

Tarrant Regional Water District
Fort Worth, Texas

Annual Comprehensive Financial Report
As of and for the year ended September 30, 2021





Tarrant Regional Water District
Fort Worth, Texas
Annual Comprehensive Financial Report
As of and for the Year Ended
September 30, 2021

Board of Directors

Leah M. King, President

James Hill, Vice President

Jim Lane, Secretary

Marty Leonard, Director

Mary Kelleher, Director

General Manager

Dan Buhman

Deputy General Manager

R. Alan Thomas

Chief Financial Officer

Sandra Newby

Prepared by the Finance Department of the Tarrant Regional Water District.

TARRANT REGIONAL WATER DISTRICT – FORT WORTH, TEXAS

Table of Contents

INTRODUCTORY SECTION (UNAUDITED)	1
Transmittal Letter	2
Elected Officials	16
Organization of Tarrant Regional Water District	17
FINANCIAL SECTION	18
Independent Auditors' Report	19
Management's Discussion and Analysis	21
Basic Financial Statements	
Statement of Net Position	33
Statement of Activities	34
Balance Sheet - General Fund	35
Reconciliation of Balance Sheet - General Fund to Government-Wide Statement of Net Position	36
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	37
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund to Government Wide Statement of Activities	38
Statement of Net Position - Enterprise Fund	39
Statement of Revenues, Expenses, and Changes in Net Position - Enterprise Fund	41
Statement of Cash Flows - Enterprise Fund	42
Statement of Fiduciary Net Position	44
Statement of Changes in Fiduciary Net Position	45
Notes to Basic Financial Statements	46
1. Summary of Significant Accounting Policies	46
2. Revenues from the Sale of Water	54
3. Cash, Cash Equivalents, and Investments	55

4. Capital Assets	60
5. Retirement Plan	62
6. Bonds Payable	62
7. Interfund Transactions	67
8. Post Employment Health Care Benefits	67
9. Commitments and Contingencies	73
10. Recently Issued Governmental Accounting Standards Board Statements	76
Required Supplementary Information	80
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual (GAAP Basis) - General Fund	81
Notes to RSI	82
Schedule of Changes in Net Other Post Employment Benefits Liability and Related Ratios ..	83
Schedule of Investments Returns in Other Post Employment Benefits	85
Schedule of Contributions in Other Post Employment Benefits	86
STATISTICAL SECTION (UNAUDITED)	87
Description of Statistical Section	88
Financial Trends	
Net Position	89
Changes in Net Position	92
Fund Balance	95
Changes in Fund Balance	98
Debt Capacity	
Ratio of Outstanding Debt by Type	101
Pledged Revenue Coverage	102
Revenue Capacity	
Principal Water Customers and Water Rate	103

Sale of System Capacity Restricted for Debt Service	105
Assessed and Actual Estimated Value of Property and Tax Rate	106
Property Tax Levies and Collections	107
Principal Taxpayers	108
Operating Information	
Enterprise Fund Expenses	111
General Government Revenues by Source	112
Enterprise Fund Revenues by Source	113
Full-time Employee Head Count	114
Miscellaneous Statistical Facts	115
Demographic and Economic Information	
Demographic and Economic Statistics	116
Other Information	
Schedule of Bonds Authorized, Issued and Outstanding - By Purpose of Issue	126
Schedule of Changes in Bonded Debt	127
Enterprise Fund Debt Service Requirement to Maturity - Tarrant Regional Water District Bonds	128
Enterprise Fund Debt Service Requirement to Maturity - City of Dallas Water Utilities Project	131
Schedule of Insurance	133

INTRODUCTORY SECTION (UNAUDITED)



(Rocky Coastline of Lake Bridgeport)



December 20, 2021

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Tarrant Regional Water District (the District) as of and for the fiscal year ended September 30, 2021. 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 ACFR 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, 2021. 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, 55th 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 plus years enriching communities and improving the quality of life. This vision is accomplished through our three primary missions: deliver a reliable, resilient supply of water to the public at the lowest cost and highest quality possible; reduce the risk of flooding in our communities with dependable flood damage reduction infrastructure and operations; and enhance the quality of life in North Texas communities by creating recreation opportunities around the District's infrastructure to enable active lifestyles.

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. In July 2021 the Board appointed Dan Buhman as the new General Manager after the retirement of Jim Oliver.

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, the largest of which is the Integrated Pipeline Project which will increase system capacity to ensure adequate water supply in the future.



(Trinity Park Trail at University and Lancaster)

The District also operates and maintains a floodway system consisting of levees and river channel improvements designed by the United States Army Corps of Engineers (USACE) to protect the District boundaries from flooding. Included in this floodway system are maintenance roads that the District allows the public to use as trails; there are over 100 miles of trails along the Trinity River which connect to 31 neighborhoods and 22 city parks throughout the community.

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 Texas Department of Transportation (TXDOT) to build the Panther Island/Central City Project. This year's activity is discussed on the following pages.

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 Revenue 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 Revenue Fund budgets are presented at the Board of Directors budget workshop in July. After the workshops, the Advisory Committee meets to review and recommend the Revenue Fund budget to the Board of Directors for approval and in September both the General Fund and Revenue budgets are approved by the Board of Directors.

The ad valorem tax rate for the 2021 fiscal year was \$0.0287 per \$100 valuation to fund flood protection through maintenance and improvements of the floodway. In August, the proposed tax rate was presented at the Board of Directors meeting and a tax public hearing was held prior to the September Board of Directors meeting. In September, the tax rate was approved by the Board of Directors and for fiscal year 2022 the rate will be \$0.0287 per \$100 valuation.

Local Economy

The COVID-19 pandemic was still causing issues in fiscal year 2021; however after three vaccines were approved and began to be administered, the Governor of Texas increased the capacity of all businesses and facilities to 100% in March 2021. While travel continues to remain low, many other areas began to slowly return to normal. The increased capacity allowed for large events to take place again, and some people began to return, on a small scale, back to working in offices. The District continues to monitor the spread of COVID-19 and is following the directives of local, state, and national agencies.

Fiscal year 2021 brought a shortage of many manufactured goods, leading to high demand and low supply, which in turned caused prices to increase. Construction costs, home values, and vehicles prices all saw a significant increase during fiscal year 2021. The Texas median home price reached a new record high in July 2021, \$306 thousand for Fort Worth, with a price growth of 15.9%. Texas has been attracting residents from out of state for the past seven years, with Tarrant County having one of the largest inflows of residents from other Texas counties as well as from out of state. By the end of fiscal year 2021, construction bids were increasing to the point that the District pushed some projects into the future or reworked the requirements to decrease the current cost.

In February 2021, a severe winter storm impacted residents across North and Central Texas with widespread power outages. The storm caused a massive electricity generation failure on the power grid, which led to shortages of water, food, and heat. The National Weather Service reported there were a total of 232 hours of at or below freezing temperatures recorded at DFW Airport from February 9 through February 19, 2021. Due to the power shortage, the District had to pivot quickly in order to reduce power consumption while still maintaining water supply to customers. The official event snowfall at DFW International Airport was 5.0 inches during this storm. This event impacted the District in its

efforts to maintain water pumping operations and continue to meet our customer's demands. The District began to reduce pumping at the Richland-Chambers and Cedar Creek Lakes to prepare for a possible shut down. If there was a sudden power outage, the forced stoppage could be detrimental to the District's pipelines and pump stations. Water demand had reached the same level as a dry period in the July and August timeframe. The increased demand in water demand was mainly due to water main breaks throughout the District's customers' water systems. Throughout the entire event the District was able to meet all customer demands and reduce the risk for our pumping system and people.

Overall, in fiscal year 2021 total reservoir storage remained high, never dropping below 90%, as the intermittent wet periods would top off reservoirs. Flood operations were required to manage the excess runoff from these brief, but intense wet periods. Only four months (December, April, May, and August) received above normal rainfall, but these four months accounted for over 60% of the total annual rainfall. In total, 32.91 inches of rain was recorded at DFW airport for fiscal year 2021, 4.10 inches below the normal.

Major Initiatives

Integrated Pipeline Project -

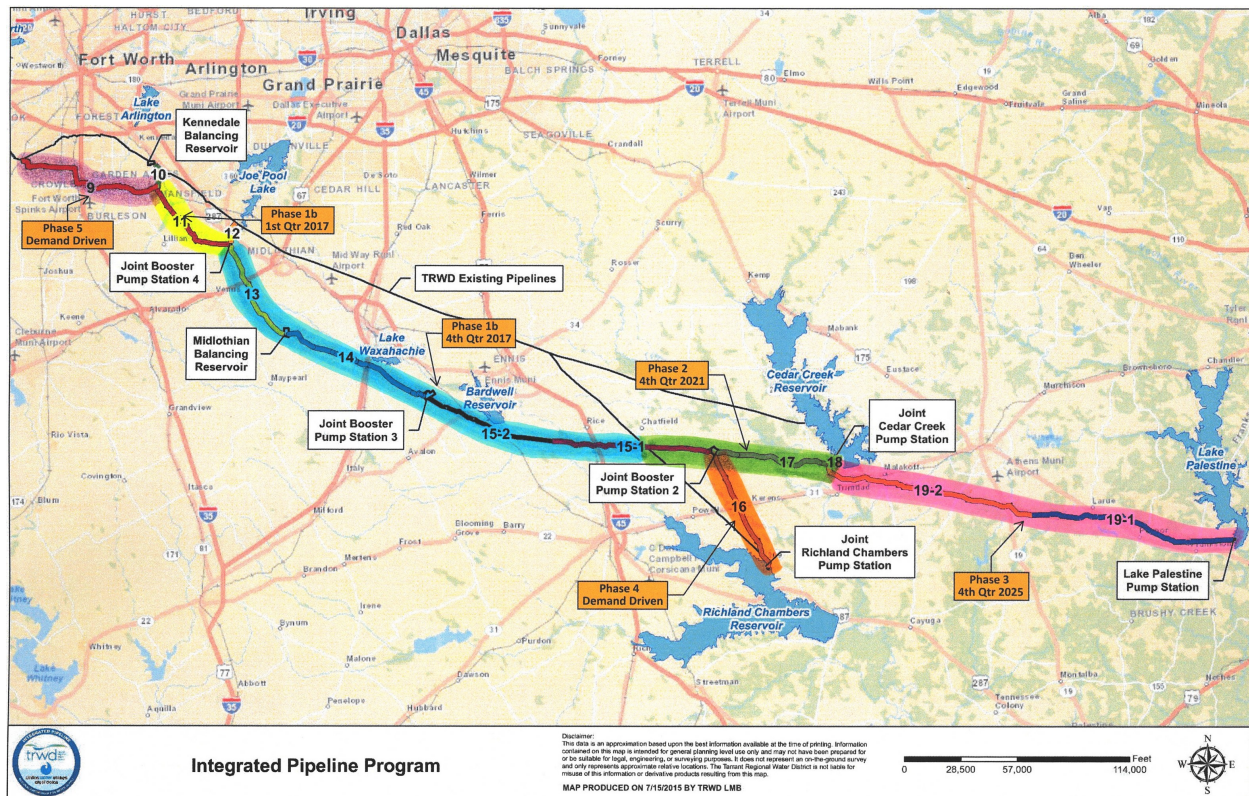
The District and the City of Dallas Water Utilities (DWU) partnered to finance, plan, design, and operate the Integrated Pipeline Project (IPL Project). The IPL Project furthers our mission to build a reliable water supply system by connecting Lake Palestine to Lake Benbrook with connections to the Cedar 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.

Currently through Phase 1 and 2 of the project, the IPL System is able to deliver water from the Richland-Chambers Reservoir to the cross-connections with the existing Richland-Chambers and Cedar Creek pipelines at the Interconnect Facility near Joe Pool Lake and the future DWU connection point. The IPL System is also able to deliver water to the Arlington Outlet and the KBR Bypass Pipeline. In addition, water can also be delivered via the IPL System and existing pipelines to Rolling Hills Water Treatment Plant and Lake Benbrook.

Overall construction summary:

As of September 30, 2021, Phase 1 and Phase 2 of the IPL Project are 97% complete. Ongoing work in these phases includes the Trinity River Tunnel on Pipeline Section 17 and the JCC1 pump station project. These last sections of IPL Phase 1 & 2 are expected to be finished by December 2021. In fiscal year 2021, Phase 3 construction began with the tunnels at TXDOT Roadway Crossings for Pipeline Sections 19-1 & 19-2. The Long Tunnel Project started and is currently in the bid phase.

The IPL Project has incurred \$1.2 billion in total costs through September 30, 2021. During fiscal year 2021, \$54.3 million was spent on the joint portion of the project. As of September 30, 2021, the IPL Project has acquired 99% of the land required for the joint portion of the project and only has seven parcels left to acquire.



