

Tarrant Regional Water District  
Fort Worth, Texas

Comprehensive Annual Financial Report  
As of and for the year ended September 30, 2020





Tarrant Regional Water District  
Fort Worth, Texas  
Comprehensive Annual Financial Report  
As of and for the Year Ended  
September 30, 2020

Board of Directors

Jack Stevens, President

Marty Leonard, Vice President

Leah M. King, Secretary

James Hill, Secretary Pro-Tem

Jim Lane, Director

General Manager

Jim Oliver

Deputy General Manager

R. Alan Thomas

Deputy General Manager

Dan Buhman

Director of Finance

Sandra Newby

# TARRANT REGIONAL WATER DISTRICT – FORT WORTH, TEXAS

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## INTRODUCTORY SECTION (UNAUDITED)



(Richland Chambers Wetlands)



December 18, 2020

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, 2020. 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. Because the cost of internal controls should not exceed anticipated benefits, the objective of such internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. 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, 2020. 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 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 approximately 55 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 250 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 Kaufman Counties. The District is engaged in multiple water supply related construction projects including the Integrated Pipeline Project which will increase system capacity to ensure adequate water supply in the future. This year's progress is discussed on the following pages.



The District also provides and maintains over 100 miles of trails along the Trinity River which connects to 31 neighborhoods and 21 city parks throughout the communities.



(Trinity River Paddling Trail)

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 was 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 Panther Island/Central City Project.

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 2020 fiscal year there was one discretely presented component unit; the Trinity River Vision Authority (TRVA). See Note 12 for information on the consolidation of that component unit into the District this year.

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. The budgetary level of control for management is at the fund level, and management may approve and conduct transfers within funds when needed. In June, the preliminary Enterprise Fund budget is presented at the

Advisory Committee workshop (the Advisory Committee consists of representatives from the four largest water customers) and then both the General Fund and Enterprise Fund budgets are presented at the Board of Directors budget workshop. After the workshops, the Advisory Committee meets to review and recommends the Enterprise Fund budget to the Board of Directors for approval and in September both the General Fund and Enterprise budgets are approved by the Board of Directors.

## **Local Economy**

The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (the "Pandemic"), which is currently affecting many parts of the world, including the United States and Texas. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States in connection with COVID-19. On March 13, 2020, the President of the United States (the "President") declared the Pandemic a national emergency and the Texas Governor (the "Governor") declared COVID-19 an imminent threat of disaster for all counties in Texas (collectively, the "disaster declarations"). On March 25, 2020, in response to a request from the Governor, the President issued a Major Disaster Declaration for the State of Texas.

Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with this disaster and issuing executive orders that have the force and effect of law. The Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation. Many of the federal, state and local actions and policies under the aforementioned disaster declarations are focused on limiting instances where the public can congregate or interact with each other, which affects economic growth within Texas.

Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets locally and globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide and within Texas. Stock values and crude oil prices, in the U.S. and globally, have seen significant declines attributed to COVID-19 concerns. Texas may be particularly at risk from any global slowdown, given the prevalence of international trade in the state and the risk of contraction in the oil and gas industry and spillover effects into other industries.

The City (hereinafter defined) anticipates that its revenues and cash flow could be adversely affected during the continuance of the Pandemic as a result of a Governor's directive that prevents utilities from charging late fees and disconnect fees and from disconnecting customers during such time. The City may also experience a reduction in water and sewer sales as customers delay payments. While the potential impact of the Pandemic on the City cannot be quantified at this time, the continued outbreak of COVID-19, and actions taken to slow the Pandemic are expected to continue to reduce economic activity within the boundaries of the City on which the City collect taxes, charges, and fees, which could have an adverse effect on the City's operations and

financial conditions, and therefore impair the ability of the City to make payment to the District to pay debt service on the Bonds.

The District continues to monitor the spread of COVID-19 and is following the directives of local, state, and national agencies to address the potential impact of COVID-19 upon the District and the City.

Fiscal year 2020 was another active year for rainfall, having a significant impact on the District's water supply reservoirs as well as flood protection operations. Above normal rainfall fell throughout the year, including the second wettest March on record with 6.75 inches of rain and a total of 45.27 inches, which helped keep the reservoirs full through most of the year, leading to lower than budgeted pumping power costs, which is one of the largest expenses of the water supply system. In total, 45.27 inches of rain was recorded at DFW airport for fiscal year 2020, 9.13 inches above normal. For the year, the TRWD Flood Team was in an elevated state of alert for all but 29 days during the period from February 1 to June 30. The most active period was February and March when there were over 140 gate changes made and over 9,200 visitors to the TRWD flood blog to view the over 150 Lake Level Status posts made by the flood team.

Throughout the District's service area, unemployment numbers had remained low until the middle of the fiscal year when the COVID-19 pandemic brought significant increases to unemployment rates. Overall, the District's functions were not significantly impacted by the pandemic as water consumption and flood protection remained the same.

The ad valorem tax rate for the 2020 fiscal year was \$0.0287 per \$100 valuation to fund flood protection through maintenance and improvements of the floodway. This was an increase from the prior year tax rate of \$0.0194 per \$100 valuation; the increase was to fund the operations and maintenance for the floodway through steady tax income instead of relying on less stable revenues such as oil and gas royalties. During fiscal year 2020 oil and gas prices dropped significantly, but the higher tax rate ensured adequate flood protection funding.

## **Major Initiatives**

### **Integrated Pipeline Project -**

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 furthers our mission to build a reliable water supply system by connecting Lake Palestine to Lake Benbrook with connections to the Cedar Creek and Richland-Chambers Reservoirs; thereby integrating the District's existing pipelines and allowing for flexibility in response to fluctuating customer water demands. The IPL Project consists of 150 miles of a large diameter pipeline, three new lake pump stations to draw water from the reservoirs, and three new booster pump stations allowing delivery of up to 350 million gallons of raw water per day to north central Texas.

As of September 30, 2020, the IPL System is able to deliver water from the Richland Chambers Reservoir to the Rolling Hills Treatment Plant as well as Lake Benbrook, via the previously completed cross-connections with the existing Richland Chambers and Cedar Creek pipelines.

Overall construction summary:

The IPL Project has incurred \$1.2 billion in total costs through September 30, 2020. During fiscal year 2020, \$80.7 million was spent on the core portion of the project and pipeline Section 12, 13, and 14 were completed along with the Midlothian Balancing Reservoir and the Section 1x10 Pressure Reduction Station. As of September 30, 2020, the IPL Project has acquired 501 of the 517 required parcels of land for the construction of the pipeline.



(Inside the JCC1 Pump Station)

The Trinity River Tunnel on section 17 is 96% complete as of September 30, 2020. The remaining pipeline Section 17 and the Joint Cedar Creek Pump Station needed to complete the core section of the project are expected to be complete by the end of fiscal year 2021.



(Tunnel Boring Machine on section 17 under The Trinity River)

The next phase of the Integrated Pipeline Project will connect the core section of the pipeline to Dallas Water Utilities' Lake Palestine. During fiscal year 2020, \$1.1 million had been spent on this phase of the project. The TXDOT Tunnel construction contract was awarded in fiscal year 2020, and the initial work on the collaborative Geotech baseline report with prequalified tunnel contractors has recently begun.

#### Kennedale Balancing Reservoir -

During fiscal year 2020 the construction activity continued at the Kennedale Balancing Reservoir (KBR). The first two phases that were completed prior to fiscal year 2020 included the 108-inch Bypass Piping and the foundation for the third cell. Phase 3 involves the installation of 120-inch diameter flow-through inlet and outlet piping for the existing two cells, along with large diameter yard piping and valve connections to the Cedar Creek, Richland Chambers and Integrated Pipeline that supply KBR. The design for this phase began this year and as of September 30, 2020, \$8.6 million of the \$9.9 million contract has been spent. The construction contract is expected to be awarded in early 2021 and will be implemented over a two-year period. This project will allow enhanced operational flexibility and will improve water quality; the estimated capital cost for Phase 3 is approximately \$28.5 million.

## Cedar Creek Section 2 Pipeline Replacement-

The Cedar Creek (CC) 72-inch prestressed concrete cylinder pipe (PCCP) is the District's oldest raw water transmission main installed in the early 1970s. The District maintains an assessment and risk-based prioritization program for identifying and replacing approximately 15 to 20 segments of distressed PCCP each year. The District's commitment to properly operating a galvanic cathodic protection system on its PCCP assets, since the mid-1990s, has greatly extended the useful life of the CC pipeline. However, high pressure rated areas of the CC pipeline currently require a more substantial renewal program. The first large pipeline replacement project is for Cedar Creek Section 2 (CCRPL-2) mainly located between the cities of Mansfield and Midlothian. The project will remove the existing 72-inch pipe and replace it in the same horizontal alignment with 90-inch welded steel pipe. The area around this project is rapidly developing, making the project more urgent to complete. During fiscal year 2020, \$2.5 million had been spent, and design was 40% as of the end of the year. Construction is expected to begin in 2022.

## Panther Island/Central City Project -

The Panther Island/Central City Project, previously known as the Trinity River Vision 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 Panther Island/Central City 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 2020, the Panther Island/Central City Project continued work with acquisition, relocation, demolition and environmental clean-up of properties on the north segment of the bypass channel. As of 2020 fiscal year-end, the District has 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 \$232.5 million on the Panther Island/Central City Project and has an outstanding loan payable of \$191.7 million to the District.

On May 5, 2018, a special bond election was held and approved by the voters to issue \$250 million in bonds to finance the remaining outstanding local share of the Panther Island/Central City Project. This \$250 million will



be repaid by The City of Fort Worth Tax Increment Reimbursement Zone Number Nine in accordance with the project cost funding agreement. As of the end of fiscal year 2020, there was no outstanding debt.

Environmental remediation for StarRFoam property was completed during fiscal year 2020 and is pending acceptance by TCEQ to be released from the Voluntary Cleanup Program. Environmental design continued for Police & Fire and Radioshack, two properties currently in the Voluntary Cleanup Program. Demolition and environmental remediation of the Police and Fire and Rubin properties were advertised for bid and work should be completed for the Rubin properties in fiscal year 2021, where as the Police and Fire properties will continue into fiscal year 2022. Environmental maintenance continues at Luminant. See Note 1 for more information on pollution remediation liabilities for these properties.



(StarRFoam Environmental Remediation)

Gateway Park Site H & I construction was completed in June 2020. Landscape establishment is expected to complete in 2021. Construction work for the White Settlement, Henderson and Main Street bridges continued and are expected to be complete in fiscal year 2021 and fiscal year 2022.

## Recreation -

The District participated in recreation components throughout the fiscal year in numerous ways, including public events, river and lake cleanups, and maintaining recreational facilities.

Twin Points Park at Eagle Mountain Lake is one of the District's properties that offers something for the whole family. Twin Points Park has a boat ramp that is open 24/7 all year round and a swim beach with family friendly events hosted by the District throughout the summer. Other amenities such as pavilions with picnic tables, restrooms and drinking fountains are on site as well. In fiscal year 2020 an estimated 74,000 people enjoyed the beach and 28,000 used the boat ramp, which generated revenue of over \$460 thousand.



(Twin Points Park at Eagle Mountain Lake)

The District puts on several events throughout the year that bring the communities together including Trash Bash and Fort Worth's Fourth. Trash Bash is a biannual event that brings the community down to the river to help keep the Trinity River clean. Despite having to cancel the Spring Trash Bash due to COVID-19, approximately 10.5 tons of trash was picked up during the Fall Trash Bash.

For the health and safety of the community, the annual Fort Worth's Fourth Celebration was modified. The District still provided the fireworks show, however the festival portion of the event did not take place. To limit gathering, Panther Island Pavilion was closed to vehicular and pedestrian access. People spread out and



watched the fireworks on the banks of the river or from the comfort of their home through a livestream broadcast. Lockheed Martin continued as a presenting sponsor contributing \$20,000 to the fireworks show.

Approximately 1,000 people per week during the summer enjoyed the Panther Island Pavilion beach rentals and concessions and the Sunday Funday programming which expanded to weekdays this year. Visitors swam in the public swim area and enjoyed activities such as live acoustic music, food and beverage concessions, pedal boat rentals and waterfront yoga classes. The beach activities ran from Memorial Day weekend through Labor Day weekend. Oktoberfest Fort Worth, Fort Wurst and Rockin' the River were all cancelled due to the local and state limitations on large gatherings due to the COVID-19 pandemic.



(Panther Island Pavilion Beach, Rentals and Swimming)

## **Long-term Financial Planning**

All of the District's missions, Water Supply, Flood Protection, and Recreation, require extensive planning for future needs and impacts on the system. In order to financially support the long-term nature of these missions, the District has put systems in place to promote both flexibility and stability. The longer the term of the project, the less certain the cost, so the District needs to be flexible and able to handle changes along the way. However, customers and citizens need to be able to rely on the system without large swings in costs.

For the Enterprise Fund, the District's long-term financial goal is to stabilize the water rate while ensuring the community it serves is supplied with adequate water. The District will utilize Extendible Commercial Paper Bonds for funds needed to complete large water infrastructure projects to efficiently manage outstanding debt. The District has also worked on creating a solid Asset Management program to allow for the proper balance of maintenance and system improvements so that costs are managed efficiently.

The District's Governmental Fund mission relates to Flood Protection and Recreation. In order to ensure the goal of long-term financial stability to support that mission, in September 2019 the District's Board of Directors approved to set up a contingency fund for all revenues other than taxes and grants to be held for future projects. That contingency fund provides a funding resource to the Board for unexpected system needs. In fiscal year 2019, the District's Board of Directors increased the tax rate so that the taxes received would be able to support the maintenance of the current Flood Protection system without relying on less stable oil and gas revenues. During fiscal year 2020, the District saw a significant decrease in oil and gas revenues, supporting the previous year's tax increase decision.

## **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended September 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

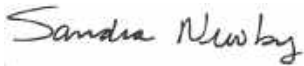
## Acknowledgments

The completion of this report could not have been accomplished without the dedicated efforts of the District's staff who provided information and analysis 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', with a stylized, flowing script.

James M. Oliver  
General Manager

A handwritten signature in black ink, appearing to read 'Sandra Newby', in a cursive script.

Sandra Newby  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
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Presented to

**Tarrant Regional Water District  
Texas**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

*Christopher P. Morrell*

Executive Director/CEO



## Board of Directors

Jack Stevens, President

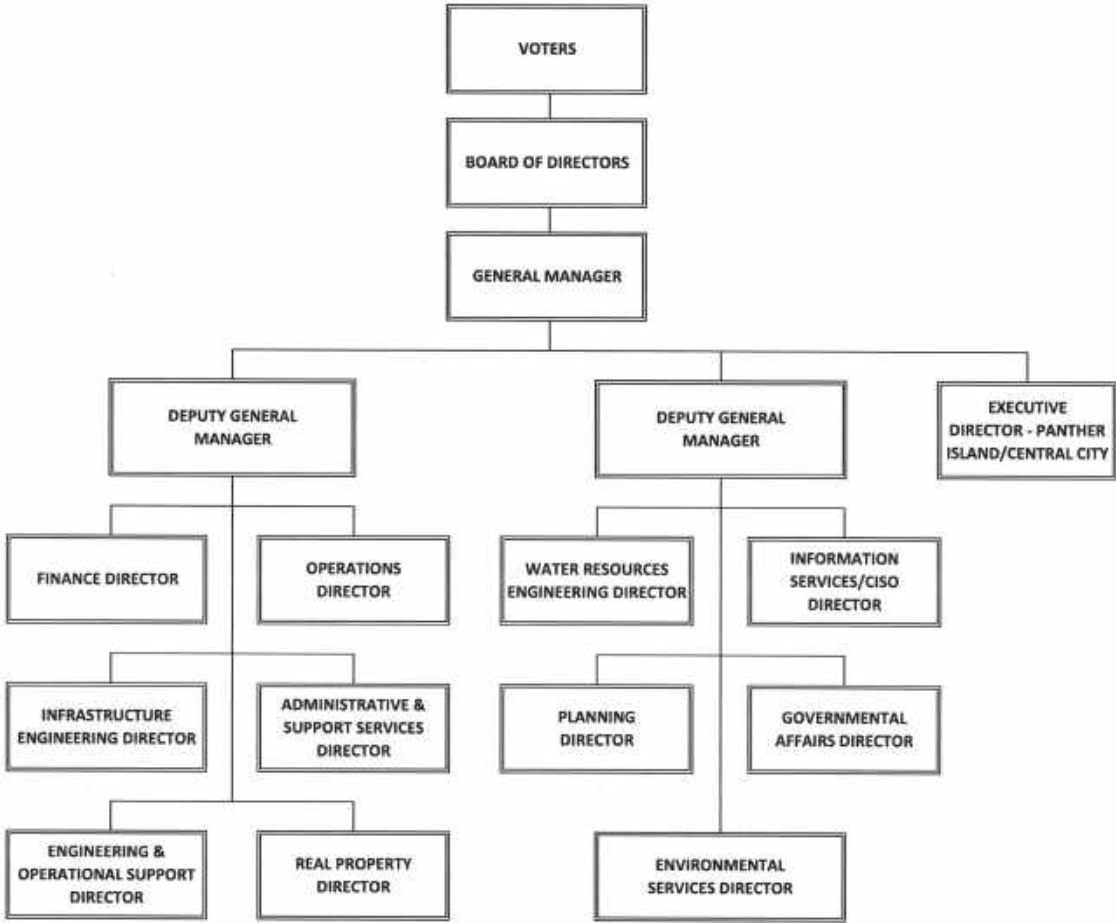
Marty Leonard, Vice President

Leah M. King, Secretary

James Hill, Secretary Pro-Tem

Jim Lane, Director

# Tarrant Regional Water District Organizational Chart



## FINANCIAL SECTION (AUDITED)



(Cedar Creek Lake)



## **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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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



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

### **Opinion**

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, 2020 and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual - General Fund, Schedule of Changes in Net Other Post-Employment Benefits Liability and Related Ratios, Schedule of Investment Returns, and Schedule of 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 and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Introductory Section and Statistical Section 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*

December 18, 2020

# **TARRANT REGIONAL WATER DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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, 2020. 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 exceed its liabilities and deferred inflows at the close of the most recent fiscal year by \$1.3 billion (net position). Of this amount, \$281.6 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 \$41.2 million mainly due to the payment of debt service payables from customer water sales. Governmental activities total net position increased by \$19.8 million mainly due to the continuation of the Panther Island/Central City 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. Both the Statement of Net Position and the Statement of Activities distinguish between the two functions of the District. The government-wide financial statements can be found beginning on page 35 of this report.

## **Statement of Net Position**

The Statement of Net Position presents information on all of the District's assets, deferred outflows, liabilities, and deferred inflows. The difference between those assets, deferred outflows, 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.

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.

## **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, which accounts for the flood control and recreation activities.

## **Proprietary Funds**

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District has only one proprietary fund which accounts 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 previously had one discretely-presented component unit: the Trinity River Vision Authority but as of the end of fiscal year 2020, the TRVA no longer had any financial balances to report. See Note 1 on page 48 for more information.

## **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 48 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 \$1.3 billion at the close of fiscal year 2020.

### CONDENSED SCHEDULE OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Current and other assets	\$ 260,919,474	\$ 273,776,582	\$ 398,258,688	\$ 309,815,548	\$ 659,178,162	\$ 583,592,130
Capital assets	366,352,452	371,744,493	1,925,161,267	1,994,311,374	\$2,291,513,719	2,366,055,867
Total Assets	627,271,926	645,521,075	2,323,419,955	2,304,126,922	2,950,691,881	2,949,647,997
Total Deferred Outflows of Resources	250,563	394,816	10,829,397	10,383,680	11,079,960	10,778,496
Current liabilities	5,730,748	6,986,189	103,205,602	99,545,538	108,936,350	106,531,727
Long-term liabilities	15,114,015	12,419,866	1,557,477,604	1,497,440,502	1,572,591,619	1,509,860,368
Total Liabilities	20,844,763	19,406,055	1,660,683,206	1,596,986,040	1,681,527,969	1,616,392,095
Total Deferred Inflows of Resources	180,672	201,573	1,361,081	4,123,986	1,541,753	4,325,559
Net position						
Net investment in cap. assets	366,352,452	371,744,493	536,700,791	580,388,360	903,053,243	952,132,853
Restricted for						
Capital Projects	5,631,464	5,621,205			5,631,464	5,621,205
Debt Service			102,892,891	100,358,807	102,892,891	100,358,807
Unrestricted	234,513,138	248,942,565	32,611,383	32,653,409	267,124,521	281,595,974
Total Net Position	<u>\$ 606,497,054</u>	<u>\$ 626,308,263</u>	<u>\$ 672,205,065</u>	<u>\$ 713,400,576</u>	<u>\$1,278,702,119</u>	<u>\$1,339,708,839</u>

### Government-wide

- **Current and Other Assets**

The decrease in current and other assets of \$75.6 million is mainly due to the expenditures of cash for ongoing capital projects, the largest of which is the Integrated Pipeline Projects (IPL).

