236</u>	
Total general revenues and transfers				10,298,403	4,106,347	14,404,750	5,728
CHANGES IN NET POSITION				45,207,763	59,365,715	104,573,478	5,728
NET POSITION----Beginning of year				<u>459,097,913</u>	<u>371,867,216</u>	<u>830,965,129</u>	<u>24,339</u>
NET POSITION-----End of year				<u>\$ 504,305,676</u>	<u>\$ 431,232,931</u>	<u>\$ 935,538,607</u>	<u>\$ 30,067</u>

The accompanying notes are an integral part of these financial statements.

**TARRANT REGIONAL WATER DISTRICT**

**BALANCE SHEET—GENERAL FUND**

**SEPTEMBER 30, 2015**

**ASSETS:**

Cash and cash equivalents	\$ 38,183,921
Investments	44,080,941
Receivables:	
Oil and gas royalties and other	2,335,271
Taxes—net	68,226
Accrued interest	97,467
Due from Enterprise Fund	8,556,445
Notes and interest due from enterprise fund	770,939
Prepaid items	1,353,935
Inventory of supplies —at cost	57,196
Long-term receivable	<u>124,348,732</u>
Total assets	<u><u>\$ 219,853,073</u></u>

**LIABILITIES:**

Accounts payable	\$ 2,574,642
Other liabilities	<u>1,778,893</u>
Total liabilities	<u>4,353,535</u>

**DEFERRED INFLOWS:**

Unavailable revenue	<u>124,642,013</u>
Total deferred inflows	<u>124,642,013</u>

**FUND BALANCES:**

Nonspendable:	
Long-term interfund notes and interest	770,939
Prepaid items	1,353,935
Inventory of supplies - At cost	57,196
Unassigned	<u>88,675,455</u>
Total fund balances	<u><u>90,857,525</u></u>

TOTAL	<u><u>\$ 219,853,073</u></u>
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The accompanying notes are an integral part of these financial statements.

TARRANT REGIONAL WATER DISTRICT

RECONCILIATION OF BALANCE SHEET-GENERAL FUND TO GOVERNMENT-WIDE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015

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TOTAL FUND BALANCES—General Fund	\$	90,857,525
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Amounts reported for governmental activities in the statement of net assets are different because:

Certain revenues do not provide current financial resources and therefore are unavailable at the fund level

TIF Loan Long-Term Receivable	124,348,732
Property Taxes	32,275
Oil and Gas Revenues known but not paid within 60 days of year end	261,006

Certain liabilities are not payable from current resources and are therefore not accrued at the fund level

(22,361,398)

Certain leases are not due and payable in the current period and therefore are not reported as liabilities to governmental funds

(249,141)

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds

311,416,677

TOTAL NET POSITION—Governmental activities

\$ 504,305,676

The accompanying notes are an integral part of these financial statements.



**TARRANT REGIONAL WATER DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE—GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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REVENUES:	
Property taxes	\$ 9,737,304
Lease rentals	1,601,445
Oil and gas royalties	14,875,262
Sale of rock and gravel	19,937
Investment income	403,723
Contributions	3,503,256
Other	<u>390,221</u>
Total revenues	<u>30,531,148</u>
EXPENDITURES:	
Current:	
General and administrative	10,797,697
Personnel services	5,007,562
Pension plan contribution	535,436
Contribution to Component Unit	77,913
Capital expenditures	38,668,521
Capital lease payment	<u>259,450</u>
Total expenditures	<u>55,346,579</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(24,815,431)
CHANGE IN FUND BALANCE	<u>(24,815,431)</u>
FUND BALANCE—Beginning of year	<u>115,672,956</u>
FUND BALANCE—End of year	<u><u>\$ 90,857,525</u></u>

The accompanying notes are an integral part of these financial statements.

**TARRANT REGIONAL WATER DISTRICT**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE—GENERAL FUND—TO GOVERNMENT WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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CHANGE IN FUND BALANCE—General Fund \$ (24,815,431)

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

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues at the fund level.

Change in unavailable revenue-TIF	32,349,018
Change in unavailable revenue-Cable Park Contribution	191,667
Change in unavailable property taxes	20,280
Change in unavailable oil and gas revenue	(154,715)

Certain liabilities are not payable from current resources and are therefore not accrued in the fund.

1,501,377

Certain lease proceeds provide current financial resources to governmental funds, while entering into the leases increases long-term liabilities in the government-wide statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

239,242

The general fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which Capital Outlays (\$38,668,521) exceeded Depreciation (\$2,792,196).

35,876,325

CHANGE IN NET POSITION—Governmental activities

\$ 45,207,763

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF NET POSITION—ENTERPRISE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2015

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### ASSETS:

#### Current:

Cash and cash equivalents	\$ 32,897,170
Investments	7,008,417
Receivables:	
Accounts and other	986,967
Accrued interest	30,775
Prepaid items	4,294,982
	<hr/>
Total current assets	45,218,311
	<hr/>

#### Noncurrent:

Cash and cash equivalents-Bond projects	215,207,364
Investments-Bond projects	211,103,658
Cash held for accrued interest receivable-Bond projects	192,987
Cash and cash equivalents-Contingency	1,100,000
Cash and cash equivalents-Restricted for non-current debt service	7,398,522
Investments-Restricted for non-current debt service	85,695,167
Cash held for accrued interest receivable-Restricted for non-current debt service	339,012
Capital Assets:	
Land	141,029,945
Construction in progress	516,384,610
Depreciable capital assets—net	609,641,313
Water rights—net of amortization	423,116
	<hr/>
Total noncurrent assets	1,788,515,694
	<hr/>

Total assets	<hr/> \$ 1,833,734,005 <hr/>
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### DEFERRED OUTFLOWS OF RESOURCES:

Deferred bond refunding-loss	<hr/> 5,636,221 <hr/>
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(Continued)

The accompanying notes are an integral part of these financial statements.

## TARRANT REGIONAL WATER DISTRICT

### STATEMENT OF NET POSITION—ENTERPRISE FUND FOR THE YEAR SEPTEMBER 30, 2015

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#### LIABILITIES:

##### Current Liabilities:

Accounts payable	\$ 27,621,663
Due to General Fund	8,556,445
Accrued vacation	843,398
Other liabilities	15,058,341
Payable from restricted assets—accrued bond interest payable	4,710,554
Revenue bonds payable—current portion	37,035,000
Notes and interest payable to General Fund—current portion	<u>127,568</u>

Total current liabilities	<u>93,952,969</u>
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##### Noncurrent Liabilities:

Accrued vacation	1,348,312
Long-term post employment benefits	7,241,263
Revenue bonds payable-net of discount	1,302,813,678
Notes and interest payable to General Fund	<u>643,371</u>

Total noncurrent liabilities	<u>1,312,046,624</u>
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Total liabilities	<u>1,405,999,593</u>
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#### DEFERRED INFLOWS OF RESOURCES:

Deferred bond refunding-gain	<u>2,137,702</u>
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#### NET POSITION:

Net investment in capital assets	357,632,834
Restricted for debt service	89,822,147
Unrestricted	<u>(16,222,050)</u>

<b>TOTAL NET POSITION</b>	<u><u>\$ 431,232,931</u></u>
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(Concluded)

The accompanying notes are an integral part of these financial statements.

## TARRANT REGIONAL WATER DISTRICT

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION—ENTERPRISE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2015

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#### OPERATING REVENUES:

Sale of water	\$ 120,844,075
Sale of system capacity	21,453,659
Land lease rentals	74,378
Contributions	680,633
Sale of power	27,221
Other	<u>467,798</u>

Total operating revenues	<u>143,547,764</u>
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#### OPERATING EXPENSES:

General and administrative	18,269,392
Bond issuance cost	1,315,726
Additional Healthcare cost	1,045,955
Personnel services	11,490,590
Utilities	19,475,594
Depreciation and amortization	17,379,561
Pension plan contribution	<u>1,244,005</u>

Total operating expenses	<u>70,220,823</u>
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OPERATING INCOME	73,326,941
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#### NONOPERATING INCOME (EXPENSE):

Investment income	3,748,796
Interest expense	(17,779,112)
Gain on disposal of capital assets	<u>69,090</u>

Total nonoperating income (expense)	<u>(13,961,226)</u>
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NET INCOME	<u>59,365,715</u>
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NET POSITION----Beginning of year	<u>371,867,216</u>
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NET POSITION—End of year	<u><u>\$ 431,232,931</u></u>
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The accompanying notes are an integral part of these financial statements.

**TARRANT REGIONAL WATER DISTRICT**

**STATEMENT OF CASH FLOWS—ENTERPRISE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from customers	\$ 142,997,680
Miscellaneous receipts	1,175,652
Payments to suppliers and contractors	(45,027,971)
Payments to employees for services	(11,694,134)
Payments to General Fund	<u>(85,005)</u>

Net cash provided by operating activities	<u>87,366,222</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from the sale of revenue bonds	191,308,106
Principal paid on revenue bonds payable	(220,060,000)
Interest paid on revenue bonds and contract payable	(65,841,396)
Acquisition and construction of capital assets	(191,951,292)
Cost paid for bond related items	(1,315,726)
Proceeds from disposal of capital assets	<u>69,090</u>

Net cash used for capital and related financing activities	<u>(287,791,218)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	(158,000,000)
Proceeds from sale and maturity of investments	344,700,000
Interest received on investments	<u>3,073,163</u>

Net cash provided by investing activities	<u>189,773,163</u>
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NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,651,833)
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CASH AND CASH EQUIVALENTS—Beginning of year	<u>267,254,889</u>
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CASH AND CASH EQUIVALENTS—End of year	<u><u>\$ 256,603,056</u></u>
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(Continued)

The accompanying notes are an integral part of these financial statements.

**TARRANT REGIONAL WATER DISTRICT**

**STATEMENT OF CASH FLOWS—ENTERPRISE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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RECONCILIATION OF OPERATING INCOME TO NET CASH

PROVIDED BY OPERATING ACTIVITIES:

Operating income	\$ 73,326,941
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation & amortization expense	17,379,561
Bond issuance cost considered financing activity	1,315,726
Change in assets and liabilities:	
Accounts and other receivables	625,568
Prepaid expenses	(2,118,726)
Accounts payable	(13,684,355)
Due to (from) other funds—net	18,070
Interfund note payable	(103,075)
Vacation accrual	254,002
OPEB liability	786,459
Other liabilities	<u>9,566,051</u>
Net cash provided by operating activities	<u>\$ 87,366,222</u>

NONCASH ACTIVITIES:

Disposal of \$841,931 of capital assets, net of \$841,931 accumulated depreciation.

Capitalization of \$29,609,469 of interest on construction projects.

Record increase in fair value of investments and change in premium/discounts on investments to interest income of (\$1,121,596) and \$266,164 respectively.

Record write off of 2006 Refunded bond unamortized premium of \$2,099,923.

(Concluded)

The accompanying notes are an integral part of these financial statements.

**TARRANT REGIONAL WATER DISTRICT**

**STATEMENT OF NET POSITION - FIDUCIARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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	<u>Other Post-Employment Benefits Trust Fund</u>
ASSETS	
Investments, at fair value	
Mutual funds	<u>\$          1,942,920</u>
Total assets	<u>1,942,920</u>
NET POSITION	
Held in trust for other post employment benefits	<u>1,942,920</u>
Total Net Position	<u><u>\$          1,942,920</u></u>

The accompanying notes are an integral part of these financial statements.



**TARRANT REGIONAL WATER DISTRICT**

**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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	<u>Other Post-Employment Benefits Trust Fund</u>
ADDITIONS	
Employer contributions	\$ 1,000,000
Net gain (loss) in fair value of investments	<u>(47,277)</u>
Total Additions	<u>952,723</u>
DEDUCTIONS	
Administrative expenses	<u>9,667</u>
Total Deductions	<u>9,667</u>
CHANGE IN NET POSITION	943,056
NET POSITION—Beginning of year	<u>999,864</u>
NET POSITION—End of year	<u><u>\$ 1,942,920</u></u>

The accompanying notes are an integral part of these financial statements.

## TARRANT REGIONAL WATER DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS

#### AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

##### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Financial Reporting Entity** — The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units and promulgated by the Governmental Accounting Standards Board (“GASB”). The following is a summary of the more significant policies.

In evaluating the District’s financial reporting entity, management has considered all potential component units. The following legally separate entity, TRVA, is included as a discrete component unit of the District in a separate column in the government-wide financial statements to emphasize that it is legally separated from the primary government. This component unit has a financial benefit/burden to the District and their relationship with the District is such that exclusion would be misleading. Separately issued financial statements are available for this component unit. Additional financial information regarding the TRVA should be addressed to the Director of Finance, 800 East Northside Drive, Fort Worth, Texas 76102.

**Trinity River Vision Authority (TRVA)** — House Bill 2639 of the 79<sup>th</sup> Texas Legislature authorized the Board of Directors of the District to create one or more nonprofit corporations to act on behalf of the District as the District’s authority and instrumentality. By resolution dated July 18, 2006, the Board of Directors of the District authorized the incorporation of Trinity River Vision Authority. Subsequently, TRVA was incorporated by the Texas Secretary of State on July 21, 2006 and is governed in part by the Texas Development Corporation Act of 1979 (the “Act”). The TRVA is authorized to act on behalf of the District as the District’s authority and instrumentality for the public purposes of educating the general public regarding the Trinity River Vision Project in Fort Worth, Texas. TRVA is a discretely presented component unit. As such, it is reported in a separate column of the government-wide financial statements to emphasize that it is legally separate from the primary government and is governed by a separate board. Separately issued audited financial statements for TRVA can be obtained by contacting the District’s offices located at 800 East Northside Drive, Fort Worth, Texas 76102.

**Measurement Focus and Basis of Accounting** — The District’s accounts are organized on the basis of funds, each of which are considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise each fund’s assets, liabilities, fund equity, revenues and expenditures, or expenses. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund, government-wide, and fiduciary fund financial statements are reported using the economic resources measurement focus. The governmental fund financial statements are reported using the current financial resources measurement focus.

**Government-wide Financial Statements** — Government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information on all of the activities of the District. Eliminations have been made to these statements to prevent double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues of the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Fund-level Financial Statements** — The fund financial statements provide information about the District's individual funds, which are used to account for the District's various activities. Separate financial statements are provided for the General Fund (a governmental fund), the Enterprise Fund (a proprietary fund), and the Fiduciary Fund (a fiduciary fund) which are each classified as major funds.

**Governmental Fund** — The General Fund, the only governmental fund reported by the District, is used to account for all financial resources of the District, not specifically levied or collected for other District funds and for revenues and expenditures related to flood control operations and activities or improvements and recreation.

The General Fund is accounted for using the modified accrual basis of accounting. 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 revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also record unearned revenue in connection with resources that have been received, but not yet earned.

The General Fund is reported using the current financial resources measurement focus. The reported fund balance is considered a measure of “available spending resources”. The General Fund operating statement presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, it is said to present a summary of sources and uses of “available spendable resources” during a period.

**Proprietary Fund** — The Enterprise Fund, the only proprietary fund reported by the District, is used to account for revenues and expenses relating to maintenance and operation of the water supply system. Currently, the District has outstanding Construction and Improvement Bonds Series 2008A-RC Water Revenue Bonds, Series 2008B-CC Water Revenue Bonds, Series 2009 Water Revenue Bonds Refunding and Improvement Bonds, Series 2010 Water Revenue Bonds, Series 2010A Water Revenue Bonds, Series 2010B Water Revenue Bonds, Series 2012 Water Revenue Refunding and Improvement Bonds, Series 2012 Contract Revenue Bonds, 2012A Refunding Bonds, Series 2014 Water Revenue Bonds, Series 2014 Contract Revenue Bonds, and Series 2015 Water Refunding Bonds. These bond issues provided funding for large infrastructure-type projects.

Proprietary funds report operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Enterprise Fund is accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses when they are incurred. Claims incurred but not reported are included in payables and expenses.

The Enterprise Fund is reported using an economic resources measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with the activity are included in the Fund’s Statement of Net Position.

Revenues and expenses for the District’s Enterprise Fund are categorized as either operating or non-operating. For the District, operating revenues include sale of water and land lease rentals. Operating expenses include general and administrative, personnel services, utilities, depreciation and amortization, and pension plan contributions.

**Fiduciary Fund** — The Fiduciary Fund accounts for assets held by the District in a trustee capacity for others or other Funds. The District’s only Fiduciary Fund is the Other Post Employee BenefitS Trust Fund which holds assets to be used for the future payments of benefits offered through the District’s post-employment healthcare benefit plan. The Fiduciary fund is not included in the government-wide financial statements.

The Fiduciary Fund is reported using an economic resources measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with the activity are included in the Fund’s Statement of Net Position.

**Cash, Cash Equivalents, and Investments** — Cash and cash equivalents consist of deposits (principally interest-bearing accounts) with one financial institution and investments in three public funds investment pools. Investments consist of U.S. Government and government agency obligations recorded at fair value. For accounting purposes, fair value is defined as the price at which two willing parties would complete an exchange.

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid (i.e. maturity date of three months or less from the date of purchase) deposits and investments (including restricted assets and the investments in public funds investment pools) to be cash equivalents.

**Long Term Receivables** — During the fiscal year 2015 the District made expenditures on behalf of the City of Fort Worth Tax Increment Reinvestment Zone #9 (TIF) a project partner in the Trinity River Vision (TRV) Project under a Project Cost Funding Agreement between TRWD and the TIF. Under the agreement TRWD is advancing funds for the TRV Project that would normally be paid by the TIF for costs related to the Project Plan. The TIF currently does not have, and is not projected to have, timely funds to implement the Project Plan as contemplated by the current schedule approved by the USACE. The TIF Board has authorized an agreement with TRWD dedicating revenue from the TIF Fund to cover the advances made by TRWD. The advances must be annually approved by the TIF board and are repayable without interest from future tax revenues of the TIF. During fiscal year 2015, the District expended an additional \$35.6 million under the agreement bringing the total amount expended to \$143.1 million; \$18.8 million of that amount has been paid in cash by the TIF, with a remaining outstanding long-term receivable of \$124.3 million as of September 30, 2015. Of the total cash payments from the TIF, \$3.3 million was paid in 2015.