(Timeline of the Integrated Pipeline Program)

Kennedale Balancing Reservoir - Phase 3 -

The third phase of the Kennedale Balancing Reservoir (KBR) project includes 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. As of fiscal year 2021, \$9.1 million of the \$9.8 million design contract has been spent. The bid

request of the construction portion of Phase 3 was delayed due to a significant increase in construction costs in recent months. Projected start for the construction portion of this Phase 3 has been pushed back to fiscal year 2022 and will be completed over a three year period. This project will allow enhanced operational flexibility and will improve water quality by removing two large concrete splitter box weirs and plugging leakage in existing cell inlets. The estimated capital cost for Phase 3 has been increased to approximately \$41.0 million due to the increased cost of construction. A future phase will complete the 165-million gallon third cell at KBR, which will provide additional emergency storage and optimized time and day operational capability.

Cedar Creek Section 2 Pipeline Replacement-

The District continued design work on the Cedar Creek Section 2 Pipeline Replacement Project. Section 2 is located between the cities of Mansfield and Midlothian, a part of the District's oldest raw water transmission pipeline installed in the 1970's. The project will remove and replace approximately 10 miles of 72-inch prestressed concrete cylinder pipe (PCCP) with 90-inch welded steel pipe. This replacement is over and above the annual replacement of 15-20 segments of distressed PCCP. During fiscal year 2021, \$2.1 million was spent on the design of this project, bringing the design phase to 89% complete. Construction is expected to start in 2024 after completion of Phase 3 of the Kennedale Balancing Reservoir project.

Cedar Creek Wetlands Project -

The Cedar Creek Wetlands project is a wetlands facility planned to enhance storage and yield of Cedar Creek Reservoir. It is located on approximately 4,000 acres north and west of Cedar Creek Reservoir and east of the main stem of the Trinity River. Water will course through the wetlands to remove sediment and nutrients. The water will then be re-lifted into the Cedar Creek Reservoir for storage, increasing the water supply available from Cedar Creek by 50%.

The timeline for the Cedar Creek Wetland's project was moved forward in fiscal year 2021. Design work is 30% complete with additional work expected to commence in December 2021. The total project estimate is \$336.6 million and as of September 30, 2021, \$21.4 million has been spent on design.

Panther Island/Central City Project -

The Panther Island/Central City 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

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. 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 2021, 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 2021 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 \$235.6 million on the District's local portion of the Panther Island/Central City Project and has an outstanding loan payable of \$188.6 million to the District. In addition, USACE has spent \$57.8 million and TXDOT has spent \$61.1 million on the Panther Island/Central City Project.

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 2021, there was no outstanding debt.

During fiscal year 2021, environmental remediation was completed on Police and Fire Phase 1 and Rubin properties, which are currently in the Voluntary Cleanup Program. Police and Fire Phase 1 and Rubin are pending acceptance by TCEQ. Environmental maintenance continues at Luminant. See Note 1 for more information on pollution remediation liabilities for these properties.

Bids for the demolition of the Police and Fire Towers were advertised and awarded late summer 2021. Demolition of the towers should be complete in the first half of fiscal 2022.



(Police and Fire Phase 1 demolition and environmental remediation and Rubin environmental remediation.)

Gateway Park Site H & I landscape establishment was complete in 2021. All three bridges, White Settlement, Main Street, and Henderson were open to traffic in 2021. Final turnover of the three bridges from TXDOT to the City of Fort Worth will be complete in fiscal year 2022.

Recreation -

The District participated in recreation 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 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 2021 an estimated 72,000 people enjoyed the beach and 21,000 used the boat ramp, which generated revenue of over \$495 thousand.



(Twin Points Park at Eagle Mountain Lake)

The District puts on several events that engage the community, including Trash Bash, Fly Fest, and many summer events. Trash Bash is a biannual event that brings the community down to the river to help keep the Trinity River clean; approximately 17 tons of trash was picked up during the fiscal year 2021 events. The District's Fly Fest is a product of the District's Fish the Fort annual stocking program which is an urban fishing initiative aimed to restore our natural environments, re-establish native species, promote stewardship and conservation, educate the community on environmental quality and enhance fishing opportunities.

The summer events took place at or near the Panther Island Pavilion and provide awareness to the public of the recreational activities on the river. These events include the Fort Worth's Fourth, the Rockin' the River concert series, and the Sunday Funday programming. In total, the summer events brought approximately 115,000 people to the river in fiscal year 2021.



(Fort Worth's Fourth at Panther Island Pavilion)



(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 comprehensive Asset Management program to allow for the proper balance of maintenance and system improvements so that costs are managed efficiently. In addition, the customer advisory committee previously approved a Pumping Power Contingency fund that set aside \$5 million that can be used to offset pumping power costs in years when the pumping power costs, which can be volatile and difficult to predict, go over budget. During fiscal year 2021, the District also began work on a water supply planning study to update the District's prioritization and sequencing of both near-term and long-term water supply projects and strategies. All of these initiatives work together to provide adequate water supply with a stable water rate.

The District's Governmental Fund supports both Flood Protection and Recreation. Those two missions require separate planning and long-term outlooks. For Flood Protection, part of the long-term outlook includes the District's continuing to work with other government entities such as the Texas Water Development Board (TWDB), the United States Army Corps of Engineers (USACE), and the North Central Texas Council of Governments (NCTCOG) to ensure a global approach to planning and resources. Also, the District has set a tax rate that can fully cover the annual operational flood protection costs, therefore not relying on less stable revenue sources. The additional revenues, such as oil and gas royalties, are held in a Special Projects/Governmental Contingency Fund. The Board of Directors may approve to use those funds for projects or other unexpected costs in the future. Currently the Recreation Program is funded through this Governmental Contingency Fund, allowing the District to continue supporting recreational opportunities with currently held funds.

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 annual comprehensive financial report for the fiscal year ended September 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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,



Dan Buhman
General Manager



Sandra Newby
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Tarrant Regional Water District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrell

Executive Director/CEO



Board of Directors

Leah M. King, President

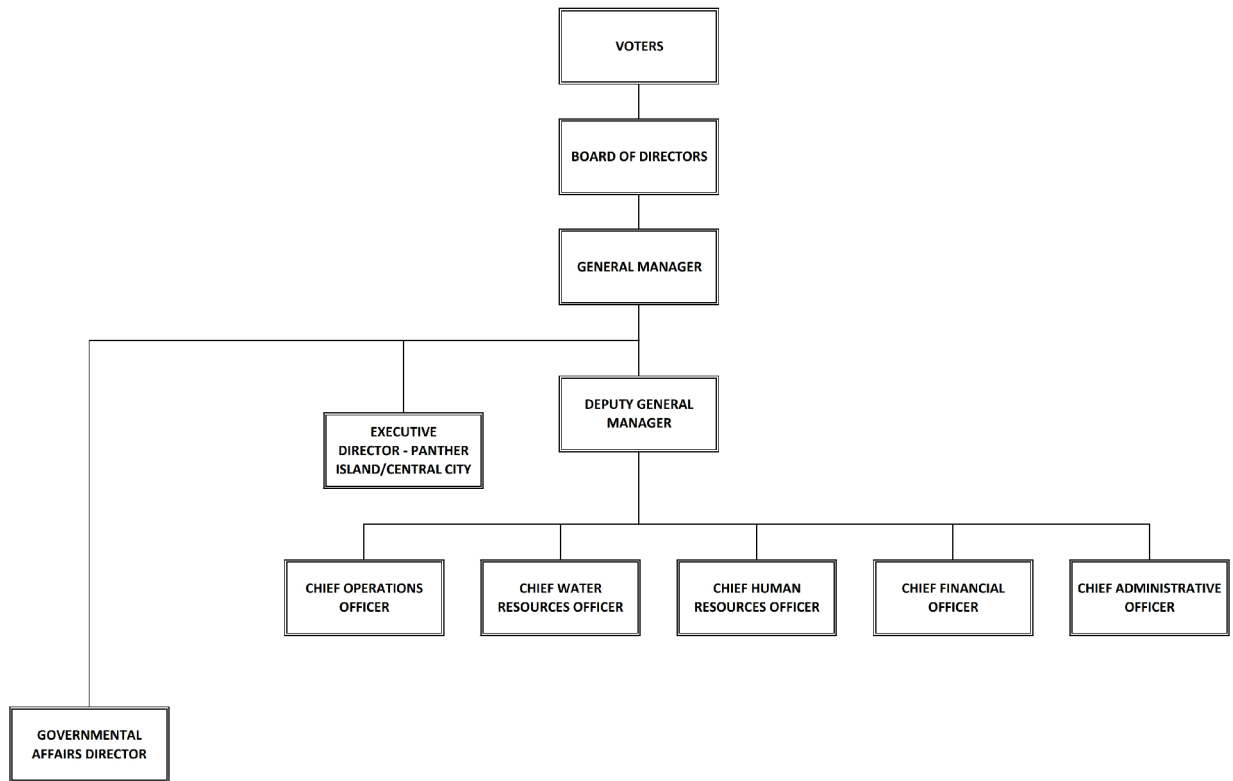
James Hill, Vice President

Jim Lane, Secretary

Marty Leonard, Director

Mary Kelleher, Director

Tarrant Regional Water District Organizational Chart



FINANCIAL SECTION



(Wildlife at the George W. Shannon Wetlands)

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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, each major fund, and the aggregate remaining fund information of Tarrant Regional Water District as of September 30, 2021 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

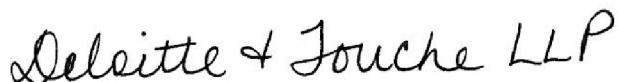
Required Supplementary Information

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 in Other Post Employment Benefits, and Schedule of Contributions in Other Post Employment Benefits 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.

A handwritten signature in cursive script that reads "Deloitte & Touche LLP".

December 20, 2021

TARRANT REGIONAL WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2021

This section of the District's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended September 30, 2021. 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 \$1.4 billion (net position). Of this amount, \$299.0 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 \$50.8 million mainly due to the payment of debt service payables from customer water sales. Governmental activities total net position increased by \$16.3 million mainly due to oil and gas revenues as well as lower than budgeted expenses.

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 33 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 is 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 all of the following criteria:

- 1) The assets associated with the fiduciary activity are controlled by the government.
- 2) The assets associated with the fiduciary activity are not derived either solely from the government's own-source revenues or from government mandated non-exchange transactions or voluntary non-exchange transactions.
- 3) The assets associated with the fiduciary activity are either:
 - a) administered through a trust in which the government itself is not a beneficiary, dedicated to providing benefits to recipients in accordance with the benefit terms, and legally protected from the creditors of the government
 - b) for the benefit of individuals and the government does not have administration involvement with the assets or direct financial involvement with the assets and the assets are not derived from the government's provision of goods or services to those individuals
 - c) for the benefit of organizations or other governments that are not part of the financial reporting entity and the assets are not derived from the government's provision of goods or services to those organizations or other governments.

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.

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 46 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 \$1.4 billion at the close of fiscal year 2021.

CONDENSED SCHEDULE OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Current and other assets	\$ 273,776,582	\$ 286,443,966	\$ 309,815,548	\$ 503,212,548	\$ 583,592,130	\$ 789,656,514
Capital assets	371,744,493	375,138,247	1,994,311,374	2,031,260,774	\$2,366,055,867	2,406,399,021
Total Assets	645,521,075	661,582,213	2,304,126,922	2,534,473,322	2,949,647,997	3,196,055,535
Total Deferred Outflows of Resources	394,816	565,749	10,383,680	56,318,079	10,778,496	56,883,828
Current liabilities	6,986,189	8,064,619	99,545,538	101,460,944	106,531,727	109,525,563
Long-term liabilities	12,419,866	11,071,319	1,497,440,502	1,720,819,104	1,509,860,368	1,731,890,423
Total Liabilities	19,406,055	19,135,938	1,596,986,040	1,822,280,048	1,616,392,095	1,841,415,986
Total Deferred Inflows of Resources	201,573	410,882	4,123,986	4,349,368	4,325,559	4,760,250
Net position						
Net investment in cap. assets	371,744,493	375,138,247	580,388,360	624,792,728	952,132,853	999,930,975
Restricted for						
Capital Projects	5,621,205	5,552,676			5,621,205	5,552,676
Debt Service			100,358,807	102,311,377	100,358,807	102,311,377
Unrestricted	248,942,565	261,910,219	32,653,409	37,057,880	281,595,974	298,968,099
Total Net Position	<u>\$ 626,308,263</u>	<u>\$ 642,601,142</u>	<u>\$ 713,400,576</u>	<u>\$ 764,161,985</u>	<u>\$1,339,708,839</u>	<u>\$1,406,763,127</u>

Government-wide

- **Current and Other Assets**

The increase in current and other assets of \$206.1 million is mainly due to the issuance of the Dallas 2021A bond for an additional \$250 million for the new IPL Phase 3.

- **Capital Assets**

The increase in capital assets of \$40.3 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.