- **Capital Assets**

The increase in capital assets of \$74.5 million is due to land purchases and design and construction costs for capital projects including the IPL and the Panther Island/Central City Project offset by accumulated depreciation. Refer to Note 4 for further detail about capital assets.

- **Long-Term Liabilities**

The decrease in long-term liabilities of \$62.7 million is mostly due to principal debt service payments, the refunding of a majority of the 2012 Water Revenue Refunding Bonds, as well as the removal of the portion of the pollution remediation liability for the StarRFoam property as remediation was completed

in fiscal year 2020. These decreases were offset by the increase in accrued vacation as due to the COVID-19 pandemic, employees took less vacation than is typical.

- **Deferred Inflows of Resources**

The increase in deferred inflows of resources is due to the gain on refunding of the 2012 Bonds with the 2020 Bonds.

- **Net Investment in Capital Assets**

The increase in net investment in capital assets of \$49.1 million is due to capital asset costs for the Panther Island/Central City Project as well as payments and refundings of long-term debt. Net investment in capital assets includes 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 Capital Projects**

The \$5.6 million represents resources that are restricted for the environmental clean-up of property that is part of the Panther Island/Central City Project.

- **Restricted for Debt Service**

The decrease of \$2.5 million in the District's net position restricted for debt service is due to a reduction in debt service requirements due to both the annual long-term bond principal payments as well as the refunding of the 2012 Bond.

- **Unrestricted Net Position**

The increase of \$14.5 million in the District's unrestricted net position occurred mostly in the Governmental Fund due to several factors. The tax rate increased in fiscal year 2020 increasing taxes to cover operating costs so that now oil and gas revenues are held for contingency projects instead of used for operating costs. In addition, the pollution remediation obligation was reduced after the completion of remediation on one of the Panther Island/Central City Project properties, and the District had overall lower costs in fiscal year 2020 because of the COVID-19 pandemic. These increases were offset by a decrease to the unrestricted net position due to an increase in the accrued vacation as employees took less paid leave, also due to the COVID-19 pandemic.

## Governmental Activities

- **Current and Other Assets**

The increase of \$12.9 million was mainly due to an increased tax rate for fiscal year 2020, increasing taxes to cover operating costs so that now oil and gas revenues are held for contingency projects instead of used for operating costs. In addition, the District had overall lower costs in fiscal year 2020 because of the COVID-19 pandemic postponing budgeted projects.

- **Capital Assets**

The increase of \$5.4 million was due to continued work on the Panther Island/Central City Project offset by accumulated depreciation. Refer to Note 4 for further detail about capital assets.

- **Net Investment in Capital Assets**

The increase of \$5.4 million was due to continued work on the Panther Island/Central City Project.

- **Unrestricted Net Position**

The increase of \$14.4 million in the District's unrestricted net position occurred mostly in the Governmental Fund due to several factors. The tax rate increased in fiscal year 2020 increasing taxes to cover operating costs so that now oil and gas revenues are held for contingency projects instead of used for operating costs. In addition, the pollution remediation obligation was reduced after the completion of remediation on one of the Panther Island/Central City Project properties, and the District had overall lower costs in fiscal year 2020 because of the COVID-19 pandemic. These increases were offset by a decrease to the unrestricted net position due to an increase in the accrued vacation as employees took less paid leave, also due to the COVID-19 pandemic.

## Business-Type Activities

- **Current and Other Assets**

The decrease of \$88.4 million is mainly due to capital project expenditures, a majority of which is for the ongoing IPL Project.

- **Capital Assets**

The capital assets increase of \$69.2 million is due to on-going bond projects, including the IPL Project, offset by accumulated depreciation. Refer to Note 4 for further detail about capital assets.

- **Long-Term Liabilities**

The decrease of \$60.0 million in long-term liabilities is mainly due to annual principal debt service payments and the 2012 bond refunding decreased debt by \$5.4 million. Refer to Note 6 for further detail about long-term liabilities.

- **Deferred Inflows of Resources**

The increase of \$2.8 million in deferred inflows of resources is mainly due to a gain on refunding of the 2012 Bonds. Refer to Note 6 for further detail about the refunding of bonds.

- **Net Investment in Capital Assets**

The increase of \$43.7 million is mainly due to capital asset costs for the IPL Project as well as payments and refundings of long-term debt.



## CONDENSED SCHEDULE OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Revenues:						
Program Revenues						
Charges for services	\$ 10,222,977	\$ 8,441,492	\$ 147,294,887	\$ 149,721,357	\$ 157,517,864	\$ 158,162,849
Operating Grants and Contributions	343,671	247,607	4,901,133	1,885,301	5,244,804	2,132,908
Capital Grants and Contributions	7,934,386	10,951,777			7,934,386	10,951,777
Total Program Revenues	18,501,034	19,640,876	152,196,020	151,606,658	170,697,054	171,247,534
General Revenues						
Property tax revenues	13,147,777	21,941,700			13,147,777	21,941,700
Investment income	1,435,560	763,675	14,653,818	5,810,806	16,089,378	6,574,481
Other revenues	5,393,183	88,912	127,786	425,392	5,520,969	514,304
Total Revenues	38,477,554	42,435,163	166,977,624	157,842,856	205,455,178	200,278,019
Expenses						
Flood protection	18,429,521	19,842,221			18,429,521	19,842,221
Recreation	2,636,155	2,781,733			2,636,155	2,781,733
Water supply			114,506,276	116,647,345	114,506,276	116,647,345
Total Expenses	21,065,676	22,623,954	114,506,276	116,647,345	135,571,952	139,271,299
Changes in Net Position	17,411,878	19,811,209	52,471,348	41,195,511	69,883,226	61,006,720
Net Position - Beginning of year	589,085,176	606,497,054	619,733,717	672,205,065	1,208,818,893	1,278,702,119
Net Position - Ending	\$ 606,497,054	\$ 626,308,263	\$ 672,205,065	\$ 713,400,576	\$ 1,278,702,119	\$ 1,339,708,839

### Governmental Activities

- Program Revenues - Charges for Services**

The decrease of \$1.8 million is due primarily to decreased oil and gas revenues related to lower oil prices in the petroleum market.

- Program Revenues - Capital Grants and Contributions**

The increase of \$3.0 million is mainly due to higher Panther Island/Central City Project contributions.

- General Revenues - Property Tax Revenues**

The increase of \$8.8 million is mainly due to the tax increase. The tax rate for fiscal year 2019 was \$0.0194 per \$100 valuation and the tax rate for fiscal year 2020 was \$0.0287 per \$100 valuation.

## **Business Type Activities**

- **Program Revenues - Operating Grants and Contributions**

The decrease of \$3.0 million is mainly due to a decrease in buy-in premiums received. In fiscal year 2019, the District received \$3.5 million compared to \$0.7 million received in fiscal year 2020. Buy-in premiums are only received when new customers are added to the system or current customers need additional supply.

- **General Revenues - Investment income**

The decrease of \$8.8 million is primarily due to decreased interest rates, a majority of which is due to the pandemic.

## FINANCIAL ANALYSIS: CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Nondepreciable						
Land	\$ 262,094,980	\$ 266,698,783	\$ 171,890,367	\$ 176,246,877	\$ 433,985,347	\$ 442,945,660
Construction in progress	71,459,266	73,537,106	1,120,166,316	1,200,354,015	1,191,625,582	1,273,891,121
Total nondepreciable assets	333,554,246	340,235,889	1,292,056,683	1,376,600,892	1,625,610,929	1,716,836,781
Depreciable						
Dams and spillways	3,070,461	3,070,461	229,093,895	230,228,128	232,164,356	233,298,589
Pipeline			564,735,109	565,626,000	564,735,109	565,626,000
Wetlands			54,161,878	56,160,860	54,161,878	56,160,860
Communications			20,787	20,787	20,787	20,787
Buildings	47,893,090	49,179,554	7,979,031	7,987,396	55,872,121	57,166,950
Technology Infrastructure			3,240,353	3,240,353	3,240,353	3,240,353
Machinery and equipment	10,654,494	11,002,593	11,938,648	13,065,120	22,593,142	24,067,713
Flood control	8,115,517	8,115,517			8,115,517	8,115,517
Other project costs			151,114,301	151,114,301	151,114,301	151,114,301
Capital Lease-Machinery & Equip	977,569	977,569			977,569	977,569
	70,711,131	72,345,694	1,022,284,002	1,027,442,945	1,092,995,133	1,099,788,639
Less						
Accumulated depreciation	(36,935,356)	(39,859,521)	(389,324,321)	(409,807,813)	(426,259,677)	(449,667,334)
Capital Lease-Accum. Depr.	(977,569)	(977,569)			(977,569)	(977,569)
Total depreciable assets	32,798,206	31,508,604	632,959,681	617,635,132	665,757,887	649,143,736
Water rights, net of Accum Amort.			144,903	75,350	144,903	75,350
Total	\$ 366,352,452	\$ 371,744,493	\$ 1,925,161,267	\$ 1,994,311,374	\$ 2,291,513,719	\$ 2,366,055,867

The District's capital assets for its governmental and business-type activities as of September 30, 2020 were \$2.4 billion. Capital assets include: dams, spillways and water transmission facilities as well as land, roads, buildings, technology infrastructure, machinery, equipment, construction costs, and surplus water rights. More information on capital assets can be found in Note 4 in the Notes to the Financial Statements.

Major capital asset events during the current year included the following:

### Governmental Activities

- **Land**
  - Panther Island/Central City Project land, relocation, demolition, environmental costs increased the land balance by \$4.6 million.

- **Construction in Progress**
  - Panther Island/Central City Project increased by \$1.8 million.
  - Panther Island Canal Construction increased by \$1.0 million.
- **Buildings**
  - Chisholm Trail Mitigation Project (Eastbank Trail & Riverglen Trailhead) was completed and moved out of construction in progress in fiscal year 2020 for a total cost of \$1.3 million, of which \$0.6 million was in the current fiscal year.

## **Business Type Activities**

- **Land**
  - Integrated Pipeline land purchases increased the land balance by \$4.1 million.
- **Construction in Progress**
  - Integrated Pipeline increased \$78.1 million.
  - Kennedale Balancing Reservoir increased \$2.9 million.
  - Cedar Creek Section 2 pipe replacement began in fiscal year 2020 and has \$2.4 million in costs.
- **Wetlands**
  - RC Wetlands Sand Boil Mitigation was completed and moved out of construction in progress for a total cost of \$2.0 million.
- **Pipeline**
  - Sulfur River Basin Authority was completed and moved out of construction in progress for a total cost of \$0.7 million.
- **Dams**
  - Eagle Mountain Seismic Study was completed and moved out of construction in progress in fiscal year 2020 for a total cost of \$1.1 million.
- **Machinery & Equipment**
  - Eagle Mountain Communication Tower was completed and moved out of construction in progress for a total cost of \$0.8 million.

## **FINANCIAL ANALYSIS: FUND STATEMENTS**

### **General Fund**

As of the end of the 2020 fiscal year, the District's General Fund reported an ending fund balance of \$75.3 million. This total includes nonspendable fund balance in the amount of \$2.5 million (which includes long-term interfund notes and interest, prepaid items, inventory of supplies and inventory held for sale), \$5.6 million restricted for environmental cleanup on a District property that was acquired for the Panther Island/Central City Project in fiscal year 2017, \$25.2 million for the Reserve Policy, \$34.7 million for the Contingency Fund (Panther Island/Central City Project \$6.6 million TIF Budget assigned for fiscal year 2021 debt service, \$28.1 million assigned for future board designated projects), and \$7.3 million in an unassigned fund balance.

The General Fund includes floodway support and maintenance, flood control efforts, recreation, and general administrative costs. Tax revenues, oil and gas royalties, and investment income are the major sources of revenue. General Fund revenues cannot be used to support Enterprise Fund functions.

### **Enterprise Fund**

The District's Enterprise Fund provides the same type of information found in the government-wide financial statements for business type activities (found on page 35) and has an end of year net position of \$713.4 million. This includes a net investment in capital assets of \$580.4 million, restricted net position for debt service of \$100.4 million, and an unrestricted net position of \$32.6 million. The Enterprise fund includes support and maintenance for water supply as well as water conservation efforts. Enterprise Fund revenues cannot be used to support General Fund functions.

### **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 \$10.6 million.

## **BUDGETARY HIGHLIGHTS**

### **GENERAL FUND**

The 2020 budgeted revenues for the General Fund were \$41.5 million and the year ended with actual revenues of \$39.7 million. The deficiency in revenues was due the continuing decline of oil and gas prices leading to a \$3.6 million shortage of budgeted oil and gas revenues, offset by a \$0.9 million overage in tax revenue received.

The 2020 budgeted expenditures for the General Fund were \$52.8 million and the year ended with actual expenditures of \$30.9 million. The deficiency in expenditures was due to several factors including vacancies throughout the year resulting in personnel costs coming in under budget. Capital expenditures were also under budget due to reduced Panther Island/Central City Project costs including reduced relocation, demolition, and environmental costs throughout the year, which also resulted in no debt service issuances for fiscal year 2020.

The District approved \$42.7 million in expenditures for fiscal year 2021, a decrease of \$10.1 million. The decrease was due to a decrease in reimbursable projects as funding for those projects is nearing completion. Also, Panther Island/Central City Project capital construction expenses out of the General Fund are decreasing.

The property tax rate for tax year 2019, fiscal year 2020, increased to \$0.0287 per \$100 valuation. The increase was in order for the tax revenues to cover the General Fund Operating and Maintenance budget.

### **ENTERPRISE FUND**

The fiscal year 2021 Enterprise Fund Budget, prepared in accordance with the Tarrant Regional Water Supply Facilities Amendatory Contract, totals \$152.4 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, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 50,037,532	\$ 43,597,285	\$ 93,634,817
Investments	21,990,194	15,216,808	37,207,002
Receivables			
Accounts, oil and gas royalties, and other	1,084,596	2,018,576	3,103,172
Taxes-net of allowance	55,452		55,452
Accrued interest	15,077	55,414	70,491
Long-term receivable	191,711,973		191,711,973
Internal balances	1,074,284	(1,074,284)	
Prepaid items	1,617,076	5,406,962	7,024,038
Inventory-at cost	70,033		70,033
Inventory held for sale	499,160		499,160
Cash and cash equivalents for bond projects		114,353,748	114,353,748
Investments held for bond projects		20,044,740	20,044,740
Accrued interest receivable for bond projects		48,540	48,540
Cash and cash equivalents restricted		1,083,642	1,083,642
Investments restricted		5,016,358	5,016,358
Cash and cash equivalents for debt service		6,276,060	6,276,060
Investments for debt service		97,472,391	97,472,391
Accrued interest receivable for debt service		299,308	299,308
Deposits held by others	5,621,205		5,621,205
Land	266,698,783	176,246,877	442,945,660
Construction in progress	73,537,106	1,200,354,015	1,273,891,121
Depreciable capital assets, net of accumulated depreciation	31,508,604	617,635,132	649,143,736
Water rights, net of amortization		75,350	75,350
Total Assets	645,521,075	2,304,126,922	2,949,647,997
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred bond refunding -loss		9,178,897	9,178,897
Deferred OPEB	394,816	1,204,783	1,599,599
Total Deferred Outflows of Resources	394,816	10,383,680	10,778,496
<b>LIABILITIES</b>			
Accounts payable	4,810,530	20,841,030	25,651,560
Accounts payable restricted for customer contingency		5,000,000	5,000,000
Accounts payable for bond projects		5,755,260	5,755,260
Accrued vacation - due within one year	273,716	821,150	1,094,866
Other liabilities	1,901,943	548,035	2,449,978
Other liabilities for bond projects		14,891,111	14,891,111
Payable from restricted assets - accrued bond interest payable		4,788,952	4,788,952
Revenue bonds payable, net of discount			
Due within one year		46,900,000	46,900,000
Due in more than one year		1,486,490,287	1,486,490,287
Long-term Payables - due in more than one year			
Pollution remediation obligations	7,152,500		7,152,500
Post employment benefits payable	4,298,153	8,042,577	12,340,730
Accrued vacation	969,213	2,907,638	3,876,851
Total Liabilities	19,406,055	1,596,986,040	1,616,392,095
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred bond refunding-gain		3,512,281	3,512,281
Deferred OPEB	201,573	611,705	813,278
Total Deferred Inflows of Resources	201,573	4,123,986	4,325,559
<b>NET POSITION</b>			
Net investment in capital assets	371,744,493	580,388,360	952,132,853
Restricted for			
Capital projects	5,621,205		5,621,205
Debt service		100,358,807	100,358,807
Unrestricted	248,942,565	32,653,409	281,595,974
Total Net Position	\$ 626,308,263	\$ 713,400,576	\$ 1,339,708,839

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



**TARRANT REGIONAL WATER DISTRICT**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business Type Activities	Total	
PRIMARY GOVERNMENT								
Governmental activities								
Flood protection	\$ 19,842,221	\$ 7,138,932	\$ 105,187	\$ 10,751,579	\$ (1,846,523)		\$ (1,846,523)	
Recreation	2,781,733	1,302,560	142,420	200,198	(1,136,555)		(1,136,555)	
Total governmental activities	22,623,954	8,441,492	247,607	10,951,777	(2,983,078)		(2,983,078)	
Business type activities-Water supply	116,647,345	149,721,357	1,885,301			\$ 34,959,313	34,959,313	
	<u>\$ 139,271,299</u>	<u>\$ 158,162,849</u>	<u>\$ 2,132,908</u>	<u>\$ 10,951,777</u>		<u>34,959,313</u>	<u>31,976,235</u>	
COMPONENT UNIT								
Trinity River Vision Authority								
Project development	530,057			316,552				(213,505)
Recreation programs	66,852							(66,852)
Total component unit	<u>\$ 596,909</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 316,552</u>				<u>\$ (280,357)</u>
GENERAL REVENUES								
Property taxes					21,941,700		21,941,700	
Investment income					763,675	5,810,806	6,574,481	594
Miscellaneous					17,812	310,117	327,929	
Gain on disposal of assets					71,100	115,275	186,375	
Total general revenues					22,794,287	6,236,198	29,030,485	594
CHANGES IN NET POSITION								
					19,811,209	41,195,511	61,006,720	(279,763)
NET POSITION - Beginning of year								
					606,497,054	672,205,065	1,278,702,119	279,763
NET POSITION - End of year								
					\$ 626,308,263	\$ 713,400,576	\$ 1,339,708,839	\$ —

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

**TARRANT REGIONAL WATER DISTRICT****BALANCE SHEET—GENERAL FUND  
SEPTEMBER 30, 2020**

<b>ASSETS</b>	
Cash and cash equivalents	\$ 50,037,532
Investments	21,990,194
Receivables	
Accounts, oil and gas royalties and other	1,084,596
Taxes—net of allowance	55,452
Accrued interest	15,077
Due from Enterprise Fund	768,675
Notes and interest due from enterprise fund	305,609
Prepaid items	1,617,076
Inventory of supplies—at cost	70,033
Inventory held for sale	499,160
Deposits held by others	5,621,205
Long-term receivable	191,711,973
Total assets	<u>273,776,582</u>
<b>LIABILITIES</b>	
Accounts payable	4,810,530
Other liabilities	1,901,943
Total liabilities	<u>6,712,473</u>
<b>DEFERRED INFLOWS</b>	
Unavailable revenue	191,763,980
Total deferred inflows	<u>191,763,980</u>
<b>FUND BALANCES</b>	
Nonspendable	
Long-term interfund notes and interest	305,609
Prepaid items	1,617,076
Inventory of supplies - At cost	70,033
Inventory held for sale	499,160
Restricted for Capital Projects	5,621,205
Assigned for General Fund Reserve Policy	25,166,612
Assigned for Contingency Fund	34,665,891
Unassigned	7,354,543
Total fund balances	<u>75,300,129</u>
<b>TOTAL</b>	<u><u>\$ 273,776,582</u></u>

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, 2020**

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TOTAL FUND BALANCES -General Fund	\$ 75,300,129
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Amounts reported for governmental activities in the statement of net assets are different because

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

TIF Project contribution revenues	191,711,973
Property tax revenues	42,043
Oil and gas revenues	9,964
Deferred Outflows-Other Post Employment Benefits	394,816

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

Accrued Vacation	(1,242,929)
Pollution Remediation Obligations	(7,152,500)
Other Post Employment Benefits Payable	(4,298,153)
Deferred Inflows-Other Post Employment Benefits	(201,573)

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

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371,744,493

TOTAL NET POSITION - Governmental activities	<u><u>\$ 626,308,263</u></u>
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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, 2020**

REVENUES	
Property taxes	\$ 21,924,922
Lease rentals	1,272,670
Oil and gas royalties	6,414,237
Investment income	763,675
Contributions	8,344,611
Other	921,554
	<hr/>
Total revenues	39,641,669
	<hr/>
EXPENDITURES	
Current	
General and administrative	8,489,418
Personnel services	8,963,307
Pension plan contribution	780,327
Contribution	898,966
Interest	6,734
Capital expenditures	11,755,309
	<hr/>
Total expenditures	30,894,061
	<hr/>
EXCESS OF REVENUES OVER EXPENDITURES	8,747,608
	<hr/>
OTHER FINANCING SOURCES	
Proceeds from Sale of Land	34,475
	<hr/>
CHANGE IN FUND BALANCE	8,782,083
	<hr/>
FUND BALANCE - Beginning of year	66,518,046
	<hr/>
FUND BALANCE - End of year	\$ 75,300,129
	<hr/>

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, 2020**

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CHANGE IN FUND BALANCE—General Fund	\$ 8,782,083
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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	2,854,773
Change in unavailable property taxes	16,778
Change in unavailable oil and gas revenue	(103,057)

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

Change in paid leave	(366,741)
Change in post employment benefits	35,332

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 (\$11,755,309) exceeded Depreciation (\$3,153,793).