**Property Taxes** — Property subject to taxation is certain real and personal property served by the District in the County. Certain properties of religious, educational, and charitable organizations are exempt from taxation.

On October 1<sup>st</sup> the District's ad valorem taxes are levied on 100% of assessed valuation at a rate approved by the District's Board per \$100 valuation as of the preceding January 1, and are due and payable from October 1 of the year in which levied, until January 31 of the following year without interest or penalty. Taxes paid after February 1 of each year are subject to interest and penalty charges.

In 2015, the District's ad valorem tax rate was \$0.02 per \$100 valuation. Collections of the current year's levy are reported as current collections if received by June 30 (within nine months of the October 1 due date). Collections received thereafter are reported as delinquent collections.

Generally, property taxes, net of amounts estimated to be uncollectible, are recorded as a receivable on the assessment date and recognized as revenue when they become available (collected within 60 days of year-end). The allowance for uncollectible taxes as of September 30, 2015 was \$97 thousand. Under GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions*, property taxes are imposed non-exchange revenue. Assets from imposed non-exchange transactions are recorded when the entity has enforceable legal claim to the asset, or when the District receives resources, whichever comes first. The assessment date has been designated at a date subsequent to fiscal year-end. The District has not recorded a receivable for

accrual of future taxes at year-end because the assessment date had not yet occurred as of fiscal year-end.

The District's taxes on real property are a lien (as of the date of levy) against such property until paid. The District may foreclose on real property upon which it has a lien for unpaid taxes. Delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title to the property. Any liens and subsequent suits against the taxpayer for payment of delinquent personal property taxes are barred unless instituted within four years from the time such taxes became delinquent.

**Oil and Gas Royalties** — The District receives royalties related to various oil and gas leases for which the District acts as lessor. The royalties are generally payable to the District when production begins at the lease site, and revenue is recognized as revenue at the time the royalty is earned and considered measurable and available if received within 60 days after year-end.

**Prepaid Items** — Certain payments to vendors reflect services that will occur throughout future accounting periods. These payments are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets** — Capital assets, which include property, plant, equipment, construction in progress, and infrastructure assets, are reported in the applicable governmental and business-type activities columns in the government-wide financial statements and in the fund financial statements for the Enterprise Fund. The District capitalizes all Machinery and Equipment capital purchases greater than or equal to \$10,000 and all other assets purchased which cost \$20,000 or greater.

Major outlays for capital assets and improvements are capitalized in the Enterprise Fund as projects are constructed. These costs primarily include construction costs, engineering fees, and legal fees and settlements related to acquisition, condemnation, and mineral rights. Net interest incurred during the construction phase on Enterprise Fund capital assets is capitalized. Total interest capitalized during the year ended September 30, 2015 was \$29.6 million.

The costs of repairs and maintenance that do not extend the lives of or improve the value of related capital assets are expensed as incurred.

**Depreciation** — Depreciation of capital assets is charged as an expense against operations in the applicable governmental and business-type activities columns in the government-wide financial statements and in the fund financial statements for the Enterprise Fund. Capital assets are reported net of accumulated depreciation on the statements of net position. Depreciation is recorded utilizing the straight-line method. Estimated useful lives are as follows:

Dams, spillways, and related costs	50 years
Pipeline and pipeline right-of-way	50 years
Wetlands	50 years
Communications	50 years
Other	50 years
Buildings	20 years
Machinery and equipment	5 years

**Deferred Compensation Plan** — The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. The assets of this plan are excluded from the District's financial statements.

**Water Rights** — Water rights represent rights to surplus water in Benbrook Lake purchased in 1992 through a long term contract with the federal government. The rights are recorded at cost and amortized over the 30-year life of the contract using the straight-line method.

**Interfund Transactions** — Certain General Fund expenditures are allocated to the Enterprise Fund. The allocation is based on time and effort for the benefit of the Enterprise Fund by General Fund employees. These allocated expenditures are reflected in the appropriate areas in the accompanying basic financial statements rather than as an inter-fund transaction. At September 30, 2015, the outstanding balance for both loans owed by the Enterprise Fund is \$771 thousand. Refer to Note 8 for further detail about inter-fund transactions.

**Pollution Remediation Obligations** — The District has an environmental financial obligation for property purchased through September 30, 2015. Properties purchased during fiscal year 2015 were screened for potential environmental concerns based upon available records, assessments and other actions.

The assessments completed to date have found that some of these properties have a low to moderate risk. Currently, five properties, classified as low to moderate risk, have not been fully assessed to determine whether any remediation is required.

Based upon the Phase I, Phase II, or other site investigations completed to date, nine properties require remediation – seven of those are classified as high or moderate risk, while one is classified as low risk. In fiscal year 2015, an additional \$1.2 million was capitalized bringing the anticipated payment for Pollution Remediation to a total of \$18 million. Pollution remediation continued on 5 properties during Fiscal Year 2015. Total Pollution Remediation expenses during the year were \$7.3 million.

Based upon the limited data available regarding any possible additional identification of environmental pollution, any potential for a liability of the remediation of the remaining other properties cannot be reasonably estimated at this time.

Pollution remediation obligations are estimates and are subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations.

**Vacation and Sick Leave** — The District’s employees are granted paid leave in specified amounts. In the event of termination, an employee is reimbursed for all accumulated unused paid leave. Accrued paid leave is reflected in other liabilities in the accompanying basic financial statements. The change in accrued paid leave during the year is shown below:

	Balance at October 1, 2014	Additions	Deletions	Balance at September 30, 2015	Due Within One Year
Governmental Activities	\$ 672,207	\$ 395,911	\$ 324,959	\$ 743,159	\$ 285,977
Business-type Activities	1,937,708	1,213,468	959,466	2,191,710	843,398
Total	<u>\$ 2,609,915</u>	<u>\$ 1,609,379</u>	<u>\$ 1,284,425</u>	<u>\$ 2,934,869</u>	<u>\$ 1,129,375</u>

**Water Revenues** — Water rates charged to customers during each year are based on budgeted operating expenses, revenue bond debt service requirements, and estimated customer water usage. Subsequent to year-end, calculations of adjusted water rates based on actual usage and costs are made and either billed or credited to customer accounts as of year-end. While the actual results could differ from the estimate calculated, management normally does not expect the difference to be material to the financial statements. The calculated year-end adjustments for 2015 resulted in an estimated \$5.7 million due to the customers, which is reflected in the accounts payable balance in the Enterprise Fund. The District has not experienced any credit losses resulting from its sale of water.

**Restricted Assets** — Certain assets are classified as restricted assets, because their use is limited by applicable bond terms. These assets include amounts restricted for reserve and interest and sinking funds, as required by bond covenants. It also reflects unspent proceeds of revenue bonds.

**Program Revenue-Contributions** — During 2015, the District received no buy-in premiums for new customer water contracts.

**Restricted Net Position** — Restricted net position is the restricted assets less the related liabilities.

**Budgets and Budgetary Accounting** — Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual budget by function is adopted for the General Fund.



**Governmental Fund Balances —**

**Fund Balance Classification —** The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

**Non-Spendable fund balance —** Assets that will never convert to cash, such as inventory and prepaid items. At September 30, 2015, the District had non-spendable fund balances in the amount of \$2.2 million.

**Restricted fund balance —** The portion of fund balance that reflects resources that are subject to externally enforceable legal restrictions imposed by parties outside the District at September 30, 2015. At September 30, 2015, the District had no restricted fund balance.

**Committed fund balance —** The portion of fund balance that reflects resources that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. At September 30, 2015, the District had no committed fund balance.

**Assigned fund balance —** The portion of fund balance that reflects resources intended for a specific purpose. Intent is expressed or authorized by Board of Directors. At September 30, 2015, the District had no assigned fund balance.

**Unassigned fund balance —** The portion of fund balances in excess of non-spendable, restricted, committed, and assigned. This classification includes the residual fund balance for the General Fund of \$88.7 million.

**Spending Prioritization in Using Available Resources —** When both restricted and unrestricted (i.e. committed, assigned, and unassigned) resources are available to be used for the same purpose, the District considers the restricted resources to be expended first. When all categories of unrestricted fund balance are available, the flow assumption is as follows: the committed resources get expended first, the assigned resources get expended second, and the unassigned resources get expended last.

**Governmental Accounting Standards Board Statements Implemented in Current Fiscal Year —**

GASB 68, Accounting and Financial Reporting for Pensions; GASB 69, Government Combinations and Disposals of Government Operations; and GASB 71, Pension Transition for Contributions Made Subsequent to the Measurement Date were implemented with negligible effect on the District's financial statements.

## **2. REVENUES FROM THE SALE OF WATER**

All revenues from the sale of water from Eagle Mountain Lake, Lake Bridgeport, Cedar Creek Lake, and Richland-Chambers Reservoir and related expenses are recorded in the Enterprise Fund.

Sales of water to four government entities (Cities of Fort Worth, Mansfield, and Arlington, and the Trinity River Authority of Texas) accounted for approximately 90% of the District's water sales for the year ended September 30, 2015. Charges to such entities are in amounts primarily equivalent to each entity's share (based on quantities of raw water received) of operating and maintenance costs and the debt service requirements of the District's revenue bonds.

## **3. CASH, CASH EQUIVALENTS, AND INVESTMENTS**

**Cash** —The balance per bank of cash on deposit for the District at September 30, 2015 was \$8.0 million and was entirely covered by FDIC insurance or collateral. The carrying value of cash for the District was \$8.0 million. At September 30, 2015, the District also held petty cash of \$1,500.

**Credit Risk** — Legal provisions of the Texas Public Funds Investment Act generally permit the District to invest in direct and indirect obligations of the United States or its agencies, certain certificates of deposit, repurchase agreements, public funds investment pools, and money market mutual funds.

The District invests in the Texas Local Government Investment Pool (Texpool), the Local Government Investment Cooperative (LOGIC) and Texas Short Term Asset Reserve (TexSTAR). Texpool, a public funds investment pool created by the Treasurer of the State of Texas acting by and through the Texas Treasury Safekeeping Trust Company, is empowered to invest funds and act as a custodian of investments purchased with local investment funds.

LOGIC and TexSTAR are also public funds investment pools with the same authority as Texpool. They have been organized and established pursuant to an Interlocal Agreement between participating government entities. The District has an undivided beneficial interest in the pool of assets held by these agencies. These investments and deposits are fully insured by the federal depository insurance or collateralized by securities held in the name of Texas Treasury Safekeeping Trust Company. Authorized investments include obligations of the United States or its agencies, direct obligations of the State of Texas or its agencies, certificates of deposits, and repurchase agreements.

**Interest Rate Risk** — As a means of limiting its exposure to fair value losses arising from interest rate fluctuations, the District's investment policy limits maturities based on the objectives of each fund. Investment maturities are limited as follows:

**General Fund** — one to three years

**Enterprise Fund:**

Revenue sub-fund—six months to one year

Construction sub-fund—determined on a project-by-project basis

Interest and Redemption sub-fund—six months

Reserve sub-fund—not to exceed the date of the District's last maturing revenue bond

Contingency sub-fund—one to three years

**Concentration of Credit Risk** — The District places no limit on the amount it may invest in one issuer. Approximately 56% of the District's investments are held in Federal Farm Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation.

**Custodial Credit Risk** — The District's policy requires that all securities be held in the District's name.

**Public Funds Investment Act** — Audit procedures related to the Public Funds Investment Act are conducted as part of the audit of the basic financial statements. In the areas of investment practices, management reports and establishment of appropriate policies, the District adheres to the requirements of the Act.

**Public Funds Collateral Act** — Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District has a policy of maintaining contact with the trust department of its depository agency to eliminate all custodial credit risk. As of September 30, 2015, the District's bank balance of \$8.0 million was not exposed to custodial credit risk and was over-insured and over-collateralized.

## SUMMARY OF INVESTMENTS AND CASH EQUIVALENTS AND RELATED WEIGHTED AVG. MATURITY

	Fair Value **	Weighted Avg. Maturity (Years)	S & P Rating
Federal Farm Credit Bank	\$ 128,107,785	1.30	AA+
Federal Home Loan Bank	75,078,217	2.38	AA+
Federal Home Loan Mortgage Corp	28,526,085	1.42	AA+
Federal National Mortgage Association	63,098,682	1.94	AA+
U.S. Treasury Notes	53,077,414	0.53	AA+
	<u>347,888,183</u>		
Investment pools:*			
LOGIC***	99,025,577	N/A	AAA-m
TexPool	187,621,696	N/A	AAA-m
TexStar	<u>159,885</u>	N/A	AAA-m
Total investments and cash equivalents	<u><u>\$ 634,695,341</u></u>		

\*Local government pools operate as a money market fund under the Public Funds Investment Act, which requires that it maintain an AAA, AAA-m or equivalent rating from a nationally recognized rating service. Pools are rated AAA-m and operate in full compliance with the PFIA and rating agency requirements. The pools are exempted from SEC registration and the requirements of Rule 2a-7 pertaining to registered money market funds: however, consistent with Rule 2a-7, they seek to maintain a stable net position value of \$1 per unit. Investment pools are reported as a part of cash and cash equivalents in the financial statements.

\*\*Fair value is the amount at which a security could be exchanged in a current transaction between willing parties, other than in forced liquidation. Under GASB 31, all investments are recorded at fair value.

\*\*\* Sandra Newby, Director of Finance, is a member of the LOGIC Board of Directors.

**OPEB Trust Fund Investments** — The District has contracted with Public Agency Retirement Services (PARS) for trust administration and Union Bank serves as the trustee for all investments of the OPEB Trust Fund. As of September 30, 2015, all investments are registered in the name of the OPEB Plan's custodian established through a master trust custodial agreement. The OPEB Trust Fund investments are carried at fair value of \$1.9 million as of September 30, 2015. The Trust's funds are invested in a mutual fund that is invested in money market, fixed income mutual funds, and equity. The investment strategy of the OPEB Trust Fund is to provide current income with capital appreciation. The credit rating and weighted average maturity is not available for the pool.

Investment Type	Total
Mutual Fund:	
Highmark Moderate	<u>\$ 1,942,920</u>
Total Mutual Fund	<u>1,942,920</u>
 Total Portfolio	 <u><u>\$ 1,942,920</u></u>

#### 4. CAPITAL ASSETS

A summary of changes in capital assets governmental activities:

	October 1, 2014	Additions	Disposals	Transfers	September 30, 2015
GOVERNMENTAL ACTIVITIES					
NONDEPRECIABLE ASSETS					
Land	\$ 187,854,778	\$ 20,337,382	\$ -	\$ 5,693,574	\$ 213,885,734
Construction in progress	58,960,125	13,448,083		(5,906,474)	66,501,734
TOTAL NONDEPRECIABLE ASSETS	<u>246,814,903</u>	<u>33,785,465</u>	<u>-</u>	<u>(212,900)</u>	<u>280,387,468</u>
DEPRECIABLE ASSETS					
Dams, spillways, and related costs	3,378,736				3,378,736
Flood control projects	8,095,940				8,095,940
Buildings	34,533,160	191,666		212,900	34,937,726
Machinery and equipment	11,155,730	645,109	(374,230)		11,426,609
	<u>57,163,566</u>	<u>836,775</u>	<u>(374,230)</u>	<u>212,900</u>	<u>57,839,011</u>
Less accumulated depreciation for:					
Dams, spillways, and related costs	(693,135)	(69,288)			(762,423)
Flood control projects	(8,095,940)				(8,095,940)
Buildings	(7,461,203)	(1,756,874)			(9,218,077)
Machinery and equipment	(8,775,691)	(728,763)	374,230		(9,130,224)
	<u>(25,025,969)</u>	<u>(2,554,925)</u>	<u>374,230</u>	<u>-</u>	<u>(27,206,664)</u>
TOTAL DEPRECIABLE ASSETS, NET	<u>32,137,597</u>	<u>(1,718,150)</u>	<u>-</u>	<u>212,900</u>	<u>30,632,347</u>
CAPITAL LEASE DEPRECIABLE ASSETS					
Machinery and equipment	1,447,140				1,447,140
Less accumulated depreciation for:					
Machinery and equipment	(813,007)	(237,271)			(1,050,278)
	<u>634,133</u>	<u>(237,271)</u>	<u>-</u>	<u>-</u>	<u>396,862</u>
TOTAL GOVERNMENTAL ACTIVITIES, NET	<u>\$ 279,586,633</u>	<u>\$ 31,830,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,416,677</u>

Depreciation expense was charged to functions of the District as follows:

Governmental activities:

General government	\$ 1,687,515
Flood Control	<u>1,104,681</u>
Total depreciation expense - governmental activities	<u>\$ 2,792,196</u>

A summary of changes in capital assets business-type activities:

	October 1, 2014	Additions	Disposals	Transfers	September 30, 2015
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>NONDEPRECIABLE ASSETS</b>					
Land	\$ 133,783,193	\$ 7,246,752	\$ -	\$ -	\$ 141,029,945
Construction in progress	363,799,258	208,665,839		(56,080,487)	516,384,610
<b>TOTAL NONDEPRECIABLE ASSETS</b>	<b>497,582,451</b>	<b>215,912,591</b>	<b>-</b>	<b>(56,080,487)</b>	<b>657,414,555</b>
<b>DEPRECIABLE ASSETS</b>					
Dams, spillways, and related costs	212,929,639				212,929,639
Pipeline and pipeline right of way	510,290,880			34,816,226	545,107,106
Wetlands	54,091,602	110,961			54,202,563
Communications	1,087,448				1,087,448
Buildings	6,816,587	22,200	(1,757)	171,493	7,008,523
Machinery and equipment	12,922,394	810,410	(840,174)		12,892,630
Other project costs	65,096,010	4,704,600		21,092,768	90,893,378
	<u>863,234,560</u>	<u>5,648,171</u>	<u>(841,931)</u>	<u>56,080,487</u>	<u>924,121,287</u>
Less accumulated depreciation for:					
Dams, spillways, and related costs	(108,508,565)	(4,053,128)			(112,561,693)
Pipeline and pipeline right of way	(163,994,510)	(10,187,473)			(174,181,983)
Wetlands	(1,983,260)	(1,010,598)			(2,993,858)
Communications	(242,477)	(21,749)			(264,226)
Buildings	(3,954,608)	(263,282)	1,757		(4,216,133)
Machinery and equipment	(11,355,171)	(719,734)	840,174		(11,234,731)
Other project costs	(7,973,307)	(1,054,043)			(9,027,350)
Total accumulated depreciation	<u>(298,011,898)</u>	<u>(17,310,007)</u>	<u>841,931</u>	<u>-</u>	<u>(314,479,974)</u>
<b>TOTAL DEPRECIABLE ASSETS, NET</b>	<b>565,222,662</b>	<b>(11,661,836)</b>	<b>-</b>	<b>56,080,487</b>	<b>609,641,313</b>
<b>INTANGIBLE ASSETS</b>					
Water Rights	2,086,598				2,086,598
Less accumulated depreciation for:					
Water Rights	(1,593,928)	(69,554)			(1,663,482)
	<u>492,670</u>	<u>(69,554)</u>	<u>-</u>	<u>-</u>	<u>423,116</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES, NET</b>	<b>\$ 1,063,297,783</b>	<b>\$ 204,181,201</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,267,478,984</b>

## 5. PENSION PLAN

**Plan Description and Provisions** — In 1997, the District adopted a defined contribution benefit plan, the benefits of which depend solely on amounts contributed to the plan plus investment earnings. All full-time employees over the age of 18 are eligible to participate in the plan from the date of employment, and benefits are fully vested at five years of service. Benefit provisions and all other requirements are established by state statute and the District's Board of Directors. The District contributes 13% of each eligible employee's base salary on a monthly basis to the plan's Administrator, ICMA Retirement Trust. Employees may make additional voluntary after tax contributions; however, no employees have contributed to date. District contributions for, and interest forfeited by, employees who leave employment before five years of service are allocated to the other employee accounts. The plan's normal retirement age is 60 years with early retirement eligibility at 55 years of age with five years of service. During fiscal year 2015 the District made contributions of \$2.2 million under this plan.