- **Deferred Outflows of Resources**

The increase in deferred outflows of resources of \$46.1 million is primarily due to the loss on the refunding of the TRWD 2010B and 2014 Series Bonds and Dallas 2012 and 2014 Series Bonds. Refer to Note 6 for further detail about long-term liabilities.

- **Long-Term Liabilities**

The increase in long-term liabilities of \$222.0 million is mostly due to the new Dallas 2021A bond issue, offset by principal debt service payments.

- **Net Investment in Capital Assets**

The increase in net investment in capital assets of \$47.8 million is mainly due to the increase in capital asset costs for the Panther Island/Central City Project, the IPL Pipeline, and the Cedar Creek Section 2 Pipe Replacement Design 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.

- **Unrestricted Net Position**

The increase of \$17.4 million in the District's unrestricted net position occurred mostly in the Governmental Fund mainly due to oil and gas revenues as well as lower than budgeted expenses.

Governmental Activities

- **Current and Other Assets**

The increase of \$12.7 million was mainly due to oil and gas revenues as well as lower than budgeted expenses.

- **Unrestricted Net Position**

The increase of \$13.0 million in the District's unrestricted net position occurred mainly due to oil and gas revenues as well as lower than budgeted expenses.

Business-Type Activities

- **Current and Other Assets**

The increase of \$193.4 million is mainly due to the new Dallas 2021A Bond issue for the new IPL Phase 3 offset by ongoing project costs.

- **Capital Assets**

The capital assets increase of \$36.9 million is due to on-going bond projects costs, including the IPL Project, offset by accumulated depreciation. Refer to Note 4 for further detail about capital assets.

- **Deferred Outflows of Resources**

The increase of \$45.9 million in deferred outflows of resources is primarily due to the loss on the refunding of the TRWD 2010B and 2014 Series Bonds and Dallas 2012 and 2014 Series Bonds.

- **Long-Term Liabilities**

The increase of \$223.4 million in long-term liabilities is mainly due to the new Dallas 2021A Bond issues, offset by annual principal debt service payments. Refer to Note 6 for further detail about long-term liabilities. In fiscal year 2021, Fitch Ratings upgraded the District's bonds from a 'AA' rating to a 'AA+' rating. Standard & Poor's Global Ratings remained the same at a "AAA+" rating for the Districts bonds.

- **Net Investment in Capital Assets**

The increase of \$44.4 million is mainly due to capital asset costs as well as payments and refundings of long-term debt.

CONDENSED SCHEDULE OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Revenues:						
Program Revenues						
Charges for services	\$ 8,441,492	\$ 10,760,556	\$ 149,721,357	\$ 166,216,070	\$ 158,162,849	\$ 176,976,626
Operating Grants and Contributions	247,607	223,910	1,885,301	1,142,129	2,132,908	1,366,039
Capital Grants and Contributions	10,951,777	5,000,645			10,951,777	5,000,645
Total Program Revenues	19,640,876	15,985,111	151,606,658	167,358,199	171,247,534	183,343,310
General Revenues						
Property tax revenues	21,941,700	23,067,000			21,941,700	23,067,000
Investment income (loss)	763,675	63,736	5,810,806	(227,021)	6,574,481	(163,285)
Other revenues	88,912	81,243	425,392	305,082	514,304	386,325
Total Revenues	42,435,163	39,197,090	157,842,856	167,436,260	200,278,019	206,633,350
Expenses						
Flood protection	19,842,221	18,615,103			19,842,221	18,615,103
Recreation	2,781,733	4,289,108			2,781,733	4,289,108
Water supply			116,647,345	116,674,851	116,647,345	116,674,851
Total Expenses	22,623,954	22,904,211	116,647,345	116,674,851	139,271,299	139,579,062
Changes in Net Position	19,811,209	16,292,879	41,195,511	50,761,409	61,006,720	67,054,288
Net Position - Beginning of year	606,497,054	626,308,263	672,205,065	713,400,576	1,278,702,119	1,339,708,839
Net Position - Ending	\$ 626,308,263	\$ 642,601,142	\$ 713,400,576	\$ 764,161,985	\$ 1,339,708,839	\$ 1,406,763,127

Governmental Activities

- Program Revenues - Charges for Services**

The increase of \$2.3 million is due primarily to increased oil and gas revenues related to higher oil prices in the petroleum market.

- Program Revenues - Capital Grants and Contributions**

The decrease of \$6.0 million is mainly due to lower Panther Island/Central City Project contributions, as the project has slowed down to align with the timing of federal USACE funding.

- General Revenues - Property Tax Revenues**

The increase of \$1.1 million is mainly due to the increase in property tax revenues due to the increase in tax valuations for fiscal year 2021.

- Expenses - Flood protection**

The decrease of \$1.2 million is mainly due to the decrease in contribution expense for the West Bank Renovation asset that is owned by the City of Fort Worth, and a decrease in paid leave which is due to employees taking less paid leave due to COVID-19.

- **Expenses - Recreation**

The increase of \$1.5 million is mainly due to increased personnel directly supporting the recreation mission of the District. Also, there was an increase in events for fiscal year 2021 that did not take place in fiscal year 2020 due to COVID-19.

Business Type Activities

- **Program Revenues - Charges for Services**

The increase of \$16.5 million is due to increased water sales as the system cost for fiscal year 2021 was higher and therefore customers were charged more than prior year mainly due to higher pumping power costs.

- **General Revenues - Investment income**

The decrease of \$6.0 million is primarily due to decreased interest rates and decreased market values. The District's average yield at the end of fiscal year 2020 was 0.61% compared to 0.27% at the end of fiscal year 2021.

FINANCIAL ANALYSIS: CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Nondepreciable						
Land	\$ 266,698,783	\$ 269,621,461	\$ 176,246,877	\$ 177,959,672	\$ 442,945,660	\$ 447,581,133
Construction in progress	73,537,106	76,191,992	1,200,354,015	1,251,635,976	1,273,891,121	1,327,827,968
Total nondepreciable assets	340,235,889	345,813,453	1,376,600,892	1,429,595,648	1,716,836,781	1,775,409,101
Depreciable						
Dams and spillways	3,070,461	3,070,461	230,228,128	230,276,676	233,298,589	233,347,137
Pipeline			565,626,000	565,673,446	565,626,000	565,673,446
Wetlands			56,160,860	56,160,860	56,160,860	56,160,860
Communications			20,787	20,787	20,787	20,787
Buildings	49,179,554	49,103,834	7,987,396	7,854,201	57,166,950	56,958,035
Technology Infrastructure			3,240,353	3,240,353	3,240,353	3,240,353
Machinery and equipment	11,002,593	10,946,927	13,065,120	13,420,113	24,067,713	24,367,040
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
	71,368,125	71,236,739	1,027,442,945	1,027,760,737	1,098,811,070	1,098,997,476
Less						
Accumulated depreciation	(39,859,521)	(41,911,945)	(409,807,813)	(430,031,517)	(449,667,334)	(471,943,462)
Total depreciable assets	31,508,604	29,324,794	617,635,132	597,729,220	649,143,736	627,054,014
Intangible assets, net of accum amort.			75,350	3,935,906	75,350	3,935,906
Total	\$ 371,744,493	\$ 375,138,247	\$ 1,994,311,374	\$ 2,031,260,774	\$ 2,366,055,867	\$ 2,406,399,021

The District's capital assets for its governmental and business-type activities as of September 30, 2021 were \$2.4 billion. Capital assets include: dams, spillways and water transmission facilities as well as land, roads, buildings, technology infrastructure, machinery, equipment and construction costs. 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**
 - Land purchase of \$1.6 million for the future construction of a storm water canal.
 - Panther Island/Central City Project land, relocation, demolition, environmental costs increased the land balance by \$1.3 million.

- **Construction in Progress**
 - Panther Island/Central City Project increased by \$1.6 million.
 - Panther Island Canal Construction increased by \$721 thousand.

Business Type Activities

- **Land**
 - Integrated Pipeline land purchases increased the land balance by \$1.7 million.
- **Construction in Progress**
 - Integrated Pipeline increased \$48.4 million.
 - Cedar Creek Section 2 pipe replacement design increased \$2.1 million.
 - Variable Frequency Drive addition at Richland Chambers 3L and 3H began in fiscal year 2021 and had \$1.2 million in costs.
 - Kennedale Balancing Reservoir increased \$962 thousand.
 - Data Center at Joint Booster Pump Station 3 began in fiscal year 2021 and had \$625 thousand in costs.
 - Spillway Gate Controllers Upgrade began in fiscal year 2021 and had \$462 thousand in costs.
 - Kennedale Balancing Reservoir Microwave Radio Expansion began in fiscal year 2021 and had \$315 thousand in costs.
- **Intangible Assets**
 - Internally Developed Asset Management System was completed and moved out of CIP for a total of \$3.9 million in costs.

FINANCIAL ANALYSIS: FUND STATEMENTS

General Fund

As of the end of the 2021 fiscal year, the District's General Fund reported an ending fund balance of \$90.0 million. This total includes nonspendable fund balance in the amount of \$2.2 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, \$25.2 million for the Reserve Policy, \$43.6 million for the Contingency Fund (\$7.2 million assigned for fiscal year 2022 Panther Island/Central City debt service, \$36.4 million assigned for future board designated projects), and \$13.4 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 33) and has an end of year net position of \$764.2 million. This includes a net investment in capital assets of \$624.8 million, restricted net position for debt service of \$102.3 million, and an unrestricted net position of \$37.1 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 \$14.2 million.

BUDGETARY HIGHLIGHTS

GENERAL FUND

The 2021 budgeted revenues for the General Fund were \$36.9 million and the year ended with actual revenues of \$42.2 million. The increase in revenues was due to higher property taxes from increased property values, increased contribution revenues from the Tax Increment Financing District 9 & 9A due to increased property values, and increased oil and gas revenues due to higher prices.

The 2021 budgeted expenditures for the General Fund were \$42.7 million and the year ended with actual expenditures of \$27.5 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 lower Panther Island/Central City Project costs.

The District approved \$48.2 million in expenditures for fiscal year 2022, an increase of \$5.5 million. The increase was due to an increase in debt service for the Panther Island/Central City Project, as well as additional recreation infrastructure projects.

The property tax rate for the tax year 2020, fiscal year 2021, stayed the same at \$0.0287 per \$100 valuation.

ENTERPRISE FUND

The fiscal year 2022 Enterprise Fund Budget, prepared in accordance with the Tarrant Regional Water Supply Facilities Amendatory Contract, totals \$154.9 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
Chief Financial Officer
800 East Northside Drive
Fort Worth, Texas 76102

TARRANT REGIONAL WATER DISTRICT

STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 45,345,933	\$ 41,318,683	\$ 86,664,616
Investments	40,317,560	10,097,815	50,415,375
Receivables			
Accounts, oil and gas royalties, and other	2,755,529	1,689,122	4,444,651
Taxes-net of allowance	30,623		30,623
Accrued interest	73,759	49,201	122,960
Long-term receivable	188,642,571		188,642,571
Internal balances	1,718,338	(1,718,338)	
Prepaid items	1,446,660	9,502,035	10,948,695
Inventory-at cost	69,305		69,305
Inventory held for sale	491,012		491,012
Cash and cash equivalents for bond projects		164,595,278	164,595,278
Investments held for bond projects		165,938,725	165,938,725
Accrued interest receivable for bond projects		407,242	407,242
Cash and cash equivalents restricted		1,100,000	1,100,000
Investments restricted		5,000,000	5,000,000
Cash and cash equivalents for debt service		4,694,289	4,694,289
Investments for debt service		100,395,841	100,395,841
Accrued interest receivable for debt service		142,655	142,655
Deposits held by others	5,552,676		5,552,676
Land	269,621,461	177,959,672	447,581,133
Construction in progress	76,191,992	1,251,635,976	1,327,827,968
Depreciable capital assets, net of accumulated depreciation	29,324,794	597,729,220	627,054,014
Intangible assets, net of amortization		3,935,906	3,935,906
Total Assets	661,582,213	2,534,473,322	3,196,055,535
DEFERRED OUTFLOWS OF RESOURCES			
Deferred bond refunding -loss		54,599,279	54,599,279
Deferred OPEB	565,749	1,718,800	2,284,549
Total Deferred Outflows of Resources	565,749	56,318,079	56,883,828
LIABILITIES			
Accounts payable	5,556,370	12,334,694	17,891,064
Accounts payable restricted for customer contingency		5,000,000	5,000,000
Accounts payable for bond projects		5,478,821	5,478,821
Accrued vacation - due within one year	354,770	1,064,309	1,419,079
Other liabilities	2,153,479	865,386	3,018,865
Other liabilities for bond projects		11,866,326	11,866,326
Payable from restricted assets - accrued bond interest payable		4,021,408	4,021,408
Revenue bonds payable, net of discount			
Due within one year		60,830,000	60,830,000
Due in more than one year		1,710,725,178	1,710,725,178
Long-term Payables - due in more than one year			
Pollution remediation obligations	5,952,500		5,952,500
Post employment benefits payable	4,177,236	7,269,177	11,446,413
Accrued vacation	941,583	2,824,749	3,766,332
Total Liabilities	19,135,938	1,822,280,048	1,841,415,986
DEFERRED INFLOWS OF RESOURCES			
Deferred bond refunding-gain		3,108,245	3,108,245
Deferred OPEB	410,882	1,241,123	1,652,005
Total Deferred Inflows of Resources	410,882	4,349,368	4,760,250
NET POSITION			
Net investment in capital assets	375,138,247	624,792,728	999,930,975
Restricted for			
Capital projects	5,552,676		5,552,676
Debt service		102,311,377	102,311,377
Unrestricted	261,910,219	37,057,880	298,968,099
Total Net Position	\$ 642,601,142	\$ 764,161,985	\$ 1,406,763,127