8,601,516

Change in gain/loss on disposal of assets	(9,475)
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CHANGE IN NET POSITION—Governmental activities	<u>\$ 19,811,209</u>
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The accompanying notes are an integral part of these financial statements.

**TARRANT REGIONAL WATER DISTRICT****STATEMENT OF NET POSITION—ENTERPRISE FUND  
SEPTEMBER 30, 2020****ASSETS**

## Current

Cash and cash equivalents	\$	43,597,285
Investments		15,216,808
Receivables		
Accounts and other		2,018,576
Accrued interest		55,414
Prepaid items		5,406,962
		<hr/>
Total current assets		66,295,045

## Noncurrent

Cash and cash equivalents for bond projects		114,353,748
Investments held for bond projects		20,044,740
Accrued interest receivable for bond projects		48,540
Cash and cash equivalents restricted		1,083,642
Investments restricted		5,016,358
Cash and cash equivalents for debt service		6,276,060
Investments for debt service		97,472,391
Accrued interest receivable for debt service		299,308
Capital Assets		
Land		176,246,877
Construction in progress		1,200,354,015
Depreciable capital assets—net		617,635,132
Water rights—net of amortization		75,350
		<hr/>
Total noncurrent assets		2,238,906,161
		<hr/>
Total assets		2,305,201,206

**DEFERRED OUTFLOWS OF RESOURCES:**

Deferred bond refunding-loss		9,178,897
Deferred OPEB		1,204,783
		<hr/>
Total deferred outflows of resources		10,383,680

(Continued)

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

**TARRANT REGIONAL WATER DISTRICT****STATEMENT OF NET POSITION—ENTERPRISE FUND****SEPTEMBER 30, 2020****LIABILITIES**

## Current Liabilities

Accounts payable	\$ 20,841,030
Accounts payable restricted for customer contingency	5,000,000
Accounts payable for bond projects	5,755,260
Due to General Fund	768,675
Accrued vacation	821,150
Other liabilities	548,035
Other liabilities for bond projects	14,891,111
Payable from restricted assets—accrued bond interest payable	4,788,952
Revenue bonds payable-current position	46,900,000
Notes and interest payable to General Fund-current position	73,049

Total current liabilities 100,387,262

## Noncurrent Liabilities

Accrued vacation	2,907,638
Long-term post employment benefits	8,042,577
Revenue bonds payable-net of discount	1,486,490,287
Notes and interest payable to General Fund	232,560

Total noncurrent liabilities 1,497,673,062

Total liabilities 1,598,060,324

**DEFERRED INFLOWS OF RESOURCES**

Deferred bond refunding-gain	3,512,281
Deferred OPEB	611,705

Total deferred inflows of resources 4,123,986

**NET POSITION**

Net investment in capital assets	580,388,360
Restricted for debt service	100,358,807
Unrestricted	32,653,409

**TOTAL NET POSITION** \$ 713,400,576

(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, 2020**

OPERATING REVENUES	
Sale of water	\$ 123,206,591
Land lease rentals	145,268
Contributions	1,885,301
Sale of system capacity	1,318,949
Other	653,532
	<hr/>
Total operating revenues	127,209,641
	<hr/>
OPERATING EXPENSES	
General and administrative	17,606,761
Personnel services	16,815,664
Pension plan contribution	1,434,133
Utilities	8,958,220
Depreciation and amortization	20,804,759
	<hr/>
Total operating expenses	65,619,537
	<hr/>
OPERATING INCOME	61,590,104
	<hr/>
NONOPERATING REVENUES (EXPENSES)	
Sale of system capacity restricted for debt service	24,707,134
Investment income	5,810,806
Interest expense	(51,027,808)
Gain on disposal of capital assets	115,275
	<hr/>
Total nonoperating revenues (expenses)	(20,394,593)
	<hr/>
NET INCOME	41,195,511
	<hr/>
NET POSITION - Beginning of year	672,205,065
	<hr/>
NET POSITION - End of year	\$ 713,400,576
	<hr/>

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, 2020**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from water customers	\$ 125,904,679
Contributions	1,885,301
Miscellaneous receipts	653,532
Payments to suppliers and contractors	(30,210,323)
Payments to employees for services	(17,799,084)
Receipts from General Fund	266,892
Net cash provided by operating activities	80,700,997
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from the sale of revenue bonds	129,837,309
Principal paid on revenue bonds payable	(168,110,000)
Interest paid on revenue bonds and contract payable	(68,380,327)
Receipts from system capacity customer restricted for debt service	24,707,134
Acquisition and construction of capital assets	(89,954,866)
Cost paid for bond related items	(1,027,022)
Proceeds from disposal of capital assets	115,275
Net cash used in capital and related financing activities	(172,812,497)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	(192,930,000)
Proceeds from sale and maturity of investments	246,000,000
Interest received on investments	5,352,341
Net cash provided by investing activities	58,422,341
NET DECREASE IN CASH AND CASH EQUIVALENTS	(33,689,159)
CASH AND CASH EQUIVALENTS—Beginning of year	198,999,894
CASH AND CASH EQUIVALENTS - End of year	\$ 165,310,735

(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, 2020**

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RECONCILIATION OF OPERATING INCOME TO NET CASH

PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 61,590,104
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation & amortization expense	20,804,759
Bond issuance cost considered financing activity	1,027,022
OPEB amortization of deferred inflows	19,319
Change in assets and liabilities	
Accounts and other receivables	1,233,871
Prepaid expenses	641,683
Accounts payable	(2,370,793)
Due to (from) other funds—net	337,814
Interfund note payable	(70,922)
Long-term vacation accrual	954,192
OPEB liability	(522,798)
Other liabilities	<u>(2,943,254)</u>
Net cash provided by operating activities	<u><u>\$ 80,700,997</u></u>

NONCASH ACTIVITIES

Disposal of \$228,642 of capital assets, net of \$228,642 accumulated depreciation.

Record decrease in fair value of investments and change in premium/discounts on investments to interest income of \$842,497 and \$77,096 respectively.

Record Amortization of Gain/Loss of \$489,896 and Amortization Gain on 2012 Bond Refundings of \$3,088,051.

Record increase in Other Post Employment Benefits deferred outflow of resources of \$431,906 and decrease in deferred inflow of resources of \$62,581 from new valuation.

Record amortization of Deferred Inflow of Resources from Other Post Employment Benefits of \$19,319.

(Concluded)

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

**TARRANT REGIONAL WATER DISTRICT**

**STATEMENT OF NET POSITION - FIDUCIARY FUND**

**SEPTEMBER 30, 2020**

	<b>Other Post-Employment Benefits Trust Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 118,098
Equity Fund Investments	5,365,164
Fixed Income Fund Investments	5,158,964
Total Assets	10,642,226
<b>NET POSITION</b>	
Restricted and held in trust for Other Post-Employment Benefits	10,642,226
<b>TOTAL NET POSITION RESTRICTED FOR OTHER POST-EMPLOYMENT BENEFITS</b>	<b>\$ 10,642,226</b>

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, 2020**

	<b>Other Post-Employment Benefits Trust Fund</b>
ADDITIONS	
Employer Contributions	\$ 1,976,748
Net Appreciation in Fair Value of Investments	686,452
Total Additions	2,663,200
DEDUCTIONS	
Benefit Payments	366,238
Other Post-Employment Benefits Plan Administrative Expense	53,147
Total Deductions	419,385
Net Increase in Net Position	2,243,815
Net Position Restricted for Other Post-Employment Benefits Beginning of Year	8,398,411
End of Year	\$ 10,642,226

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, 2020

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

**Financial Reporting Entity** - The accounting policies of the Tarrant Regional Water District (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, Trinity River Vision Authority, 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 cause the reporting entity's financial statements to be misleading or incomplete.

**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 the TRVA. Subsequently, the 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 Panther Island/Central City Project in Fort Worth, Texas. The 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. The TRVA board is made up of two members each from Tarrant Regional Water District, City of Fort Worth, Tarrant County and one representative from Streams and Valleys. As of the end of fiscal year 2020, the TRVA no longer held any assets, and it no longer had any financial activity. See Note 12 for more information on the consolidation of this component unit into the District's Governmental Fund.

**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. Fiduciary Funds are not included in the Government-wide Financial Statements.

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, as well as 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 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) and the Enterprise Fund (a proprietary fund) which are each classified as major funds. The Fiduciary fund (a fiduciary fund) is provided as a separate financial statement and it is classified as a nonmajor fund.

**Governmental Fund** - The General Fund, the only governmental fund reported by the District, is used to account for revenues and expenditures related to flood protection operations and activities or improvements and recreation activities. The District also has a \$150 million Extendable Commercial Paper Bond program that provides efficient flexibility for the Panther Island/Central City Project.

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). Major revenue sources which are susceptible to accrual include property taxes, lease rentals and oil & gas royalties. "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 decreases (expenditures) 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 Water Revenue Bonds which provide funding for large infrastructure type projects. The District also has a \$150 million Extendable Commercial Paper Bond program that provides efficient flexibility for those large 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, the majority of operating revenues are from the sale of water. 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. Benefit payments in this fund are made by the employer as they come due. 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 two 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 2020 the District made expenditures on behalf of the City of Fort Worth Tax Increment Reinvestment Zone #9 and 9A (TIF), a project partner in the Panther Island/Central City Project under a Project Cost Funding Agreement between the District and the TIF. Under the agreement the District is advancing funds for the Panther Island/Central City 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 the District dedicating revenue from the TIF Fund to cover the advances made by the District. The advances must be annually approved by the TIF board and are repayable from future tax revenues of the TIF.

During fiscal year 2020, the District expended an additional \$9.4 million under the agreement bringing the total amount expended to \$232.5 million. As of the end of fiscal year 2019, the TIF had repaid \$34.3 million, and during fiscal year 2020 the District collected an additional \$6.6 million from the TIF bringing the net loan amount to \$191.7 million. In fiscal year 2019, The TRWD Board budgeted and approved for any additional TIF payments received for fiscal year 2019 and forward to be used towards future debt service issues, thereby allowing the District to be paid back after all debt service payments had been made. Therefore, the \$6.6 million current payment received in fiscal year 2020,



while reducing the Long Term Receivable on the financial statements, has in practice been set aside for future debt service issuances. See reconciliation of the Long Term Receivable balance below:

Long Term Receivable balance (from TIF #9/9A)	\$ 191,711,973
Payment in fiscal year 2020 for future debt service, not current expenses	6,579,350
Loan related to expenses after debt service assignment	<u>\$ 198,291,323</u>

**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.

Every year 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 1st, and are due and payable from October 1st of the year in which levied, until January 31st of the following year without interest or penalty. Taxes paid after February 1st of each year are subject to interest and penalty charges.

In fiscal year 2020, the District's ad valorem tax rate was \$0.0287 per \$100 valuation. Collections of the current year's levy are reported as current collections if received by June 30th (within nine months of the October 1st 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, 2020 was \$165 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'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 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 statement and follow the consumption method, the expense is recognized proportionately over the periods that the service is provided.

**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.

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 and spillways	50 years
Pipeline	50 years
Wetlands	50 years
Communications	50 years
Other project costs	50 years
Buildings	20 years
Technology Infrastructure	10 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** - Interfund balance consists of allocation of expenses to Enterprise Fund as well as loan payments from General Fund to Enterprise Fund. 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. The Enterprise Fund has an outstanding loan from the General Fund for the construction of the administration building which is reflected in the appropriate

areas in the accompanying basic financial statements rather than as an interfund transaction. Refer to Note 7 for further detail about interfund transactions.

**Pollution Remediation Obligations** - The District has an environmental financial obligation for property purchased through September 30, 2020. Properties purchased during fiscal year 2020 were screened for potential environmental concerns based upon available records, assessments and other actions.

Based upon the Phase I, Phase II, or other site investigations completed to date, 3 properties still require remediation – all are classified as high or moderate risk. As of September 30, 2020, the pollution remediation obligation amounted to \$7.2 million.

Based upon the limited data available, a remediation liability outlay for 4 other properties with low risk 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 full time employees are granted paid leave in specified amounts. In the event of termination, an employee is compensated 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, 2019			Balance at September 30, 2020		Due Within One Year
		Additions	Deletions			
Governmental Activities	\$ 876,188	\$ 653,610	\$ 286,869	\$ 1,242,929	\$ 273,716	
Business-type Activities	2,774,596	1,814,798	860,606	3,728,788	821,150	
Total	<u>\$ 3,650,784</u>	<u>\$ 2,468,408</u>	<u>\$ 1,147,475</u>	<u>\$ 4,971,717</u>	<u>\$ 1,094,866</u>	

Vacation and sick leave increased by \$1.3 million in fiscal year 2020 when compared to fiscal year 2019. During the COVID-19 pandemic in fiscal year 2020, less vacation and sick leave hours were taken by employees which led to this increase.

**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 2020 resulted in an

estimated \$15.0 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 - Operating Contributions** - During 2020, the District received contributions of \$2.1 million for water system buy-in premiums, participation in the District's Pollution campaign and Water Conservation campaign as well as sponsorships for multiple events. The District's Pollution campaign is an anti-litter awareness and education program centered around protecting North Texas waterways from trash and debris. The Water Conservation campaign focuses on increasing the public's awareness of water efficient practices.

**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:

**Nonspendable fund balance** - Assets that will never convert to cash, such as inventory and prepaid items. At September 30, 2020, the District had nonspendable fund balances in the amount of \$2.5 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, 2020. At September 30, 2020, the District had a restricted fund balance in the amount of \$5.6 million.

**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, 2020, 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, 2020, the District had an assigned fund balance in the amount of \$25.2 million for the Reserve Policy and \$34.7 million for the Contingency Fund (Panther Island/Central City Project \$6.6 million TIF Budget assigned for fiscal year 2021 debt service, \$28.1 million assigned for future board designated projects).

**Unassigned fund balance** - The portion of fund balances in excess of nonspendable, restricted, committed, and assigned. The unassigned fund balance for the General Fund was \$7.3 million.

**Spending Prioritization in Using Available Resources** - When both restricted and unrestricted (i.e. restricted, 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 restricted 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 -**

During the fiscal year, certain provisions in GASB Statement No. 92, *Omnibus 2020*, became effective for the District. This included (1) the postponement of the effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports, (2) reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, and (3) terminology used to refer to derivative instruments. Also, GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, was implemented with the primary objective to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The effective dates of certain provisions contained in the following Statements are postponed by one year:

- (1) GASB Statement 84, *Fiduciary Activities*
- (2) GASB Statement 90, *Majority Equity Interests*
- (3) GASB Statement 91, *Conduit Debt Obligations*
- (4) GASB Statement 92, *Omnibus 2020*
- (5) GASB Statement 93, *Replacement of Interbank Offered Rates*

The effective date of the following Statement was postponed by 18 months:

- (1) GASB Statement 87, *Leases*

## **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 91% of the District's water sales for the year ended September 30, 2020. 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, 2020 was \$4.3 million and was entirely covered by FDIC insurance or collateral. The carrying value of cash for the District was \$4.2 million. At September 30, 2020, the District also held petty cash of \$2,901.

**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) and the Local Government Investment Cooperative (LOGIC). 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 is also a public fund investment pool with the same authority as Texpool. It has 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 this agency. 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 maximum maturities are limited as follows:

**General Fund** - three years

**Enterprise Fund** -

Revenue sub-fund - nine months

Construction sub-fund - three years with a strategy 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 - three years

**Concentration of Credit Risk** - The District places no limit on the amount it may invest in one issuer. Approximately 97% of the District's investments are held in Federal securities including: Federal Farm Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation. The remaining 3% of the District's investments are held in U.S. Treasury Notes.

**Custodial Credit Risk** - The District's policy requires that all securities be held in safekeeping on the District's behalf.

**Public Funds Investment Act** - Audit procedures related to the Public Funds Investment Act (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, 2020, the District's bank balance of \$4.3 million was not exposed to custodial credit risk and was over-insured and over-collateralized.

**Fair Value of Investments** - Fair value is the amount at which a security could be exchanged in a current transaction between willing parties, other than in forced liquidation. GASB 79, *Certain External Investment Pools and Pool Participants*, created an election option for external investment pools and pool participants to continue to utilize amortized cost accounting, rather than fair value, for certain investment pools. Participants in qualifying pools would be permitted to continue measuring investments at amortized cost if they met certain criteria. The District invests in two local government investment pools, Logic and Texpool. Logic has elected to continue to measure its investments at fair value even though they meet all criteria under GASB 79 to report at amortized cost. Texpool has elected to continue reporting assets at amortized cost. The District has mirrored these valuations.

**SUMMARY OF INVESTMENTS AND CASH EQUIVALENTS, RELATED WEIGHTED AVG.  
MATURITY, AND FAIR VALUE MEASUREMENTS**

	<b>9/30/2020</b>	<b>Weighted Avg. Maturity (Years)</b>	<b>S &amp; P Rating</b>	<b>Fair Value Measurements Using Significant Other Observable Inputs (Level 2)</b>
<b>Investments</b>				
Federal Farm Credit Bank	\$ 55,309,395	3.93	AA+	\$ 55,309,395
Federal Home Loan Bank	26,104,947	5.42	AA+	26,104,947
Federal Home Loan Mortgage Corp	52,060,350	3.41	AA+	52,060,350
Federal National Mortgage Association	21,232,594	2.65	AA+	21,232,594
U.S. Treasury Notes	<u>5,033,205</u>	0.34	AA+	<u>5,033,205</u>
Total investments	<u>159,740,491</u>			<u>159,740,491</u>
<b>Investment pools</b>				
LOGIC (net asset value)	89,986,551	N/A	AAA-m	N/A
Texpool (net asset value)	<u>121,095,859</u>	N/A	AAA-m	N/A
Total investment pools by fair value	<u>211,082,410</u>			
Total investments and cash equivalents	<u>\$ 370,822,901</u>			<u>\$ 159,740,491</u>

The District is required to disclose the fair value level of its investments within the fair value hierarchy established by GASB 72, *Fair Value Measurement and Application*. In the fair value hierarchy there are three levels:

1. Level one - inputs that are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date
2. Level two - inputs (other than quoted prices included within level one) that are observable for an asset or liability, either directly or indirectly
3. Level three - unobservable inputs for an asset or liability

Federal Securities classified as level two of the fair value hierarchy are valued using an evaluation model maintained by surveying the dealer community, obtaining relevant trade dates and spreads, and incorporating information into the evaluation process.