## 6. BONDS PAYABLE

A summary of long-term debt transactions (excluding original issue premiums) of the District for the year ended September 30, 2015 is show below. Bond issuance costs of \$1.3 million were expensed this year.

	Balance at October 1, 2014	Additions	Deletions	Balance at September 30, 2015	Due Within One Year
Business-type Activities---					
Tarrant Regional Water District Projects	\$ 964,200,000	\$ 156,470,000	\$ 214,185,000	\$ 906,485,000	\$ 30,945,000
TRWD Contract Revenue Bonds (City of Dallas Project)	328,605,000	-	5,875,000	322,730,000	6,090,000
Total-Construction and Improvement Bonds	<u>\$ 1,292,805,000</u>	<u>\$ 156,470,000</u>	<u>\$ 220,060,000</u>	<u>\$ 1,229,215,000</u>	<u>\$ 37,035,000</u>

In fiscal year 2015, the District issued \$156.5 million of Water Revenue Refunding Bonds in an advanced refunding of \$182.9 million in 2006 Water Revenue Bonds. The refunding resulted in principal and interest payment savings of \$39,502,702 over the life of the bonds, and an economic gain of \$2,496,173 (the difference between the present value of the old and new debt service payments).



Bond Type	Maturity	Interest Rates	Outstanding Balance
<u>Tarrant Regional Water District Projects</u>			
\$3,135,000 Series 2008A-RC Water Revenue Bonds	Serially through 2027	1.3 - 2.8%	\$ 2,585,000
\$6,755,000 Series 2008B-CC Water Revenue Bonds	Serially through 2027	2.0 - 2.8%	4,375,000
\$69,535,000 Series 2009 Water Revenue Refunding and Improvement Bonds	Serially through 2029	5%	53,845,000
\$89,250,000 Series 2010 Water Revenue Bonds	Serially through 2040	4.0 - 5.0%	89,250,000
\$17,835,000 Series 2010A Water Revenue Bonds	Serially through 2030	1.2 - 2.6%	17,835,000
\$83,785,000 Series 2010B Water Revenue Bonds	Serially through 2030	1.0 - 2.5%	67,290,000
\$150,375,000 Series 2012 Water Revenue Refunding and Improvement Bonds	Serially through 2052	2.0 - 5.0%	139,330,000
\$98,960,000 Series 2012A Water Revenue Refunding Bonds	Serially through 2022	2.0 - 5.0%	59,245,000
\$318,750,000 Series 2014 Water Revenue Bonds	Serially through 2049	4.0 - 5.0%	316,260,000
\$156,470,000 Series 2015 Water Revenue Refunding Bonds	Serially through 2029	2.0 - 5.0%	156,470,000
			<u>906,485,000</u>
<u>TRWD Contract Revenue Bonds (City of Dallas Project)</u>			
\$131,935,000 Series 2012 Dallas Contract Revenue Bonds	Serially through 2042	2.0 - 5.0%	123,640,000
\$202,130,000 Series 2014 Dallas Contract Revenue Bonds	Serially through 2044	4.0 - 6.0%	199,090,000
			<u>322,730,000</u>
Total-Construction and Improvement Bonds			1,229,215,000
Less current portion			(37,035,000)
Add premium (net of accumulated amortization)			<u>110,633,678</u>
			<u>\$ 1,302,813,678</u>

In prior years, the District defeased certain revenue and refunding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At September 30, 2015, there are no bonds outstanding that are considered defeased, as all future maturities have been called.

The District amortizes deferred amounts on refunding, including gains and losses, using the straight-line method over the shorter of the remaining life of the old debt or the life of new debt. Premiums on bonds are amortized using the effective interest rate method over the life of the bonds.

The annual requirements to amortize all bonds outstanding as of September 30, 2015 including interest payments are approximately as follows:

<b>Years ending September 30th (in thousands)</b>	<b>Principal</b>	<b>Interest</b>	<b>Requirements</b>
<u>Tarrant Regional Water District Projects</u>			
2016	\$ 30,945	\$ 40,797	\$ 71,742
2017	31,750	39,420	71,170
2018	24,940	38,582	63,522
2019	26,770	37,675	64,445
2020	28,425	36,562	64,987
2021-2025	144,925	164,260	309,185
2026-2030	150,625	132,718	283,343
2031-2035	153,720	96,168	249,888
2036-2040	100,690	64,907	165,597
2041-2045	95,700	41,940	137,640
2046-2050	102,905	15,240	118,145
2051-2055	15,090	764	15,854
	<u>906,485</u>	<u>709,033</u>	<u>1,615,518</u>
<u>TRWD Contract Revenue Bonds (City of Dallas Project)</u>			
2016	6,090	15,051	21,141
2017	6,310	14,715	21,025
2018	6,535	14,365	20,900
2019	6,775	14,003	20,778
2020	7,025	13,628	20,653
2021-2025	39,475	62,048	101,523
2026-2030	49,170	52,150	101,320
2031-2035	61,755	40,862	102,617
2036-2040	78,470	25,245	103,715
2041-2045	61,125	6,470	67,595
	<u>322,730</u>	<u>258,537</u>	<u>581,267</u>
Total	<u>\$ 1,229,215</u>	<u>\$ 967,570</u>	<u>\$ 2,196,785</u>

Bonded debt of the District consists of water revenue refunding bonds and revenue bonds, which are secured by and payable from net revenues of the District. Certain revenue bond issues contain provisions that allow the District to prepay or call the bonds.

Specifically, net revenues of the District's water operations have been pledged for repayment of the District's revenue bonds. The amount of the pledge is equal to the remaining outstanding debt service requirements for those bonds, which were all originally issued to provide funding for construction of the water system. The pledge continues for the life of the bonds. For the year ended September 30, 2015, pledged revenues for the enterprise fund were \$54,909,619.

The various revenue bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted

accounts, and minimum amounts to be maintained in various sinking funds. None of the revenue bond indentures contain bond coverage requirement provisions.

The TRWD Contract Revenue Bonds (City of Dallas Project) are Dallas Water Utilities' share of the Integrated Pipeline (IPL) Project, which is currently estimated at \$936 million. Under the IPL Project Contract, Dallas has requested and authorized the District to issue contract revenue bonds (the Dallas Contract Revenue Bonds) secured solely by payments from Dallas to the District under the IPL Project Contract. Such Dallas Contract Revenue Bonds shall be in such amounts and issued at such times as determined by the District, in consultation with Dallas to finance Dallas's share of the design and construction of the IPL project. All such payments by Dallas to the District will constitute operating expenses of the Dallas Water Utilities System. It is currently expected that the District will issue Dallas Contract Revenue Bonds over a 10 to 15 year period to pay Dallas's share of the total capital cost of the IPL project. The District issued the first series of Dallas Contract Revenue Bonds in the principal amount of \$131.9 million in February 2012, and the second series of Dallas Contract Revenue bonds in the principal amount of \$202.1 million in January 2014. Future Dallas Contract Revenue Bonds will be issued as determined by the District in consultation with Dallas. However, the IPL Project Contract gives the District specific authority to issue Dallas Contract Revenue Bonds without any additional City approval in the event Dallas fails to take certain actions. Dallas's interest in the IPL is not part of the District's System and none of the payments from Dallas to the District under the IPL Project Contract are pledged to the payment of the District's System Revenue Bonds.

## 7. CAPITAL LEASES

Obligations under a capital lease represent the remaining principal amounts under lease purchase agreements for the acquisition of various computer equipment. These leases are recorded as capital leases in the government-wide reporting. Amortization of the leased assets is included in depreciation expenditures in the government-wide reporting. The leased equipment had an original cost totaling \$1.4 million in the General Fund.

The following is a summary of capital lease transactions of the District for the year ended September 30, 2015:

	<u>General Fund</u>
Capital lease obligations, October 1, 2014	\$ 488,383
Less: Principal payments	(239,242)
Add: New Leases	-
Capital lease obligations, September 30, 2015	<u>\$ 249,141</u>

The following schedule provides an analysis of the District's investment in capital assets under lease arrangements as of September 30, 2015:

	<u>General Fund</u>
Capital Lease	\$ 1,447,140
Less: Accumulated depreciation	(1,050,278)
Total net book value of lease assets	<u>\$ 396,862</u>

Future minimum lease payments for these leases are as follows:

Year Ending September 30,	General Fund	
	Principal Payments	Interest Payments
2016	249,141	10,309
	<u>\$ 249,141</u>	<u>\$ 10,309</u>

## 8. INTERFUND TRANSACTIONS

At September 30, 2015, inter-fund balances consisted of the following:

	Notes & Interest Due From Other Funds	Notes & Interest Due to Other Funds	Due From Other Funds	Due to Other Funds
General Fund	\$ 770,939		\$ 8,556,445	
Enterprise Fund		\$ 770,939		\$ 8,556,445
Total	<u>\$ 770,939</u>	<u>\$ 770,939</u>	<u>\$ 8,556,445</u>	<u>\$ 8,556,445</u>

The District has two notes between the Enterprise Fund and the General Fund for the reimbursement of a portion of the cost of constructing the administrative building, and the purchase of a helicopter. The administrative building note was set up in 2003 with 3% interest; the helicopter note was set up in 2009 with 2% interest. During fiscal year 2015, the Enterprise Fund repaid \$103 thousand, plus interest of \$24 thousand. At September 30, 2015, the outstanding balance for both loans owed by the Enterprise Fund is \$771 thousand which is related to its long-term payable to the General Fund. In the fund financial statements, interfund balances (shown as due to/from other funds) are the results of normal expenditure transactions between funds and will be liquidated in the subsequent fiscal year.

All interfund receivables and payables are combined in the government-wide financial statement of net position and shown as internal balances.

## **9. POST EMPLOYMENT HEALTH CARE BENEFITS**

### **Plan Descriptions**

The District provides post-employment health care benefits, as established under its Retiree Health Benefits Policy effective January 1, 2006 to all employees who retire from the District at age 55 or after and meet the Rule of 80 or Rule of 90 (see following paragraph for specifics). The cost of these benefits is recognized as expenditures when the underlying claims or premiums are incurred. During the year ended September 30, 2015, payments of \$1,425,968 were recognized for post-retirement health care.

Rule of 80—the rule of 80 is reached when age and years of service total eighty (80).

If at the time of retirement, the employee meets the “Rule of 80” and elects to continue group health insurance coverage, the District will pay 100% for the premiums for the employee/retiree, the spouse and eligible dependents at the date of retirement. After the initial election, coverage for individuals may be dropped at the time designated by the plan, but no one may be added.

Upon the death of the employee/retiree, the spouse will be covered for an additional five (5) years or until their death, whichever occurs first. Any dependent will be covered as long as they remain eligible under the plan, for five years, or death, whichever comes first.

Rule of 90—the rule of 90 is reached when age and years of service total ninety (90).

If at the time of retirement, the employee meets the “Rule of 90” and elects to continue group health insurance coverage the District will pay 100% for the single and family premiums for the employee/retiree, the spouse and eligible dependents at the date of retirement. The employee/retiree will be covered until his/her death and the spouse until his/her death, and the eligible dependents will be covered as long as eligible under the plan or their death, whichever comes first.

While the District does offer this plan to all eligible employees, some retirees elect not to continue the health coverage during their retirement. During Fiscal Year 2015, twenty-four retirees and beneficiaries meet those eligibility requirements.

### **Funding Policies**

For other postemployment benefits, contractual requirements for the District are established by the Board of Directors. In Fiscal Year 2014, the District established a trust to fund OPEB costs through the Public Agency Retirement Fund (PARS). The District funded the trust with an initial \$1 million transfer. In Fiscal Year 2015, \$1 million was contributed to the trust and in Fiscal Year 2016 \$1.1 million is budgeted to contribute to the trust. The District’s Trust Funding Policy is to

contribute an additional 10% more than the prior year to the trust each year in an effort to ultimately fund 75% of the actuarial accrued liability (AAL). The District continues to pay for the total health claims and insurance premiums for retirees through the yearly operating costs; the District does not intend to use the trust funds to fund current retiree health claims or premiums until the 75% goal is reached.

### **Blended Rate Scenario**

The District has established an irrevocable trust and has adopted a funding policy so that the amounts contributed are less than the annual required contribution (ARC) of the employer (see the Annual OPEB Costs paragraph below for more details). Under this scenario, GASB 45 requires the use of a discount rate based on a blend of the plan and employer assets. For this valuation, a blended discount rate of 6.2% is assumed. In fiscal year ended September 30, 2015, TRWD contributed \$1,000,000 to the OPEB trust and incurred \$425,968 in claims and premiums for retirees in operating costs. The total \$1,425,968 employer contribution was approximately 60% of the Annual Required Contribution, therefore, a blended discount rate based on 60% of the difference between 4.5% and 7.30% was chosen of 6.2% which is consistent with the prior year.

### **Annual OPEB Costs**

The District's annual OPEB cost is calculated based on the ARC of the employer, an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The annual OPEB cost for the fiscal year ended September 30, 2015, is as follows:

	<u><b>2014</b></u>	<u><b>2015</b></u>
Annual required contribution	\$ 2,234,270	\$ 2,378,342
Interest on OPEB obligation	545,458	605,983
Adjustment to ARC	<u>(454,767)</u>	<u>(505,228)</u>
Annual OPEB cost (expense)	2,324,961	2,479,097
Contributions made	<u>(1,348,750)</u>	<u>(1,425,968)</u>
Increase in net OPEB obligation	976,211	1,053,129
Net OPEB obligation - as of beginning of year	<u>8,797,703</u>	<u>9,773,914</u>
Net OPEB obligation - as of end of year	<u>\$ 9,773,914</u>	<u>\$ 10,827,043</u>
Percentage of annual OPEB cost contributed	58.0%	57.5%

At September 30, 2015, the total liability of \$10,827,043 for Net OPEB obligation was \$3,585,780 for governmental activities and \$7,241,263 for business-type activities.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past three years follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Annual OPEB Cost Contributed	NET OPEB Obligation
9/30/2013	\$ 2,799,724	\$ 504,072	18.0%	\$ 8,797,703
9/30/2014	2,324,961	1,348,750	58.0%	\$ 9,773,914
9/30/2015	2,479,097	1,425,968	57.5%	\$ 10,827,044

### Funding Status and Funding Progress

The funded status of the District's retiree health care plan, under GASB Statement No. 45 as of December 31, 2013 is as follows:

Actuarial Valuation Date as of	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Annual Covered Payroll	Ratio of UAAL to Annual Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(d)	(b-a)/d
12/31/2013	\$ -	\$ 29,524,437	\$ 29,524,437	0%	\$ 16,834,015	175.4%

Under the reporting parameters, as of December 31, 2013 the District's retiree health care plan was 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$29,524,437. The ratio of the unfunded actuarial accrued liability to annual covered payroll was 175.4%.

### Actuarial Methods and Assumptions

The Entry Age Normal actuarial cost method is used to calculate the GASB ARC for the District's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The entry age normal method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the District and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the District and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in

actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

#### **Actuarial Methods and Assumptions**

Inflation rate	3.00% per annum
Investment rate	6.20% per annum, net of expenses
Actuarial cost method	Individual entry age normal cost method
Amortization method	Level as a percentage of employee payroll
Amortization growth period	30-year open amortization
Payroll growth	3.00% per annum
Medial trend	Initial rate of 7.50% delcining to an ultimate rate of 5.00% after 10 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the District's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## **10. COMMITMENTS AND CONTINGENCIES**

**Commitments**-the General and Enterprise Funds have remaining commitments estimated at \$299.9 million (\$2.9 million and \$297.0 million respectively) due to on-going construction contracts as of September 30, 2015.

**Contingent Liabilities** - The District is involved in lawsuits arising in the ordinary course of business, including claims involving water and mineral rights, contract disputes, and alleged property damages. Certain amounts have been accrued for potential losses. It is management's opinion that outstanding claims would not have a material effect on the District's operations.

**Insurance** - The District has employee blanket bond insurance. The District also participates in a public entity risk pool for its fleet policy, property insurance, workers' compensation, general liability, and errors and omissions liability. The District purchases crime, directors' liability, and law enforcement bonds from York, an insurance brokerage firm that also manages the risk pool. The District's Aviation insurance coverage is administered by a third party insurance company. For the IPL project the District, along with the City of Dallas, is utilizing a Rolling Owner Controlled Insurance Program (ROCIP). Also, the District has opted to retain claims risk related to Health Insurance.