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

TARRANT REGIONAL WATER DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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		
					Governmental Activities	Business Type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities							
Flood protection	\$ 18,615,103	\$ 8,756,940	\$ 10,000	\$ 5,000,645	\$ (4,847,518)		\$ (4,847,518)
Recreation	4,289,108	2,003,616	213,910		(2,071,582)		(2,071,582)
Total governmental activities	<u>22,904,211</u>	<u>10,760,556</u>	<u>223,910</u>	<u>5,000,645</u>	<u>(6,919,100)</u>		<u>(6,919,100)</u>
Business type activities-Water supply	116,674,851	166,216,070	1,142,129			\$ 50,683,348	50,683,348
	<u>\$ 139,579,062</u>	<u>\$ 176,976,626</u>	<u>\$ 1,366,039</u>	<u>\$ 5,000,645</u>		<u>50,683,348</u>	<u>43,764,248</u>
GENERAL REVENUES							
Property taxes					23,067,000		23,067,000
Investment income (loss)					63,736	(227,021)	(163,285)
Miscellaneous					16,002	224,982	240,984
Gain on disposal of assets					65,241	80,100	145,341
Total general revenues					<u>23,211,979</u>	<u>78,061</u>	<u>23,290,040</u>
CHANGES IN NET POSITION					16,292,879	50,761,409	67,054,288
NET POSITION - Beginning of year					<u>626,308,263</u>	<u>713,400,576</u>	<u>1,339,708,839</u>
NET POSITION - End of year					<u>\$ 642,601,142</u>	<u>\$ 764,161,985</u>	<u>\$ 1,406,763,127</u>

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

TARRANT REGIONAL WATER DISTRICT**BALANCE SHEET—GENERAL FUND
SEPTEMBER 30, 2021**

ASSETS	
Cash and cash equivalents	\$ 45,345,933
Investments	40,317,560
Receivables	
Accounts, oil and gas royalties and other	2,755,529
Taxes—net of allowance	30,623
Accrued interest	73,759
Due from Enterprise Fund	1,485,778
Notes and interest due from enterprise fund	232,560
Prepaid items	1,446,660
Inventory of supplies—at cost	69,305
Inventory held for sale	491,012
Deposits held by others	5,552,676
Long-term receivable	188,642,571
Total assets	<u>286,443,966</u>
LIABILITIES	
Accounts payable	5,556,370
Other liabilities	2,153,479
Total liabilities	<u>7,709,849</u>
DEFERRED INFLOWS	
Unavailable revenue	188,764,572
Total deferred inflows	<u>188,764,572</u>
FUND BALANCES	
Nonspendable	
Long-term interfund notes and interest	232,560
Prepaid items	1,446,660
Inventory of supplies - at cost	69,305
Inventory held for sale	491,012
Restricted for Capital Projects	5,552,676
Assigned for General Fund Reserve Policy	25,217,245
Assigned for Contingency Fund	43,588,284
Unassigned	13,371,803
Total fund balances	<u>89,969,545</u>
TOTAL	<u>\$ 286,443,966</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, 2021**

TOTAL FUND BALANCES -General Fund	\$ 89,969,545
-----------------------------------	---------------

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	188,642,571
Property tax revenues	20,041
Oil and gas revenues	101,960
Deferred Outflows-Other Post Employment Benefits	565,749

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

Accrued Vacation	(1,296,353)
Pollution Remediation Obligations	(5,952,500)
Other Post Employment Benefits Payable	(4,177,236)
Deferred Inflows-Other Post Employment Benefits	(410,882)

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

375,138,247

TOTAL NET POSITION - Governmental activities	<u><u>\$ 642,601,142</u></u>
--	------------------------------

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, 2021**

REVENUES

Property taxes	\$ 23,089,003
Contributions	8,293,957
Oil and gas royalties	7,843,251
Lease rentals	1,404,345
Investment income	63,736
Other	<u>1,505,348</u>
Total revenues	<u>42,199,640</u>

EXPENDITURES

Current

General and administrative	9,161,152
Personnel services	9,712,955
Retirement plan contribution	821,009
Contribution	550,507
Capital expenditures	<u>7,284,601</u>
Total expenditures	<u>27,530,224</u>

EXCESS OF REVENUES OVER EXPENDITURES	<u>14,669,416</u>
--------------------------------------	-------------------

CHANGE IN FUND BALANCE	14,669,416
------------------------	------------

FUND BALANCE - Beginning of year	<u>75,300,129</u>
----------------------------------	-------------------

FUND BALANCE - End of year	<u><u>\$ 89,969,545</u></u>
----------------------------	-----------------------------

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

TARRANT REGIONAL WATER DISTRICT

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE—GENERAL FUND—TO GOVERNMENT WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

CHANGE IN FUND BALANCE—General Fund \$ 14,669,416

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	(3,069,402)
Change in unavailable property taxes	(22,003)
Change in unavailable oil and gas revenue	91,996

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

Change in paid leave	(53,423)
Change in post employment benefits	82,540

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 (\$7,284,601) exceeded Depreciation (\$2,687,705).

4,596,896

Change in gain/loss on disposal of assets	(3,141)
---	---------

CHANGE IN NET POSITION—Governmental activities \$ 16,292,879

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

TARRANT REGIONAL WATER DISTRICT**STATEMENT OF NET POSITION—ENTERPRISE FUND
SEPTEMBER 30, 2021****ASSETS**

Current

Cash and cash equivalents	\$	41,318,683
Investments		10,097,815
Receivables		
Accounts and other		1,689,122
Accrued interest		49,201
Prepaid items		9,502,035
		<hr/>
Total current assets		62,656,856

Noncurrent

Cash and cash equivalents for bond projects		164,595,278
Investments held for bond projects		165,938,725
Accrued interest receivable for bond projects		407,242
Cash and cash equivalents restricted		1,100,000
Investments restricted		5,000,000
Cash and cash equivalents for debt service		4,694,289
Investments for debt service		100,395,841
Accrued interest receivable for debt service		142,655
Capital Assets		
Land		177,959,672
Construction in progress		1,251,635,976
Depreciable capital assets—net		597,729,220
Intangible assets—net of amortization		3,935,906
		<hr/>
Total noncurrent assets		2,473,534,804
		<hr/>
Total assets		2,536,191,660

DEFERRED OUTFLOWS OF RESOURCES:

Deferred bond refunding-loss		54,599,279
Deferred OPEB		1,718,800
		<hr/>
Total deferred outflows of resources		56,318,079

(Continued)

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

TARRANT REGIONAL WATER DISTRICT**STATEMENT OF NET POSITION—ENTERPRISE FUND****SEPTEMBER 30, 2021****LIABILITIES**

Current Liabilities

Accounts payable	\$ 12,334,694
Accounts payable restricted for customer contingency	5,000,000
Accounts payable for bond projects	5,478,821
Due to General Fund	1,485,778
Accrued vacation	1,064,309
Other liabilities	865,386
Other liabilities for bond projects	11,866,326
Payable from restricted assets—accrued bond interest payable	4,021,408
Revenue bonds payable-current position	60,830,000
Notes and interest payable to General Fund-current position	75,240

Total current liabilities 103,021,962

Noncurrent Liabilities

Accrued vacation	2,824,749
Long-term post employment benefits	7,269,177
Revenue bonds payable-net of discount	1,710,725,178
Notes and interest payable to General Fund	157,320

Total noncurrent liabilities 1,720,976,424

Total liabilities 1,823,998,386

DEFERRED INFLOWS OF RESOURCES

Deferred bond refunding-gain	3,108,245
Deferred OPEB	1,241,123

Total deferred inflows of resources 4,349,368

NET POSITION

Net investment in capital assets	624,792,728
Restricted for debt service	102,311,377
Unrestricted	37,057,880

TOTAL NET POSITION \$ 764,161,985

(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, 2021**

OPERATING REVENUES	
Sale of water	\$ 138,108,606
Sale of system capacity	1,307,381
Contributions	1,142,129
Land lease rentals	152,743
Other	907,506
	<hr/>
Total operating revenues	141,618,365
OPERATING EXPENSES	
General and administrative	21,013,702
Personnel services	17,943,288
Retirement plan contribution	1,543,096
Utilities	15,045,877
Depreciation and amortization	20,940,571
	<hr/>
Total operating expenses	76,486,534
	<hr/>
OPERATING INCOME	65,131,831
NONOPERATING INCOME/(LOSS)	
Sale of system capacity restricted for debt service	25,964,816
Investment loss	(227,021)
Interest expense	(40,188,317)
Gain on disposal of capital assets	80,100
	<hr/>
Total nonoperating revenues (expenses)	(14,370,422)
	<hr/>
NET INCOME	50,761,409
	<hr/>
NET POSITION - Beginning of year	713,400,576
	<hr/>
NET POSITION - End of year	\$ 764,161,985
	<hr/> <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, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from water customers	\$ 139,953,598
Contributions	1,142,129
Miscellaneous receipts	907,506
Payments to suppliers and contractors	(46,508,200)
Payments to employees for services	(19,984,113)
Receipts from General Fund	644,054
	<hr/>
Net cash provided by operating activities	76,154,974
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from the sale of revenue bonds	980,079,967
Principal paid on revenue bonds payable	(702,670,000)
Interest paid on revenue bonds and contract payable	(131,162,016)
Receipts from system capacity customer restricted for debt service	25,964,816
Acquisition and construction of capital assets	(57,889,971)
Proceeds from disposal of capital assets	80,100
	<hr/>
Net cash provided in capital and related financing activities	114,402,896
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(248,000,000)
Proceeds from sale and maturity of investments	103,555,556
Interest received on investments	284,089
	<hr/>
Net cash used by investing activities	(144,160,355)
NET INCREASE IN CASH AND CASH EQUIVALENTS	
	46,397,515
CASH AND CASH EQUIVALENTS—Beginning of year	<hr/> 165,310,735
CASH AND CASH EQUIVALENTS - End of year	<hr/> <hr/> \$ 211,708,250

(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, 2021**

RECONCILIATION OF OPERATING INCOME TO NET CASH

PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 65,131,831
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation & amortization expense	20,940,571
Bond issuance cost considered financing activity	5,136,661
OPEB amortization of deferred inflows	64,704
Change in assets and liabilities	
Accounts and other receivables	384,868
Prepaid expenses	(4,095,073)
Accounts payable	(8,782,775)
Due to (from) other funds—net	717,103
Interfund note payable	(73,049)
Long-term vacation accrual	160,270
OPEB liability	(722,703)
Other liabilities	<u>(2,707,434)</u>
Net cash provided by operating activities	<u>\$ 76,154,974</u>

NONCASH ACTIVITIES

Disposal of \$641,517 of capital assets, net of \$641,517 accumulated depreciation.

Record decrease in fair value of investments and change in premium/discounts on investments to interest income of \$1,760,504 and (\$998,144) respectively.

Record Amortization of Gain/Loss of \$1,968,669 and net loss on refundings of 2008A, 2008B, 2010A, 2010B, 2014, Dallas 2012, Dallas 2014 Bonds of \$47,793,087.

Record increase in Other Post Employment Benefits deferred outflow of resources of \$514,017 and increase in deferred inflow of resources of \$629,418 from the amortization of the deferred balances.

Record amortization of Deferred Inflow of Resources from Other Post Employment Benefits of \$64,704.