U.S. Treasury Notes classified as level two of the fair value hierarchy are valued using an evaluation model with continuous feeds from live data sources including active market makers and inter-dealer brokers.



The District invests in the LOGIC investment pool which maintains a stable net asset value (NAV) of \$1 per share using the fair value method. The District has no unfunded commitments to Logic and Texpool and may redeem investments at any time.

Sandra Newby, the District's Director of Finance, is a member of the LOGIC Board of Directors.

#### **OPEB Trust Fund Cash, Cash Equivalents, and Investments**

The balance per bank of cash on deposit in the Trust Fund and the carrying value was \$1,460 as of September 30, 2020. See below for the detail of investments held as of the end of fiscal year 2020.

The District has contracted with Public Agency Retirement Services (PARS) for trust administration, and the District's OPEB Plan investments are held in the PARS Post Retirement Health Care Plan Trust by its trustee and custodian US Bank (the "Trustee").

PARS provides its participants a range of investment strategies, and the District has selected the PARS Diversified Moderate Portfolio Index Plus. The goal of the Plan's investment program is to generate adequate long-term returns that, when combined with contributions, will result in sufficient assets to pay present and future obligations to the Plan. The Moderate Portfolio's goal is for moderate growth of both principal and income.

	9/30/20	Fair Value Measurements Using Significant Other Observable Inputs (Level 1)
<b>Investments</b>		
Money Market Funds		
First AM Govt	\$ 116,638	N/A
Equity Funds		
iShares Tr Core S&P 500 ETF	1,943,099	1,943,099
iShares S&P 500 Value ETF	635,680	635,680
iShares S&P 500 Growth ETF	637,550	637,550
iShares Russell Mid Cap ETF	357,191	357,191
iShares Russell 2000 Value ETF	295,606	295,606
iShares Russell 2000 Growth ETF	294,843	294,843
iShares Core MSCI EAFE ETF	644,634	644,634
Vanguard FTSE Emerging Markets ETF	455,966	455,966
Vanguard REIT ETF	100,595	100,595
Fixed Income Funds		
Vanguard Short-Term Corp Adm Fund	1,030,170	N/A
iShares Core US Agg Bond ETF	4,128,794	4,128,794
<b>Total Investments and Cash Equivalents</b>	<u>\$ 10,640,766</u>	

The OPEB Plan is invested in a Money Market Fund (First Am Govt) as well as an Open Ended Mutual Fund (Vanguard Short-Term Corp Adm Fund), both of which are valued at Net Asset Value (NAV) and therefore are excluded from leveling above. See discussion earlier in this note regarding inputs for each level.

The OPEB Plan has no unfunded commitments and may redeem investments at anytime to pay for OPEB benefits.

#### 4. CAPITAL ASSETS

A summary of changes in capital assets governmental activities:

	October 1, 2019	Additions/ Adjustments	Disposals/ Adjustments	Reclassification & Transfers	September 30, 2020
GOVERNMENTAL ACTIVITIES					
NONDEPRECIABLE ASSETS					
Land	\$ 262,094,980	\$ 4,603,803			\$ 266,698,783
Construction in progress	71,459,266	3,443,316	(79,012) (1)	(1,286,464)	73,537,106
TOTAL NONDEPRECIABLE ASSETS	333,554,246	8,047,119	(79,012)	(1,286,464)	340,235,889
DEPRECIABLE ASSETS					
Dams and spillways	3,070,461				3,070,461
Flood control projects	8,115,517				8,115,517
Buildings	47,893,090			1,286,464	49,179,554
Machinery and equipment	10,654,494	498,715	(150,616)		11,002,593
	69,733,562	498,715	(150,616)	1,286,464	71,368,125
Less accumulated depreciation for					
Dams and spillways	(980,532)	(68,274)			(1,048,806)
Flood control projects	(8,105,077)	(3,916)			(8,108,993)
Buildings	(18,202,229)	(2,533,574)			(20,735,803)
Machinery and equipment	(9,647,518)	(469,017)	150,616		(9,965,919)
Total accumulated depreciation	(36,935,356)	(3,074,781)	150,616		(39,859,521)
TOTAL DEPRECIABLE ASSETS, NET	32,798,206	(2,576,066)	—	1,286,464	31,508,604
CAPITAL LEASE DEPRECIABLE ASSETS					
Machinery and equipment	977,569				977,569
Less accumulated depreciation for:					
Machinery and equipment	(977,569)				(977,569)
	—	—	—	—	—
TOTAL GOVERNMENTAL ACTIVITIES, NET	\$ 366,352,452	\$ 5,471,053	(79,012)	—	\$ 371,744,493

(1) Assets written off as impairment losses due to cancelled construction projects.

Depreciation expense was charged to functions of the District as follows and includes both the current year depreciation and the impairment loss of \$79 thousand due to construction projects that have been cancelled:

Governmental activities	
Flood protection	\$ 2,109,301
Recreation	1,044,492
Total depreciation expense - governmental activities	\$ 3,153,793

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

	October 1, 2019	Additions/ Adjustments	Disposals/ Adjustments	Transfers	September 30, 2020
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>NONDEPRECIABLE ASSETS</b>					
Land	\$ 171,890,367	\$ 4,356,510			\$ 176,246,877
Construction in progress	1,120,166,316	85,043,087	(23,074) (1)	(4,832,314)	1,200,354,015
<b>TOTAL NONDEPRECIABLE ASSETS</b>	<b>1,292,056,683</b>	<b>89,399,597</b>	<b>(23,074)</b>	<b>(4,832,314)</b>	<b>1,376,600,892</b>
<b>DEPRECIABLE ASSETS</b>					
Dams and spillways	229,093,895			1,134,233	230,228,128
Pipeline	564,735,109	3,828		887,063	565,626,000
Wetlands	54,161,878			1,998,982	56,160,860
Communications	20,787				20,787
Buildings	7,979,031		(13,263)	21,628	7,987,396
Technology Infrastructure	3,240,353				3,240,353
Machinery and equipment	11,938,648	551,441	(215,377)	790,408	13,065,120
Other project costs	151,114,301				151,114,301
	<u>1,022,284,002</u>	<u>555,269</u>	<u>(228,640)</u>	<u>4,832,314</u>	<u>1,027,442,945</u>
<b>Less accumulated depreciation for</b>					
Dams and spillways	(128,590,604)	(4,220,193)			(132,810,797)
Pipeline	(218,194,687)	(11,070,852)			(229,265,539)
Wetlands	(7,327,233)	(1,083,643)			(8,410,876)
Communications	(6,094)	(324,451)			(330,545)
Buildings	(5,372,902)	(285,151)	13,263		(5,644,790)
Machinery and equipment	(10,242,186)	(727,061)	215,377		(10,753,870)
Other project costs	(19,590,615)	(3,000,781)			(22,591,396)
<b>Total accumulated depreciation</b>	<b>(389,324,321)</b>	<b>(20,712,132)</b>	<b>228,640</b>	<b>—</b>	<b>(409,807,813)</b>
<b>TOTAL DEPRECIABLE ASSETS, NET</b>	<b>632,959,681</b>	<b>(20,156,863)</b>	<b>—</b>	<b>4,832,314</b>	<b>617,635,132</b>
<b>INTANGIBLE ASSETS</b>					
Water Rights	2,086,598				2,086,598
<b>Less accumulated amortization for</b>					
Water Rights	(1,941,695)	(69,553)			(2,011,248)
	<u>144,903</u>	<u>(69,553)</u>	<u>—</u>	<u>—</u>	<u>75,350</u>
<b>TOTAL BUSINESS-TYPE</b>					
<b>ACTIVITIES, NET</b>	<b>\$ 1,925,161,267</b>	<b>\$ 69,173,181</b>	<b>(23,074)</b>	<b>—</b>	<b>\$ 1,994,311,374</b>

(1) Assets written off as impairment losses due to cancelled construction projects.

## 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 20% vested for each year of service up to 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, 13% of two-thirds of any applicable overtime wages and 13% of awarded production bonuses (if applicable) on a bi-weekly 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 becoming fully vested are evenly 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 2020 the District made contributions of \$3.1 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, 2020 is show below:

	Balance at Oct. 1, 2019	Additions	Deletions	Balance at Sept. 30, 2020	Due Within One Year
<u>Business-type Activities</u>					
Tarrant Regional Water District Projects	\$ 728,630,000	\$129,570,000	\$ 143,650,000	\$ 714,550,000	\$ 21,855,000
TRWD Contract Revenue Bonds (City of Dallas Project)	297,020,000		7,025,000	289,995,000	7,275,000
Bonds from Direct Borrowings (TRWD Projects)	349,900,000		13,800,000	336,100,000	14,090,000
Bonds from Direct Borrowings (City of Dallas Project)	129,310,000		3,635,000	125,675,000	3,680,000
Total Construction and Improvement Bonds	<u>\$ 1,504,860,000</u>	<u>\$129,570,000</u>	<u>\$ 168,110,000</u>	<u>\$1,466,320,000</u>	<u>\$ 46,900,000</u>

**DETAIL OF REVENUE BONDS PAYABLE AS OF SEPTEMBER 30, 2020**

<b>Bond Type</b>	<b>Maturity</b>	<b>Interest Rates</b>	<b>Outstanding Balance</b>
<u>Tarrant Regional Water District Projects Bonds</u>			
\$3,135,000 Series 2008A-RC Water Revenue Bonds	Serially through 2027	1.3 - 2.8%	\$ 1,600,000
\$6,755,000 Series 2008B-CC Water Revenue Bonds	Serially through 2027	2.0 - 2.8%	2,520,000
\$17,835,000 Series 2010A Water Revenue Bonds	Serially through 2030	1.2 - 2.6%	14,170,000
\$83,785,000 Series 2010B Water Revenue Bonds	Serially through 2030	1.0 - 2.5%	48,130,000
\$150,375,000 Series 2012 Water Revenue Refunding & Improvement Bonds	Serially through 2052	2.0 - 3.0%	1,605,000
\$98,960,000 Series 2012A Water Revenue Refunding Bonds	Serially through 2022	2.0 - 5.0%	7,620,000
\$318,750,000 Series 2014 Water Revenue Bonds	Serially through 2049	4.0 - 5.0%	313,960,000
\$156,470,000 Series 2015 Water Revenue Refunding Bonds	Serially through 2029	2.0 - 5.0%	124,830,000
\$300,000,000 Series 2015A Waterworks Revenue Bonds	Serially through 2045	0.5 - 3.2%	269,680,000
\$28,530,000 Series 2016 Water Systems Revenue Bonds	Serially through 2046	3.0 - 5.0%	26,140,000
\$61,910,000 Series 2016A Water Revenue Refunding Bonds	Serially through 2032	2.0 - 5.0%	58,580,000
\$52,765,000 Series 2017 Water Revenue Refunding Bonds	Serially through 2040	2.0 - 5.0%	52,245,000
\$129,570,000 Series 2020 Water Revenue Refunding Bonds	Serially through 2052	1.0 - 3.5%	129,570,000
Total Tarrant Regional Water District Projects Bonds			<u>1,050,650,000</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%	108,560,000
\$202,130,000 Series 2014 Dallas Contract Revenue Bonds	Serially through 2044	4.0 - 6.0%	181,435,000
\$140,000,000 Series 2015 Dallas Contract Revenue Bonds	Serially through 2045	0.5 - 3.2%	<u>125,675,000</u>
Total TRWD Contract Revenue Bonds (City of Dallas Project)			<u>415,670,000</u>
Total Construction and Improvement Bonds			1,466,320,000
Add premium (net of accumulated amortization)			<u>67,070,287</u>
			1,533,390,287
Less current portion			<u>(46,900,000)</u>
Total long term revenue bonds payable, net of discount			<u>\$ 1,486,490,287</u>

On March 3, 2020, the District advanced refunded \$123.4 million of Series 2012 Water Refunding & Improvement Bonds with \$129.6 million of Series 2020 Water Revenue Refunding Bonds. The refunding had cashflow savings of \$55.0 million with an economic gain of \$33.9 million and a deferred gain on refunding of \$3.1 million. Series 2012 Water Refunding & Improvement Bonds had a

remaining balance of \$1.6 million after the refunding. The \$123.4 million in defeased debt will be fully redeemed in fiscal year 2022.

The District amortizes deferred amounts on refundings, 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, 2020 including interest payments are approximately as follows:

Years ending September 30th (in thousands)	Bonds			Bonds from Direct Borrowings		
	Principal	Interest	Requirements	Principal	Interest	Requirements
<u>Tarrant Regional Water District Projects</u>						
2021	\$ 21,855	\$ 31,459	\$ 53,314	\$ 14,090	\$ 8,729	\$ 22,819
2022	22,810	30,413	53,223	14,400	8,505	22,905
2023	21,530	29,367	50,897	14,735	8,253	22,988
2024	22,080	28,312	50,392	14,920	7,979	22,899
2025	22,050	27,245	49,295	14,740	7,693	22,433
2026-2030	124,085	118,803	242,888	79,075	33,292	112,367
2031-2035	161,830	85,665	247,495	51,915	24,737	76,652
2036-2040	105,325	57,917	163,242	60,690	16,317	77,007
2041-2045	101,145	35,598	136,743	71,535	5,892	77,427
2046-2050	99,795	11,320	111,115			
2051-2052	12,045	370	12,415			
	<u>714,550</u>	<u>456,469</u>	<u>1,171,019</u>	<u>336,100</u>	<u>121,397</u>	<u>457,497</u>
<u>TRWD Contract Revenue Bonds (City of Dallas Project)</u>						
2021	\$ 7,275	\$ 13,238	\$ 20,513	\$ 3,680	\$ 3,415	\$ 7,095
2022	7,550	12,834	20,384	3,735	3,371	7,106
2023	7,840	12,413	20,253	3,800	3,319	7,119
2024	8,235	11,976	20,211	3,870	3,259	7,129
2025	8,575	11,587	20,162	3,945	3,194	7,139
2026-2030	49,170	52,150	101,320	21,115	14,727	35,842
2031-2035	61,755	40,862	102,617	24,205	11,825	36,030
2036-2040	78,470	25,245	103,715	28,195	8,002	36,197
2041-2045	61,125	6,469	67,594	33,130	3,257	36,387
	<u>289,995</u>	<u>186,774</u>	<u>476,769</u>	<u>125,675</u>	<u>54,369</u>	<u>180,044</u>
Total	<u>\$1,004,545</u>	<u>\$ 643,243</u>	<u>\$ 1,647,788</u>	<u>\$ 461,775</u>	<u>\$ 175,766</u>	<u>\$ 637,541</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, revenues (net of operating expenses) 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, 2020, pledged revenues for the Tarrant Regional Water District Project Revenue Bonds were \$85.9 million which offsets debt service requirements for the year of \$69.9 million.

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 \$1 billion. Under the IPL Project Contract, the City of Dallas has requested and authorized the District to issue contract revenue bonds (the Dallas Contract Revenue Bonds) secured solely by payments from the City of 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 the City of Dallas to finance the City of Dallas' share of the design and construction of the IPL Project. All such payments by the City of Dallas to the District will constitute operating expenses of the Dallas Water Utilities System. The District has issued and will continue to issue Dallas Contract Revenue Bonds over a 10 to 15 year period to pay the City of Dallas' share of the total capital cost of the IPL Project. Future Dallas Contract Revenue Bonds will be issued as determined by the District in consultation with the City of 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 the City of Dallas fails to take certain actions. No payments from the City of Dallas to the District under the IPL Project Contract are pledged to the payment of the District's System Revenue Bonds. For the year ended September 30, 2020, pledged revenues for the TRWD Contract Revenue Bonds (City of Dallas Project) were \$26.3 million which offsets debt service requirements for the year of \$25.8 million.

#### Extendible Commercial Paper Bonds

In fiscal year 2016 the District implemented an Extendible Commercial Paper Bonds Program in the amount of \$150 million for the benefit of enterprise fund projects and capital needs. In fiscal year 2018 the District implemented an additional Extendible Commercial Paper Bonds Program in the



amount of \$150 million for the benefit of the general fund Panther Island/Central City Project needs. During fiscal year 2020, \$1.5 million in commercial paper bonds were issued and repaid, and none were outstanding as of September 30, 2020.

## 7. INTERFUND TRANSACTIONS

At September 30, 2020, interfund 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	\$ 305,609		\$ 768,675	
Enterprise Fund		305,609		768,675
Total	<u>\$ 305,609</u>	<u>\$ 305,609</u>	<u>\$ 768,675</u>	<u>\$ 768,675</u>

The District has one note between the Enterprise Fund and the General Fund for the reimbursement of a portion of the cost of constructing the administrative building. The administrative building note was set up in 2003 with 3% interest. During fiscal year 2020, the Enterprise Fund repaid \$71 thousand, plus interest of \$11 thousand. 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 presented as internal balances.

## 8. POST EMPLOYMENT HEALTH CARE BENEFITS

### Plan Descriptions

The District provides other post employment benefits (OPEB) through the Post Employment Health Care Benefit Plan as established and administered by the District (a single-employer plan) under its Retiree Health Benefits Policy effective January 1, 2006 to employees who retire from the District and meet the Rule of 80 or Rule of 90 (see following paragraphs for specifics). Plan participation is restricted to employees hired on or before September 30, 2016.

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, and their eligible spouse at the date of retirement. The District will provide a monthly allowance of \$150 to offset the cost of Medicare Part B and Part D. After the initial election, coverage for individuals may

be dropped at the time designated by the plan, but no one may be added. Upon reaching age 65, the employee/retiree and their eligible spouse will be transferred from group health insurance to a Medicare Supplement Plan F. 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.

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% of the premiums for the employee/retiree, and their eligible spouse at the date of retirement. Upon reaching age 65, the employee/retiree and their eligible spouse will be transferred from group health insurance to a Medicare Supplement Plan F. The employee/retiree will be covered until his/her death and the spouse until his/her death. The District will provide a monthly allowance of \$150 to offset the cost of Medicare Part B and Part D.

The Plan does not issue separate financial statements; however, the Trust's financials are included in this financial report as a Fiduciary Fund of the District starting on page 46. The OPEB Plan is governed by the District's Board of Directors, and changes to the Plan must be approved by the Board.

#### **Plan Membership Information as of September 30, 2020**

Inactive Plan Members or Beneficiaries currently receiving benefits	30
Inactive Plan Members entitled to but not receiving benefits	0
Active Plan Members (active employees hired on or before 9/30/16)	<u>216</u>
Total Plan Members	<u><u>246</u></u>

#### **Funding Policies**

For other post employment 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). In fiscal year 2020, \$1.6 million was contributed to the trust, and in fiscal year 2021 \$1.8 million is budgeted to contribute to the trust; these contributions are in addition to claims paid. 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 total OPEB Liability.

The District does not require any member contributions for the post-employment health care benefits Plan.

## OPEB Plan Investment Policy

The goal of the Plan's investment program is to generate adequate long-term returns that, when combined with contributions, will result in sufficient assets to pay the present and future obligations of the Plan. The Plan has a Moderate Risk Tolerance with a Strategic Asset Allocation of the following:

<i>Strategic Asset Allocation Ranges</i>			
Asset Class	Cash	Fixed Income	Equity
Allocation Range	0-20%	40%-60%	40%-60%
Target Allocation	Policy: 5%	Policy: 45%	Policy: 50%
Long-term Expected Real Rate of Return	0.2%	2.0%	4.1%

The long-term expected real rate of return, presented as geometric means, is the combination of the asset return rates taken from the Horizon Actuarial Service Survey of Capital Market Assumptions 2016 and the target allocation of the Plan.

## Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate of 2.41% based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

A Single Discount Rate of 6.30% was used to measure the total OPEB liability. This Single Discount Rate was based on the expected rate of return on OPEB plan investments of 6.30%. The funding policy of the District is to pay the recommended actuarially determined contribution or higher based on the policy, which is based on a closed amortization period. As a result, the OPEB plan's fiduciary net position is expected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The annual money-weighted rate of return for the OPEB Trust was 7.07% for fiscal year 2020. A money-weighted return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

## Changes in the Net OPEB Liability

The total OPEB liability shown below is based on an actuarial valuation performed as of December 31, 2019 and a measurement date of September 30, 2020.

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balance at September 30, 2019	\$ 20,785,274	\$ 8,398,411	\$ 12,386,863
Changes for the year:			
Service Cost	561,117		561,117
Interest	1,315,611		1,315,611
Difference between expected and actual experience	826,908		826,908
Changes in Assumptions	(139,716)		(139,716)
Benefit Payments	(366,238)	(366,238)	
Contributions - employer		1,976,748	(1,976,748)
Net Investment Income		686,452	(686,452)
Administrative Expense		(53,147)	53,147
Net Changes	2,197,682	2,243,815	(46,133)
Balance at September 30, 2020	\$ 22,982,956	\$ 10,642,226	\$ 12,340,730
Plan Fiduciary Net Position as a percentage of the total OPEB liability		46%	

## Sensitivity of Net OPEB Liability

Regarding the sensitivity of the net OPEB liability to changes in the Single Discount Rate, the following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 6.30%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

1% Decrease 5.3%	Current Single Discount Rate Assumption 6.3%	1% Increase 7.3%
\$16,007,870	\$12,340,730	\$9,347,011

Regarding the sensitivity of the net OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$8,896,187	\$12,340,730	\$16,691,020

#### **OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended September 30, 2020, the District recognized an increase in OPEB expenses of \$86,220. At September 30, 2020, the District reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 850,436	\$ 560,162
Assumption changes	749,163	123,023
Net difference between projected and actual earnings on OPEB plan investments		130,093
<b>Total</b>	<b>\$ 1,599,599</b>	<b>\$ 813,278</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending September 30	Net Deferred Outflows (Inflows) of Resources
2021	\$ 86,221
2022	121,032
2023	110,667
2024	120,459
2025	148,363
Thereafter	199,579
<b>Total</b>	<b>\$ 786,321</b>

## Actuarial Methods and Assumptions

Actuarial cost method	Individual entry age normal cost method
Amortization method	Level dollar, Closed
Remaining amortization period	25 years as of September 30, 2021
Asset valuation method	Market Value
Investment rate	6.30% per annum, net of expenses
Inflation rate	2.50%
Salary increases	3.50% to 11.50%, including inflation
Demographic assumptions	Due to the size of this plan, the demographic assumptions are not based on formal experience studies. However, gains and losses are monitored and adjustments are made to the retirement and withdrawal assumptions as needed. Mortality and disability rates are based on assumptions used to value the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.
Healthcare trend rates	Pre-65: Initial rate of 7.00% declining to an ultimate rate of 4.15% after 16 years  Post-65: Initial rate of 5.50% declining to an ultimate rate of 4.15% after 15 years
Participation rates	100% of eligible retirees are assumed to elect coverage

## 9. COMMITMENTS AND CONTINGENCIES

**Commitments** - The Enterprise Funds had remaining commitments estimated at \$45.9 million due to on-going construction contracts as of September 30, 2020.

**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. 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 through Sedgwick, an insurance brokerage firm that also manages the risk pool. The District's Aviation insurance coverage is administered by Sutton James. For the IPL Project, the District, along with the City of Dallas, is utilizing a Rolling Owner Controlled Insurance Program (ROCIP). The ROCIP program for the project has been managed and administered by Willis Towers Watson.

Texas Water Conservation Association Risk Management Trust – 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.

Sedgwick – Sedgwick is the third-party administrator for the Risk Management Fund. They secure and manage the District's crime policy, law enforcement 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 – The District 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. The District does not retain the claims risk.

Rolling Owner Controlled Insurance Programs – The IPL Rolling Owner Controlled Insurance Program (ROCIP) is a master insurance, safety, and claims management program that provides specific coverages for Workers' Compensation, Employers Liability, Commercial General Liability, Excess Liability and Builders Risks for the Owner and all Enrolled Participants on the IPL. There are two programs, the first program is for Phase 1 & 2 of the IPL and is insured through Old Republic. The second program is for Phase 3 of the IPL and is insured through Liberty Mutual. In the event of an occurrence, wrongful act, or personal injury, all participants in the ROCIP program must promptly provide written notice to Willis Towers Watson, 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.

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. Charges to the ROCIP that the District retained risk on over the past two fiscal year were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year End
IPL Project ROCIP - 2019	\$ 3,234	\$ 129,092	\$ (126,994)	\$ 5,332
IPL Project ROCIP - 2020	\$ 5,332	\$ 139,806	\$ (138,617)	\$ 6,521

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, 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 and prescription claims. Beginning January 1, 2016 the District's excess coverage medical insurance policy covers individual claims in excess of \$100,000.

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 2020 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.

Claims, stop loss premiums, and administrative costs are paid by the District as costs 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 \$100,000 and/or \$6,743,707 in aggregate for the plan year to date (October 2019 – September 2020).

Changes to Health insurance that the District retained risk on over the past two fiscal years were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year End
Group Health - 2019	\$ 393,572	\$ 5,523,153	\$ (5,364,881)	\$ 551,844
Group Health - 2020	551,844	5,668,857	(5,593,840)	626,861

## 10. RECENTLY ISSUED GASB STATEMENTS

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

**GASB Statement No. 84, *Fiduciary Activities*** (issued January 2017) - This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. This standard becomes effective for the District in fiscal year 2021.

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

**GASB Statement No. 87, *Leases*** (issued June 2017) - The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified

as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract. This standard becomes effective for the District in fiscal year 2022.

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

**GASB Statement No. 90, *Majority Equity Interests*** (issued August 2018) - The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment and should be measured using the equity method. If the majority equity interest is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment or permanent fund, then it should be measured at fair value. For all other holdings, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This standard becomes effective for the District in fiscal year 2021, however this standard is not applicable to the District's practices.

**GASB Statement No. 91, *Conduit Debt Obligations*** (issued May 2019) - The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This standard becomes effective for the District in fiscal year 2023.

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

**GASB Statement No. 92, *Omnibus 2020*** (issued January 2020) - The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have need identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following, (1) the effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports, (2) reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan, (3) the applicability of

Statements 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*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits, (4) the applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements, (5) measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, (6) reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, (7) reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and (8) terminology used to refer to derivative instruments. The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective for the District in fiscal year 2020. The requirements related to intra-entity transfer of assets and those related to the applicability of Statements 73 and 74 are effective for the District in fiscal year 2022. The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for the District in fiscal year 2022. The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for the District in fiscal year 2022.

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

**GASB Statement No. 93, *Replacement of Interbank Offered Rates*** (issued March 2020) - The objective of the Statement is to address the result of a global reference rate reform. Governments have entered into agreements in which variable payments made or received depend on interbank offered rate (IBOR), most notably, the London Interbank Offered Rate (LIBOR). LIBOR is expected to cease to exist in its current form at the end of 2021. This Statement will also address other accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for the District in fiscal year 2023. All other requirements of this standard becomes effective for the District in fiscal year 2021. Paragraphs pertaining to Leases and Lease Modifications become effective for the District in fiscal year 2023.

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

**GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*** (issued March 2020) - The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The Statement requires that PPPs that meet the definition of a lease apply the guidance in Statement No. 87, *Leases*, as amended, if existing assets of the transferor that are not required to be

improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of an SCA. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement). This Statement also provided guidance for accounting and financial reporting for availability payment arrangements (APAs). This standard becomes effective for the District in fiscal year 2023.

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

**GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*** (issued May 2020) - This Statement provided guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA, (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and (4) requires note disclosures regarding a SBITA. This standard becomes effective for the District in fiscal year 2023.

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

**GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*** (issued June 2020) - The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform, (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements, and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This standard becomes effective for the District in fiscal year 2022.

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

## **11. SUBSEQUENT EVENT**

On December 3, 2020 the District issued Water Revenue Refunding Bonds, Taxable Series 2020B for the amount of \$386,680,000 to advance refund \$333,470,000 of Water Revenue Bonds Series 2008A (\$1,600,000), 2008B (\$2,520,000), 2010A (\$14,170,000), 2010B (\$3,150,000), and 2014 (\$312,030,000). On December 3, 2020 the District also issued Water Revenue Refunding Bonds Series 2020C for the amount of \$38,105,000 to refund \$44,980,000 of Water Revenue Bonds Series 2010B. When Fitch Ratings reviewed the District for these new bond issues, they increased the District's rating from AA to AA+.

## **12. TRVA COMPONENT UNIT CONSOLIDATION**

As part of the fiscal year 2020 budget, the District's Board approved to take on the events the Trinity River Vision Authority (TRVA) Enterprise Fund had previously been budgeting and managing. The net assets of the TRVA Enterprise Fund were contributed to the District's General Fund as of October 1, 2020 in order for the District to begin internally managing those events.

On December 4, 2019, the TRVA Board approved the assignment of TRVA approved contracts to the City of Fort Worth and the District, (based on who contracted the work) pursuant to the Riveron Consulting LLC recommendations. On December 17, 2019, the District's Board of Directors approved the assignment of Panther Island/Central City contracts for the District's portion of the project to the District.

Upon assignment of these contracts and movement of the recreational events, the TRVA was no longer responsible for payment of any future costs, and no further contracts would be issued by the TRVA.

As the net position held by the TRVA was held for the purpose of constructing the Panther Island/Central City project and related contracts which were assigned to the District, the TRVA's net position was contributed to the District's General Fund after the contract reassignment. Assets and liabilities were transferred to the District as of December 31, 2019, and a final close out of all accounts under the TRVA occurred by the end of fiscal year 2020.

Because no costs will be running through the TRVA anymore, and all assets and liabilities have been transferred to the District, fiscal year 2020 will be the last year the TRVA is presented as a Discrete Component Unit in the District's financial statements. While the TRVA will no longer be approving contracts and making payments on those contracts, the TRVA will continue to serve as a vehicle for project coordination among the project stakeholders.

## REQUIRED SUPPLEMENTARY INFORMATION



(Cedar Creek Lake Water Dam)

**TARRANT REGIONAL WATER DISTRICT**

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

**BALANCE—BUDGET TO ACTUAL—GAAP BASIS—GENERAL FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance (Budget - Actual)</b>
<b>REVENUES</b>			
Property taxes	\$ 21,000,000	\$ 21,924,922	\$ (924,922)
Lease rentals	1,304,999	1,272,670	32,329
Oil and gas royalties	10,000,000	6,414,237	3,585,763
Investment income	750,000	763,675	(13,675)
Contributions	6,726,157	8,344,611	(1,618,454)
Other	1,716,589	921,554	795,035
Total revenues	41,497,745	39,641,669	1,856,076
<b>EXPENDITURES</b>			
<b>Current</b>			
General and administrative	9,975,524	8,489,418	1,486,106
Personnel services	10,680,144	8,963,307	1,716,837
Pension plan contribution	725,719	780,327	(54,608)
Contribution		898,966	(898,966)
Interest	5,103,557	6,734	5,096,823
Capital expenditures	26,294,393	11,755,309	14,539,084
Total expenditures	52,779,337	30,894,061	21,885,276
Excess/(Deficiency) of Revenues Over/Under Expenditures	(11,281,592)	8,747,608	(20,029,200)
<b>Other Financing Sources</b>			
Proceeds from Sale of Land		34,475	(34,475)
CHANGE IN FUND BALANCE	(11,281,592)	8,782,083	(20,063,675)
FUND BALANCE—Beginning of year	66,518,046	66,518,046	—
FUND BALANCE—End of year	\$ 55,236,454	\$ 75,300,129	\$ (20,063,675)



## NOTES TO RSI

**Property Taxes Revenues over Budget** - The District received \$0.9 million more in taxes than budgeted due to an increase in property values.

**Oil and Gas Royalties under Budget** - The District received \$3.6 million less in oil and gas royalties due to lower oil and gas production during the year and oil and gas prices dropped.

**Contribution Revenue over Budget** - The District's TIF contribution received was \$1.6 million higher than budgeted due to higher property values.

**Other Revenues under Budget** - The District received \$0.8 million less in program revenues due to less event activity during the COVID-19 pandemic.

**General and Administrative Expenditures under Budget** - The District expended \$1.5 million less in event expenditures due to less event activity during the COVID -19 pandemic.

**Personnel Services Expenditures under Budget** - The District expended \$1.7 million less than budgeted in Personnel service expenditures during the year due to salary, retirement, and health costs budgeted for positions that were vacant for all or a portion of the fiscal year.

**Interest Expense under Budget** - Debt service was not needed as the Panther Island/Central City Project slowed down in fiscal year 2020.

**Capital Expenditures under Budget** - Capital expenditures were \$14.5 million under budget because the Panther Island/Central City Project slowed down in fiscal year 2020.

**TARRANT REGIONAL WATER DISTRICT**

**SCHEDULE OF CHANGES IN NET OTHER POST EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS**

	2017	2018	2019	2020
Total other post employment benefits liability				
Service cost	\$ 565,239	\$ 531,820	\$ 528,530	\$ 561,117
Interest	1,033,856	1,109,066	1,237,434	1,315,611
Difference between expected and actual experience of the total OPEB liability	(72,928)	190,998	(688,704)	826,908
Changes in assumptions		548,904	524,159	(139,716)
Benefit payments	(335,551)	(295,730)	(387,380)	(366,238)
Net change in total other post employment benefits liability	1,190,616	2,085,058	1,214,039	2,197,682
Total other post employment benefits liability - beginning	16,295,561	17,486,177	19,571,235	20,785,274
Total other post employment benefits liability - ending	<u>\$17,486,177</u>	<u>\$19,571,235</u>	<u>\$20,785,274</u>	<u>\$22,982,956</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,545,551	\$ 1,626,730	\$ 1,851,480	\$ 1,976,748
Net investment income	417,971	296,613	501,718	686,452
Benefit payments	(335,551)	(295,730)	(387,380)	(366,238)
Administrative expense	(25,922)	(32,888)	(43,846)	(53,147)
Net changes	1,602,049	1,594,725	1,921,972	2,243,815
Plan fiduciary net position - beginning	3,279,665	4,881,714	6,476,439	8,398,411
Plan fiduciary net position - ending	<u>\$ 4,881,714</u>	<u>\$ 6,476,439</u>	<u>\$ 8,398,411</u>	<u>\$10,642,226</u>
Net other post employment benefits liability	<u>\$12,604,463</u>	<u>\$13,094,796</u>	<u>\$12,386,863</u>	<u>\$12,340,730</u>
Plan fiduciary net position as percentage of total OPEB liability	28%	33%	40%	46%
Covered-employee payroll	\$19,291,600	\$18,513,781	\$18,674,165	\$19,662,433
Net OPEB liability as percentage of covered-employee payroll	65%	71%	66%	63%

Note: Due to implementation of GASB 75 this schedule is newly created and the 10-year requirement will be built prospectively.

**TARRANT REGIONAL WATER DISTRICT**

**SCHEDULE OF INVESTMENTS RETURNS IN OTHER POST EMPLOYMENT BENEFITS**

**LAST 10 FISCAL YEARS**

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	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	9.50%	5.27%	6.56%	7.07%

Note: Due to implementation of GASB 74 this schedule is newly created and the 10-year requirement will be built prospectively.

**TARRANT REGIONAL WATER DISTRICT**

**SCHEDULE OF CONTRIBUTIONS IN OTHER POST EMPLOYMENT BENEFITS**

**LAST 10 FISCAL YEARS**

	2017	2018	2019	2020
Actuarially determined contribution	\$ 1,524,244	\$ 1,569,476	\$ 1,534,834	\$ 1,504,889
Actual contribution	1,545,511	1,626,730	1,851,480	1,976,748
Contribution deficiency (excess)	<u>\$ (21,267)</u>	<u>\$ (57,254)</u>	<u>\$ (316,646)</u>	<u>\$ (471,859)</u>
Covered-employee payroll	\$ 19,291,600	\$ 18,513,781	\$ 18,674,165	\$ 19,662,433
Contributions as % of covered-employee payroll	8.01%	8.79%	9.91%	10.05%

**Methods and Assumptions used to Determine Contribution Rates:**

Actuarial cost method	Individual entry age normal cost method
Amortization method	Level dollar, Closed
Remaining amortization period	26 years as of September 30, 2020
Asset valuation method	Market Value
Investment rate	6.30% per annum, net of expenses
Inflation rate	2.50%
Salary increases	3.50% to 10.50%, including inflation
Demographic assumptions	Due to the size of this plan, the demographic assumptions are not based on formal experience studies. However, gains and losses are monitored and adjustments are made to the retirement and withdrawal assumptions as needed. Mortality and disability rates are based on assumptions used to value the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.
Healthcare trend rates	Pre-65: Initial rate of 7.00% declining to an ultimate rate of 5.50% after 8 years  Pre-65: Ultimate trend rate includes a 1.25% adjustment for the excise tax  Post-65: Initial rate of 5.50% declining to an ultimate rate of 4.25% after 13 years
Participation rates	100% of eligible retirees are assumed to elect coverage

Note: Due to implementation of GASB 75 this schedule is newly created and the 10-year requirement will be built prospectively.

## STATISTICAL SECTION (UNAUDITED)



(Flood in May 1949, overlooking the Lancaster Bridge)

## DESCRIPTION OF STATISTICAL SECTION (UNAUDITED)

The Tarrant Regional Water District's statistical section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

**Financial Trends** - These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

**Revenue Capacity** - These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

**Debt Capacity** - These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

**Demographic and Economic Information** - These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

**Operating Information** - These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**TARRANT REGIONAL WATER DISTRICT**

**NET POSITION**

**LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities				
Net investment in capital assets	\$ 147,836,049	\$ 178,140,564	\$ 221,301,902	\$ 279,586,633
Restricted				
Unrestricted	172,954,968	175,256,153	188,026,740	179,511,280
Total governmental net position	<u>320,791,017</u>	<u>353,396,717</u>	<u>409,328,642</u>	<u>459,097,913</u>
Business-type Activities				
Net investment in capital assets	223,542,977	234,408,625	275,649,460	308,579,683
Restricted	53,338,190	65,749,659	63,522,458	90,811,279
Unrestricted	15,604,988	12,062,496	(859,394)	(27,523,746)
Total business-type net position	<u>292,486,155</u>	<u>312,220,780</u>	<u>338,312,524</u>	<u>371,867,216</u>
Total Primary Government				
Net investment in capital assets	371,379,026	412,549,189	496,951,362	588,166,316
Restricted	53,338,190	65,749,659	63,522,458	90,811,279
Unrestricted	188,559,956	187,318,649	187,167,346	151,987,534
Total primary government net position	<u>\$ 613,277,172</u>	<u>\$ 665,617,497</u>	<u>\$ 747,641,166</u>	<u>\$ 830,965,129</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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities				
Net investment in capital assets	\$ 311,416,677	\$ 343,118,047	\$ 348,801,397	\$ 360,586,932
Restricted		5,531,060	5,561,868	5,640,493
Unrestricted	192,888,999	193,491,410	208,425,599	222,857,751
Total governmental net position	<u>504,305,676</u>	<u>542,140,517</u>	<u>562,788,864</u>	<u>589,085,176</u>
Business-type Activities				
Net investment in capital assets	357,632,834	409,159,039	444,563,300	493,835,963
Restricted	89,822,147	110,363,100	109,317,020	103,822,079
Unrestricted	(16,222,050)	(16,336,370)	26,151,324	22,075,675
Total business-type net position	<u>431,232,931</u>	<u>503,185,769</u>	<u>580,031,644</u>	<u>619,733,717</u>
Total Primary Government				
Net investment in capital assets	669,049,511	752,277,086	793,364,697 (1)	854,422,895
Restricted	89,822,147	115,894,160	114,878,888	109,462,572
Unrestricted	176,666,949	177,155,040	234,576,923	244,933,426
Total primary government net position	<u>\$ 935,538,607</u>	<u>\$1,045,326,286</u>	<u>\$1,142,820,508</u>	<u>\$1,208,818,893</u>

(1) The District prospectively modified the calculation of Net Investment in Capital Assets in fiscal year 2017 to include construction liabilities payable from restricted assets.