Texas Water Conservation Association Risk Management Fund – This is a risk pool which provides auto, property insurance, workers’ compensation, general liability, and errors and omissions coverage for the District. The District shall cooperate with the Trust and give any information as may be reasonably required, and upon the Trust’s request, assist in making settlement, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the District because of injury or damage with respect to which insurance is afforded under the agreement. The District shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The District shall not, except at its own cost, voluntarily make any payment, assume any obligation, or incur any expense that could increase the liability, exposure of, or jeopardize the Trust in any way.

The Trust will pay on behalf of the District all sums that the District shall become legally obligated to pay arising out of an occurrence that takes place during the Trust year and within the agreement. The Trust reserves the right to deny any and all claims that are not reported. The Trust shall have the right and the duty to defend any suit against the District, even if the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit it deems expedient, but the Trust shall not be obliged to pay any claim or judgment, or to defend a suit, after the applicable limit of the Trust’s liability has been exhausted.

Any settlement amounts paid within the past three years have not exceeded the District’s insurance coverage.

York – York is the third-party administrator for the Risk Management Fund. They secure and manage the District’s crime policy and director bonds. The District shall cooperate with the Trust and give any information as may be reasonably required, and upon the Trust’s request, assist in making settlement, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the District because of injury or damage with respect to which insurance is afforded under the agreement. The District shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The District shall not, except at its own cost, voluntarily make any payment, assume any obligation, or incur any expense that could increase the liability, exposure of, or jeopardize the Trust in any way.

The Trust will pay on behalf of the District all sums that the District shall become legally obligated to pay arising out of an occurrence that takes place during the Trust year and within the agreement. The Trust reserves the right to deny any and all claims that are not reported. The Trust shall have the right and the duty to defend any suit against the District, even if the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit it deems expedient, but the

Trust shall not be obliged to pay any claim or judgment, or to defend a suit, after the applicable limit of the Trust's liability has been exhausted.

Any settlement amounts paid within the past three years have not exceeded the District's insurance coverage.

Aviation Insurance – Aviation insurance covers a wide variety of issues including: physical damage to the aircraft, bodily injury to passengers and others, and physical damage to property other than the aircraft. All claims should be made to the claims administrator. Aviation insurance is held at U.S. Specialty Insurance Company and the District does not retain the claims risk.

Rolling Owner Controlled Insurance Program – The IPL Rolling Owner Controlled Insurance Program (ROCIP) program is a master insurance, safety, and claims management program that provides specific coverages for Workers' Compensation, Employers Liability, Commercial General Liability, and Excess Liability for the Owner and all Enrolled Participants on the IPL.

In the event of an occurrence, wrongful act, or personal injury, all participants in the ROCIP program must promptly provide written notice to Willis of Texas, the ROCIP Administrator, per contract agreement. The ROCIP Administrator will check the information for accuracy and promptly report the claim to the Insurance Provider. The Insurance Provider will coordinate the investigation of commercial general liability claims. Contractor's team members are required to cooperate with the Insurance Provider's investigations. A per occurrence deductible of \$5,000 will be paid by the enrolled participant.

Notifications of a lawsuit or litigation are made to the PCM and ROCIP Administrator and shall be by email or telephone immediately when served with notice of any lawsuits or citations filed against either Enrolled Participants or Excluded Participants. Failure to respond to a lawsuit within the prescribed time may result in a default judgment. The entity served with the lawsuit will pay judgments and expenses associated with a default judgment. Enrolled participants must initially report all workers' compensation claims to the ROCIP Administrator. Claims must be reported no later than the end of the shift during which the accident occurred except in cases of serious injuries which shall be reported immediately. The Insurance Provider will coordinate the investigations of all workers' compensation claims.

The ROCIP provides builders risk coverage for all enrolled participants. The coverage includes all materials and equipment that will be permanently incorporated into the project including property in-transit and stored at pre-approved locations. Enrolled participants are responsible for the first \$25,000 of any loss.

At this time there are no losses report related to ROCIP.

Health Insurance – As of January 1, 2015, the District has opted to retain their own risk for their employees' health insurance claims, sometimes referred to as "self-insurance". Blue Cross Blue Shield of Texas is the claims administrator selected by the District for their health insurance. Included in "health insurance" are medical costs including dental and vision, as well as prescription claims for current employees and eligible retirees.

Liabilities arising from self-insurance are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. These claims are referred to as "incurred but not reported" (IBNR). The IBNR liabilities include an amount for health, dental, and prescription claims. The District's excess coverage medical insurance policy covers individual claims in excess of \$75,000.

The claims liabilities for claims were developed using the completion factor method for both an unsmoothed and smoothed methodology. For both methodologies, the completion factor method analyzes a matrix that displays the claims paid each month by the month in which the claim was incurred on a cumulative basis over the available experience period. The completion factors are applied to the claims that were paid for each incurred month to estimate the ultimate incurred claims for the month. For the smoothed methodology, the incurred claims for August and September 2015 were calculated using a weighted average of the completion factor method. The estimated ultimate liability for those months was calculated using the most recent 10 months of claims experience, trended forward at an annual rate of 9% for both medical and pharmacy. The claims liability is calculated as the sum, for all incurred months, of the estimated ultimate incurred claims less paid claims.

Premiums are paid into the each fund and are available to pay claims, claim reserves, and administrative cost of the self-insured medical program. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for medical and Rx claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors such as inflation, changes in legal doctrines, and damage awards. An excess coverage medical insurance policy covers individual claims in excess of \$75,000 and/or \$3,134,508 in aggregate for the plan year to date (January 2015 – September 2015).

Charges to the two types of insurance that the District retained risk on over the past two fiscal years were as follows:

	Beginning of Fiscal year Liability	Current Year Claims	Changes in Estimates	Claims Payments	Balance at Fiscal Year End	Current Portion
IPL Project ROCIP - 2014*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IPL Project ROCIP - 2015	-	30,091	-	(30,091)	-	-
Group Health - 2014**	-	-	-	-	-	-
Group Health - 2015	-	2,808,762	347,485	(2,808,762)	347,485	347,485

\* No claims were made on IPL Project Self-Insurance during fiscal year 2014

\*\* The District did not retain liability for Group Health Insurance until 1/1/2015

## 11. RECENTLY ISSUED GASB STATEMENTS

The GASB has issued a number of standards that will become effective for the District in future years.

**Statement No. 72 - Fair Value Measurement and Application** – was issued in February 2015 and addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This standard becomes effective for the District in fiscal year 2016.

Management is currently in the process of evaluating the impact of this Statement on the District's financial statements.

**Statement No. 73 - Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68** – was issued in June 2015 and establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. This standard becomes effective for the District in fiscal year 2016 - except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are

effective for the District in fiscal year 2017. This standard is not applicable to the District practices.

**Statement No. 74 - Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans** – was issued in June 2015 and replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This standard becomes effective for the District in fiscal year 2017.

Management is currently in the process of evaluating the impact of this Statement on the District's financial statements.

**Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions** – was issued in June 2015 and replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This standard becomes effective for the District in fiscal year 2018.

Management is currently in the process of evaluating the impact of this Statement on the District's financial statements.

**Statement No. 76 - The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments** – was issued in June 2015 and supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This standard becomes effective for the District in fiscal year 2016.

Management is currently in the process of evaluating the impact of this Statement on the District's financial statements.

**Statement No. 77 - Tax Abatement Disclosures** – was issued in August 2015 and defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. This Statement also requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. This standard becomes effective for the District in fiscal year 2017.

Management is currently in the process of evaluating the impact of this Statement on the District's financial statements.

**Statement No. 78 – Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans** – was issued in December 2015 and amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This standard becomes effective for the District in fiscal year 2016, however this standard is not applicable to the District practices.

## **12. Subsequent Event**

On December 8, 2015, the District issued Water Revenue Bond Series 2015A for the amount of \$300 million and Water Transmission Facilities Contract Revenue Bond (City of Dallas Project) Series 2015 for the amount of \$140 million. Both the 2015A Revenue Bond Series and the Contract Revenue Bond Series will be used for the Integrated Pipeline Project and to pay associated issuance costs. The funding of both of these bond series was through the Texas Water Development Board's State Water Implementation Fund for Texas (SWIFT) Program. Passed by the Legislature and approved by Texas voters through a constitutional amendment, the SWIFT program helps communities develop and optimize water supplies at cost-effective rates. The program provides low-interest loans, extended repayment terms, deferral of loan repayments, and incremental repurchase terms for projects with state ownership aspects.

## COMPONENT UNIT

The following notes are for the District's component unit, Trinity River Vision Authority (TRVA), which are not duplicated by the notes of the District.

### 13. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR TRVA

**Reporting Entity**—The accounting policies of the TRVA conform to accounting principles generally accepted in the United States of America as applicable to governmental units and promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies.

**Financial Reporting Entity**—TRVA is included as a discrete component unit in the financial statements of the District. The information presented consist of governmental and business type activities.

**Cash and Cash Equivalents**— Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of three months or less. Cash and cash equivalents for fiscal year 2015 consist of deposits (principally interest-bearing accounts) with one financial institution and in a public funds investment pool.

**Capital Assets**— Capital assets of TRVA are transferred to the District or the City of Forth Worth upon completion.

**Other Liabilities**— Generally consists of project contributions received in advance from the District. These amounts are recorded as contribution revenue when the funds have been spent on the project.

**Budgets and Budgetary Accounting**— Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual budget is adopted for the General Fund and the Enterprise Fund.

### 14. CASH AND CASH EQUIVALENTS FOR TRVA

The balance per bank of cash on deposit at September 30, 2015, was \$1.9 million and was entirely covered by FDIC insurance. The carrying value for TRVA was \$1.9 million as of September 30, 2015.

Legal provisions generally permit TRVA to invest in direct and indirect obligations of the United States or its agencies, certain certificates of deposit, repurchase agreements, public funds investment pools, and mutual funds. During the year ended September 30, 2015, TRVA did not own any types of securities other than those permitted by statute. The TRVA invests in the Texas

Local Government Investment Pool (“TexPool”). TexPool is a public fund investment pool created by the Treasurer of the State of Texas acting by and through the Texas Treasury Safekeeping Trust Company, is empowered to invest funds and act as a custodian of investments purchased with local investment funds. It has been organized and established pursuant to an Interlocal Agreement between participating government entities. TRVA has an undivided beneficial interest in the pool of assets held by this agency. These investments and deposits are fully insured by federal depository insurance or collateralized by securities held in the name of Texas Treasury Safekeeping Company, the entity that created TexPool. Authorized investments include obligations of the United States or its agencies, direct obligations of the State of Texas or its agencies (TexPool only), certificates of deposit, and repurchase agreements. TRVA’s balance in TexPool as of September 30, 2015 was \$1.0 million.

**Interest Rate Risk**—As a means of limiting its exposure to fair value losses arising from interest rate fluctuations, TRVA’s investment policy limits maturities to a maximum of three years.

**Concentration of Credit Risk**—TRVA places no limit on the amount the TRVA may invest in one issuer. All investments at September 30, 2015 were in TexPool.

**Custodial Credit Risk**—TRVA policy requires that all securities be held in TRVA’s name.

#### SUMMARY OF INVESTMENTS AND RELATED WEIGHTED AVG. MATURITY

	<u>Fair Value **</u>	<u>Weighted Avg. Maturity (Years)</u>	<u>S &amp; P Rating</u>
Investment Pools*			
TexPool	<u>\$ 1,040,766</u>	N/A	AAA-m
Total cash equivalents	<u>\$ 1,040,766</u>		

\*Local government pools operate as a money market fund under the Public Funds Investment Act, which requires that it maintain an AAA, AAA-m or equivalent rating from a nationally recognized rating service. Pools are rated AAA-m and operate in full compliance with the PFIA and rating agency requirements. The pools are exempted from SEC registration pertaining to registered money market funds; however, they seek to maintain a stable net position value of \$1 per unit.

\*\*Fair value is the amount at which a security could be exchanged in a current transaction between willing parties, other than in forced liquidation. All investments are recorded at fair value.



## 15. COMMITMENTS AND CONTINGENCIES FOR TRVA

**Insurance**—The TRVA has employee blanket bond insurance. The TRVA also participates in a public entity risk pool for its general liability, automotive reliability, and errors and omissions liability coverage. The TRVA has such insurance coverage as an additional insured on a policy issued to the Tarrant Regional Water District through the Texas Water Conservation Association Risk Management Fund (the “Trust”). The general policy conditions provide as follows:

In the event of an occurrence, wrongful act, or personal injury, written notice containing particulars of the incident or injury shall be promptly provided to the Trust. If a claim is made or a suit is brought against the TRVA, the TRVA shall immediately forward to the Trust every demand, notice, summons, or other processes received. TRVA shall cooperate with the Trust and give any information as may be reasonably required, and upon the Trust’s request, assist in making settlement, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the TRVA because of injury or damage with respect to which insurance is afforded under the agreement. The TRVA shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The TRVA shall not, except at its own cost, voluntarily make any payment, assume any obligation, or incur any expense that could increase the liability exposure of, or jeopardize the Trust in any way.

The Trust will pay on behalf of the TRVA all sums that TRVA shall become legally obligated to pay arising out of an occurrence that takes place during the Trust year and within the agreement. The Trust reserves the right to deny any and all claims that are not reported. The Trust shall have the right and the duty to defend any suit against the TRVA, even if the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit it deems expedient, but the Trust shall not be obligated to pay any claim or judgment, or to defend a suit, after the applicable limit of the Trust’s liability has been exhausted.

As of September 30, 2015, there were no settlements paid from the insurance coverage on behalf of the TRVA.

## Required Supplementary Information (Unaudited)



(Trinity River Low Water Dam)

**TARRANT REGIONAL WATER DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**

**BALANCE—BUDGET TO ACTUAL—GAAP BASIS—GENERAL FUND (UNAUDITED)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance (Budget - Actual)</b>
REVENUES:			
Property taxes	\$ 8,800,000	\$ 9,737,304	\$ (937,304)
Lease rentals	1,427,800	1,601,445	(173,645)
Oil and gas royalties	22,000,000	14,875,262	7,124,738
Sale of rock and gravel	12,500	19,937	(7,437)
Investment income	454,000	403,723	50,277
Contributions		3,503,256	(3,503,256)
Other	236,000	390,221	(154,221)
Total revenues	32,930,300	30,531,148	2,399,152
EXPENDITURES			
Current:			
General and administrative	12,256,652	10,797,697	1,458,955
Personnel services	5,574,060	5,007,562	566,498
Pension plan contribution	631,613	535,436	96,177
Contributions to component unit		77,913	(77,913)
Capital expenditures	51,140,100	38,668,521	12,471,579
Capital lease payment		259,450	(259,450)
Total expenditures	69,602,425	55,346,579	14,255,846
CHANGE IN FUND BALANCE	(36,672,125)	(24,815,431)	(11,856,694)
FUND BALANCE—Beginning of year	115,672,956	115,672,956	
FUND BALANCE—End of year	\$ 79,000,831	\$ 90,857,525	\$ (11,856,694)

## **Notes to RSI**

**Deficiency of Oil and Gas Royalties Revenues under Budget**—The District budgeted fiscal year 2015 oil and gas royalties on the previous years' revenues, however, in fiscal year 2015 the oil and gas prices significantly decreased.

**Excess of Contributions Revenues over Budget** – The District received \$3.3 million for TIF reimbursements in fiscal year 2015. The District also received \$200 thousand from the State 121 Mitigation Grant for work done on the Rogers Road Trailhead. The District does not budget for contribution revenues as they are unpredictable and generally small in amount.

**Deficiency of Capital Expenditures under Budget**—The District's budget of \$51.1 million included \$49 million to be spent on the TRVA project during the 2015 fiscal year of which \$35.6 million was spent. The variance is largely due to the budgeted environmental work coming in \$9.7 million under budget.

**TARRANT REGIONAL WATER DISTRICT  
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
OTHER POSTEMPLOYMENT BENEFITS (UNAUDITED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Payroll ((b-a)/c)
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
12/31/2007	\$ -	\$ 25,092,209	\$ 25,092,209	0%	\$ 9,372,400	267.7%
12/31/2009	-	31,676,995	31,676,995	0%	11,489,400	275.7%
12/31/2011	-	39,215,923	39,215,923	0%	13,624,301	287.8%
12/31/2011	-	28,791,154	28,791,154	0%	13,624,301	211.3% *
12/31/2013	-	29,524,437	29,524,437	0%	16,834,015	175.4%

\* The restated 12/31/2011 AAL reflects a change in the discount rate from 4.50% to 6.20% after OPEB Trust initial contribution in September 2014. As of 9/30/2015 TRWD has contributed \$2 million to the OPEB Trust for future liabilities related to OPEB.

## Other Supplementary Information (Unaudited)



(Eagle Mountain Lake)

**TARRANT REGIONAL WATER DISTRICT**

**SCHEDULE OF BONDS AUTHORIZED, ISSUED, AND OUTSTANDING BY PURPOSE OF ISSUE  
AS OF SEPTEMBER 30, 2015 (UNAUDITED)**

	<u>Year</u> <u>Authorized</u>	<u>Issued</u> <u>Amount</u>	<u>Outstanding</u>
Construction and improvement bonds:			
<u>Tarrant Regional Water District Projects</u>			
Water Revenue Bonds - Series 2008A-RC	2008A	\$ 3,135,000	\$ 2,585,000
Water Revenue Bonds - Series 2008B-CC	2008B	6,755,000	4,375,000
Water Revenue Refunding and Improvement Bond - Series 2009	2009	69,535,000	53,845,000
Water Revenue Bonds - Series 2010	2010	89,250,000	89,250,000
Water Revenue Bonds - Series 2010A	2010	17,835,000	17,835,000
Water Revenue Bonds - Series 2010B	2010	83,785,000	67,290,000
Water Revenue Refunding and Improvement Bond - Series 2012	2012	150,375,000	139,330,000
Water Revenue Refunding Bonds - Series 2012A	2013	98,960,000	59,245,000
Water Revenue Bonds - Series 2014	2014	318,750,000	316,260,000
Water Revenue Refunding Bonds - Series 2015	2015	156,470,000	156,470,000
		<u>994,850,000</u>	<u>906,485,000</u>
<u>TRWD Contract Revenue Bonds (City of Dallas Project)</u>			
Contract Revenue Bonds (City of Dallas Project) - Series 2012	2012	131,935,000	123,640,000
Contract Revenue Bonds (City of Dallas Project) - Series 2014	2014	202,130,000	199,090,000
		<u>334,065,000</u>	<u>322,730,000</u>
Total - Construction and improvement bonds		<u>\$ 1,328,915,000</u>	<u>\$ 1,229,215,000</u>

Note: Above amounts exclude unamortized original issue premiums.