(Concluded)

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

TARRANT REGIONAL WATER DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2021

	Other Post-Employment Benefits Trust Fund
ASSETS	
Cash and cash equivalents	\$ 163,222
Equity Fund Investments	7,328,844
Fixed Income Fund Investments	6,675,965
Total Assets	14,168,031
NET POSITION	
Restricted and held in trust for Other Post-Employment Benefits	14,168,031
TOTAL FIDUCIARY NET POSITION	\$ 14,168,031

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

TARRANT REGIONAL WATER DISTRICT

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Other Post-Employment Benefits Trust Fund
ADDITIONS	
Employer Contributions	\$ 2,063,672
Net Appreciation in Fair Value of Investments	1,822,450
Total Additions	3,886,122
DEDUCTIONS	
Benefit Payments	292,111
Other Post-Employment Benefits Plan Administrative Expense	68,206
Total Deductions	360,317
Net Increase in Fiduciary Net Position	3,525,805
Fiduciary Net Position	
Beginning of Year	10,642,226
End of Year	\$ 14,168,031

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, 2021

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 and concluded that the District no longer has any component units. The previous component unit, Trinity River Vision Authority (TRVA), reassigned all contracts to either the District or the City of Fort Worth in December 2019 pursuant to the Riveron Consulting LLC recommendations. While the TRVA is no longer approving contracts and making payments, the TRVA has continued to serve as a vehicle of project coordination among the project stakeholders.

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 as well as recreation activities. Voters have approved the District to issue up to \$250 million in bonds to finance the remaining outstanding local share of the Panther Island/Central City Project. As part of the \$250 million, the District created a \$150 million Extendable Commercial Paper Bond program that provides efficient flexibility for the Panther Island/Central City flood protection project. As of the end of fiscal year 2021, there was no outstanding debt.

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 fund balance. 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. This program is separate from the Governmental extendable commercial paper bond program.

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 retirement 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 Fiduciary 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 2021 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 2021, the District expended an additional \$4.1 million under the agreement bringing the total amount expended to \$235.6 million. As of the end of fiscal year 2020, the TIF had repaid \$39.8 million, and during fiscal year 2021 the District collected an additional \$7.2 million from the TIF bringing the net loan amount to \$188.6 million.

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 1st 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 2021, 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, 2021 was \$173 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. In fiscal year 2021, the IPL Phase 3 ROCIP program began and increased the Enterprise Fund prepaid insurance balance by \$4.3 million.

Inventory - The District values inventory using weighted average as the cost basis. For inventory held for sale, lower of cost or market is used as the cost basis.

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; as of the end of fiscal year 2021, the water rights have been fully amortized. In fiscal year 2021, the Board voted to convert the District's Benbrook Lake surplus water contract to a permanent water storage contract and no additional payments were required.

Internally Developed Asset Management System - The District worked with a consultant to create a system to manage our water supply assets through annual analysis that aligns practices with the District's Strategic Plan, engages internal and external stakeholders, and provides for continuous improvement of asset management outcomes. The system created connects multiple software applications (Maximo, Power BI, Sharepoint, GIS, and Microsoft Excel) to allow for formalized condition assessments of assets to determine risk-based prioritization of assets to be repaired/ replaced through incorporation into annual budgeting and Capital Improvement Program processes. The system analyzes the data and provides information in useable forms to make investment decisions on the basis of life cycle cost balanced with risk and impact on customer rates. The District is amortizing this intangible asset over 10 years, at which time the District expects to re-analyze the software connections and the overall success of the system analysis to determine any needed significant changes.

Interfund Transactions - Interfund balance consists of allocation of expenses to Enterprise Fund as well as loan payments from General Fund to Enterprise Fund. Certain expenditures are paid from the General Fund but benefit both funds, and are therefore partially 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, 2021. Properties purchased during fiscal year 2021 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, one property is known to still require remediation and is classified as high or moderate risk. As of September 30, 2021, the pollution remediation obligation amounted to \$6.0 million.

Based upon the limited data available, a remediation liability outlay for four 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 separation from the District, 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:

	<u>Balance at October 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at September 30, 2021</u>	<u>Due Within One Year</u>
Governmental Activities	\$ 1,242,929	\$ 455,959	\$ 402,535	\$ 1,296,353	\$ 354,770
Business-type Activities	3,728,788	1,367,876	1,207,606	3,889,058	1,064,309
Total	<u>\$ 4,971,717</u>	<u>\$ 1,823,835</u>	<u>\$ 1,610,141</u>	<u>\$ 5,185,411</u>	<u>\$ 1,419,079</u>

Vacation and sick leave increased by \$214 thousand in fiscal year 2021 when compared to fiscal year 2020. During fiscal year 2021, more vacation and sick leave hours were accrued than 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 2021 resulted in an estimated \$7.3 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 - The District receives a majority of contributions from of the Water Conservation campaign and event sponsorships.

Restricted Net Position - Restricted net position is restricted assets less 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 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 observe constraints imposed upon the use of the resources reported in governmental funds. 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, 2021, the District had nonspendable fund balances in the amount of \$2.2 million.

Restricted fund balance - The portion of fund balance that reflects resources that are subject to externally enforceable legal restrictions imposed by parties outside the District at September 30, 2021. At September 30, 2021, 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, 2021, 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, 2021, the District had an assigned fund balance in the amount of \$25.2 million for the Reserve Policy and \$43.6 million for the Contingency Fund (Panther Island/Central City Project \$7.2 million TIF Budget assigned for fiscal year 2021 debt service, \$36.4 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 \$13.4 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 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, several GASB Statements became effective for the District. GASB Statement No. 84, *Fiduciary Activities*, was implemented with no effect on the District's financial statements. Certain provisions in GASB Statement No. 93, *Replacement of Interbank Offered Rates*, became effective for the District. This included the replacement of InterBank Offered Rates (IBOR) and identified appropriate benchmark interest rates for hedging derivative instruments, which were implemented with no effect on the District's financial statements. GASB Statement No. 98, *The Annual Comprehensive Financial Report*, was early implemented. This statement establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

2. REVENUES FROM THE SALE OF WATER

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

Sales of water to four government entities (Cities of Fort Worth, Mansfield, and Arlington, and the Trinity River Authority of Texas) accounted for approximately 90% of the District's water sales for the year ended September 30, 2021. 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, 2021 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, 2021, the District also held petty cash of \$3,984.

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.

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 81% 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 19% 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 (PFIA) are conducted as part of the audit of the basic financial statements. In the areas of investment practices, management reports and establishes appropriate policies, and the District adheres to the requirements of the PFIA.

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, 2021, the District's bank balance of \$4.3 million was not exposed to custodial credit risk and was 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. In September 2021, bond prices dropped significantly, requiring the District to record an unrealized fair market value loss that significantly reduced investment income, showing a net loss on investments in the Enterprise Fund. The District, as a practice, buys and holds investments, and therefore, while the financials reflect this required unrealized fair value adjustment, the loss would only be realized if investments were sold instead of allowed to mature.

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 and Texpool both have elected to report assets at amortized cost and the District has mirrored these valuations.

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

	9/30/2021	Weighted Avg. Maturity (Years)	S & P Rating	Fair Value Measurements Using Significant Other Observable Inputs (Level 2)
Investments				
Federal Farm Credit Bank	\$ 111,720,762	2.33	AA+	\$ 111,720,762
Federal Home Loan Bank	123,700,548	3.45	AA+	123,700,548
Federal Home Loan Mortgage Corp	4,993,165	3.75	AA+	4,993,165
Federal National Mortgage Association	20,899,151	3.28	AA+	20,899,151
U.S. Treasury Notes	60,436,315	0.82	AA+	60,436,315
Total investments	<u>321,749,941</u>			<u>321,749,941</u>
Investment pools				
LOGIC (net asset value)	110,152,674	N/A	AAA-m	N/A
Texpool (net asset value)	142,584,534	N/A	AAA-m	N/A
Total investment pools	<u>252,737,208</u>			
Total investments and cash equivalents	<u>\$ 574,487,149</u>			<u>\$ 321,749,941</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 has no unfunded commitments to Logic and Texpool and may redeem investments at any time.

Sandra Newby, the District's Chief Financial Officer, is the President of the LOGIC Board of Directors.

OPEB Trust Fund Cash, Cash Equivalents, and Investments

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.

The balance per bank of cash on deposit in the Trust Fund and the carrying value was \$2,779 as of September 30, 2021. See below for the detail of investments held as of the end of fiscal year 2021.

	9/30/21	Fair Value Measurements Using Significant Other Observable Inputs (Level 1)
Investments		
Money Market Funds		
First AM Govt	\$ 160,443	N/A
Equity Funds		
iShares Core S&P 500 ETF	2,116,188	2,116,188
iShares S&P 500 Value ETF	946,248	946,248
iShares S&P 500 Growth ETF	825,205	825,205
iShares Russell Mid Cap ETF	586,728	586,728
iShares Russell 2000 Value ETF	590,928	590,928
iShares Russell 2000 Growth ETF	580,134	580,134
iShares Core MSCI EAFE ETF	964,062	964,062
Vanguard FTSE Emerging Markets ETF	473,145	473,145
Vanguard Real Estate ETF	246,206	246,206
Fixed Income Funds		
Vanguard Short-Term Corp Adm Fund	1,217,355	N/A
iShares Core US Agg Bond ETF	5,151,848	5,151,848
Vanguard High-Yield Corporate Adm	306,762	306,762
Total Investments and Cash Equivalents	\$ 14,165,252	

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

During fiscal year 2021, the District performed a detailed review of the fixed asset register and noted 127 assets with purchase prices below the capitalization threshold, as they were purchased prior to the increase in the threshold. As all these assets were fully depreciated and had no material effect on the financial statements, the assets were written off the the books to allow for more efficient focus on assets with material value.

A summary of changes in capital assets governmental activities:

	October 1, 2020	Additions/ Adjustments	Disposals/ Adjustments	Reclassification & Transfers	September 30, 2021
GOVERNMENTAL ACTIVITIES					
NONDEPRECIABLE ASSETS					
Land	\$ 266,698,783	\$ 2,922,678			\$ 269,621,461
Construction in progress	73,537,106	2,654,886			76,191,992
TOTAL NONDEPRECIABLE ASSETS	340,235,889	5,577,564	—	—	345,813,453
DEPRECIABLE ASSETS					
Dams and spillways	3,070,461				3,070,461
Flood control projects	8,115,517				8,115,517
Buildings	49,179,554		(75,720)		49,103,834
Machinery and equipment	11,002,593	507,036	(562,702)		10,946,927
	71,368,125	507,036	(638,422)	—	71,236,739
Less accumulated depreciation for					
Dams and spillways	(1,048,806)	(68,276)			(1,117,082)
Flood control projects	(8,108,993)	(3,915)			(8,112,908)
Buildings	(20,735,803)	(2,225,555)	75,720		(22,885,638)
Machinery and equipment	(9,965,919)	(389,959)	559,561		(9,796,317)
Total accumulated depreciation	(39,859,521)	(2,687,705)	635,281		(41,911,945)
TOTAL DEPRECIABLE ASSETS, NET	31,508,604	(2,180,669)	(3,141)	—	29,324,794
TOTAL GOVERNMENTAL ACTIVITIES, NET	\$ 371,744,493	\$ 3,396,895	(3,141)	—	\$ 375,138,247

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

Governmental activities	
Flood protection	\$ 1,683,608
Recreation	1,004,097
Total depreciation expense - governmental activities	\$ 2,687,705

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

	October 1, 2020	Additions/ Adjustments	Disposals/ Adjustments	Transfers	September 30, 2021
BUSINESS-TYPE ACTIVITIES					
NONDEPRECIABLE ASSETS					
Land	\$ 176,246,877	\$ 1,712,795			\$ 177,959,672
Construction in progress	1,200,354,015	55,313,861		(4,031,900)	1,251,635,976
TOTAL NONDEPRECIABLE ASSETS	1,376,600,892	57,026,656	—	(4,031,900)	1,429,595,648
DEPRECIABLE ASSETS					
Dams and spillways	230,228,128			48,548	230,276,676
Pipeline	565,626,000			47,446	565,673,446
Wetlands	56,160,860				56,160,860
Communications	20,787				20,787
Buildings	7,987,396		(133,195)		7,854,201
Technology Infrastructure	3,240,353				3,240,353
Machinery and equipment	13,065,120	863,315	(508,322)		13,420,113
Other project costs	151,114,301				151,114,301
	<u>1,027,442,945</u>	<u>863,315</u>	<u>(641,517)</u>	<u>95,994</u>	<u>1,027,760,737</u>
Less accumulated depreciation for					
Dams and spillways	(132,810,797)	(4,242,879)			(137,053,676)
Pipeline	(229,265,539)	(11,088,285)			(240,353,824)
Wetlands	(8,410,876)	(1,122,780)			(9,533,656)
Communications	(6,510)	(416)			(6,926)
Buildings	(5,644,790)	(251,337)	133,195		(5,762,932)
Technology Infrastructure	(324,035)	(324,035)			(648,070)
Machinery and equipment	(10,753,870)	(834,708)	508,322		(11,080,256)
Other project costs	(22,591,396)	(3,000,781)			(25,592,177)
Total accumulated depreciation	<u>(409,807,813)</u>	<u>(20,865,221)</u>	<u>641,517</u>	<u>—</u>	<u>(430,031,517)</u>
TOTAL DEPRECIABLE ASSETS, NET	617,635,132	(20,001,906)	—	95,994	597,729,220
INTANGIBLE ASSETS					
Water Rights	2,086,598				2,086,598
Internally Developed Asset Management System				3,935,906	3,935,906
Less accumulated amortization for					
Water Rights	(2,011,248)	(75,350)			(2,086,598)
	<u>75,350</u>	<u>(75,350)</u>	<u>—</u>	<u>3,935,906</u>	<u>3,935,906</u>
TOTAL BUSINESS-TYPE ACTIVITIES, NET	\$ 1,994,311,374	\$ 36,949,400	—	—	\$ 2,031,260,774