(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>2019</u>	<u>2020</u>
Governmental Activities		
Net investment in capital assets	\$ 366,352,452	\$ 371,744,493
Restricted	5,631,464	5,621,205
Unrestricted	<u>234,513,138</u>	<u>248,942,565</u>
Total governmental net position	<u>606,497,054</u>	<u>626,308,263</u>
Business-Type Activities		
Net investment in capital assets	536,700,791	580,388,360
Restricted	102,892,891	100,358,807
Unrestricted	<u>32,611,383</u>	<u>32,653,409</u>
Total business-type net position	<u>672,205,065</u>	<u>713,400,576</u>
Total Primary Government		
Net investment in capital assets	903,053,243	952,132,853
Restricted	108,524,355	105,980,012
Unrestricted	<u>267,124,521</u>	<u>281,595,974</u>
Total primary government net position	<u>\$ 1,278,702,119</u>	<u>\$ 1,339,708,839</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses				
Governmental Activities				
General Government	\$ 7,494,646	\$ 11,310,981	\$ 11,521,503	\$ 13,462,903
Flood Control	6,291,116	6,418,353	6,313,528	3,241,255
Trinity River Vision Project		619,066	1,041,910	18,369,944
Total Governmental Activities	13,785,762	18,348,400	18,876,941	35,074,102
Business-type Activities	76,756,369	82,021,320	87,165,497	104,901,544
Total Primary Government Expenses	90,542,131	100,369,720	106,042,438	139,975,646
Program Revenues				
Governmental Activities				
Charges for Services	28,830,916	21,636,600	33,255,675	26,048,278
Capital Grants and Contributions	13,944,124	19,708,589	31,910,810	49,101,393
Total Governmental Activities	42,775,040	41,345,189	65,166,485	75,149,671
Business-type Activities				
Charges for Services	90,564,705	99,244,447	120,270,336	136,041,137
Capital Grants and Contributions	95,078			
Total Business-type Activities	90,659,783	99,244,447	120,270,336	136,041,137
Total Primary Government Revenues	133,434,823	140,589,636	185,436,821	211,190,808
Net (Expense) Revenue				
Governmental Activities	28,989,278	22,996,789	46,289,544	40,075,569
Business-type Activities	13,903,414	17,223,127	33,104,839	31,139,593
Total-Primary Government	42,892,692	40,219,916	79,394,383	71,215,162
General Revenues				
Governmental Activities				
Property Taxes	8,580,069	8,835,672	9,013,033	9,231,193
Investment Income	1,045,664	708,010	300,771	367,655
Miscellaneous	124,894	60,073	234,068	48,081
Gain/Loss on Disposal of Assets	61,980	5,156	94,509	46,773
Transfers				
Total Governmental Activities	9,812,607	9,608,911	9,642,381	9,693,702
Business-type Activities				
Investment Income	1,873,044	2,183,834	262,520	1,598,019
Miscellaneous	1,265,394	271,321	939,978	773,572
Gain/Loss on Disposal of Assets	72,296	56,343	48,310	43,508
Transfers				
Total Business-type Activities	3,210,734	2,511,498	1,250,808	2,415,099
Total Primary Government	13,023,341	12,120,409	10,893,189	12,108,801
Changes in Net Position				
Governmental Activities	38,801,885	32,605,700	55,931,925	49,769,271
Business-type Activities	17,114,148	19,734,625	34,355,647	33,554,692
Total Primary Government	\$ 55,916,033	\$ 52,340,325	\$ 90,287,572	\$ 83,323,963

(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>2015</u>	<u>2016</u>	<u>2017</u>
Expenses			
Governmental Activities			
General Government	\$ 12,766,315		
Flood Control	4,963,320		
Flood Protection	—	18,916,113	21,448,590
Recreation		1,561,346	2,625,628
Total Governmental Activities	17,729,635	20,477,459	24,074,218
Business-type Activities	87,999,935	77,099,429	83,155,732
Total Primary Government Expenses	105,729,570	97,576,888	107,229,950
Program Revenues			
Governmental Activities			
Charges for Services	16,595,055		
Flood Protection		9,862,928	10,308,977
Recreation		1,067,012	2,940,158
Operating Grants and Contributions			
Flood Protection			100,000
Recreation			131,200
Capital Grants and Contributions	36,043,940		
Flood Protection		36,029,150	20,634,389
Recreation		126,750	
Total Governmental Activities	52,638,995	47,085,840	34,114,724
Business-type Activities			
Charges for Services	142,578,670	139,387,464	155,447,588
Operating Grants and Contributions			474,769
Capital Grants and Contributions	680,633	3,584,248	57,540
Total Business-type Activities	143,259,303	142,971,712	155,979,897
Total Primary Government Revenues	195,898,298	190,057,552	190,094,621
Net (Expense) Revenue			
Governmental Activities	34,909,360	26,608,381	10,040,506
Business-type Activities	55,259,368	65,872,283	72,824,165
Total-Primary Government	90,168,728	92,480,664	82,864,671
General Revenues			
Governmental Activities			
Property Taxes	9,757,583	10,264,007	10,854,952
Investment Income	403,723	317,333	435,789
Miscellaneous	37,951	79,170	29,379
Gain/Loss on Disposal of Assets	99,146	565,950	(109,303)
Total Governmental Activities	10,298,403	11,226,460	11,210,817
Business-type Activities			
Investment Income	3,748,796	6,776,202	5,706,516
Miscellaneous	288,461	50,800	37,379
Gain/Loss on Disposal of Assets	69,090	(746,447)	
Total Business-type Activities	4,106,347	6,080,555	5,743,895
Total Primary Government	14,404,750	17,307,015	16,954,712
Changes in Net Position			
Governmental Activities	45,207,763	37,834,841	21,251,323
Business-type Activities	59,365,715	71,952,838	78,568,060
Total Primary Government	\$ 104,573,478	\$ 109,787,679	\$ 99,819,383

(Continued)

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

In fiscal year 2016, new governmental categories were created for flood protection and recreation expenses and program revenues.

**TARRANT REGIONAL WATER DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses			
Governmental Activities			
Flood Protection	17,637,243	18,429,521	19,842,221
Recreation	2,585,102	2,636,155	2,781,733
Total Governmental Activities	20,222,345	21,065,676	22,623,954
Business-type Activities	118,368,106	114,506,276	116,647,345
Total Primary Government Expenses	138,590,451	135,571,952	139,271,299
Program Revenues			
Governmental Activities			
Charges for Services			
Flood Protection	10,750,390	8,063,725	7,138,932
Recreation	1,407,546	2,159,252	1,302,560
Operating Grants and Contributions			
Flood Protection	140,000	236,821	105,187
Recreation	126,315	106,850	142,420
Capital Grants and Contributions			
Flood Protection	19,101,900	7,931,111	10,751,579
Recreation	86,527	3,275	200,198
Total Governmental Activities	31,612,678	18,501,034	19,640,876
Business-type Activities			
Charges for Services	151,036,899	147,294,887	149,721,357
Operating Grants and Contributions	1,423,460	4,901,133	1,885,301
Total Business-type Activities	152,460,359	152,196,020	151,606,658
Total Primary Government Revenues	184,073,037	170,697,054	171,247,534
Net (Expense) Revenue			
Governmental Activities	11,390,333	(2,564,642)	(2,983,078)
Business-type Activities	34,092,253	37,689,744	34,959,313
Total-Primary Government	45,482,586	35,125,102	31,976,235
General Revenues			
Governmental Activities			
Property Taxes	11,960,148	13,147,777	21,941,700
Investment Income	731,769	1,435,560	763,675
Miscellaneous	47,936	144,514	17,812
Gain/Loss on Disposal of Assets	2,166,126	5,248,669	71,100
Total Governmental Activities	14,905,979	19,976,520	22,794,287
Business-type Activities			
Investment Income	5,511,784	14,653,818	5,810,806
Miscellaneous	60,257	23,761	310,117
Gain/Loss on Disposal of Assets	37,779	104,025	115,275
Total Business-type Activities	5,609,820	14,781,604	6,236,198
Total Primary Government	20,515,799	34,758,124	29,030,485
Changes in Net Position			
Governmental Activities	26,296,312	17,411,878	19,811,209
Business-type Activities	39,702,073	52,471,348	41,195,511
Total Primary Government	\$ 65,998,385	\$ 69,883,226	\$ 61,006,720

(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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Fund				
Nonspendable				
Long-term receivable	\$ 11,919,659			
Long-term interfund notes and interest	1,167,888	1,072,421	974,485	874,014
Prepaid items	910,245	879,706	2,534,623	2,808,611
Inventory of supplies-at-cost	46,364	46,630	51,908	53,705
Committed		100,000		
Assigned		8,274,737	1,240,858	
Unassigned	149,862,054	152,417,730	144,151,950	111,936,626
Total	<u>\$ 163,906,210</u>	<u>\$ 162,791,224</u>	<u>\$ 148,953,824</u>	<u>\$ 115,672,956</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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Fund				
Nonspendable				
Long-term interfund notes and interest	\$ 770,939	\$ 577,139	\$ 512,236	\$ 445,386
Prepaid items	1,353,935	970,308	3,901,482	3,296,548
Inventory of supplies-at-cost	57,196	51,929	58,322	61,832
Restricted		5,531,060	5,561,868	5,640,493
Assigned			364,461	26,560,137
Unassigned	88,675,455	63,501,938	50,340,889	22,387,079
Total	<u>\$ 90,857,525</u>	<u>\$ 70,632,374</u>	<u>\$ 60,739,258</u>	<u>\$ 58,391,475</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)**

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	<u>2019</u>	<u>2020</u>
Governmental Fund		
Nonspendable		
Long-term interfund notes and interest	\$ 376,531	\$ 305,609
Prepaid items	1,930,341	1,617,076
Inventory of supplies-at-cost	57,809	70,033
Inventory held for sale		499,160
Restricted	5,631,464	5,621,205
Assigned	55,146,781	59,832,503
Unassigned	3,375,120	7,354,543
Total	<u>\$ 66,518,046</u>	<u>\$ 75,300,129</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>2011</u>	<u>2012</u>	<u>2013</u>
Revenues			
Property Taxes	\$ 8,600,104	\$ 8,857,981	\$ 8,993,946
Lease Rental	662,857	875,426	1,385,702
Oil and Gas Royalties	27,777,427	20,738,333	31,367,889
Sale of Rock and Gravel	25,000		12,525
Investment Income	1,045,664	708,010	300,771
Contributions	889,000	8,954,382	2,963,174
Other	463,647	88,069	391,767
Total Revenue	<u>39,463,699</u>	<u>40,222,201</u>	<u>45,415,774</u>
Expenditures			
Current			
General and Administrative	7,579,916	8,410,677	8,476,960
Personnel Services	4,177,093	4,198,150	4,753,202
Pension Plan Contribution	369,932	425,689	497,578
Contribution		619,066	1,041,910
Capital Expenditures	21,707,824	27,683,605	45,075,378
Capital Lease Payment			385,715
Total Expenditures	<u>33,834,765</u>	<u>41,337,187</u>	<u>60,230,743</u>
Excess/(Deficiency) of Revenues Under Expenditures	<u>5,628,934</u>	<u>(1,114,986)</u>	<u>(14,814,969)</u>
Other Financing Sources			
Proceeds from Capital Lease	88,858		977,569
Change in Fund Balance	<u>\$ 5,717,792</u>	<u>\$ (1,114,986)</u>	<u>\$ (13,837,400)</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>2014</u>	<u>2015</u>	<u>2016</u>
Revenues			
Property Taxes	\$ 9,263,039	\$ 9,737,304	\$ 10,271,392
Lease Rental	1,314,725	1,601,445	1,598,047
Oil and Gas Royalties	24,518,478	14,875,262	8,781,804
Sale of Rock and Gravel	12,500	19,937	
Investment Income	367,655	403,723	317,333
Contributions	3,386,255	3,503,256	5,299,235
Other	311,573	390,221	1,038,859
Total Revenue	<u>39,174,225</u>	<u>30,531,148</u>	<u>27,306,670</u>
Expenditures			
Current			
General and Administrative	9,043,006	10,797,697	8,336,650
Personnel Services	4,821,935	5,007,562	7,015,739
Pension Plan Contribution	512,818	535,436	588,530
Contribution	18,434,944	77,913	1,230,230
Capital Expenditures	39,365,013	38,668,521	30,101,222
Capital Lease Payment	277,377	259,450	259,450
Total Expenditures	<u>72,455,093</u>	<u>55,346,579</u>	<u>47,531,821</u>
Excess/(Deficiency) of Revenues Under Expenditures	<u>(33,280,868)</u>	<u>(24,815,431)</u>	<u>(20,225,151)</u>
Change in Fund Balance	<u>\$ (33,280,868)</u>	<u>\$ (24,815,431)</u>	<u>\$ (20,225,151)</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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues				
Property Taxes	\$ 10,799,762	\$ 12,010,248	\$ 13,152,496	\$ 21,924,922
Lease Rental	1,389,533	1,403,276	1,562,198	1,272,670
Oil and Gas Royalties	11,048,761	10,148,141	8,197,878	6,414,237
Investment Income	435,789	731,769	1,435,560	763,675
Contributions	3,368,695	4,193,522	6,074,367	8,344,611
Other	612,796	742,406	932,267	921,554
Total Revenue	<u>27,655,336</u>	<u>29,229,362</u>	<u>31,354,766</u>	<u>39,641,669</u>
Expenditures				
Current				
General and Administrative	9,097,411	8,398,059	8,862,512	8,489,418
Personnel Services	7,650,611	7,737,421	8,276,805	8,963,307
Pension Plan Contribution	637,903	637,620	673,307	780,327
Contribution	3,076,384	242,806	193,647	898,966
Interest				6,734
Capital Expenditures	19,440,358	14,561,239	7,270,974	11,755,309
Total Expenditures	<u>39,902,667</u>	<u>31,577,145</u>	<u>25,277,245</u>	<u>30,894,061</u>
Excess/(Deficiency) of Revenues Under Expenditures	<u>(12,247,331)</u>	<u>(2,347,783)</u>	<u>6,077,521</u>	<u>8,747,608</u>
Other Financing Sources				
Proceeds from Sale of Land	2,354,215		2,049,050	34,475
Change in Fund Balance	<u>\$ (9,893,116)</u>	<u>\$ (2,347,783)</u>	<u>\$ 8,126,571</u>	<u>\$ 8,782,083</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 (3)	Percentage of Revenue (1)	Percentage of Personal Income (2)	Debt per Population (2)
2011	\$ 636,901,248	694%	N/A	N/A
2012	885,911,105	890%	N/A	N/A
2013	843,529,856	696%	N/A	N/A
2014	1,380,885,004	1,009%	N/A	N/A
2015	1,339,848,678	933%	N/A	N/A
2016	1,767,113,767	1,236%	N/A	N/A
2017	1,706,363,581	1,055%	N/A	N/A
2018	1,646,713,458	1,042%	N/A	N/A
2019	1,592,244,826	954%	N/A	N/A
2020	1,533,390,287	971%	N/A	N/A

(1) Based on total revenues.

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

(3) Includes premium (net of accumulated amortization)

**TARRANT REGIONAL WATER DISTRICT**

**PLEDGED REVENUE COVERAGE**

**LAST 10 FISCAL YEARS (UNAUDITED)**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Available Revenues (3)	Bond Payable Debt Service		Coverage Ratio
				Principal	Interest Expense	
2011	93,775,439	41,441,508	52,333,931	25,520,000	26,813,931	1.00
2012	95,903,543	46,127,011	49,776,532	26,990,000	19,032,705	1.08
2013	121,882,172	55,653,489	66,228,683	45,800,000	14,872,479	1.09
2014	138,456,236	69,552,995	68,903,241	30,310,000	18,871,265	1.40
2015	142,235,425	52,841,262	89,394,163	37,155,000	17,754,619	1.63
2016	141,385,132	41,645,749	99,739,383	37,035,000	16,418,369	1.87
2017	163,378,065 (5)	43,972,464	119,405,601	53,435,000	19,591,821	1.64
2018 (6)	161,524,862	44,164,379	117,360,483	54,670,000	53,826,841 (4)	1.08
2019	162,319,167	41,005,392	121,313,775	44,710,000	53,281,011	1.24
2020	157,000,358	44,814,778	112,185,580	44,690,000	51,016,512	1.17

**PLEDGED REVENUE COVERAGE (TARRANT REGIONAL WATER DISTRICT REVENUE BONDS)**

Fiscal Year	Gross Revenues	Operating Expenses	Net Available Revenues	Bond Payable Debt Service		Coverage Ratio
				Principal	Interest Expense	
2018	132,452,414	44,164,379	88,288,035	44,575,000	38,366,295	1.06
2019	133,511,271	41,005,392	92,505,879	34,340,000	37,977,258	1.28
2020	130,678,211	44,814,778	85,863,433	34,030,000	35,895,996	1.23

**PLEDGED REVENUE COVERAGE (DALLAS CONTRACT REVENUE BONDS)**

Fiscal Year	Gross Revenues	Operating Expenses	Net Available Revenues	Bond Payable Debt Service		Coverage Ratio
				Principal	Interest Expense	
2018	29,072,448		29,072,448	10,095,000	15,460,546	1.14
2019	28,807,896		28,807,896	10,370,000	15,303,753	1.12
2020	26,322,147		26,322,147	10,660,000	15,120,516	1.02

(1) Gross revenue includes all operating and non-operating revenues.

(2) Operating expenses exclude depreciation and amortization expense.

(3) Net available revenue represents gross revenues less operating expenses.

(4) Capitalized interest not required beginning in fiscal year 2018 as per GASB 89.

(5) Beginning in fiscal year 2017, the gross revenues exclude any effect of unrealized gains or losses on investment fair market value as these are noncash effects and do not effect amounts available for debt service.

(6) Beginning fiscal year 2018, the pledged revenues for the TRWD Revenue Bonds and the TRWD Contract Revenue Bonds (City of Dallas Project) have been split to allow for clearer review.