**TARRANT REGIONAL WATER DISTRICT**

**SCHEDULE OF CHANGES IN BONDED DEBT**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

	Balance October 1, 2014	Total Issued	Total Retired	Balance September 30, 2015
<u>Tarrant Regional Water District Projects</u>				
Water Revenue Bonds Series 2006	\$ 182,905,000	\$ -	\$ 182,905,000	\$ -
Water Revenue Bonds Series 2008A-RC	2,770,000		185,000	2,585,000
Water Revenue Bonds Series 2008B-CC	4,375,000			4,375,000
Water Revenue Refunding and Improvement Bonds Series 2009	53,845,000			53,845,000
Water Revenue Bonds Series 2010	89,250,000			89,250,000
Water Revenue Bonds Series 2010A	17,835,000			17,835,000
Water Revenue Bonds Series 2010B	70,790,000		3,500,000	67,290,000
Water Revenue Bonds Series 2012	144,990,000		5,660,000	139,330,000
Water Revenue Refunding Bonds Series 2012A	78,690,000		19,445,000	59,245,000
Water Revenue Bonds Series 2014	318,750,000		2,490,000	316,260,000
Water Revenue Refunding Bonds Series 2015		156,470,000		156,470,000
	<u>964,200,000</u>	<u>156,470,000</u>	<u>214,185,000</u>	<u>906,485,000</u>
<u>TRWD Contract Revenue Bonds (City of Dallas Project)</u>				
Contract Revenue Bonds Series 2012	126,475,000		2,835,000	123,640,000
Contract Revenue Bonds Series 2014	<u>202,130,000</u>		<u>3,040,000</u>	<u>199,090,000</u>
	<u>328,605,000</u>		<u>5,875,000</u>	<u>322,730,000</u>
Total	<u>\$ 1,292,805,000</u>	<u>\$ 156,470,000</u>	<u>\$ 220,060,000</u>	<u>\$ 1,229,215,000</u>

Note: Above amounts exclude unamortized original issue premiums.



**TARRANT REGIONAL WATER DISTRICT**

ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2015 (UNAUDITED)

TARRANT REGIONAL WATER DISTRICT PROJECT

YR	2008A WIF			2008B WIF			2009 - Water Revenue			2010 - Water System			2010 A - Series 2010A			2010 B - Series 2010B		
	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total
2016	\$ 190	61	251	\$			\$ 2,692		2,692	\$ 4,153		4,153	\$			\$ 3,605	1,243	4,848
2017	195	58	253				2,692		2,692	4,153		4,153				3,715	1,220	4,935
2018	195	54	249	605	100	705	3,360	2,608	5,968	2,120	4,106	6,226	1,305	243	1,548	3,830	1,186	5,016
2019	200	50	250	620	87	707	3,530	2,436	5,966	2,230	4,008	6,238	1,160	352	1,512	3,945	1,144	5,089
2020	205	46	251	630	73	703	3,710	2,255	5,965	2,345	3,899	6,244	1,200	335	1,535	4,065	1,091	5,156
2021	210	40	250	645	58	703	3,900	2,065	5,965	2,465	3,779	6,244	1,235	314	1,549	4,190	1,026	5,216
2022	215	35	250	665	41	706	4,100	1,865	5,965	2,590	3,653	6,243	1,270	291	1,561	4,315	951	5,266
2023	220	30	250	680	23	703	4,315	1,654	5,969	2,720	3,520	6,240	1,310	264	1,574	4,450	868	5,318
2024	225	23	248	530	7	537	4,535	1,433	5,968	2,860	3,395	6,255	1,350	236	1,586	4,585	776	5,361
2025	235	17	252				4,765	1,201	5,966	3,010	3,277	6,287	1,390	207	1,597	4,725	676	5,401
2026	240	11	251				5,010	956	5,966	3,160	3,138	6,298	1,435	174	1,609	4,865	569	5,434
2027	255	4	259				5,265	699	5,964	3,325	2,976	6,301	1,475	139	1,614	5,015	454	5,469
2028							5,535	429	5,964	3,495	2,805	6,300	1,520	102	1,622	5,170	331	5,501
2029							5,820	146	5,966	3,675	2,626	6,301	1,570	62	1,632	5,325	202	5,527
2030										3,865	2,438	6,303	1,615	21	1,636	5,490	68	5,558
2031										4,060	2,255	6,315						
2032										4,270	2,062	6,332						
2033										4,490	1,857	6,347						
2034										4,720	1,652	6,372						
2035										4,960	1,434	6,394						
2036										5,215	1,205	6,420						
2037										5,480	965	6,445						
2038										5,765	708	6,473						
2039										6,060	435	6,495						
2040										6,370	147	6,517						
2041																		
2042																		
2043																		
2044																		
2045																		
2046																		
2047																		
2048																		
2049																		
2050																		
2051																		
2052																		
	\$ 2,585	429	3,014	\$ 4,375	389	4,764	\$ 53,845	23,131	76,976	\$ 89,250	64,646	153,896	\$ 17,835	2,740	20,575	\$ 67,290	11,805	79,095

(Continued)

**TARRANT REGIONAL WATER DISTRICT**

ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2015 (UNAUDITED)

TARRANT REGIONAL WATER DISTRICT PROJECT

YR	2012 - Refunding and Water			2012A - Refunding Bonds			2014 - Revenue Bonds			2015 - Revenue Bonds			Total Enterprise Funds		
	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total
2016	\$ 5,950	6,708	12,658	\$ 20,440	2,368	22,808	\$ 15,802		15,802	\$ 760	7,770	8,530	\$ 30,945	40,797	71,742
2017	6,100	6,407	12,507	20,965	1,333	22,298	15,802		15,802	775	7,755	8,530	31,750	39,420	71,170
2018	735	6,247	6,982	3,255	728	3,983	15,802		15,802	9,535	7,508	17,043	24,940	38,582	63,522
2019	750	6,228	6,978	3,410	572	3,982	895	15,779	16,674	10,030	7,019	17,049	26,770	37,675	64,445
2020	770	6,209	6,979	3,555	427	3,982	1,405	15,722	17,127	10,540	6,505	17,045	28,425	36,562	64,987
2021	790	6,190	6,980	3,720	263	3,983	805	15,667	16,472	11,085	5,964	17,049	29,045	35,366	64,411
2022	815	6,166	6,981	3,900	85	3,985	1,125	15,624	16,749	11,650	5,396	17,046	30,645	34,107	64,752
2023		6,154	6,154					15,602	15,602	15,985	4,705	20,690	29,680	32,820	62,500
2024		6,153	6,153					15,602	15,602	14,400	3,946	18,346	28,485	31,571	60,056
2025		6,154	6,154					15,602	15,602	12,945	3,262	16,207	27,070	30,396	57,466
2026		6,153	6,153					15,602	15,602	13,610	2,598	16,208	28,320	29,201	57,521
2027		6,154	6,154					15,602	15,602	14,305	1,900	16,205	29,640	27,928	57,568
2028		6,153	6,153					15,602	15,602	15,040	1,167	16,207	30,760	26,589	57,349
2029		6,154	6,154					15,602	15,602	15,810	395	16,205	32,200	25,187	57,387
2030		6,153	6,153				18,735	15,133	33,868				29,705	23,813	53,518
2031	6,450	5,992	12,442				20,355	14,156	34,511				30,865	22,403	53,268
2032	6,750	5,671	12,421				21,145	13,118	34,263				32,165	20,851	53,016
2033	7,065	5,334	12,399				21,980	12,040	34,020				33,535	19,231	52,766
2034	7,375	4,973	12,348				22,880	10,919	33,799				34,975	17,544	52,519
2035	7,725	4,596	12,321				9,495	10,109	19,604				22,180	16,139	38,319
2036	8,070	4,201	12,271				9,980	9,623	19,603				23,265	15,029	38,294
2037	8,445	3,788	12,233				10,490	9,111	19,601				24,415	13,864	38,279
2038		3,577	3,577				11,030	8,573	19,603				16,795	12,858	29,653
2039		3,577	3,577				11,595	8,007	19,602				17,655	12,019	29,674
2040		3,577	3,577				12,190	7,413	19,603				18,560	11,137	29,697
2041	4,460	3,466	7,926				12,815	6,787	19,602				17,275	10,253	27,528
2042	4,690	3,237	7,927				13,470	6,130	19,600				18,160	9,367	27,527
2043	4,930	2,996	7,926				14,160	5,440	19,600				19,090	8,436	27,526
2044	5,185	2,743	7,928				14,890	4,713	19,603				20,075	7,456	27,531
2045	5,450	2,478	7,928				15,650	3,950	19,600				21,100	6,428	27,528
2046	5,730	2,198	7,928				16,455	3,147	19,602				22,185	5,345	27,530
2047	6,025	1,904	7,929				17,330	2,303	19,633				23,355	4,207	27,562
2048	6,330	1,595	7,925				18,220	1,414	19,634				24,550	3,009	27,559
2049	6,655	1,271	7,926				19,165	479	19,644				25,820	1,750	27,570
2050	6,995	929	7,924										6,995	929	7,924
2051	7,355	571	7,926										7,355	571	7,926
2052	7,735	193	7,928										7,735	193	7,928
	\$ 139,330	162,250	301,580	\$ 59,245	5,776	65,021	\$ 316,260	371,977	688,237	\$ 156,470	65,890	222,360	\$ 906,485	709,033	1,615,518

(Concluded)

**TARRANT REGIONAL WATER DISTRICT**

ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2015 (UNAUDITED)

TRWD CONTRACT REVENUE BONDS (CITY OF DALLAS PROJECT)

YR	Dallas 2012 - Series 2012				Dallas 2014 - Series 2014				Total Contract Revenue Bonds		
	Princ.	Int.	Total		Princ.	Int.	Total		Princ.	Int.	Total
2016	\$ 2,895	4,953	7,848	\$	3,195	10,098	13,293	\$	6,090	15,051	21,141
2017	2,955	4,808	7,763		3,355	9,907	13,262		6,310	14,715	21,025
2018	3,015	4,660	7,675		3,520	9,705	13,225		6,535	14,365	20,900
2019	3,075	4,509	7,584		3,700	9,494	13,194		6,775	14,003	20,778
2020	3,140	4,356	7,496		3,885	9,272	13,157		7,025	13,628	20,653
2021	3,200	4,199	7,399		4,075	9,039	13,114		7,275	13,238	20,513
2022	3,270	4,039	7,309		4,280	8,795	13,075		7,550	12,834	20,384
2023	3,345	3,875	7,220		4,495	8,538	13,033		7,840	12,413	20,253
2024	3,515	3,708	7,223		4,720	8,268	12,988		8,235	11,976	20,211
2025	3,620	3,602	7,222		4,955	7,985	12,940		8,575	11,587	20,162
2026	3,765	3,458	7,223		5,205	7,688	12,893		8,970	11,146	20,116
2027	3,920	3,307	7,227		5,465	7,479	12,944		9,385	10,786	20,171
2028	4,075	3,189	7,264		5,735	7,261	12,996		9,810	10,450	20,260
2029	4,240	3,067	7,307		6,025	7,031	13,056		10,265	10,098	20,363
2030	4,415	2,940	7,355		6,325	6,730	13,055		10,740	9,670	20,410
2031	4,595	2,808	7,403		6,640	6,414	13,054		11,235	9,222	20,457
2032	4,780	2,664	7,444		6,975	6,082	13,057		11,755	8,746	20,501
2033	4,970	2,473	7,443		7,320	5,733	13,053		12,290	8,206	20,496
2034	5,225	2,274	7,499		7,690	5,367	13,057		12,915	7,641	20,556
2035	5,485	2,065	7,550		8,075	4,982	13,057		13,560	7,047	20,607
2036	5,765	1,846	7,611		8,475	4,579	13,054		14,240	6,425	20,665
2037	6,055	1,615	7,670		8,900	4,155	13,055		14,955	5,770	20,725
2038	6,360	1,373	7,733		9,345	3,710	13,055		15,705	5,083	20,788
2039	6,605	1,118	7,723		9,810	3,243	13,053		16,415	4,361	20,776
2040	6,855	854	7,709		10,300	2,752	13,052		17,155	3,606	20,761
2041	7,115	580	7,695		10,815	2,237	13,052		17,930	2,817	20,747
2042	7,385	295	7,680		11,360	1,697	13,057		18,745	1,992	20,737
2043					11,925	1,129	13,054		11,925	1,129	13,054
2044					12,525	532	13,057		12,525	532	13,057
	\$ 123,640	78,635	202,275	\$	199,090	179,902	378,992	\$	322,730	258,537	581,267

## TARRANT REGIONAL WATER DISTRICT

### SCHEDULE OF INSURANCE AS OF SEPTEMBER 30, 2015 (UNAUDITED)

Insurer	Policy Period	Type of Coverage	Limits
TWCA Risk Management Fund <sup>1</sup>	01/15/13-until canceled	Director Bond	\$10,000—per director
	03/29/14–06/30/15	Crime	\$500,000—liability
	07/01/15–07/01/16		\$5,000 - 10,000—liability <sup>2</sup>
	07/01/14–07/01/15	Fleet Policy	\$10,000,000—liability
	07/01/15–07/01/16		
	07/01/14–07/01/15	Property Insurance	\$287,580,288—blanket limit
	07/01/15–07/01/16		
	07/01/14–07/01/15	Workers' Compensation	Statutory limits
	07/01/15–07/01/16		
	07/01/14–07/01/15	General Liability	\$10,000,000—limit
	07/01/15–07/01/16		
	07/01/14–07/01/15	Errors and Omissions Liability	\$10,000,000—limit
	07/01/15–07/01/16		
Blue Cross Blue Shield of Texas <sup>3</sup>	01/01/15–12/31/15	Health Insurance Self Insured with Stop Loss Coverage	Unlimited per employee or dependent
Sutton James Insurance Broker	12/16/13–12/16/14	Aviation Coverage	\$370,000—Physical Damage
	12/16/14–12/16/15		\$5,000,000—Liability
Willis of Texas, Inc. <sup>4</sup>	07/01/14–07/01/15	Rolling Owner Controlled	\$2,000,000 —Commercial General Liability
	07/01/15–07/01/16	Insurance Program - IPL	\$1,000,000 —Automobile Liability

<sup>1</sup> This is a pool through the Texas Water Conservation Association Risk Management Fund. This pool was administered by J. I. Specialty Services until J. I. was bought out by York during FY 2015.

<sup>2</sup> When York bought out J. I. Specialty Services, the Crime Insurance Agreement changed from an "ongoing until cancelled" insurance policy to an annual policy with limits that vary depending on the type of crime.

<sup>3</sup> The District is self-insured in relation to Health Insurance.

<sup>4</sup> Willis of Texas is the broker/administrator who supports the self-insurance held on the IPL project.

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## STATISTICAL SECTION (UNAUDITED)



(Flood in May 1949, overlooking the Lancaster Bridge)

**TARRANT REGIONAL WATER DISTRICT**

**NET POSITION**

**LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities:				
Invested in capital assets- net of related debt	\$ 28,276,339	\$ 44,518,627	\$ 57,351,855	\$ 81,197,788
Restricted	-	-	-	-
Unrestricted	79,872,301	100,230,068	158,691,607	168,738,962
Total governmental net position	<u>108,148,640</u>	<u>144,748,695</u>	<u>216,043,462</u>	<u>249,936,750</u>
Business-type activities:				
Invested in capital assets- net of related debt	163,113,350	173,881,197	183,076,259	182,599,106
Restricted	41,134,100	40,394,624	41,498,079	44,768,510
Unrestricted	6,014,011	21,714,436	26,211,720	33,609,336
Total business-type net position	<u>210,261,461</u>	<u>235,990,257</u>	<u>250,786,058</u>	<u>260,976,952</u>
Total Primary Government:				
Invested in capital assets- net of related debt	191,389,689	218,399,824	240,428,114	263,796,894
Restricted	41,134,100	40,394,624	41,498,079	44,768,510
Unrestricted	85,886,312	121,944,504	184,903,327	202,348,298
Total primary government net position	<u>\$ 318,410,101</u>	<u>\$ 380,738,952</u>	<u>\$ 466,829,520</u>	<u>\$ 510,913,702</u>

(Continued)

Source: From the District's Annual Financial Report for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**NET POSITION**

**LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities:				
Invested in capital assets- net of related debt	\$ 126,850,508	\$ 147,836,049	\$ 178,140,564	\$ 221,301,902
Restricted				
Unrestricted	155,138,624	172,954,968	175,256,153	188,026,740
Total governmental net position	<u>281,989,132</u>	<u>320,791,017</u>	<u>353,396,717</u>	<u>409,328,642</u>
Business-type activities:				
Invested in capital assets- net of related debt	202,799,524	223,542,977	234,408,625	275,649,460
Restricted	53,627,614	53,338,190	65,749,659	63,522,458
Unrestricted	18,944,869	15,604,988	12,062,496	(859,394)
Total business-type net position	<u>275,372,007</u>	<u>292,486,155</u>	<u>312,220,780</u>	<u>338,312,524</u>
Total Primary Government:				
Invested in capital assets- net of related debt	329,650,032	371,379,026	412,549,189	496,951,362
Restricted	53,627,614	53,338,190	65,749,659	63,522,458
Unrestricted	174,083,493	188,559,956	187,318,649	187,167,346
Total primary government net position	<u>\$ 557,361,139</u>	<u>\$ 613,277,172</u>	<u>\$ 665,617,497</u>	<u>\$ 747,641,166</u>

(Continued)

Source: From the District's Annual Financial Report for the respective years.