5. RETIREMENT 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, Mission Square Retirement, formerly known as 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 2021 the District made contributions of \$3.3 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, 2021 is show below:

	Balance at Oct. 1, 2020	Additions	Deletions	Balance at Sept. 30, 2021	Due Within One Year
<u>Business-type Activities</u>					
TRWD Bonds	\$ 714,550,000	\$424,785,000	\$ 349,590,000	\$ 789,745,000	\$ 32,625,000
TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)	289,995,000	538,420,000	275,170,000	\$ 553,245,000	16,535,000
Bonds from Direct Borrowings (TRWD Bonds)	336,100,000		74,230,000	261,870,000	7,935,000
Bonds from Direct Borrowings (City of Dallas Water Utilities Project)	125,675,000		3,680,000	121,995,000	3,735,000
Total Construction and Improvement Bonds	<u>\$ 1,466,320,000</u>	<u>\$963,205,000</u>	<u>\$ 702,670,000</u>	<u>\$1,726,855,000</u>	<u>\$ 60,830,000</u>

DETAIL OF REVENUE BONDS PAYABLE AS OF SEPTEMBER 30, 2021

Bond Type	Maturity	Interest Rates	Outstanding Balance
<u>Tarrant Regional Water District Bonds</u>			
\$150,375,000 Series 2012 Water Revenue Refunding & Improvement Bonds	Serially through 2052	2.0 - 3.0%	815,000
\$98,960,000 Series 2012A Water Revenue Refunding Bonds	Serially through 2022	2.0 - 5.0%	3,900,000
\$318,750,000 Series 2014 Water Revenue Bonds	Serially through 2049	4.0 - 5.0%	1,125,000
\$156,470,000 Series 2015 Water Revenue Refunding Bonds	Serially through 2029	2.0 - 5.0%	113,745,000
\$300,000,000 Series 2015A Waterworks Revenue Bonds	Serially through 2045	0.5 - 3.2%	261,870,000
\$28,530,000 Series 2016 Water Systems Revenue Bonds	Serially through 2046	3.0 - 5.0%	25,490,000
\$61,910,000 Series 2016A Water Revenue Refunding Bonds	Serially through 2032	2.0 - 5.0%	55,130,000
\$52,765,000 Series 2017 Water Revenue Refunding Bonds	Serially through 2040	2.0 - 5.0%	51,900,000
\$129,570,000 Series 2020 Water Revenue Refunding Bonds	Serially through 2052	1.0 - 3.5%	128,560,000
\$386,680,000 Series 2020B Water Revenue Refunding Bonds	Serially through 2049	0.3 - 3.0%	371,790,000
\$38,105,000 Series 2020C Water Revenue Refunding Bonds	Serially through 2030	4.0 - 5.0%	37,290,000
Total Tarrant Regional Water District Bonds			<u>1,051,615,000</u>
<u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u>			
\$131,935,000 Series 2012 Dallas Contract Revenue Bonds	Serially through 2042	2.0 - 5.0%	3,270,000
\$202,130,000 Series 2014 Dallas Contract Revenue Bonds	Serially through 2044	4.0 - 6.0%	13,495,000
\$140,000,000 Series 2015 Dallas Contract Revenue Bonds	Serially through 2045	0.5 - 3.2%	121,995,000
\$240,025,000 Series 2021A Dallas Contract Revenue Bonds	Serially through 2051	2.0 - 4.0%	240,025,000
\$298,395,000 Series 2021B Dallas Contract Revenue Bonds	Serially through 2044	0.15 - 2.45%	296,455,000
Total TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)			<u>675,240,000</u>
Total Construction and Improvement Bonds			1,726,855,000
Add premium (net of accumulated amortization)			<u>44,700,178</u>
			1,771,555,178
Less current portion			(60,830,000)
Total long term revenue bonds payable, net of discount			<u>\$ 1,710,725,178</u>

On December 4, 2020, the District refunded \$1.6 million of Series 2008A Bonds that had a \$250 deferred gain, \$2.5 million of Series 2008B Bonds that had a \$995 deferred gain, \$14.2 million of Series 2010A Bonds that had a \$17 thousand deferred gain, \$3.2 million of Series 2010B Bonds that had a \$9 thousand deferred gain, and advance refunded \$312.0 million of Series 2014 Bonds that had a \$29.3 million deferred loss. These bonds were refunded with \$386.7 million of Series 2020B Water Revenue Refunding Bonds. The refunding had a cashflow savings of \$86.1 million with an economic gain of \$59.0 million. Series 2014 Bonds had a remaining balance of \$1.9 million after the refunding, and the \$312.0 million in defeased debt will be fully redeemed in fiscal year 2024.

On December 4, 2020, the District refunded \$45.0 million of Series 2010B, and had a deferred loss of \$260 thousand with \$38.1 million Series 2020C Water Revenue Refunding Bonds. The Refunding for 2020C had cashflow savings of \$3.4 million with an economic gain of \$3.3 million.

On March 9, 2021, the District advanced refunded \$102.1 million of Series 2012 Dallas Contract Bonds that had a \$3.7 million deferred loss and \$163.9 million of Series 2014 Dallas Contract Bonds that had a \$14.3 million deferred loss; these bonds were refunded with \$298.4 million of Series 2021B Dallas Water Transmission Facilities Contract Revenue Refunding Bonds. The Refunding for Series 2021B Dallas Bonds had cashflow savings of \$63.2 million with an economic gain of \$49.8 million. Series 2012 Dallas Contract Bonds had a remaining balance of \$6.5 million after the refunding. The \$102.1 million in defeased debt will be fully redeemed in fiscal year 2022. Series 2014 Dallas Contract Bonds had \$17.6 million after the refunding. The \$163.9 million in defeased debt will be fully redeemed in fiscal year 2024.

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, 2021 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 Bonds</u>						
2022	\$ 32,625	\$ 24,927	\$ 57,552	\$ 7,935	\$ 7,187	\$ 15,122
2023	31,575	23,713	55,288	8,075	7,069	15,144
2024	32,195	22,474	54,669	8,230	6,936	15,166
2025	31,880	21,206	53,086	8,390	6,793	15,183
2026	33,145	19,898	53,043	8,575	6,635	15,210
2027-2031	180,015	78,317	258,332	46,300	30,044	76,344
2032-2036	163,540	53,651	217,191	53,515	23,219	76,734
2037-2041	101,965	35,448	137,413	62,685	14,390	77,075
2042-2046	101,255	20,158	121,413	58,165	3,812	61,977
2047-2051	75,435	5,280	80,715			
2052	6,115	93	6,208			
	<u>789,745</u>	<u>305,165</u>	<u>1,094,910</u>	<u>261,870</u>	<u>106,085</u>	<u>367,955</u>
<u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u>						
2022	\$ 16,535	\$ 12,112	\$ 28,647	\$ 3,735	\$ 3,371	\$ 7,106
2023	17,030	11,483	28,513	3,800	3,319	7,119
2024	17,480	10,986	28,466	3,870	3,259	7,129
2025	17,960	10,461	28,421	3,945	3,194	7,139
2026	18,220	10,156	28,376	4,020	3,125	7,145
2027-2031	97,895	45,063	142,958	21,660	14,230	35,890
2032-2036	109,870	34,253	144,123	24,930	11,137	36,067
2037-2041	122,425	22,665	145,090	29,105	7,124	36,229
2042-2046	83,955	9,683	93,638	26,930	2,196	29,126
2047-2051	51,875	3,153	55,028			
	<u>553,245</u>	<u>170,015</u>	<u>723,260</u>	<u>121,995</u>	<u>50,955</u>	<u>172,950</u>
Total	<u>\$1,342,990</u>	<u>\$ 475,180</u>	<u>\$ 1,818,170</u>	<u>\$ 383,865</u>	<u>\$ 157,040</u>	<u>\$ 540,905</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, 2021, pledged revenues for the Tarrant Regional Water District Revenue Bonds were \$87.2 million which offsets debt service requirements for the year of \$70.6 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 Water Utilities Project) are Dallas Water Utilities' share of the Integrated Pipeline (IPL) Project, which is currently estimated at \$1.2 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 and System Capacity revenues of the District. 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, 2021, pledged revenues for the TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) were \$26.5 million which offsets debt service requirements for the year of \$27.9 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. During fiscal year 2021, no commercial paper bonds were issued and none were outstanding as of September 30, 2021.

7. INTERFUND TRANSACTIONS

At September 30, 2021, 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	\$ 232,560		\$ 1,485,778	
Enterprise Fund		232,560		1,485,778
Total	<u>\$ 232,560</u>	<u>\$ 232,560</u>	<u>\$ 1,485,778</u>	<u>\$ 1,485,778</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 2021, the Enterprise Fund repaid \$73 thousand, plus interest of \$9 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, revised October 1, 2016, to full time status 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. 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 or Plan G, in accordance with Medicare eligibility rules. The District will also provide a monthly allowance of \$185 to offset the cost of Medicare Part B and Part D. 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 District will also provide a monthly allowance of \$150 to offset the cost of Medicare Part B and Part D. The employee/retiree will be covered until his/her death and the spouse until his/her death.

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 44. 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, 2021

Inactive Plan Members or Beneficiaries currently receiving benefits	29
Inactive Plan Members entitled to but not receiving benefits	0
Active Plan Members (active employees hired on or before 9/30/16)	<u>211</u>
Total Plan Members	<u><u>240</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). The District funded the trust with an initial \$1 million transfer. In fiscal year 2021, \$1.8 million was contributed to the trust and in fiscal year 2022 \$1.9 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	0.1%	1.8%	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 2.19% 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 6.00% 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 6.00%. 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 14.95% for fiscal year 2021. 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, 2021.

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balance at September 30, 2020	\$ 22,982,956	\$ 10,642,226	\$ 12,340,730
Changes for the year:			
Service Cost	547,295		547,295
Interest	1,455,965		1,455,965
Difference between expected and actual experience	(141,365)		(141,365)
Changes in Assumptions	1,061,704		1,061,704
Benefit Payments	(292,111)	(292,111)	—
Contributions - employer		2,063,672	(2,063,672)
Net Investment Income		1,822,450	(1,822,450)
Administrative Expense		(68,206)	68,206
Net Changes	2,631,488	3,525,805	(894,317)
Balance at September 30, 2021	<u>\$ 25,614,444</u>	<u>\$ 14,168,031</u>	<u>\$ 11,446,413</u>
Plan Fiduciary Net Position as a percentage of the total OPEB liability		55%	

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 6.00%, 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 5.0%	Current Single Discount Rate Assumption 6.0%	1% Increase 7.0%
\$15,498,010	\$11,446,413	\$8,141,533

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
\$7,443,242	\$11,446,413	\$16,529,195

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

For the year ended September 30, 2021, the District recognized OPEB expenses of \$1,323,132 million which included amortization of deferred inflows and outflows of \$24,218. At September 30, 2021, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 728,746	\$ 592,812
Assumption changes	1,555,803	106,330
Net difference between projected and actual earnings on OPEB plan investments		952,863
Total	\$ 2,284,549	\$ 1,652,005

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
2022	\$ 10,593
2023	228
2024	10,020
2025	37,925
2026	201,997
Thereafter	371,781
Total	\$ 632,544

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	6.00% 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 published through 2019 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 15 years Post-65: Initial rate of 5.50% declining to an ultimate rate of 4.15% after 14 years
Participation rates	100% of eligible retirees are assumed to elect coverage
Notes	The discount rate changed from 6.3% as of September 30, 2020 to 6.0% as of September 30, 2021

9. COMMITMENTS AND CONTINGENCIES

Commitments - The Enterprise Funds had remaining commitments estimated at \$54.2 million due to on-going construction contracts as of September 30, 2021.

Contingent Liabilities - During fiscal year 2021, the former General Manager threatened litigation against the District regarding Texas and federal constitutional claims related to the Board of Director's vote to revoke paid leave unilaterally approved by the former Board President as well as claims of age discrimination in violation of Chapter 21 of the Texas Labor Code and age discrimination in the Employment Act. As of the end of the fiscal year 2021, the District entered into a binding settlement and release agreement with the former General Manager, whereby the General Manager released any claims against the District. The District accrued for the settlement of \$162 thousand offset by insurance proceeds of \$25 thousand in fiscal year 2021 as an operating expense and is included as part of Other Liabilities on the Statement of Net Position. The settlement was paid on November 2, 2021.