**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 Total Revenue
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 %
			78,751,092	78,751,092	85.75 %
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 %
			88,614,402	88,614,402	89.06 %
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 %
			98,634,242	98,634,242	81.37 %
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 %
			109,934,060	109,934,060	80.34 %
2015	Arlington	1.06935	20,811,958	20,811,958	16.00 %
	Fort Worth -In	1.06085	49,611,117	49,611,117	36.80 %
	Fort Worth -Out	1.07585	22,213,484	22,213,484	16.00 %
	Mansfield	1.07585	4,368,827	4,368,827	3.29 %
	Trinity River Authority	1.07585	11,118,401	11,118,401	9.83 %
			108,123,787	108,123,787	81.92 %
2016	Arlington	1.00637	20,294,552	20,294,552	14.19 %
	Fort Worth -In	0.99962	47,396,879	47,396,879	33.14 %
	Fort Worth -Out	1.01162	19,960,539	19,960,539	13.96 %
	Mansfield	1.01162	4,299,098	4,299,098	3.01 %
	Trinity River Authority	1.01162	11,304,561	11,304,561	7.90 %
			103,255,629	103,255,629	72.20 %
2017	Arlington	1.13170	22,296,464	22,296,464	13.79 %
	Fort Worth -In	1.12670	53,175,077	53,175,077	32.88 %
	Fort Worth -Out	1.13570	23,406,016	23,406,016	14.47 %
	Mansfield	1.13570	5,117,915	5,117,915	3.16 %
	Trinity River Authority	1.13570	12,363,932	12,363,932	7.65 %
			116,359,404	116,359,404	71.95 %

(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)**

Fiscal Year	Customer	Rate	Amount Due	Amount Received	Percent of Total Revenue
2018	Arlington	\$1.07181	\$ 21,811,046	\$ 21,811,046	13.80 %
	Fort Worth -In	1.06856	55,105,320	55,105,320	34.86 %
	Fort Worth -Out	1.07456	23,616,098	23,616,098	14.94 %
	Mansfield	1.07456	5,523,546	5,523,546	3.49 %
	Trinity River Authority	1.07456	11,850,071	11,850,071	7.50 %
			117,906,081	117,906,081	74.59 %
2019	Arlington	1.26370	21,016,599	21,016,599	12.59 %
	Fort Worth -In	1.26220	49,479,396	49,479,396	29.63 %
	Fort Worth -Out	1.26520	21,666,506	21,666,506	12.98 %
	Mansfield	1.26520	5,306,509	5,306,509	3.18 %
	Trinity River Authority	1.26520	11,357,357	11,357,357	6.80 %
			108,826,367	108,826,367	65.18 %
2020	Arlington	1.25539	* 20,384,118	20,384,118	12.91 %
	Fort Worth -In	1.25539	* 52,269,910	52,269,910	33.12 %
	Fort Worth -Out	1.25539	* 22,662,620	22,662,620	14.36 %
	Mansfield	1.25539	* 5,515,001	5,515,001	3.49 %
	Trinity River Authority	1.25539	* 11,729,655	11,729,655	7.43 %
			112,561,304	112,561,304	71.31 %

\*Rate based on 2020 approved budget

(concluded)

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

**TARRANT REGIONAL WATER DISTRICT**  
**SALE OF SYSTEM CAPACITY**  
**LAST 9 FISCAL YEARS (UNAUDITED)**

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Fiscal Year	Customer	Amount Due	Amount Received	Percentage of Total Revenues
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 %
2016	Dallas Utilities	23,057,320	23,057,320	16.12 %
2017	Dallas Utilities	27,954,778	27,954,778	17.29 %
2018	Dallas Utilities	26,197,337	26,197,337	16.57 %
2019	Dallas Utilities	26,125,003	26,125,003	15.65 %
2020	Dallas Utilities	26,026,083	26,026,083	16.49 %

Source: From the District's annual sale of system capacity settle-up for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**ASSESSED AND ACTUAL ESTIMATED VALUE OF PROPERTY AND TAX RATE  
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>	<b>Tax Rate (per \$100 valuation)</b>
2011	\$42,636,798,867	\$42,925,679,331	99.3%	0.0200
2012	43,715,648,106	43,892,079,947	99.6%	0.0200
2013	44,476,657,492	44,674,429,572	99.6%	0.0200
2014	45,346,218,693	45,962,219,088	98.7%	0.0200
2015	48,490,176,973	48,436,832,646	100.1%	0.0200
2016	46,917,552,904	50,803,383,613	92.4%	0.0200
2017	52,935,293,713	55,434,998,202	95.5%	0.0194
2018	59,550,920,828	61,429,213,137	96.9%	0.0194
2019	66,747,897,039	67,748,329,180	98.5%	0.0194
2020	75,197,241,073	76,434,950,423	98.4%	0.0287

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>
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%
2016	10,158,047	10,039,402	98.8%	124,865	1.23%	10,164,267	100.1%
2017	10,754,248	10,622,254	98.8%	114,227	1.06%	10,736,481	99.8%
2018	11,916,029	11,805,749	99.1%	123,651	1.04%	11,929,400	100.1%
2019	13,142,683	13,023,373	99.1%	12,308	0.09%	13,035,681	99.2%
2020	21,934,303	21,714,220	99.0%	71,249	0.32%	21,785,469	99.3%

Source: From the Tarrant County Tax Office.

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

2011

Tarrant County	Taxable Value	Rank	Percent of total taxable value
XTO Energy Inc	\$ 367,136,008	1	0.9%
OnCor Electric Delivery Co	340,760,263	2	0.8%
Bell Helicopter Inc	291,587,561	3	0.7%
Chesapeake Operating (Wi)	223,158,230	4	0.5%
DDR/DTC City Investments LP Etal	204,626,401	5	0.5%
Wal-Mart Real Estate Bus Trust	185,108,774	6	0.4%
Alcon Laboratories Inc	184,162,282	7	0.4%
Quicksilver Resources Inc	179,063,980	8	0.4%
American Airlines Inc	165,526,523	9	0.4%
Devon Energy Prod Co *Wi*	159,423,830	10	0.4%

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	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)	400,332,120	5	0.4%
Alcon Laboratories Inc	175,992,590	6	0.4%
Wal-Mart Real Estate Bus Trust	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%

(Continued)

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

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

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	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	179,544,956	7	0.4%
Alcon Laboratories Inc	175,384,451	8	0.4%
F7SSSM LLC	148,283,280	9	0.3%
Miller Coors	147,079,496	10	0.3%

2016

Tarrant County	Taxable Value	Rank	Percent of total taxable value
Alcon Laboratories Inc	397,076,716	1	0.8%
OnCor Electric Delivery Co	373,253,116	2	0.7%
Bell Helicopter Textron Inc	367,368,343	3	0.7%
DDR/DTC City Investments LP Etal	253,611,929	4	0.5%
American Airlines Inc	233,238,096	5	0.5%
A T and T Mobility LLC	172,493,429	6	0.3%
Behringer Harvard Burnett PLZ	147,757,362	7	0.3%
Wal-Mart Real Estate Bus Trust	146,355,480	8	0.3%
F7 SSSM LLC	144,858,480	9	0.3%
Carlyle/Cypress West 7th II LP	135,660,000	10	0.3%

(Continued)

Source: From the Tarrant Appraisal District

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

<u>2017</u>				Percent of total
Tarrant County	Taxable Value	Rank	taxable value	
Alcon Laboratories Inc/Manufacturing/Research	\$ 603,342,438	1	1.1%	
Bell Helicopter Textron Inc/Bell Helicopter Inc.	491,469,232	2	0.9%	
American Airlines Inc/Envoy Air Inc	411,776,747	3	0.7%	
OnCor Electric Delivery Co LLC	405,513,513	4	0.7%	
Winner LLC	368,973,812	5	0.7%	
DDR/DTC City Investments LP Etal	253,960,899	6	0.5%	
Wal-Mart Stores Texas	229,512,348	7	0.4%	
Millercoors/Millercoors LLC	174,471,635	8	0.3%	
Behringer Harvard Burnett PLZ/Centerpoint	169,320,197	9	0.3%	
Carlyle/Cypress West 7th LP/Carlyle/Cypress West 7	156,567,607	10	0.3%	

<u>2018</u>				Percent of total
Tarrant County	Taxable Value	Rank	taxable value	
Winner LLC	1,054,626,607	1	1.7%	
American Airlines Inc/Envoy Air Inc	578,376,335	2	0.9%	
Bell Helicopter Textron Inc/Bell Helicopter Inc.	500,774,914	3	0.8%	
OnCor Electric Delivery Co LLC	450,578,385	4	0.7%	
Alcon Laboratories Inc/Manufacturing/Research	448,930,296	5	0.7%	
DDR/DTC City Investments LP Etal	261,579,728	6	0.4%	
Millercoors/Millercoors LLC	173,943,264	7	0.3%	
Atmos Energy/Mid Tex Division	169,221,630	8	0.3%	
Carlyle/Cypress West 7th LP/Carlyle/Cypress West 7	162,299,663	9	0.3%	
Behringer Harvard Burnett PLZ	161,145,167	10	0.3%	

<u>2019</u>				Percent of total
Tarrant County	Taxable Value	Rank	taxable value	
Winner LLC	1,574,939,466	1	2.3%	
American Airlines Inc/Envoy Air Inc	767,296,598	2	1.1%	
Bell Helicopter Textron Inc/Bell Helicopter Inc.	489,194,620	3	0.7%	
OnCor Electric Delivery Co LLC	488,582,268	4	0.7%	
Alcon Laboratories Inc/Alcon Laboratories Inc	392,797,194	5	0.6%	
DDR/DTC City Investments LP Etal	288,872,491	6	0.4%	
Atmos Energy/Mid Tex Division	185,419,290	7	0.3%	
Behringer Harvard Burnett PLZ	183,244,242	8	0.3%	
F7 SSSM LLC	162,243,873	9	0.2%	
Wal-Mart Stores Texas LLC/Wal-Mart Stores East LP	162,085,547	10	0.2%	

<u>2020</u>				Percent of total
Tarrant County	Taxable Value	Rank	taxable value	
Winner LLC	1,938,352,072	1	2.5%	
American Airlines Inc/Envoy Air Inc	964,327,109	2	1.3%	
OnCor Electric Delivery Co LLC	608,952,883	3	0.8%	
Bell Textron Inc/Bell Helicopter Inc.	482,736,231	4	0.6%	
Alcon Laboratories Inc/Alcon Manufacturing LTD	426,233,973	5	0.6%	
DDR/DTC City Investments LP Etal	288,872,491	6	0.4%	
Atmos Energy/Mid Tex Division	204,063,420	7	0.3%	
Wal-Mart Stores Texas LLC/Wal-Mart Real Estate Bus	199,267,891	8	0.3%	
At Industrial Owner 1/3/4/7 Holdco LP	192,421,917	9	0.3%	
AT&T Mobility Inc	184,113,057	10	0.2%	

(Concluded)

Source: From the Tarrant Appraisal District

**TARRANT REGIONAL WATER DISTRICT**

**ENTERPRISE FUND EXPENSES**

**LAST 10 FISCAL YEARS (UNAUDITED)**

Fiscal Year	Operating Maintenance and Administrative	Interest Expense	Depreciation and Amortization
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
2016	42,392,196 (1)	16,440,189	19,013,491
2017	43,972,464	19,609,135 (4)	19,574,133
2018	44,164,379	53,833,757 (5)	20,369,970
2019	41,005,392	53,294,373	20,206,511
2020	44,814,778	51,027,808	20,804,759

(1) Decrease due to a 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.

(4) Increase in interest expense due to the issuance of the 2015A, 2016 and 2016A bonds.

(5) Increase in interest expense due to capitalized interest not required in fiscal year 2018 as per GASB 89.

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	Other (4)	Property Taxes
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	8,993,946
2014	24,518,478	1,314,725	367,655	3,710,328	9,263,039
2015	15,875,262 (2)	1,601,445	403,723	3,913,415	9,737,304
2016	8,781,804 (2)	1,598,047	317,333	6,338,094	10,271,392
2017	11,048,761 (3)	1,389,533	435,789	6,335,706	10,799,762
2018	10,148,141	1,403,276	731,769 (5)	4,935,928	12,010,248 (6)
2019	8,197,878 (2)	1,562,198	1,435,560 (5)	9,055,684	13,152,496
2020	6,414,237 (2)	1,272,670	763,675 (7)	9,300,640	21,924,922 (8)

(1) Beginning in fiscal year 2012 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) Oil and gas royalties are reflective of a decreasing market.

(3) Oil and gas royalties are reflective of an increasing market.

(4) Includes sale of land, contributions and other revenues.

(5) Interest income increased due to higher interest rates.

(6) Property taxes increased based on higher taxable values from 2016 to 2017 tax years.

(7) Interest income decreased due to lower interest rates.

(8) Property taxes increased due to increase in tax rate from 2018 to 2019 tax years.

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 (5)</u>	<u>Sale of System Capacity</u>	<u>Investment Income</u>	<u>Land Lease Rentals</u>	<u>Other (1)</u>
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)
2016	115,849,316	23,057,320	6,776,202 (2)	172,361	3,943,515 (4)
2017	127,130,021	27,954,778	5,706,516	157,262	775,215
2018	124,380,349	26,197,337	5,511,784	156,797	1,823,912 (4)
2019	120,669,062	26,125,003	14,653,818 (6)	164,955	5,364,786 (4)
2020	123,206,591	26,026,083	5,810,806 (7)	145,268	2,654,108 (8)

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

(2) Increase due to market improvement as well as new 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.

(4) Increase due to additional buy-in premiums received.

(5) Variability in sale of water due to fluctuations in utility and other system costs.

(6) Increase due to market improvement.

(7) Decrease due to lower interest rates.

(8) Decrease due to less buy-in premiums received from fiscal year 2019 to fiscal year 2020.

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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Fiscal Year	Flood Control	Water Supply	Operational Support	Administrative	Total
2011	29	81	36	84	230
2012	26	81	37	88	232
2013	37	83	38	83	241
2014	37	85	37	85	244
2015	42	94	60	67	263
2016	49	91	63	69	272
2017	49	92	62	67	270
2018	53	89	67	75	284
2019	52	93	70	78	293
2020	48	94	71	88	301

Note: The categories within the above Employee Head Count chart have been modified from previous years to more accurately represent the employees involved in the various functions of the Water District. The total employee headcount is consistent for each year, but the breakout is more detailed than what has been presented previously.

Source: From the District's internal payroll records



**TARRANT REGIONAL WATER DISTRICT****MISCELLANEOUS STATISTICAL FACTS****FOR THE YEAR ENDED SEPTEMBER 30, 2020 (UNAUDITED)**

Date of organization October 7, 1924

Area covered by District 345 square miles

## Facilities:

Number of water supply reservoirs 4

	<b>Conservation Pool</b>	<b>Actual in Storage</b>
Acre feet of water storage:		
Bridgeport Lake	361,785	347,401
Eagle Mountain Lake	179,880	174,849
Cedar Creek Lake	644,785	623,495
Richland Chambers	1,112,763	1,101,763
Total	<u>2,299,213</u>	<u>2,247,508</u>

Miles of levees 23

Miles of floodway river channel 28

Area to be maintained by District 1,997 acres

## Annual rainfall in inches—last 10 fiscal years:

Year	<b>DFW Weather Service</b>	<b>Lake Worth</b>	<b>Eagle Mountain Lake</b>	<b>Bridgeport Lake</b>	<b>Cedar Creek Lake</b>	<b>Richland/ Chambers</b>
2011	22.26	12.94	15.94	15.70	14.72	25.64
2012	36.57	31.76	30.67	36.87	38.79	39.07
2013	24.41	19.69	21.89	19.68	12.72	22.10
2014	23.98	16.27	19.57	20.44	32.09	26.31
2015	44.45	33.67	39.26	39.99	39.38	42.17
2016	53.16	41.25	45.23	43.67	58.85	63.91
2017	34.96	34.80	27.47	32.93	40.17	41.97
2018	42.39	21.18	22.51	18.22	33.62	37.35
2019	48.20	34.63	38.47	27.25	55.00	52.94
2020	45.27	31.81	32.81	41.17	53.30	49.02

Source: The National Weather Service and the U.S. Geological Survey for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**LAST TEN FISCAL YEARS (UNAUDITED)**

**ELLIS COUNTY, TX**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2016	178,372	4,624,115,728	25,924	35.5	3,186	4.0 %
2017	183,618	4,839,619,626	26,357	35.7	3,142	3.8 %
2018	189,032	5,163,031,016	27,313	35.9	2,991	3.4 %
2019	194,584	5,567,437,408	28,612	36.0	2,964	3.3 %
2020	174,749 (1)	5,369,512,523	30,727	36.1	2,871	3.1 %

(1) The source for population changed from The Texas Department of State Health Services to the Texas Demographic Center. During the period, these are the latest numbers as of December 2019.

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

Source: From the US Census Bureau, the Texas Demographic Center, 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, TX**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2016	21,133	486,228,064	23,008	40.9	407	5.4 %
2017	21,356	514,401,972	24,087	41.4	471	6.9 %
2018	21,559	503,833,830	23,370	41.4	425	6.3 %
2019	21,776	523,930,560	24,060	40.6	384	5.8 %
2020	19,879 (1)	478,745,957	24,083	40.4	307	4.8 %

(1) The source for population changed from The Texas Department of State Health Services to the Texas Demographic Center. During the period, these are the latest numbers as of December 2019.

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

Source: From the US Census Bureau, the Texas Demographic Center, 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, TX**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2016	81,959	1,791,377,863	21,857	43.2	1,685	4.9 %
2017	82,521	1,866,047,373	22,613	43.4	1,659	4.7 %
2018	83,089	1,961,315,845	23,605	43.7	1,476	4.2 %
2019	83,631	2,033,487,765	24,315	43.8	1,364	3.7 %
2020	80,985 (1)	2,047,300,800	25,280	43.9	1,279	3.5 %

(1) The source for population changed from The Texas Department of State Health Services to the Texas Demographic Center. During the period, these are the latest numbers as of December 2019.

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

Source: From the US Census Bureau, the Texas Demographic Center, 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, TX**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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	225,127,975	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 %
2016	9,435	218,193,810	23,126	40.5	174	4.3 %
2017	9,502	223,990,646	23,573	40.5	191	4.9 %
2018	9,569	236,134,213	24,677	40.0	147	3.7 %
2019	9,632	246,126,496	25,553	40.6	111	2.5 %
2020	8,845 (1)	226,661,970	25,626	39.7	109	3.1 %

(1) The source for population changed from The Texas Department of State Health Services to the Texas Demographic Center. During the period, these are the latest numbers as of December 2019.

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

Source: From the US Census Bureau, the Texas Demographic Center, 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, TX**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2016	171,358	4,247,450,746	24,787	36.4	3,278	4.4 %
2017	175,030	4,430,009,300	25,310	36.7	3,285	4.3 %
2018	178,835	4,599,815,035	25,721	36.8	2,915	3.8 %
2019	182,784	4,857,302,016	26,574	36.9	2,749	3.4 %
2020	169,575 (1)	4,691,631,525	27,667	36.8	2,644	3.2 %

(1) The source for population changed from The Texas Department of State Health Services to the Texas Demographic Center. During the period, these are the latest numbers as of December 2019.

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

Source: From the US Census Bureau, the Texas Demographic Center, 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, TX**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2016	128,865	3,216,341,535	24,959	35.6	2,232	4.1 %
2017	133,652	3,333,815,488	24,944	35.8	2,155	3.8 %
2018	138,601	3,526,702,445	25,445	35.8	2,091	3.5 %
2019	143,742	3,827,993,202	26,631	35.7	2,146	3.5 %
2020	122,724 (1)	3,363,987,564	27,411	35.6	2,112	3.3 %

(1) The source for population changed from The Texas Department of State Health Services to the Texas Demographic Center. During the period, these are the latest numbers as of December 2019.

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

Source: From the US Census Bureau, the Texas Demographic Center, 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, TX**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2016	52,236	1,070,367,876	20,491	37.8	977	4.3 %
2017	53,020	1,097,354,940	20,697	38.2	958	4.2 %
2018	53,811	1,148,703,417	21,347	38.1	895	3.9 %
2019	54,628	1,210,119,456	22,152	38.9	873	3.7 %
2020	47,977 (1)	1,123,717,294	23,422	38.6	778	3.2 %

(1) The source for population changed from The Texas Department of State Health Services to the Texas Demographic Center. During the period, these are the latest numbers as of December 2019.

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

Source: From the US Census Bureau, the Texas Demographic Center, 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, TX**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2016	140,735	4,353,496,490	30,934	39.6	2,475	4.2 %
2017	145,104	4,632,154,992	31,923	39.6	2,479	4.1 %
2018	149,616	4,828,706,784	32,274	39.7	2,150	3.5 %
2019	154,297	5,148,427,999	33,367	39.6	2,013	3.1 %
2020	133,578 (1)	4,635,824,490	34,705	39.7	1,959	2.9 %

(1) The source for population changed from The Texas Department of State Health Services to the Texas Demographic Center. During the period, these are the latest numbers as of December 2019.

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

Source: From the US Census Bureau, the Texas Demographic Center, 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, TX**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2016	1,991,639	56,843,368,699	28,541	33.8	41,251	4.2 %
2017	2,023,985	58,812,956,130	29,058	34.0	39,774	3.9 %
2018	2,057,926	61,307,673,466	29,791	34.1	37,978	3.7 %
2019	2,092,419	64,565,773,083	30,857	34.2	37,114	3.5 %
2020	2,108,938 (1)	67,680,038,296	32,092	34.3	35,655	3.3 %

(1) The source for population changed from The Texas Department of State Health Services to the Texas Demographic Center. During the period, these are the latest numbers as of December 2019.