**TARRANT REGIONAL WATER DISTRICT**

**NET POSITION**

**LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2014</u>	<u>2015</u>
Governmental activities:		
Invested in capital assets- net of related debt	\$ 279,586,633	\$ 311,416,677
Restricted		
Unrestricted	179,511,280	192,888,999
Total governmental net position	<u>459,097,913</u>	<u>504,305,676</u>
Business-type activities:		
Invested in capital assets- net of related debt	308,579,683	357,632,834
Restricted	90,811,279	89,822,147
Unrestricted	(27,523,746)	(16,222,050)
Total business-type net position	<u>371,867,216</u>	<u>431,232,931</u>
Total Primary Government		
Invested in capital assets- net of related debt	588,166,316	669,049,511
Restricted	90,811,279	89,822,147
Unrestricted	151,987,534	176,666,949
Total primary government net position	<u>\$ 830,965,129</u>	<u>\$ 935,538,607</u>

(Concluded)

Source: From the District's Annual Financial Report for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses:				
Governmental Activities				
General Government	\$ 6,043,207	\$ 7,973,914	\$ 9,202,619	\$ 12,412,197
Flood Control	4,067,577	4,578,539	4,833,627	4,718,631
Trinity River Vision Project		5,250,000	3,000,000	10,000
Total Governmental Activities	10,110,784	17,802,453	17,036,246	17,140,828
Business-type Activities	66,468,433	57,748,055	55,729,711	72,165,314
Total Primary Government Expenses	76,579,217	75,550,508	72,765,957	89,306,142
Program Revenues:				
Governmental Activities				
Charges for Services	29,517,868	34,938,888	68,608,713	34,919,651
Capital Grants and Contributions	804,735	5,593,766	4,999,204	2,207,436
Total Governmental Activities	30,322,603	40,532,654	73,607,917	37,127,087
Business-type Activities				
Charges for Services	80,713,557	74,085,944	66,786,702	80,686,233
Capital Grants and Contributions	929,400	493,823	1,141,588	
Total Business-type Activities	81,642,957	74,579,767	67,928,290	80,686,233
Total Primary Government Revenues	111,965,560	115,112,421	141,536,207	117,813,320
Net (Expense) Revenue				
Governmental Activities	20,211,819	22,730,201	56,571,671	19,986,259
Business-type Activities	15,174,524	16,831,712	12,198,579	8,520,919
Total-Primary Government	35,386,343	39,561,913	68,770,250	28,507,178
General Revenues:				
Governmental Activities				
Property Taxes	6,592,134	7,322,427	8,069,617	8,693,898
Investment Income	2,684,659	4,455,483	4,100,005	3,137,581
Miscellaneous	20,985	77,009	158,820	69,190
Gain/Loss on Disposal of Assets	134,454	61,976	137,366	21,064
Transfers	2,571,861	1,952,959	2,257,288	1,985,296
Total Governmental Activities	12,004,093	13,869,854	14,723,096	13,907,029
Business-type Activities				
Investment Income	6,716,967	10,613,665	4,550,301	3,486,297
Miscellaneous	8,869	36,377	61,744	109,676
Gain/Loss on Disposal of Assets	208,832	200,001	242,465	59,298
Interest on Litigation Judgement				
Transfers	(2,571,861)	(1,952,959)	(2,257,288)	(1,985,296)
Total Business-type Activities	4,362,807	8,897,084	2,597,222	1,669,975
Total Primary Government	16,366,900	22,766,938	17,320,318	15,577,004
Changes in Net Position				
Governmental Activities	32,215,912	36,600,055	71,294,767	33,893,288
Business-type Activities	19,537,331	25,728,796	14,795,801	10,190,894
Total Primary Government	\$ 51,753,243	\$ 62,328,851	\$ 86,090,568	\$ 44,084,182

(Continued)

Source: From the District's Annual Financial Report for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Expenses:				
Governmental Activities				
General Government	\$ 7,595,520	\$ 7,494,646	\$ 11,310,981	\$ 11,521,503
Flood Control	5,605,584	6,291,116	6,418,353	6,313,528
Trinity River Vision Project	3,000,000		619,066	1,041,910
Total Governmental Activities	16,201,104	13,785,762	18,348,400	18,876,941
Business-type Activities	69,126,434	76,756,369	82,021,320	87,165,497
Total Primary Government Expenses	85,327,538	90,542,131	100,369,720	106,042,438
Program Revenues:				
Governmental Activities				
Charges for Services	35,147,114	28,830,916	21,636,600	33,255,675
Capital Grants and Contributions	2,499,268	13,944,124	19,708,589	31,910,810
Total Governmental Activities	37,646,382	42,775,040	41,345,189	65,166,485
Business-type Activities				
Charges for Services	79,718,947	90,564,705	99,244,447	120,270,336
Capital Grants and Contributions	717,421	95,078		
Total Business-type Activities	80,436,368	90,659,783	99,244,447	120,270,336
Total Primary Government Revenues	118,082,750	133,434,823	140,589,636	185,436,821
Net (Expense) Revenue				
Governmental Activities	21,445,278	28,989,278	22,996,789	46,289,544
Business-type Activities	11,309,934	13,903,414	17,223,127	33,104,839
Total-Primary Government	32,755,212	42,892,692	40,219,916	79,394,383
General Revenues:				
Governmental Activities				
Property Taxes	9,051,507	8,580,069	8,835,672	9,013,033
Investment Income	1,468,495	1,045,664	708,010	300,771
Miscellaneous	63,182	124,894	60,073	234,068
Gain/Loss on Disposal of Assets	23,920	61,980	5,156	94,509
Transfers				
Total Governmental Activities	10,607,104	9,812,607	9,608,911	9,642,381
Business-type Activities				
Investment Income	2,969,407	1,873,044	2,183,834	262,520
Miscellaneous	47,756	1,265,394	271,321	939,978
Gain/Loss on Disposal of Assets	67,958	72,296	56,343	48,310
Interest on Litigation Judgement				
Transfers				
Total Business-type Activities	3,085,121	3,210,734	2,511,498	1,250,808
Total Primary Government	13,692,225	13,023,341	12,120,409	10,893,189
Changes in Net Position				
Governmental Activities	32,052,382	38,801,885	32,605,700	55,931,925
Business-type Activities	14,395,055	17,114,148	19,734,625	34,355,647
Total Primary Government	\$ 46,447,437	\$ 55,916,033	\$ 52,340,325	\$ 90,287,572

(Continued)

Source: From the District's Annual Financial Report for the respective years.

**LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2014</u>	<u>2015</u>
Expenses:		
Governmental Activities		
General Government	\$ 13,462,903	\$ 12,766,315
Flood Control	3,241,255	4,963,320
Trinity River Vision Project	18,369,944	
Total Governmental Activities	35,074,102	17,729,635
Business-type Activities	104,901,544	87,999,935
Total Primary Government Expenses	139,975,646	105,729,570
Program Revenues:		
Governmental Activities		
Charges for Services	26,048,278	16,595,055
Capital Grants and Contributions	49,101,393	36,043,940
Total Governmental Activities	75,149,671	52,638,995
Business-type Activities		
Charges for Services	136,041,137	142,578,670
Capital Grants and Contributions		680,633
Total Business-type Activities	136,041,137	143,259,303
Total Primary Government Revenues	211,190,808	195,898,298
Net (Expense) Revenue		
Governmental Activities	40,075,569	34,909,360
Business-type Activities	31,139,593	55,259,368
Total-Primary Government	71,215,162	90,168,728
General Revenues:		
Governmental Activities		
Property Taxes	9,231,193	9,757,583
Investment Income	367,655	403,723
Miscellaneous	48,081	37,951
Gain/Loss on Disposal of Assets	46,773	99,146
Transfers		
Total Governmental Activities	9,693,702	10,298,403
Business-type Activities		
Investment Income	1,598,019	3,748,796
Miscellaneous	773,572	288,461
Gain/Loss on Disposal of Assets	43,508	69,090
Interest on Litigation Judgement		
Transfers		
Total Business-type Activities	2,415,099	4,106,347
Total Primary Government	12,108,801	14,404,750
Changes in Net Position		
Governmental Activities	49,769,271	45,207,763
Business-type Activities	33,554,692	59,365,715
Total Primary Government	\$ 83,323,963	\$ 104,573,478

(Concluded)

Source: From the District's Annual Financial Report for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**FUND BALANCE**

**LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Fund				
Nonspendable:				
Long-term receivable	\$ -	\$ -	\$ -	\$ -
Long-term interfund notes and interest	1,591,330	1,398,836	1,195,754	1,351,670
Prepaid items	109,035	109,060	63,153	63,695
Inventory of supplies-at cost	33,537	34,191	34,525	34,987
Committed				
Assigned				
Unassigned	78,062,971	99,432,281	158,257,072	169,032,343
Total	<u>\$ 79,796,873</u>	<u>\$ 100,974,368</u>	<u>\$ 159,550,504</u>	<u>\$ 170,482,695</u>

(Continued)

Source: From the District's Annual Financial Report for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**FUND BALANCE**

**LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Fund				
Nonspendable:				
Long-term receivable	\$ -	\$ 11,919,659	\$ -	\$ -
Long-term interfund notes and interest	1,260,949	1,167,888	1,072,421	974,485
Prepaid items	549,374	910,245	879,706	2,534,623
Inventory of supplies-at cost	40,994	46,364	46,630	51,908
Committed			100,000	
Assigned			8,274,737	1,240,858
Unassigned	156,337,101	149,862,054	152,417,730	144,151,950
Total	<u>\$ 158,188,418</u>	<u>\$ 163,906,210</u>	<u>\$ 162,791,224</u>	<u>\$ 148,953,824</u>

(Continued)

Source: From the District's Annual Financial Report for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**FUND BALANCE**

**LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2014</u>	<u>2015</u>
Governmental Fund		
Nonspendable:		
Long-term receivable	\$ -	\$ -
Long-term interfund notes and interest	874,014	770,939
Prepaid items	2,808,611	1,353,935
Inventory of supplies-at cost	53,705	57,196
Committed		
Assigned		
Unassigned	111,936,626	88,675,455
Total	<u>\$ 115,672,956</u>	<u>\$ 90,857,525</u>

(Concluded)

Source: From the District's Annual Financial Report for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**CHANGES IN FUND BALANCE  
LAST TEN FISCAL YEARS (UNAUDITED)**

GOVERNMENTAL FUND:	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues			
Property Taxes	\$ 6,561,859	\$ 7,352,426	\$ 8,056,037
Lease Rental	257,644	370,305	348,619
Oil and Gas Royalties	28,800,533	34,007,763	68,057,516
Sale of Rock and Gravel	251,042	210,753	75,929
Investment Income	2,684,659	4,455,483	4,100,005
Contributions		4,917,356	2,557,050
Other	1,168,824	473,500	438,386
Total Revenue	<u>39,724,561</u>	<u>51,787,586</u>	<u>83,633,542</u>
Expenditures			
Current:			
General and Administrative	4,678,327	6,215,230	6,967,022
Personnel Services	4,180,900	4,234,004	5,470,843
Pension Plan Contribution	446,079	525,416	664,609
Contribution to Component Unit		5,250,000	3,000,000
Capital Expenditures	6,288,426	16,338,400	11,212,220
Capital Lease Payment			
Debt Service			
Total Expenditures	<u>15,593,732</u>	<u>32,563,050</u>	<u>27,314,694</u>
Deficiency of Revenues Under Expenditures	<u>24,130,829</u>	<u>19,224,536</u>	<u>56,318,848</u>
Other Financing Sources			
Proceeds from Capital Lease			
Transfers In	2,571,861	1,952,959	2,257,288
Change in Fund Balance	<u>\$ 26,702,690</u>	<u>\$ 21,177,495</u>	<u>\$ 58,576,136</u>

(Continued)

Source: From the District's Annual Financial Report for the respective years.



**TARRANT REGIONAL WATER DISTRICT**

**CHANGES IN FUND BALANCE  
LAST TEN FISCAL YEARS (UNAUDITED)**

GOVERNMENTAL FUND:	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues			
Property Taxes	\$ 8,735,179	\$ 9,002,136	\$ 8,600,104
Lease Rental	327,741	656,328	662,857
Oil and Gas Royalties	34,397,855	34,354,862	27,777,427
Sale of Rock and Gravel	57,382	25,000	25,000
Investment Income	3,137,581	1,468,495	1,045,664
Contributions	200,000		889,000
Other	226,927	198,026	463,647
Total Revenue	<u>47,082,665</u>	<u>45,704,847</u>	<u>39,463,699</u>
Expenditures			
Current:			
General and Administrative	8,120,925	7,202,349	7,579,916
Personnel Services	6,360,919	2,320,404	4,177,093
Pension Plan Contribution	689,517	905,237	369,932
Contribution to Component Unit	10,000	3,000,000	
Capital Expenditures	22,954,409	44,844,209	21,707,824
Capital Lease Payment			
Debt Service		107,639	
Total Expenditures	<u>38,135,770</u>	<u>58,379,838</u>	<u>33,834,765</u>
Deficiency of Revenues Under Expenditures	<u>8,946,895</u>	<u>(12,674,991)</u>	<u>5,628,934</u>
Other Financing Sources			
Proceeds from Capital Lease		380,714	88,858
Transfers In	1,985,296		
Change in Fund Balance	<u>\$ 10,932,191</u>	<u>\$ (12,294,277)</u>	<u>\$ 5,717,792</u>

(Continued)

Source: From the District's Annual Financial Report for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**CHANGES IN FUND BALANCE  
LAST TEN FISCAL YEARS (UNAUDITED)**

GOVERNMENTAL FUND:	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues				
Property Taxes	\$ 8,857,981	\$ 8,993,946	\$ 9,263,039	\$ 9,737,304
Lease Rental	875,426	1,385,702	1,314,725	1,601,445
Oil and Gas Royalties	20,738,333	31,367,889	24,518,478	14,875,262
Sale of Rock and Gravel		12,525	12,500	19,937
Investment Income	708,010	300,771	367,655	403,723
Contributions	8,954,382	2,963,174	3,386,255	3,503,256
Other	88,069	391,767	311,573	390,221
Total Revenue	<u>40,222,201</u>	<u>45,415,774</u>	<u>39,174,225</u>	<u>30,531,148</u>
Expenditures				
Current:				
General and Administrative	8,410,677	8,476,960	9,043,006	10,797,697
Personnel Services	4,198,150	4,753,202	4,821,935	5,007,562
Pension Plan Contribution	425,689	497,578	512,818	535,436
Contribution to Component Unit	619,066	1,041,910	18,434,944	77,913
Capital Expenditures	27,683,605	45,075,378	39,365,013	38,668,521
Capital Lease Payment		385,715	277,377	259,450
Debt Service				
Total Expenditures	<u>41,337,187</u>	<u>60,230,743</u>	<u>72,455,093</u>	<u>55,346,579</u>
Deficiency of Revenues Under Expenditures	<u>(1,114,986)</u>	<u>(14,814,969)</u>	<u>(33,280,868)</u>	<u>(24,815,431)</u>
Other Financing Sources				
Proceeds from Capital Lease		977,569		
Transfers In				
Change in Fund Balance	<u>\$ (1,114,986)</u>	<u>\$ (13,837,400)</u>	<u>\$ (33,280,868)</u>	<u>\$ (24,815,431)</u>

(Concluded)

Source: From the District's Annual Financial Report for the respective years.

**TARRANT REGIONAL WATER DISTRICT****RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Total Construction and Improvement Bonds	Percentage of Revenue (1)	Percentage of Personal Income (2)	Debt per Population (2)
2006	473,160,000	586%	N/A	N/A
2007	454,325,000	613%	N/A	N/A
2008	444,610,000	665%	N/A	N/A
2009	476,765,000	590%	N/A	N/A
2010	647,195,000	811%	N/A	N/A
2011	621,675,000	677%	N/A	N/A
2012	848,035,000	852%	N/A	N/A
2013	802,235,000	662%	N/A	N/A
2014	1,292,805,000	945%	N/A	N/A
2015	1,229,215,000	856%	N/A	N/A

(1) Based on operating revenues.

(2) TRWD water customers are municipalities and industrial as well as irrigation, therefore relating the District's debt to personal income or population is not applicable.