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 Water Utilities, 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 first Rolling Owner Controlled Insurance Program (ROCIP) for IPL, which was a master insurance, safety, and claims management program ended on July 31, 2021. The program provided coverages for Workers' Compensation, Employers Liability, Commercial General Liability, Excess Liability and Builders Risks for the Owner and all Enrolled Participants on the IPL and was insured by Old Republic.

The second ROCIP program started July 21, 2020 and will run until July 21, 2027 and is insured by Liberty Mutual. This program is for the Dallas portion of IPL, Section 19 and the Lake Palestine Pump Station (LP1). The program is identical to the first ROCIP program, providing a master insurance, safety, and claims management program for Workers' Compensation, Employers Liability, Commercial General Liability, Excess Liability and Builders Risks for the Owner and all Enrolled Participants on the IPL. In the event of an occurrence, wrongful act, or personal injury, all participants in the ROCIP program must promptly provide written notice to Willis 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 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 - 2020	\$ 5,332	\$ 139,806	\$ (138,617)	\$ 6,521
IPL Project ROCIP - 2021	\$ 6,521	\$ 81,404	\$ (83,885)	\$ 4,040

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 2021 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 \$7,086,787 in aggregate for the plan year to date (October 2020 – September 2021).

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 - 2020	\$ 551,844	\$ 5,668,857	\$ (5,593,840)	\$ 626,861
Group Health - 2021	626,861	6,396,273	(6,121,925)	901,209

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. 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. 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 needs 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 reinsurance recoveries and terminology used to refer to derivative instruments were implemented in fiscal year 2020 by the District. All other requirements 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 2022. 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 2022. This standard is not applicable to the District's practices.

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.

REQUIRED SUPPLEMENTARY INFORMATION



(Sunset on Eagle Mountain Lake)

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, 2021

	Original and Final Budget	Actual	Variance (Budget - Actual)
REVENUES			
Property taxes	\$ 21,000,000	\$ 23,089,003	\$ (2,089,003)
Contributions	5,689,849	8,293,957	(2,604,108)
Oil and gas royalties	6,000,000	7,843,251	(1,843,251)
Lease rentals	1,354,358	1,404,345	(49,987)
Investment income	840,000	63,736	776,264
Other	2,044,239	1,505,348	538,891
Total revenues	36,928,446	42,199,640	(5,271,194)
EXPENDITURES			
Current			
General and administrative	10,451,940	9,161,152	1,290,788
Personnel services	11,403,728	9,712,955	1,690,773
Retirement plan contribution	768,805	821,009	(52,204)
Contribution		550,507	(550,507)
Interest	5,439,849		5,439,849
Capital expenditures	14,669,176	7,284,601	7,384,575
Total expenditures	42,733,498	27,530,224	15,203,274
Excess/(Deficiency) of Revenues Over/Under Expenditures	(5,805,052)	14,669,416	(20,474,468)
CHANGE IN FUND BALANCE	(5,805,052)	14,669,416	(20,474,468)
FUND BALANCE—Beginning of year	75,300,129	75,300,129	—
FUND BALANCE—End of year	\$ 69,495,077	\$ 89,969,545	\$ (20,474,468)

NOTES TO RSI

Property Taxes Revenues over Budget - The District received \$2.1 million more in taxes than budgeted due to an increase in property values.

Oil and Gas Royalties over Budget - The District received \$1.8 million more in oil and gas royalties due to higher oil and gas prices during the year.

Investment Income under Budget - The District received \$0.8 million less in investment income due to low interest rates during the year.

Contribution Revenue over Budget - The District's TIF contribution received was \$1.7 million higher than budgeted due to higher property values. In addition, the District received \$0.9 million in contributions from the City of Fort Worth for trails system costs.

Other Revenues under Budget - The District received less in program revenues due to a reduction in events caused by public health measures for COVID-19.

General and Administrative Expenditures under Budget - The District expended \$1.3 million less in general and administrative expenditures due to the delay in some of the information system projects and election costs were lower than anticipated.

Personnel Services Expenditures under Budget - The variance in the personnel budget is due to vacant positions throughout the fiscal year, not all budgeted positions are occupied for 100% of the fiscal year. Salaries of newly hired employees being less than budgeted, as well as positions that did not receive the fully allotted raise amount are also contributing factors. Also, travel costs were less because of COVID-19 restrictions.

Contribution Expense over Budget - Increase is mainly due to the contribution of the West Bank Trail from The City of Fort Worth. This asset belongs to the City of Fort Worth that they will own and maintain after the District is finished with the project.

Interest Expense under Budget - Debt service was not needed as the Panther Island/Central City Project costs have been fully funded by the annual TIF payment.

Capital Expenditures under Budget - Capital expenditures were under budget because the majority of the Panther Island/Central City Project costs were less than expected.

TARRANT REGIONAL WATER DISTRICT

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

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

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

(Continued)

TARRANT REGIONAL WATER DISTRICT

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

	2020	2021
Total other post employment benefits liability		
Service cost	\$ 561,117	\$ 547,295
Interest	1,315,611	1,455,965
Difference between expected and actual experience of the total OPEB liability	826,908	(141,365)
Changes in assumptions	(139,716)	1,061,704
Benefit payments	(366,238)	(292,111)
Net change in total other post employment benefits liability	2,197,682	2,631,488
Total other post employment benefits liability - beginning	20,785,274	22,982,956
Total other post employment benefits liability - ending	<u>\$ 22,982,956</u>	<u>\$ 25,614,444</u>
Plan fiduciary net position		
Contributions - employer	\$ 1,976,748	\$ 2,063,672
Net investment income	686,452	1,822,450
Benefit payments	(366,238)	(292,111)
Administrative expense	(53,147)	(68,206)
Net changes	2,243,815	3,525,805
Plan fiduciary net position - beginning	8,398,411	10,642,226
Plan fiduciary net position - ending	<u>\$ 10,642,226</u>	<u>\$ 14,168,031</u>
Net other post employment benefits liability	<u>\$ 12,340,730</u>	<u>\$ 11,446,413</u>
Plan fiduciary net position as percentage of total OPEB liability	46%	55%
Covered-employee payroll	\$ 19,662,433	\$ 20,217,028
Net OPEB liability as percentage of covered-employee payroll	63%	57%

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

(Concluded)

TARRANT REGIONAL WATER DISTRICT

**SCHEDULE OF INVESTMENTS RETURNS IN OTHER POST EMPLOYMENT BENEFITS
LAST 10 FISCAL YEARS**

	2017	2018	2019	2020	2021
Annual money-weighted rate of return, net of investment expense	9.50%	5.27%	6.56%	7.07%	14.95%

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 CONTRIBUTIONS IN OTHER POST EMPLOYMENT BENEFITS

LAST 10 FISCAL YEARS

	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 1,524,244	\$ 1,569,476	\$ 1,534,834	\$ 1,504,889	\$ 1,401,562
Actual contribution	1,545,511	1,626,730	1,851,480	1,976,748	2,063,672
Contribution deficiency (excess)	<u>\$ (21,267)</u>	<u>\$ (57,254)</u>	<u>\$ (316,646)</u>	<u>\$ (471,859)</u>	<u>\$ (662,110)</u>
Covered-employee payroll	\$ 19,291,600	\$ 18,513,781	\$ 18,674,165	\$ 19,662,433	\$ 20,217,028
Contributions as % of covered-employee payroll	8.01%	8.79%	9.91%	10.05%	10.21%

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	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 published through 2019 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 15 years Post-65: Initial rate of 5.50% declining to an ultimate rate of 4.15% after 14 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

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 governmental 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 annual comprehensive financial reports for the relevant year.

TARRANT REGIONAL WATER DISTRICT

NET POSITION

LAST 10 FISCAL YEARS (UNAUDITED)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities				
Net investment in capital assets	\$ 178,140,564	\$ 221,301,902	\$ 279,586,633	\$ 311,416,677
Restricted				
Unrestricted	175,256,153	188,026,740	179,511,280	192,888,999
Total governmental net position	<u>353,396,717</u>	<u>409,328,642</u>	<u>459,097,913</u>	<u>504,305,676</u>
Business-type Activities				
Net investment in capital assets	234,408,625	275,649,460	308,579,683	357,632,834
Restricted	65,749,659	63,522,458	90,811,279	89,822,147
Unrestricted	12,062,496	(859,394)	(27,523,746)	(16,222,050)
Total business-type net position	<u>312,220,780</u>	<u>338,312,524</u>	<u>371,867,216</u>	<u>431,232,931</u>
Total Primary Government				
Net investment in capital assets	412,549,189	496,951,362	588,166,316	669,049,511
Restricted	65,749,659	63,522,458	90,811,279	89,822,147
Unrestricted	187,318,649	187,167,346	151,987,534	176,666,949
Total primary government net position	<u>\$ 665,617,497</u>	<u>\$ 747,641,166</u>	<u>\$ 830,965,129</u>	<u>\$ 935,538,607</u>

(Continued)

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

TARRANT REGIONAL WATER DISTRICT

NET POSITION

LAST 10 FISCAL YEARS (UNAUDITED)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Activities				
Net investment in capital assets	\$ 343,118,047	\$ 348,801,397	\$ 360,586,932	\$ 366,352,452
Restricted	5,531,060	5,561,868	5,640,493	5,631,464
Unrestricted	193,491,410	208,425,599	222,857,751	234,513,138
Total governmental net position	<u>542,140,517</u>	<u>562,788,864</u>	<u>589,085,176</u>	<u>606,497,054</u>
Business-type Activities				
Net investment in capital assets	409,159,039	444,563,300	493,835,963	536,700,791
Restricted	110,363,100	109,317,020	103,822,079	102,892,891
Unrestricted	(16,336,370)	26,151,324	22,075,675	32,611,383
Total business-type net position	<u>503,185,769</u>	<u>580,031,644</u>	<u>619,733,717</u>	<u>672,205,065</u>
Total Primary Government				
Net investment in capital assets	752,277,086	793,364,697 (1)	854,422,895	903,053,243
Restricted	115,894,160	114,878,888	109,462,572	108,524,355
Unrestricted	177,155,040	234,576,923	244,933,426	267,124,521
Total primary government net position	<u>\$1,045,326,286</u>	<u>\$1,142,820,508</u>	<u>\$1,208,818,893</u>	<u>\$1,278,702,119</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 10 FISCAL YEARS (UNAUDITED)

	<u>2020</u>	<u>2021</u>
Governmental Activities		
Net investment in capital assets	\$ 371,744,493	\$ 375,138,247
Restricted	5,621,205	5,552,676
Unrestricted	<u>248,942,565</u>	<u>261,910,219</u>
Total governmental net position	<u>626,308,263</u>	<u>642,601,142</u>
Business-Type Activities		
Net investment in capital assets	580,388,360	624,792,728
Restricted	100,358,807	102,311,377
Unrestricted	<u>32,653,409</u>	<u>37,057,880</u>
Total business-type net position	<u>713,400,576</u>	<u>764,161,985</u>
Total Primary Government		
Net investment in capital assets	952,132,853	999,930,975
Restricted	105,980,012	107,864,053
Unrestricted	<u>281,595,974</u>	<u>298,968,099</u>
Total primary government net position	<u>\$ 1,339,708,839</u>	<u>\$ 1,406,763,127</u>

(Concluded)

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

TARRANT REGIONAL WATER DISTRICT
CHANGES IN NET POSITION
LAST 10 FISCAL YEARS (UNAUDITED)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses				
Governmental Activities				
General Government	\$ 11,310,981	\$ 11,521,503	\$ 13,462,903	\$ 12,766,315
Flood Control	6,418,353	6,313,528	3,241,255	4,963,320
Trinity River Vision Project	619,066	1,041,910	18,369,944	
Total Governmental Activities	18,348,400	18,876,941	35,074,102	17,729,635
Business-type Activities	82,021,320	87,165,497	104,901,544	87,999,935
Total Primary Government Expenses	100,369,720	106,042,438	139,975,646	105,729,570
Program Revenues				
Governmental Activities				
Charges for Services	21,636,600	33,255,675	26,048,278	16,595,055
Capital Grants and Contributions	19,708,589	31,910,810	49,101,393	36,043,940
Total Governmental Activities	41,345,189	65,166,485	75,149,671	52,638,995
Business-type Activities				
Charges for Services	99,244,447	120,270,336	136,041,137	142,578,670
Capital Grants and Contributions				680,633
Total Business-type Activities	99,244,447	120,270,336	136,041,137	143,259,303
Total Primary Government Revenues	140,589,636	185,436,821	211,190,808	195,898,298
Net (Expense) Revenue				
Governmental Activities	22,996,789	46,289,544	40,075,569	34,909,360
Business-type Activities	17,223,127	33,104,839	31,139,593	55,259,368
Total-Primary Government	40,219,916	79,394,383	71,215,162	90,168,728
General Revenues				
Governmental Activities				
Property Taxes	8,835,672	9,013,033	9,231,193	9,757,583
Investment Income	708,010	300,771	367,655	403,723
Miscellaneous	60,073	234,068	48,081	37,951
Gain/Loss on Disposal of Assets	5,156	94,509	46,773	99,146
Transfers				
Total Governmental Activities	9,608,911	9,642,381	9,693,702	10,298,403
Business-type Activities				
Investment Income	2,183,834	262,520	1,598,019	3,748,796
Miscellaneous	271,321	939,978	773,572	288,461
Gain/Loss on Disposal of Assets	56,343	48,310	43,508	69,090
Transfers				
Total Business-type Activities	2,511,498	1,250,808	2,415,099	4,106,347
Total Primary Government	12,120,409	10,893,189	12,108,801	14,404,750
Changes in Net Position				
Governmental Activities	32,605,700	55,931,925	49,769,271	45,207,763
Business-type Activities	19,734,625	34,355,647	33,554,692	59,365,715
Total Primary Government	\$ 52,340,325	\$ 90,287,572	\$ 83,323,963	\$ 104,573,478