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

Source: From the US Census Bureau, the Texas Demographic Center, 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, TX**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2016	67,865	1,838,259,255	27,087	39.1	1,331	4.6 %
2017	69,449	1,889,568,392	27,208	39.3	1,386	4.8 %
2018	71,081	1,926,579,424	27,104	38.8	1,185	4.0 %
2019	72,749	1,996,741,803	27,447	38.5	1,063	3.4 %
2020	65,160 (1)	1,875,369,960	28,781	38.4	1,027	3.2 %

(1) The source for population changed from The Texas Department of State Health Services to the Texas Demographic Center. During the period, these are the latest numbers as of December 2019.

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

Source: From the US Census Bureau, the Texas Demographic Center, and the Bureau of Labor Statistics for the respective years.

**TARRANT REGIONAL WATER DISTRICT**

**SCHEDULE OF BONDS AUTHORIZED, ISSUED, AND OUTSTANDING BY PURPOSE OF ISSUE**

**AS OF SEPTEMBER 30, 2020 (UNAUDITED)**

	<u>Year Authorized</u>	<u>Issued Amount</u>	<u>Outstanding</u>
Construction and improvement bonds:			
<u>Tarrant Regional Water District Projects</u>			
Water Revenue Bonds - Series 2008A-RC	2008	\$ 3,135,000	\$ 1,600,000
Water Revenue Bonds - Series 2008B-CC	2008	6,755,000	2,520,000
Water Revenue Bonds - Series 2010A	2010	17,835,000	14,170,000
Water Revenue Bonds - Series 2010B	2010	83,785,000	48,130,000
Water Revenue Refunding and Improvement Bonds - Series 2012	2012	150,375,000	1,605,000
Water Revenue Refunding Bonds - Series 2012A	2013	98,960,000	7,620,000
Water Revenue Bonds - Series 2014	2014	318,750,000	313,960,000
Water Revenue Refunding Bonds - Series 2015	2015	156,470,000	124,830,000
Water Revenue Bonds Series - 2015A	2016	300,000,000	269,680,000
Water Revenue Bonds Series - 2016	2016	28,530,000	26,140,000
Water Revenue Refunding Bonds Series - 2016A	2016	61,910,000	58,580,000
Water Revenue Refunding Bonds Series - 2017	2017	52,765,000	52,245,000
Water Revenue Bonds - Series 2020	2020	129,570,000	129,570,000
		<u>1,408,840,000</u>	<u>1,050,650,000</u>
<u>TRWD Contract Revenue Bonds (City of Dallas Project)</u>			
Contract Revenue Bonds (City of Dallas Project) - Series 2012	2012	131,935,000	108,560,000
Contract Revenue Bonds (City of Dallas Project) - Series 2014	2014	202,130,000	181,435,000
Contract Revenue Bonds (City of Dallas Project) - Series 2015	2016	140,000,000	125,675,000
		<u>474,065,000</u>	<u>415,670,000</u>
Total - Construction and improvement bonds		<u><u>\$1,882,905,000</u></u>	<u><u>\$1,466,320,000</u></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, 2020 (UNAUDITED)**

	Balance October 1, 2019	Total Issued	Total Retired	Balance September 30, 2020
<u>Tarrant Regional Water District Projects</u>				
Water Revenue Bonds Series 2008A-RC	\$ 1,805,000		\$ 205,000	\$ 1,600,000
Water Revenue Bonds Series 2008B-CC	3,150,000		630,000	2,520,000
Water Revenue Bonds Series 2010A	15,370,000		1,200,000	14,170,000
Water Revenue Bonds Series 2010B	52,195,000		4,065,000	48,130,000
Water Revenue Bonds Series 2012	125,795,000		124,190,000	1,605,000
Water Revenue Refunding Bonds Series 2012A	11,175,000		3,555,000	7,620,000
Water Revenue Bonds Series 2014	315,365,000		1,405,000	313,960,000
Water Revenue Refunding Bonds Series 2015	135,370,000		10,540,000	124,830,000
Water Revenue Bonds Series 2015A	277,380,000		7,700,000	269,680,000
Water Revenue Bonds Series 2016	26,770,000		630,000	26,140,000
Water Revenue Refunding Bonds Series 2016A	61,910,000		3,330,000	58,580,000
Water Revenue Refunding Bonds Series 2017	52,245,000			52,245,000
Water Revenue Refunding Bonds Series 2020		129,570,000		129,570,000
	1,078,530,000	129,570,000	157,450,000	1,050,650,000
<u>TRWD Contract Revenue Bonds (City of Dallas Project)</u>				
Contract Revenue Bonds Series 2012	111,700,000		3,140,000	108,560,000
Contract Revenue Bonds Series 2014	185,320,000		3,885,000	181,435,000
Contract Revenue Bonds Series 2015	129,310,000		3,635,000	125,675,000
	426,330,000	—	10,660,000	415,670,000
Total	\$ 1,504,860,000	\$ 129,570,000	\$ 168,110,000	\$ 1,466,320,000

Note: Above amounts exclude unamortized original issue premiums.

TARRANT REGIONAL WATER DISTRICT

ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2020 (UNAUDITED)

TARRANT REGIONAL WATER DISTRICT PROJECTS

AS OF SEPTEMBER 30, 2020

YR	2008A WIF			2008B WIF			2010 A - Series 2010A			2010 B - Series 2010B			2012 - Refunding and Water		
	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total
2021	\$ 210	\$ 40	\$ 250	\$ 645	\$ 58	\$ 703	\$ 1,235	\$ 315	\$ 1,550	\$ 4,190	\$ 1,026	\$ 5,216	790	36	826
2022	215	35	250	665	41	706	1,270	291	1,561	4,315	951	5,266	815	12	827
2023	220	29	249	680	23	703	1,310	264	1,574	4,450	868	5,318			
2024	225	23	248	530	7	537	1,350	237	1,587	4,585	776	5,361			
2025	235	17	252				1,390	207	1,597	4,725	676	5,401			
2026	240	11	251				1,435	174	1,609	4,865	569	5,434			
2027	255	4	259				1,475	139	1,614	5,015	454	5,469			
2028							1,520	102	1,622	5,170	332	5,502			
2029							1,570	62	1,632	5,325	202	5,527			
2030							1,615	21	1,636	5,490	68	5,558			
2031															
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<div> <div>\$ 1,600</div> <div>\$ 159</div> <div>\$ 1,759</div> <div>\$ 2,520</div> <div>\$ 129</div> <div>\$ 2,649</div> <div>\$ 14,170</div> <div>\$ 1,812</div> <div>\$ 15,982</div> <div>\$ 48,130</div> <div>\$ 5,922</div> <div>\$ 54,052</div> <div>\$ 1,605</div> <div>\$ 48</div> <div>\$ 1,653</div> </div>															

(Continued)

**TARRANT REGIONAL WATER DISTRICT**

**ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2020 (UNAUDITED)**

**TARRANT REGIONAL WATER DISTRICT PROJECTS**

**AS OF SEPTEMBER 30, 2020**

YR	2012A - Refunding Bonds			2014 - Revenue Bonds			2015 - Refunding Bonds			2015A - Revenue Bonds			2016 - Revenue Bonds		
	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total
2021	\$ 3,720	\$ 263	\$ 3,983	\$ 805	\$ 15,667	\$ 16,472	\$ 11,085	\$ 5,964	\$ 17,049	\$ 7,810	\$ 7,290	\$ 15,100	\$ 650	\$ 947	\$ 1,597
2022	3,900	85	3,985	1,125	15,624	16,749	11,650	5,396	17,046	7,935	7,187	15,122	670	914	1,584
2023					15,602	15,602	15,985	4,705	20,690	8,075	7,069	15,144	690	880	1,570
2024					15,601	15,601	14,400	3,946	18,346	8,230	6,936	15,166	710	846	1,556
2025					15,602	15,602	12,945	3,262	16,207	8,390	6,793	15,183	730	809	1,539
2026					15,601	15,601	13,610	2,598	16,208	8,575	6,635	15,210	755	772	1,527
2027					15,602	15,602	14,305	1,900	16,205	8,780	6,454	15,234	775	734	1,509
2028					15,601	15,601	15,040	1,167	16,207	9,000	6,252	15,252	800	699	1,499
2029					15,602	15,602	15,810	395	16,205	9,245	6,028	15,273	825	666	1,491
2030				18,735	15,133	33,868				9,500	5,785	15,285	850	632	1,482
2031				20,355	14,156	34,511				9,775	5,525	15,300	875	598	1,473
2032				21,145	13,118	34,263				10,065	5,249	15,314	905	562	1,467
2033				21,980	12,040	34,020				10,370	4,960	15,330	935	530	1,465
2034				22,880	10,919	33,799				10,685	4,658	15,343	965	502	1,467
2035				9,495	10,109	19,604				11,020	4,345	15,365	995	472	1,467
2036				9,980	9,623	19,603				11,375	4,007	15,382	1,035	442	1,477
2037				10,490	9,111	19,601				11,740	3,647	15,387	1,075	410	1,485
2038				11,030	8,573	19,603				12,120	3,276	15,396	1,120	375	1,495
2039				11,595	8,007	19,602				12,520	2,892	15,412	1,165	339	1,504
2040				12,190	7,413	19,603				12,935	2,495	15,430	1,215	301	1,516
2041				12,815	6,787	19,602				13,370	2,080	15,450	1,265	260	1,525
2042				13,470	6,130	19,600				13,820	1,645	15,465	1,315	218	1,533
2043				14,160	5,440	19,600				14,290	1,194	15,484	1,370	173	1,543
2044				14,890	4,713	19,603				14,775	728	15,503	1,425	126	1,551
2045				15,650	3,950	19,600				15,280	245	15,525	1,480	77	1,557
2046				16,455	3,147	19,602							1,545	26	1,571
2047				17,330	2,303	19,633									
2048				18,220	1,414	19,634									
2049				19,165	479	19,644									
2050															
2051															
2052															
2053															
<div></div>															
	\$ 7,620	\$ 348	\$ 7,968	\$ 313,960	\$ 293,067	\$ 607,027	\$ 124,830	\$ 29,333	\$ 154,163	\$ 269,680	\$ 113,375	\$ 383,055	\$ 26,140	\$ 13,310	\$ 39,450

(Continued)

## TARRANT REGIONAL WATER DISTRICT

## ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2020 (UNAUDITED)

## TARRANT REGIONAL WATER DISTRICT PROJECTS

AS OF SEPTEMBER 30, 2020

YR	2016A - Refunding			2017 - Refunding			2020 - Refunding			Total Enterprise Funds		
	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total
2021	\$ 3,450	\$ 2,843	\$ 6,293	345	2,317	2,662	1,010	3,422	4,432	\$ 35,945	\$ 40,188	\$ 76,133
2022	3,625	2,666	6,291		2,309	2,309	1,025	3,407	4,432	37,210	38,918	76,128
2023	3,815	2,480	6,295		2,309	2,309	1,040	3,391	4,431	36,265	37,620	73,885
2024	4,010	2,284	6,294	1,900	2,261	4,161	1,060	3,374	4,434	37,000	36,291	73,291
2025	4,215	2,079	6,294	3,085	2,137	5,222	1,075	3,356	4,431	36,790	34,938	71,728
2026	7,590	1,784	9,374		2,060	2,060	1,095	3,336	4,431	38,165	33,540	71,705
2027	7,980	1,394	9,374		2,060	2,060	1,115	3,316	4,431	39,700	32,057	71,757
2028	8,390	985	9,375	100	2,057	2,157	1,140	3,294	4,434	41,160	30,489	71,649
2029	8,820	555	9,375		2,055	2,055	1,165	3,270	4,435	42,760	28,835	71,595
2030	3,160	255	3,415	840	2,034	2,874	1,185	3,246	4,431	41,375	27,174	68,549
2031		176	176	3,910	1,934	5,844	7,570	3,150	10,720	42,485	25,539	68,024
2032	3,525	88	3,613	825	1,840	2,665	7,720	2,979	10,699	44,185	23,836	68,021
2033				4,350	1,736	6,086	7,880	2,800	10,680	45,515	22,066	67,581
2034				4,555	1,558	6,113	8,015	2,611	10,626	47,100	20,248	67,348
2035				4,765	1,372	6,137	8,185	2,415	10,600	34,460	18,713	53,173
2036				4,985	1,177	6,162	8,340	2,208	10,548	35,715	17,457	53,172
2037				5,215	973	6,188	8,520	1,991	10,511	37,040	16,132	53,172
2038				5,480	731	6,211		1,880	1,880	29,750	14,835	44,585
2039				5,785	450	6,235		1,880	1,880	31,065	13,568	44,633
2040				6,105	153	6,258		1,880	1,880	32,445	12,242	44,687
2041							4,390	1,816	6,206	31,840	10,943	42,783
2042							4,520	1,684	6,204	33,125	9,677	42,802
2043							4,655	1,549	6,204	34,475	8,356	42,831
2044							4,800	1,409	6,209	35,890	6,976	42,866
2045							4,940	1,266	6,206	37,350	5,538	42,888
2046							5,090	1,115	6,205	23,090	4,288	27,378
2047							5,250	958	6,208	22,580	3,261	25,841
2048							5,410	795	6,205	23,630	2,209	25,839
2049							5,580	628	6,208	24,745	1,107	25,852
2050							5,750	455	6,205	5,750	455	6,205
2051							5,930	277	6,207	5,930	277	6,207
2052							6,115	93	6,208	6,115	93	6,208
2053												
\$ 58,580 \$ 17,589 \$ 76,169 \$ 52,245 \$ 33,523 \$ 85,768 \$ 129,570 \$ 69,251 \$ 198,821 \$ 1,050,650 \$ 577,866 \$ 1,628,516												

(Concluded)



**TARRANT REGIONAL WATER DISTRICT**  
**ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2020 (UNAUDITED)**  
**TARRANT REGIONAL WATER DISTRICT PROJECTS (CITY OF DALLAS PROJECT)**  
**AS OF SEPTEMBER 30, 2020**

	Dallas 2012 - Series 2012			Dallas 2014 - Series 2014			Dallas 2015 - Series 2015			Total Contract Revenue Bonds		
YR	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total
2021	\$ 3,200	\$ 4,199	\$ 7,399	\$ 4,075	\$ 9,039	\$ 13,114	\$ 3,680	\$ 3,415	\$ 7,095	\$ 10,955	\$ 16,653	\$ 27,608
2022	3,270	4,039	7,309	4,280	8,795	13,075	3,735	3,371	7,106	11,285	16,205	27,490
2023	3,345	3,875	7,220	4,495	8,538	13,033	3,800	3,319	7,119	11,640	15,732	27,372
2024	3,515	3,708	7,223	4,720	8,268	12,988	3,870	3,259	7,129	12,105	15,235	27,340
2025	3,620	3,602	7,222	4,955	7,985	12,940	3,945	3,194	7,139	12,520	14,781	27,301
2026	3,765	3,458	7,223	5,205	7,688	12,893	4,020	3,125	7,145	12,990	14,271	27,261
2027	3,920	3,307	7,227	5,465	7,479	12,944	4,115	3,045	7,160	13,500	13,831	27,331
2028	4,075	3,189	7,264	5,735	7,261	12,996	4,215	2,955	7,170	14,025	13,405	27,430
2029	4,240	3,067	7,307	6,025	7,031	13,056	4,325	2,856	7,181	14,590	12,954	27,544
2030	4,415	2,940	7,355	6,325	6,730	13,055	4,440	2,746	7,186	15,180	12,416	27,596
2031	4,595	2,808	7,403	6,640	6,414	13,054	4,565	2,628	7,193	15,800	11,850	27,650
2032	4,780	2,664	7,444	6,975	6,082	13,057	4,695	2,503	7,198	16,450	11,249	27,699
2033	4,970	2,473	7,443	7,320	5,733	13,053	4,835	2,371	7,206	17,125	10,577	27,702
2034	5,225	2,274	7,499	7,690	5,367	13,057	4,980	2,233	7,213	17,895	9,874	27,769
2035	5,485	2,065	7,550	8,075	4,982	13,057	5,130	2,090	7,220	18,690	9,137	27,827
2036	5,765	1,846	7,611	8,475	4,579	13,054	5,290	1,940	7,230	19,530	8,365	27,895
2037	6,055	1,615	7,670	8,900	4,155	13,055	5,460	1,776	7,236	20,415	7,546	27,961
2038	6,360	1,373	7,733	9,345	3,710	13,055	5,630	1,606	7,236	21,335	6,689	28,024
2039	6,605	1,118	7,723	9,810	3,243	13,053	5,815	1,431	7,246	22,230	5,792	28,022
2040	6,855	854	7,709	10,300	2,752	13,052	6,000	1,249	7,249	23,155	4,855	28,010
2041	7,115	580	7,695	10,815	2,237	13,052	6,200	1,062	7,262	24,130	3,879	28,009
2042	7,385	295	7,680	11,360	1,697	13,057	6,405	864	7,269	25,150	2,856	28,006
2043				11,925	1,128	13,053	6,615	659	7,274	18,540	1,787	20,327
2044				12,525	532	13,057	6,840	446	7,286	19,365	978	20,343
2045							7,070	226	7,296	7,070	226	7,296
2046												
<div> <div>\$ 108,560</div> <div>\$ 55,349</div> <div>\$ 163,909</div> <div>\$ 181,435</div> <div>\$ 131,425</div> <div>\$ 312,860</div> <div>\$ 125,675</div> <div>\$ 54,369</div> <div>\$ 180,044</div> <div>\$ 415,670</div> <div>\$ 241,143</div> <div>\$ 656,813</div> </div>												

**TARRANT REGIONAL WATER DISTRICT**  
**SCHEDULE OF INSURANCE**  
**AS OF SEPTEMBER 30, 2020 (UNAUDITED)**

Insurer (6)		Policy Period	Type of Coverage	Limits	
Hartford Insurance Co.	(1)	01/15/13-until canceled 3/29/00 - until canceled	Director Bond Theft	\$10,000—per director \$500,000—liability	
TWCA Risk Management Fund	(2), (3)	07/01/20–07/01/21	Crime	\$5,000 - 10,000—liability	(4)
TWCA Risk Management Fund	(3)	07/01/20–07/01/21  07/01/20–07/01/21	Fleet Policy  Property Insurance	\$10,000,000—liability  \$179,109,054 - Boiler/ Machinery \$237,776,905 - Property \$7,280,210 - EDP \$25,978,851 - Misc. Property \$7,875,210 - Auto	
		07/01/20–06/30/21	Workers' Compensation	Statutory limits	
		07/01/20–07/01/21	General Liability	\$10,000,000—limit	
		07/01/20–07/01/21	Errors and Omissions Liability	\$10,000,000—limit	
Blue Cross Blue Shield of Texas	(5)	01/01/20–12/31/20	Insured with Stop Loss Coverage	Unlimited per employee or dependent	
Symetra		01/01/20–12/31/20	Stop Loss Coverage for participant medical claims over \$100,000	Unlimited per employee or dependent	
Sutton James Insurance Broker		12/16/19 - 12/16/20	Aviation/Helicopter	\$506,295—Physical Damage \$5,000,000-Liability	
Global Aerospace, Inc.		12/5/19 - 12/5/20	Aviation/Drone	\$1,300-Physical Damage \$1,000,000-Liability	
Willis Towers Watson		04/04/14 - 04/04/21	Rolling Owner Controlled	\$100,000,000 —General Liability \$10,000,000 —Pollution Liability	
		04/04/14 - 04/04/21	Insurance Program - IPL	Statutory —Worker's Compensation	
		04/04/14 - 04/04/21	Builders Risk	Replacement Value	
Willis Towers Watson		07/21/20 - 07/21/27	Rolling Owner Controlled	\$100,000,000 —General Liability \$10,000,000 —Pollution Liability	
		07/21/20 - 07/21/27	Insurance Program - IPL	Statutory —Worker's Compensation	
		07/21/20 - 07/21/27	Builders Risk	Replacement Value	

1 This is a pool administered by Sedgwick. Both policies within this pool are valid until canceled.

2 The District's Crime insurance switched from Hartford Insurance Co. to Texas Water Conservation Association Risk Management Fund as of 7/1/15.

3 This is a pool through the Texas Water Conservation Association Risk Management Fund administered by Sedgwick.

4 The District's crime insurance liability varies depending upon the type of crime.

5 The District is self-insured in relation to Health Insurance.

6 All premiums have been paid in full.

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