**TARRANT REGIONAL WATER DISTRICT  
PRINCIPAL WATER CUSTOMERS AND WATER RATE  
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Customer	Rate	Amount Due	Amount Received	Percent of Operating Revenue
2006	Arlington	0.59699	\$ 14,941,046	\$ 14,941,046	18.51%
	Fort Worth -In	0.57274	30,186,163	30,186,163	37.40%
	Fort Worth -Out	0.61474	14,136,145	14,136,145	17.51%
	Mansfield	0.61474	2,627,264	2,627,264	3.25%
	Trinity River Authority	0.61474	9,260,794	9,260,794	11.47%
			<u>\$ 71,151,412</u>	<u>\$ 71,151,412</u>	<u>88.14%</u>
2007	Arlington	0.60799	\$ 11,396,524	\$ 11,396,524	15.38%
	Fort Worth -In	0.58549	24,829,918	24,829,918	33.50%
	Fort Worth -Out	0.62449	11,019,380	11,019,380	14.87%
	Mansfield	0.62449	1,954,525	1,954,525	2.64%
	Trinity River Authority	0.62449	6,801,823	6,801,823	9.18%
			<u>\$ 56,002,170</u>	<u>\$ 56,002,170</u>	<u>75.55%</u>
2008	Arlington	0.58333	\$ 12,591,904	\$ 12,591,904	18.29%
	Fort Worth -In	0.56258	27,696,162	27,696,162	40.23%
	Fort Worth -Out	0.59858	12,665,758	12,665,758	18.40%
	Mansfield	0.59858	2,263,514	2,263,514	3.29%
	Trinity River Authority	0.59858	7,495,390	7,495,390	10.89%
			<u>\$ 62,712,728</u>	<u>\$ 62,712,728</u>	<u>91.09%</u>
2009	Arlington	0.64791	\$ 14,055,515	\$ 14,055,515	17.40%
	Fort Worth -In	0.62891	29,789,214	29,789,214	36.87%
	Fort Worth -Out	0.66191	14,256,947	14,256,947	17.65%
	Mansfield	0.66191	2,584,289	2,584,289	3.20%
	Trinity River Authority	0.66191	7,522,739	7,522,739	9.31%
			<u>\$ 68,208,704</u>	<u>\$ 68,208,704</u>	<u>84.42%</u>
2010	Arlington	0.66450	\$ 13,819,430	\$ 13,819,430	17.32%
	Fort Worth -In	0.64725	29,043,580	29,043,580	36.41%
	Fort Worth -Out	0.67725	13,911,958	13,911,958	17.44%
	Mansfield	0.67725	2,299,071	2,299,071	2.88%
	Trinity River Authority	0.67725	7,481,393	7,481,393	9.38%
			<u>\$ 66,555,432</u>	<u>\$ 66,555,432</u>	<u>83.44%</u>
2011	Arlington	0.65903	\$ 15,789,517	\$ 15,789,517	17.19%
	Fort Worth -In	0.64353	33,764,764	33,764,764	36.77%
	Fort Worth -Out	0.67053	16,751,939	16,751,939	18.24%
	Mansfield	0.67053	3,049,664	3,049,664	3.32%
	Trinity River Authority	0.67053	9,395,208	9,395,208	10.23%
			<u>\$ 78,751,092</u>	<u>\$ 78,751,092</u>	<u>85.76%</u>
2012	Arlington	0.82717	\$ 17,679,757	\$ 17,679,757	17.77%
	Fort Worth -In	0.81342	38,070,820	38,070,820	38.26%
	Fort Worth -Out	0.83742	19,335,136	19,335,136	19.43%
	Mansfield	0.83742	3,361,174	3,361,174	3.38%
	Trinity River Authority	0.83742	10,167,515	10,167,515	10.22%
			<u>\$ 88,614,402</u>	<u>\$ 88,614,402</u>	<u>89.05%</u>

(continued)

Source: From the District's settle-up for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**PRINCIPAL WATER CUSTOMERS AND WATER RATE  
LAST TEN FISCAL YEARS (UNAUDITED)**

<u>Fiscal Year</u>	<u>Customer</u>	<u>Rate</u>	<u>Amount Due</u>	<u>Amount Received</u>	<u>Percentage of Operating Revenues</u>
2013	Arlington	0.95186	\$ 19,589,663	\$ 19,589,663	16.16%
	Fort Worth -In	0.93986	42,778,409	42,778,409	35.29%
	Fort Worth -Out	0.96086	21,322,315	21,322,315	17.59%
	Mansfield	0.96086	3,649,000	3,649,000	3.01%
	Trinity River Authority	0.96086	11,294,855	11,294,855	9.32%
			<u>\$ 98,634,242</u>	<u>\$ 98,634,242</u>	<u>81.37%</u>
2014	Arlington	1.08267	\$ 21,319,088	\$ 21,319,088	15.58%
	Fort Worth -In	1.07242	49,326,728	49,326,728	36.05%
	Fort Worth -Out	1.09042	22,895,485	22,895,485	16.73%
	Mansfield	1.09042	4,255,381	4,255,381	3.11%
	Trinity River Authority	1.09042	12,137,378	12,137,378	8.87%
			<u>\$ 109,934,060</u>	<u>\$ 109,934,060</u>	<u>80.35%</u>
2015	Arlington	1.08233 *	\$ 22,969,322	\$ 22,969,322	16.00%
	Fort Worth -In	1.07383 *	52,832,436	\$ 52,832,436	36.80%
	Fort Worth -Out	1.08883 *	22,974,313	\$ 22,974,313	16.00%
	Mansfield	1.08883 *	4,722,816	\$ 4,722,816	3.29%
	Trinity River Authority	1.08883 *	14,112,489	\$ 14,112,489	9.83%
			<u>\$ 117,611,376</u>	<u>\$ 117,611,376</u>	<u>81.93%</u>
*Rate based 2015 approved budget.					

(concluded)

Source: From the District's settle-up for the respective years.

**TARRANT REGIONAL WATER DISTRICT  
SALE OF SYSTEM CAPACITY  
LAST FOUR FISCAL YEARS (UNAUDITED)**

<u>Fiscal Year</u>	<u>Customer</u>	<u>Amount Due</u>	<u>Amount Received</u>	<u>Percentage of Operating Revenues</u>
2012	Dallas Utilities	\$ 3,086,592	\$ 3,086,592	3.10%
2013	Dallas Utilities	7,903,394	7,903,394	6.52%
2014	Dallas Utilities	14,072,987	14,072,987	10.29%
2015	Dallas Utilities	21,453,659	21,453,659	14.95%

Source: From the District's annual settle-up for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**PROPERTY TAX VALUATION AND TAX RATE  
LAST TEN FISCAL YEARS (UNAUDITED)**

<u>Fiscal Year</u>	<u>Assessed Valuation</u>	<u>Estimated Actual Valuation</u>	<u>Tax Rate (per \$100 valuation)</u>
2006	31,686,327,914	31,760,084,866	0.02
2007	36,055,574,973	36,506,443,351	0.02
2008	40,031,703,354	39,887,627,798	0.02
2009	43,463,173,474	41,425,734,107	0.02
2010	44,802,386,393	42,709,872,649	0.02
2011	42,636,798,867	42,925,679,331	0.02
2012	43,715,648,106	43,892,079,947	0.02
2013	44,476,657,492	44,674,429,572	0.02
2014	45,346,218,693	45,962,219,088	0.02
2015	48,490,176,973	48,436,832,646	0.02

Source: From the Tarrant County Tax Office.

## TARRANT REGIONAL WATER DISTRICT

### ASSESSED AND ACTUAL ESTIMATED VALUE OF PROPERTY LAST 10 FISCAL YEARS (UNAUDITED)

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<b>Fiscal Year</b>	<b>Assessed Valuation</b>	<b>Estimated Actual Valuation</b>	<b>Ratio of Assessed Valuation to Estimated Actual Valuation</b>
2006	\$ 31,686,327,914	\$ 31,760,084,866	99.8%
2007	36,055,574,973	36,506,443,351	98.8%
2008	40,031,703,354	39,887,627,798	100.4%
2009	43,463,173,474	41,425,734,107	104.9%
2010	44,802,386,393	42,709,872,649	104.9%
2011	42,636,798,867	42,925,679,331	99.3%
2012	43,715,648,106	43,892,079,947	99.6%
2013	44,476,657,492	44,674,429,572	99.6%
2014	45,346,218,693	45,962,219,088	98.7%
2015	48,490,176,973	48,436,832,646	100.1%

Note: All taxes are recorded in the General Fund.

Source: From the Tarrant County Tax Office.



## TARRANT REGIONAL WATER DISTRICT

### PROPERTY TAX LEVIES AND COLLECTIONS LAST 10 FISCAL YEARS (UNAUDITED)

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Ratio of Current Tax Collections to Total Tax Levy</b>	<b>Delinquent Tax Collections</b>	<b>Ratio of Delinquent Tax Collections to Total Tax Levy</b>	<b>Total Tax Collections</b>	<b>Ratio of Total Tax Collections to Total Tax Levy</b>
2006	\$6,523,826	\$6,482,144	99.4%	\$ 109,990	1.69%	\$6,592,134	101.0%
2007	7,301,143	7,226,033	99.0%	96,394	1.32%	7,322,427	100.3%
2008	8,006,321	7,972,642	99.6%	96,975	1.21%	8,069,617	100.8%
2009	8,692,629	8,576,152	98.7%	62,858	0.72%	8,639,010	99.4%
2010	8,961,076	8,836,802	98.6%	112,749	1.26%	8,949,551	99.9%
2011	8,585,136	8,461,681	98.6%	71,226	0.83%	8,532,907	99.4%
2012	8,778,407	8,664,270	98.7%	112,467	1.28%	8,776,737	100.0%
2013	8,934,929	8,820,523	98.7%	111,025	1.24%	8,931,548	100.0%
2014	9,192,432	9,083,100	98.8%	94,414	1.03%	9,177,514	99.8%
2015	9,687,422	9,543,963	98.5%	92,231	0.95%	9,636,194	99.5%

Source: From the Tarrant County Tax Office.

**TARRANT REGIONAL WATER DISTRICT  
PRINCIPAL TAXPAYERS  
LAST TEN FISCAL YEAR (UNAUDITED)**

2006

Tarrant County	Taxable Value	Rank	Percent of total taxable value
TXU Electric Delivery Co	354,048,646	1	1.1%
City Center Development Co LP	244,925,000	2	0.8%
American Airlines Inc	239,951,343	3	0.8%
Southwestern Bell	191,774,183	4	0.6%
Alcon Laboratories Inc	173,024,320	5	0.5%
Behringer Harvard Burnett Plz	166,343,265	6	0.5%
Kan Am Riverfront Campus LP	157,164,580	7	0.5%
Bell Helicopter Textron Inc	142,703,786	8	0.4%
Cresecent Real Est Equities LP	121,608,342	9	0.4%
Walmart Stores Texas LP	113,693,113	10	0.4%

2007

Tarrant County	Taxable Value	Rank	Percent of total taxable value
TXU Electric Delivery Co	363,436,447	1	1.0%
DDR/DTC City Investments LP Etal	238,241,510	2	0.7%
Southwestern Bell	211,512,335	3	0.6%
Walmart Stores	188,195,591	4	0.5%
Bell Helicopter Inc	176,551,573	5	0.5%
Alcon Laboratories Inc	172,260,048	6	0.5%
American Airlines Inc	165,096,099	7	0.5%
Kan Am Riverfront Campus LP	157,164,580	8	0.4%
Behringer Harvard Burnett Plz	156,266,935	9	0.4%
XTO Energy Inc	146,601,535	10	0.4%

2008

Tarrant County	Taxable Value	Rank	Percent of total taxable value
OnCor Electric Delivery Co	418,390,964	1	1.0%
Bell Helicopter Inc	281,347,003	2	0.7%
DDR/DTC City Investments LP Etal	271,364,765	3	0.7%
Southwestern Bell	224,956,246	4	0.6%
American Airlines Inc	217,669,528	5	0.5%
XTO Energy Inc	193,458,750	6	0.5%
Wal-Mart Real Estate Bus Trust	191,773,316	7	0.5%
Alcon Laboratories Inc	170,849,924	8	0.4%
Behringer Harvard Burnett Plz	159,505,080	9	0.4%
Ms Crescent One Spv LLC	141,283,280	10	0.4%

(Continued)

Source: From the District's Annual Financial Report for the respective years.

**TARRANT REGIONAL WATER DISTRICT  
PRINCIPAL TAXPAYERS  
LAST TEN FISCAL YEAR (UNAUDITED)**

2009

Tarrant County	Taxable Value	Rank	Percent of total taxable value
Bell Helicopter Inc	371,197,543	1	0.9%
OnCor Electric Delivery Co	356,174,931	2	0.9%
XTO Energy Inc	306,712,860	3	0.7%
Chesapeake Operating (Wi)	240,834,720	4	0.6%
DDR/DTC City Investments LP Etal	236,952,000	5	0.6%
American Airlines Inc	173,940,135	6	0.4%
Southwestern Bell	170,707,290	7	0.4%
Alcon Laboratories Inc	168,515,683	8	0.4%
Mercantile Partners	163,552,317	9	0.4%
Omni Fort Worth Partnership LP	156,102,987	10	0.4%

2010

Tarrant County	Taxable Value	Rank	Percent of total taxable value
Bell Helicopter Inc	354,031,746	1	0.8%
OnCor Electric Delivery Co	348,155,853	2	0.8%
XTO Energy Inc	328,850,687	3	0.8%
Chesapeake Operating (Wi)	219,280,700	4	0.5%
DDR/DTC City Investments LP Etal	197,509,897	5	0.5%
Alcon Laboratories Inc	181,227,461	6	0.4%
American Airlines Inc	173,419,823	7	0.4%
Southwestern Bell	151,350,049	8	0.4%
Quicksilver Resources Inc	142,984,207	9	0.3%
Wal-Mart Real Estate Bus Trust	137,601,175	10	0.3%

2011

Tarrant County	Taxable Value	Rank	Percent of total taxable value
XTO Energy Inc	367,136,008	1	8.6%
OnCor Electric Delivery Co	340,760,263	2	7.9%
Bell Helicopter Inc	291,587,561	3	6.8%
Chesapeake Operating (Wi)	223,158,230	4	5.2%
DDR/DTC City Investments LP Etal	204,626,401	5	4.8%
Wal-Mart Real Estate Bus Trust	185,108,774	6	4.3%
Alcon Laboratories Inc	184,162,282	7	4.3%
Quicksilver Resources Inc	179,063,980	8	4.2%
American Airlines Inc	165,526,523	9	3.9%
Devon Energy Prod Co *Wi*	159,423,830	10	3.7%

(Continued)

Source: From the Tarrant Appraisal District.

**TARRANT REGIONAL WATER DISTRICT  
PRINCIPAL TAXPAYERS  
LAST TEN FISCAL YEAR (UNAUDITED)**

2012

Tarrant County	Taxable Value	Rank	Percent of total taxable value
OnCor Electric Delivery Co	348,276,563	1	0.8%
XTO Energy Inc	267,126,366	2	0.6%
Chesapeake Operating (Wi)	259,700,540	3	0.6%
Bell Helicopter Textron Inc	257,875,667	4	0.6%
DDR/DTC City Investments LP Etal	207,500,670	5	0.5%
Alcon Laboratories Inc	185,781,347	6	0.4%
American Airlines Inc	165,278,094	7	0.4%
Wal-Mart Real Estate Bus Trust/Store:	151,488,081	8	0.3%
Devon Energy Prod Co *Wi*	140,258,480	9	0.3%
Behringer Harvard Burnett Plz	129,212,689	10	0.3%

2013

Tarrant County	Taxable Value	Rank	Percent of total taxable value
OnCor Electric Delivery Co	365,495,737	1	0.8%
Bell Helicopter Textron Inc	245,483,674	2	0.5%
DDR/DTC City Investments LP Etal	217,491,442	3	0.5%
XTO Energy Inc	211,643,372	4	0.5%
Chesapeake Operating (Wi)	200,332,120	5	0.4%
Alcon Laboratories Inc	175,992,590	6	0.4%
Wal-Mart Real Estate Bus Trust/Store:	174,053,778	7	0.4%
American Airlines Inc	172,481,483	8	0.4%
Behringer Harvard Burnett Plz	137,904,098	9	0.3%
MS Crescent One SPV LLC	122,194,105	10	0.3%

2014

Tarrant County	Taxable Value	Rank	Percent of total taxable value
OnCor Electric Delivery Co	391,937,884	1	0.9%
Bell Helicopter Textron Inc	254,856,529	2	0.6%
XTO Energy Inc	241,851,072	3	0.5%
DDR/DTC City Investments LP Etal	230,817,598	4	0.5%
American Airlines Inc	184,970,551	5	0.4%
Wal-Mart Real Estate Bus Trust/Store:	175,889,309	6	0.4%
Alcon Laboratories Inc	172,548,795	7	0.4%
Chesapeake Operating (Wi)	152,786,670	8	0.3%
Behringer Harvard Burnett Plz	140,475,909	9	0.3%
Cousins 777 Main Street LLC	133,905,387	10	0.3%

2015

Tarrant County	Taxable Value	Rank	Percent of total taxable value
Bell Helicopter Textron Inc	\$ 503,393,212	1	1.0%
OnCor Electric Delivery Co	391,540,705	2	0.8%
DDR/DTC City Investments LP Etal	257,099,070	3	0.5%
XTO Energy Inc	250,463,899	4	0.5%
American Airlines Inc	182,284,867	5	0.4%
Chesapeake Operating (Wi)	180,849,480	6	0.4%
Wal-Mart Real Estate Bus Trust/Store:	179,544,956	7	0.4%
Alcon Laboratories Inc	175,384,451	8	0.4%
F7 SSSM LLC	148,283,280	9	0.3%
Miller Coors	147,079,496	10	0.3%

(Concluded)

Source: From the Tarrant Appraisal District.

## TARRANT REGIONAL WATER DISTRICT

### GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION <sup>(1)</sup> LAST 10 FISCAL YEARS (UNAUDITED)

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Fiscal Year	Administrative	Maintenance	Tax Assessing and Collecting
2006	\$ 4,921,537	\$ 4,214,926	\$ 168,843
2007	11,468,757 (2)	4,638,174	177,719
2008	10,761,691	5,152,642	188,141
2009	9,916,759	5,041,273	223,329
2010	7,464,592	5,802,893	268,144
2011	5,870,935	5,993,362	262,644
2012	7,395,829	5,998,138	259,615
2013	8,227,077	6,551,189	377,099
2014	25,429,379 (3)	6,901,056	482,268
2015	9,975,670	5,841,750	601,188

(1) Includes General Fund expenditures but excludes capital expenditures and depreciation expense.

(2) Increase is related to an increase in contributions to the Trinity River Vision Project.

(3) Increase is related to an increase in contributions to the Trinity River Vision Project, largely due to the \$18.4 million contribution to Texas Department of Transportation for the bridges.

Source: From the District's Annual Financial Report for the respective years.

## TARRANT REGIONAL WATER DISTRICT

### ENTERPRISE FUND EXPENSES

#### LAST 10 FISCAL YEARS (UNAUDITED)

Fiscal Year	Operating Maintenance and Administrative	Interest Expense	Depreciation and Amortization
2006	\$ 41,458,563	\$ 14,830,399	\$ 10,179,471
2007	31,468,193	16,072,941	10,206,921
2008	33,107,306	10,823,849	11,798,556
2009	37,456,752	19,423,791	15,284,771
2010	33,748,148	19,714,313	15,663,973
2011	41,441,508	19,140,654	16,174,207
2012	46,127,011	19,238,227	16,656,082
2013	55,653,489	14,938,583 (2)	16,573,425
2014	69,552,995	18,920,099 (3)	16,428,450
2015	52,841,262 (1)	17,779,112	17,379,561

(1) Decrease due to an decrease in pumping power costs due to the flood conditions.

(2) Decrease in interest expense due to refunding of the 2002 Bond Issuance.

(3) Increase in interest expense due to the issuance of the 2014 Bonds.

Source: From the District's Annual Financial Report for the respective years.

## TARRANT REGIONAL WATER DISTRICT

### GENERAL GOVERNMENTAL REVENUES BY SOURCE LAST 10 FISCAL YEARS (UNAUDITED)

Fiscal Year	Oil and Gas Royalties	Land Lease Rentals	Interest Income	Transfer/ Other	Property Taxes
2006	\$ 28,800,533	\$ 257,644	\$ 2,684,659	\$ 1,419,866	\$ 6,561,859
2007	34,007,763	370,305	4,455,483	6,278,019	7,322,427
2008	68,057,516 (2)	348,619	4,100,005	5,328,653	8,056,037
2009	34,397,855	327,741	3,137,581	2,469,605	8,735,179
2010	34,354,862	656,328	1,468,495	603,740 (3)	9,002,136
2011	27,777,427	662,857	1,045,664	1,466,505	8,600,104
2012	20,738,333	875,426	708,010	9,042,451 (1)	8,857,981
2013	31,367,889	1,385,702	300,771	4,345,035 (1)	8,993,946
2014	24,518,478	1,314,725	367,655	3,710,328 (1)	9,263,039
2015	14,875,262 (4)	1,601,445	403,723	3,913,414 (1)	9,737,304

(1) This balance includes monies received from the TIF under the project cost fund agreement between the District and TIF. Reimbursements began in fiscal year 2012.

(2) The District entered into new oil and gas leases which included significant bonus payments and operating royalties.

(3) As of 2010 interfund revenue was not included in the number, it was treated as a contra expense.

(4) Oil and gas royalties are reflective of a down market.

Source: From the District's Annual Financial Report for the respective years.

## TARRANT REGIONAL WATER DISTRICT

### ENTERPRISE FUND REVENUES BY SOURCE LAST 10 FISCAL YEARS (UNAUDITED)

<u>Fiscal Year</u>	<u>Sale of Water</u>	<u>Sale of System Capacity</u>	<u>Investment Income</u>	<u>Land Lease Rentals</u>	<u>Other (1)</u>
2006	\$ 80,343,028	\$ -	\$ 6,716,967	\$ 55,109	\$ 1,462,521
2007	73,740,294		10,613,665	99,728	976,123
2008	66,486,843		4,550,301	77,933	1,667,723
2009	80,469,426		3,486,297	67,692	318,089
2010	79,465,525		2,969,407	78,480	290,656
2011	90,310,650		1,873,044	79,586	1,512,159
2012	95,758,347	3,086,592	2,183,834	76,624	650,548
2013	112,139,871	7,903,394	262,520	85,681	1,129,678
2014	121,710,988	14,072,987	1,598,019	88,640	985,602
2015	120,844,075	21,453,659	3,748,796 (2)	74,378	1,244,742 (3)

(1) Other revenues include contributions, gains on sale of investments and property, plant and equipment, and buy-in premiums.

(2) Increase in 2015 due to market improvement as well as 2014 bond funds being available to invest for the full fiscal year.

(3) Increase due to Pollution Campaign and public awareness contributions from Dallas Water Utilities.

Source: From the District's Annual Financial Report for the respective years.



**TARRANT REGIONAL WATER DISTRICT**

**EMPLOYEE HEAD COUNT**

**LAST TEN FISCAL YEARS (UNAUDITED)**

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<u>Fiscal year</u>	<u>Administrative</u>	<u>Maintenance</u>	<u>Total</u>
2006	59	98	157
2007	71	95	166
2008	87	92	179
2009	91	100	191
2010	106	114	220
2011	113	117	230
2012	117	115	232
2013	137	104	241
2014	139	105	244
2015	144	119	263

Source: From the District's Annual Financial Report for the respective years.

## TARRANT REGIONAL WATER DISTRICT

### MISCELLANEOUS STATISTICAL FACTS AS OF SEPTEMBER 30, 2015 (UNAUDITED)

Date of organization October 7, 1924

Area covered by District 345 square miles

Facilities:

Number of water supply reservoirs 4

	Conservation Pool	Actual in Storage
Acre feet of water storage:		
Bridgeport Lake	361,875	346,406
Eagle Mountain Lake	179,880	177,048
Cedar Creek Lake	640,415	646,731
Richland Chambers	1,112,763	1,119,392
Total	2,294,933	2,289,577

Miles of levees 23

Miles of floodway river channel 27

Area to be maintained by District 1,997 acres

Annual rainfall in inches—last 10 calendar years:

Year	DFW Weather Service	Lake Worth	Eagle Mountain Lake	Bridgeport Lake	Cedar Creek Lake	Richland/ Chambers
2006	29.75	26.60	23.56	27.95	26.90	29.18
2007	50.05	40.88	45.06	36.80	51.94	53.56
2008	27.10	27.09	27.39	25.58	26.30	30.09
2009	40.89	31.48	27.86	33.20	43.23	54.54
2010	37.55	32.46	34.93	36.01	24.83	38.68
2011	25.88	17.94	20.67	25.13	22.56	30.79
2012	31.26	25.18	24.32	23.32	30.06	30.83
2013	29.40	24.28	25.18	24.70	24.82	34.82
2014	21.32	15.92	19.52	19.30	26.40	21.12
2015	62.61	43.55	47.59	48.90	68.35	73.18

Sources: From the District's Annual Financial Report and the National Weather Service for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS (UNAUDITED)  
ELLIS COUNTY, TEXAS**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
2006	139,104	\$ 2,811,570,048	\$ 20,212	33.2	3,420	5.0%
2007	142,627	\$ 2,882,776,924	\$ 20,212	33.2	2,955	4.3%
2008	147,543	\$ 2,982,139,116	\$ 20,212	33.2	3,486	5.0%
2009	151,352	\$ 3,059,126,624	\$ 20,212	33.2	5,641	8.0%
2010	149,610	\$ 3,839,291,820	\$ 25,662	35.0	6,063	8.0%
2011	153,134	\$ 3,929,724,708	\$ 25,662	35.0	5,972	7.8%
2012	154,522	\$ 3,965,343,564	\$ 25,662	35.0	5,201	6.8%
2013	163,445	\$ 4,194,325,590	\$ 25,662	35.0	4,779	6.1%
2014	168,296	\$ 4,318,811,952	\$ 25,662	35.0	3,877	4.9%
2015	173,277	\$ 4,446,634,374	\$ 25,662	35.0	3,114	3.8%

Note: The Demographic and Economic Statistics report on Ellis County as a whole, the District's service area includes only part of Ellis County.

Sources: From the US Census Bureau, Texas Department of State Health Services, and the Bureau of Labor Statistics for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS (UNAUDITED)  
FREESTONE COUNTY, TEXAS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
2006	19,381	\$ 316,646,778	\$ 16,338	37.8	396	3.9%
2007	19,572	\$ 319,767,336	\$ 16,338	37.8	357	3.6%
2008	19,759	\$ 322,822,542	\$ 16,338	37.8	404	4.0%
2009	19,910	\$ 325,289,580	\$ 16,338	37.8	640	6.3%
2010	19,816	\$ 453,310,816	\$ 22,876	40.9	671	8.2%
2011	20,022	\$ 458,023,272	\$ 22,876	40.9	622	7.7%
2012	20,173	\$ 461,477,548	\$ 22,876	40.9	530	6.6%
2013	20,500	\$ 468,958,000	\$ 22,876	40.9	535	6.8%
2014	20,725	\$ 474,105,100	\$ 22,876	40.9	441	5.7%
2015	20,931	\$ 478,817,556	\$ 22,876	40.9	423	5.8%

Note: The Demographic and Economic Statistics report on Freestone County as a whole, the District's service area includes only part of Freestone County.

Sources: From the US Census Bureau, Texas Department of State Health Services, and the Bureau of Labor Statistics for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**LAST TEN FISCAL YEARS (UNAUDITED)**

**HENDERSON COUNTY, TEXAS**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
2006	79,331	\$ 1,409,870,532	\$ 17,772	40.2	1,764	5.1%
2007	79,162	\$ 1,406,867,064	\$ 17,772	40.2	1,501	4.4%
2008	79,006	\$ 1,404,094,632	\$ 17,772	40.2	1,806	5.2%
2009	79,155	\$ 1,406,742,660	\$ 17,772	40.2	2,833	8.1%
2010	78,532	\$ 1,727,311,340	\$ 21,995	42.8	3,061	8.8%
2011	79,194	\$ 1,741,872,030	\$ 21,995	42.8	2,969	8.5%
2012	79,475	\$ 1,748,052,625	\$ 21,995	42.8	2,600	7.5%
2013	80,237	\$ 1,764,812,815	\$ 21,995	42.8	2,431	7.0%
2014	80,820	\$ 1,777,635,900	\$ 21,995	42.8	1,942	5.5%
2015	81,372	\$ 1,789,777,140	\$ 21,995	42.8	1,669	4.9%

Note: The Demographic and Economic Statistics report on Henderson County as a whole, the District's service area includes only part of Henderson County.

Sources: From the US Census Bureau, Texas Department of State Health Services, and the Bureau of Labor Statistics for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS (UNAUDITED)  
JACK COUNTY, TEXAS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
2006	8,844	\$ 134,517,240	\$ 15,210	37.0	180	4.1%
2007	8,839	\$ 134,441,190	\$ 15,210	37.0	150	3.0%
2008	8,821	\$ 134,167,410	\$ 15,210	37.0	170	3.1%
2009	8,872	\$ 134,943,120	\$ 15,210	37.0	329	6.2%
2010	9,044	\$ 219,995,300	\$ 24,325	39.2	287	7.8%
2011	9,105	\$ 221,479,125	\$ 24,325	39.2	255	6.9%
2012	9,129	\$ 222,062,925	\$ 24,325	39.2	216	5.7%
2013	9,255	\$ 225,127,875	\$ 24,325	39.2	211	5.2%
2014	9,313	\$ 226,538,725	\$ 24,325	39.2	165	3.8%
2015	9,382	\$ 228,217,150	\$ 24,325	39.2	182	4.2%

Note: The Demographic and Economic Statistics report on Jack County as a whole, the District's service area includes only part of Jack County.

Sources: From the US Census Bureau, Texas Department of State Health Services, and the Bureau of Labor Statistics for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS (UNAUDITED)  
JOHNSON COUNTY, TEXAS**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
2006	150,981	\$ 2,778,050,400	\$ 18,400	34.3	3,329	4.6%
2007	154,349	\$ 2,840,021,600	\$ 18,400	34.3	2,948	4.1%
2008	155,199	\$ 2,855,661,600	\$ 18,400	34.3	3,337	4.6%
2009	156,982	\$ 2,888,468,800	\$ 18,400	34.3	6,125	8.2%
2010	150,934	\$ 3,745,578,144	\$ 24,816	36.3	6,237	8.7%
2011	153,383	\$ 3,806,352,528	\$ 24,816	36.3	5,627	7.7%
2012	155,690	\$ 3,863,603,040	\$ 24,816	36.3	4,842	6.6%
2013	160,819	\$ 3,990,884,304	\$ 24,816	36.3	4,476	6.1%
2014	164,246	\$ 4,075,928,736	\$ 24,816	36.3	3,729	5.0%
2015	167,760	\$ 4,163,132,160	\$ 24,816	36.3	3,293	4.4%

Note: The Demographic and Economic Statistics report on Johnson County as a whole, the District's service area includes only part of Johnson County.

Sources: From the US Census Bureau, Texas Department of State Health Services, and the Bureau of Labor Statistics for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**LAST TEN FISCAL YEARS (UNAUDITED)**

**KAUFMAN COUNTY, TEXAS**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
2006	93,807	\$ 1,766,104,389	\$ 18,827	34.9	2,214	5.0%
2007	96,498	\$ 1,816,767,846	\$ 18,827	34.9	2,098	4.6%
2008	100,248	\$ 1,887,369,096	\$ 18,827	34.9	2,425	5.2%
2009	102,865	\$ 1,936,639,355	\$ 18,827	34.9	3,865	8.2%
2010	103,350	\$ 2,578,995,900	\$ 24,954	35.4	4,311	8.5%
2011	105,343	\$ 2,628,729,222	\$ 24,954	35.4	4,137	8.0%
2012	106,914	\$ 2,667,931,956	\$ 24,954	35.4	3,587	6.9%
2013	115,436	\$ 2,880,589,944	\$ 24,954	35.4	3,312	6.3%
2014	119,752	\$ 2,988,291,408	\$ 24,954	35.4	2,745	5.1%
2015	124,238	\$ 3,100,235,052	\$ 24,954	35.4	2,191	4.0%

Note: The Demographic and Economic Statistics report on Kaufman County as a whole, the District's service area includes only part of Kaufman County.

Sources: From the US Census Bureau, Texas Department of State Health Services, and the Bureau of Labor Statistics for the respective years.



**TARRANT REGIONAL WATER DISTRICT**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS (UNAUDITED)  
NAVARRO COUNTY, TEXAS**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
2006	48,715	\$ 743,683,190	\$ 15,266	35.2	1,164	5.5%
2007	49,037	\$ 748,598,842	\$ 15,266	35.2	1,003	4.9%
2008	49,261	\$ 752,018,426	\$ 15,266	35.2	1,136	5.4%
2009	49,625	\$ 757,575,250	\$ 15,266	35.2	1,673	7.8%
2010	47,735	\$ 970,309,345	\$ 20,327	37.1	1,898	8.3%
2011	48,304	\$ 981,875,408	\$ 20,327	37.1	1,873	8.1%
2012	48,510	\$ 986,062,770	\$ 20,327	37.1	1,696	7.3%
2013	49,942	\$ 1,015,171,034	\$ 20,327	37.1	1,536	6.5%
2014	50,702	\$ 1,030,619,554	\$ 20,327	37.1	1,228	5.2%
2015	51,464	\$ 1,046,108,728	\$ 20,327	37.1	926	4.0%

Note: The Demographic and Economic Statistics report on Navarro County as a whole, the District's service area includes only part of Navarro County.

Sources: From the US Census Bureau, Texas Department of State Health Services, and the Bureau of Labor Statistics for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**LAST TEN FISCAL YEARS (UNAUDITED)**

**PARKER COUNTY, TEXAS**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
2006	106,811	\$ 2,168,797,355	\$ 20,305	36.5	2,365	4.6%
2007	109,022	\$ 2,213,691,710	\$ 20,305	36.5	2,074	4.0%
2008	111,610	\$ 2,266,241,050	\$ 20,305	36.5	2,328	4.4%
2009	115,359	\$ 2,342,364,495	\$ 20,305	36.5	4,145	7.6%
2010	116,927	\$ 3,588,723,484	\$ 30,692	38.9	4,295	7.6%
2011	119,530	\$ 3,668,614,760	\$ 30,692	38.9	3,944	6.9%
2012	121,234	\$ 3,720,913,928	\$ 30,692	38.9	3,442	5.9%
2013	128,308	\$ 3,938,029,136	\$ 30,692	38.9	3,227	5.5%
2014	132,345	\$ 4,061,932,740	\$ 30,692	38.9	2,708	4.5%
2015	136,501	\$ 4,189,488,692	\$ 30,692	38.9	2,492	4.2%

Note: The Demographic and Economic Statistics report on Parker County as a whole, the District's service area includes only part of Parker County.

Sources: From the US Census Bureau, Texas Department of State Health Services, and the Bureau of Labor Statistics for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS (UNAUDITED)  
TARRANT COUNTY, TEXAS**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
2006	1,667,306	\$ 37,594,415,688	\$ 22,548	32.3	40,498	4.7%
2007	1,699,919	\$ 38,329,773,612	\$ 22,548	32.3	36,823	4.2%
2008	1,740,964	\$ 39,255,256,272	\$ 22,548	32.3	42,048	4.8%
2009	1,779,396	\$ 40,121,821,008	\$ 22,548	32.3	68,936	7.7%
2010	1,809,034	\$ 51,134,155,044	\$ 28,266	33.4	75,375	8.1%
2011	1,848,382	\$ 52,246,365,612	\$ 28,266	33.4	71,812	7.6%
2012	1,876,624	\$ 53,044,653,984	\$ 28,266	33.4	62,867	6.5%
2013	1,897,086	\$ 53,623,032,876	\$ 28,266	33.4	58,967	6.0%
2014	1,928,056	\$ 54,498,430,896	\$ 28,266	33.4	49,734	5.0%
2015	1,959,449	\$ 55,385,785,434	\$ 28,266	33.4	40,590	4.1%

Note: The Demographic and Economic Statistics report on Tarrant County as a whole, the District's service area includes only part of Tarrant County.

Sources: From the US Census Bureau, Texas Department of State Health Services, and the Bureau of Labor Statistics for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS (UNAUDITED)  
WISE COUNTY, TEXAS**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
2006	56,495	\$ 1,001,599,855	\$ 17,729	35.5	1,213	4.4%
2007	57,641	\$ 1,021,917,289	\$ 17,729	35.5	1,129	4.1%
2008	58,548	\$ 1,037,997,492	\$ 17,729	35.5	1,185	4.3%
2009	59,346	\$ 1,052,145,234	\$ 17,729	35.5	2,454	8.7%
2010	59,127	\$ 1,517,376,201	\$ 25,663	38.4	2,399	8.7%
2011	60,379	\$ 1,549,506,277	\$ 25,663	38.4	2,119	7.5%
2012	60,848	\$ 1,561,542,224	\$ 25,663	38.4	1,816	6.4%
2013	63,343	\$ 1,625,571,409	\$ 25,663	38.4	1,689	5.9%
2014	64,795	\$ 1,662,834,085	\$ 25,663	38.4	1,387	4.8%
2015	66,321	\$ 1,701,995,823	\$ 25,663	38.4	1,401	4.9%

Note: The Demographic and Economic Statistics report on Wise County as a whole, the District's service area includes only part of Wise County.

Sources: From the US Census Bureau, Texas Department of State Health Services, and the Bureau of Labor Statistics for the respective years.

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