(Continued)

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

TARRANT REGIONAL WATER DISTRICT
CHANGES IN NET POSITION
LAST 10 FISCAL YEARS (UNAUDITED)

	<u>2016 (1)</u>	<u>2017</u>	<u>2018</u>
Expenses			
Governmental Activities			
Flood Protection	18,916,113	21,448,590	17,637,243
Recreation	1,561,346	2,625,628	2,585,102
Total Governmental Activities	20,477,459	24,074,218	20,222,345
Business-type Activities	77,099,429	83,155,732	118,368,106
Total Primary Government Expenses	97,576,888	107,229,950	138,590,451
Program Revenues			
Governmental Activities			
Charges for Services			
Flood Protection	9,862,928	10,308,977	10,750,390
Recreation	1,067,012	2,940,158	1,407,546
Operating Grants and Contributions			
Flood Protection		100,000	140,000
Recreation		131,200	126,315
Capital Grants and Contributions			
Flood Protection	36,029,150	20,634,389	19,101,900
Recreation	126,750		86,527
Total Governmental Activities	47,085,840	34,114,724	31,612,678
Business-type Activities			
Charges for Services	139,387,464	155,447,588	151,036,899
Operating Grants and Contributions		474,769	1,423,460
Capital Grants and Contributions	3,584,248	57,540	
Total Business-type Activities	142,971,712	155,979,897	152,460,359
Total Primary Government Revenues	190,057,552	190,094,621	184,073,037
Net (Expense) Revenue			
Governmental Activities	26,608,381	10,040,506	11,390,333
Business-type Activities	65,872,283	72,824,165	34,092,253
Total-Primary Government	92,480,664	82,864,671	45,482,586
General Revenues			
Governmental Activities			
Property Taxes	10,264,007	10,854,952	11,960,148
Investment Income	317,333	435,789	731,769
Miscellaneous	79,170	29,379	47,936
Gain/Loss on Disposal of Assets	565,950	(109,303)	2,166,126
Total Governmental Activities	11,226,460	11,210,817	14,905,979
Business-type Activities			
Investment Income	6,776,202	5,706,516	5,511,784
Miscellaneous	50,800	37,379	60,257
Gain/Loss on Disposal of Assets	(746,447)		37,779
Total Business-type Activities	6,080,555	5,743,895	5,609,820
Total Primary Government	17,307,015	16,954,712	20,515,799
Changes in Net Position			
Governmental Activities	37,834,841	21,251,323	26,296,312
Business-type Activities	71,952,838	78,568,060	39,702,073
Total Primary Government	\$ 109,787,679	\$ 99,819,383	\$ 65,998,385

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

(Continued)

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

TARRANT REGIONAL WATER DISTRICT
CHANGES IN NET POSITION
LAST 10 FISCAL YEARS (UNAUDITED)

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenses			
Governmental Activities			
Flood Protection	18,429,521	19,842,221	18,615,103
Recreation	2,636,155	2,781,733	4,289,108
Total Governmental Activities	21,065,676	22,623,954	22,904,211
Business-type Activities	114,506,276	116,647,345	116,674,851
Total Primary Government Expenses	135,571,952	139,271,299	139,579,062
Program Revenues			
Governmental Activities			
Charges for Services			
Flood Protection	8,063,725	7,138,932	8,756,940
Recreation	2,159,252	1,302,560	2,003,616
Operating Grants and Contributions			
Flood Protection	236,821	105,187	10,000
Recreation	106,850	142,420	213,910
Capital Grants and Contributions			
Flood Protection	7,931,111	10,751,579	5,000,645
Recreation	3,275	200,198	
Total Governmental Activities	18,501,034	19,640,876	15,985,111
Business-type Activities			
Charges for Services	147,294,887	149,721,357	166,216,070
Operating Grants and Contributions	4,901,133	1,885,301	1,142,129
Total Business-type Activities	152,196,020	151,606,658	167,358,199
Total Primary Government Revenues	170,697,054	171,247,534	183,343,310
Net (Expense) Revenue			
Governmental Activities	(2,564,642)	(2,983,078)	(6,919,100)
Business-type Activities	37,689,744	34,959,313	50,683,348
Total-Primary Government	35,125,102	31,976,235	43,764,248
General Revenues			
Governmental Activities			
Property Taxes	13,147,777	21,941,700	23,067,000
Investment Income	1,435,560	763,675	63,736
Miscellaneous	144,514	17,812	16,002
Gain/Loss on Disposal of Assets	5,248,669	71,100	65,241
Total Governmental Activities	19,976,520	22,794,287	23,211,979
Business-type Activities			
Investment Income (loss)	14,653,818	5,810,806	(227,021)
Miscellaneous	23,761	310,117	224,982
Gain/Loss on Disposal of Assets	104,025	115,275	80,100
Total Business-type Activities	14,781,604	6,236,198	78,061
Total Primary Government	34,758,124	29,030,485	23,290,040
Changes in Net Position			
Governmental Activities	17,411,878	19,811,209	16,292,879
Business-type Activities	52,471,348	41,195,511	50,761,409
Total Primary Government	\$ 69,883,226	\$ 61,006,720	\$ 67,054,288

(Concluded)

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

TARRANT REGIONAL WATER DISTRICT**FUND BALANCE
LAST 10 FISCAL YEARS (UNAUDITED)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Fund				
Nonspendable				
Long-term interfund notes and interest	1,072,421	974,485	874,014	770,939
Prepaid items	879,706	2,534,623	2,808,611	1,353,935
Inventory of supplies-at-cost	46,630	51,908	53,705	57,196
Committed	100,000			
Assigned	8,274,737	1,240,858		
Unassigned	152,417,730	144,151,950	111,936,626	88,675,455
Total	<u>\$ 162,791,224</u>	<u>\$ 148,953,824</u>	<u>\$ 115,672,956</u>	<u>\$ 90,857,525</u>

(Continued)

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

TARRANT REGIONAL WATER DISTRICT**FUND BALANCE****LAST 10 FISCAL YEARS (UNAUDITED)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Fund				
Nonspendable				
Long-term interfund notes and interest	\$ 577,139	\$ 512,236	\$ 445,386	\$ 376,531
Prepaid items	970,308	3,901,482	3,296,548	1,930,341
Inventory of supplies-at-cost	51,929	58,322	61,832	57,809
Restricted	5,531,060	5,561,868	5,640,493	5,631,464
Assigned		364,461	26,560,137	55,146,781
Unassigned	63,501,938	50,340,889	22,387,079	3,375,120
Total	<u>\$ 70,632,374</u>	<u>\$ 60,739,258</u>	<u>\$ 58,391,475</u>	<u>\$ 66,518,046</u>

(Continued)

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

TARRANT REGIONAL WATER DISTRICT

**FUND BALANCE
LAST 10 FISCAL YEARS (UNAUDITED)**

	<u>2020</u>	<u>2021</u>
Governmental Fund		
Nonspendable		
Long-term interfund notes and interest	\$ 305,609	\$ 232,560
Prepaid items	1,617,076	1,446,660
Inventory of supplies-at-cost	70,033	69,305
Inventory held for sale	499,160	491,012
Restricted	5,621,205	5,552,676
Assigned	59,832,503	68,805,529
Unassigned	7,354,543	13,371,803
Total	<u>\$ 75,300,129</u>	<u>\$ 89,969,545</u>

(Concluded)

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

TARRANT REGIONAL WATER DISTRICT

**CHANGES IN FUND BALANCE
LAST 10 FISCAL YEARS (UNAUDITED)**

GOVERNMENTAL FUND	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues			
Property Taxes	\$ 8,857,981	\$ 8,993,946	\$ 9,263,039
Lease Rental	875,426	1,385,702	1,314,725
Oil and Gas Royalties	20,738,333	31,367,889	24,518,478
Sale of Rock and Gravel		12,525	12,500
Investment Income	708,010	300,771	367,655
Contributions	8,954,382	2,963,174	3,386,255
Other	88,069	391,767	311,573
Total Revenue	<u>40,222,201</u>	<u>45,415,774</u>	<u>39,174,225</u>
Expenditures			
Current			
General and Administrative	8,410,677	8,476,960	9,043,006
Personnel Services	4,198,150	4,753,202	4,821,935
Retirement Plan Contribution	425,689	497,578	512,818
Contribution	619,066	1,041,910	18,434,944
Capital Expenditures	27,683,605	45,075,378	39,365,013
Capital Lease Payment		385,715	277,377
Total Expenditures	<u>41,337,187</u>	<u>60,230,743</u>	<u>72,455,093</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(1,114,986)</u>	<u>(14,814,969)</u>	<u>(33,280,868)</u>
Other Financing Sources			
Proceeds from Capital Lease		977,569	
Change in Fund Balance	<u>\$ (1,114,986)</u>	<u>\$ (13,837,400)</u>	<u>\$ (33,280,868)</u>

(Continued)

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

TARRANT REGIONAL WATER DISTRICT

CHANGES IN FUND BALANCE

LAST 10 FISCAL YEARS (UNAUDITED)

GOVERNMENTAL FUND	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues			
Property Taxes	\$ 9,737,304	\$ 10,271,392	\$ 10,799,762
Lease Rental	1,601,445	1,598,047	1,389,533
Oil and Gas Royalties	14,875,262	8,781,804	11,048,761
Sale of Rock and Gravel	19,937		
Investment Income	403,723	317,333	435,789
Contributions	3,503,256	5,299,235	3,368,695
Other	390,221	1,038,859	612,796
Total Revenue	<u>30,531,148</u>	<u>27,306,670</u>	<u>27,655,336</u>
Expenditures			
Current			
General and Administrative	10,797,697	8,336,650	9,097,411
Personnel Services	5,007,562	7,015,739	7,650,611
Retirement Plan Contribution	535,436	588,530	637,903
Contribution	77,913	1,230,230	3,076,384
Capital Expenditures	38,668,521	30,101,222	19,440,358
Capital Lease Payment	259,450	259,450	
Total Expenditures	<u>55,346,579</u>	<u>47,531,821</u>	<u>39,902,667</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(24,815,431)</u>	<u>(20,225,151)</u>	<u>(12,247,331)</u>
Other Financing Sources			
Proceeds from Sale of Land			2,354,215
Change in Fund Balance	<u>\$ (24,815,431)</u>	<u>\$ (20,225,151)</u>	<u>\$ (9,893,116)</u>

(Continued)

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

TARRANT REGIONAL WATER DISTRICT

**CHANGES IN FUND BALANCE
LAST 10 FISCAL YEARS (UNAUDITED)**

GOVERNMENTAL FUND	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues				
Property Taxes	\$ 12,010,248	\$ 13,152,496	\$ 21,924,922	\$ 23,089,003
Lease Rental	1,403,276	1,562,198	1,272,670	1,404,345
Oil and Gas Royalties	10,148,141	8,197,878	6,414,237	7,843,251
Investment Income	731,769	1,435,560	763,675	63,736
Contributions	4,193,522	6,074,367	8,344,611	8,293,957
Other	742,406	932,267	921,554	1,505,348
Total Revenue	<u>29,229,362</u>	<u>31,354,766</u>	<u>39,641,669</u>	<u>42,199,640</u>
Expenditures				
Current				
General and Administrative	8,398,059	8,862,512	8,489,418	9,161,152
Personnel Services	7,737,421	8,276,805	8,963,307	9,712,955
Retirement Plan Contribution	637,620	673,307	780,327	821,009
Contribution	242,806	193,647	898,966	550,507
Interest			6,734	
Capital Expenditures	14,561,239	7,270,974	11,755,309	7,284,601
Total Expenditures	<u>31,577,145</u>	<u>25,277,245</u>	<u>30,894,061</u>	<u>27,530,224</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>(2,347,783)</u>	<u>6,077,521</u>	<u>8,747,608</u>	<u>14,669,416</u>
Other Financing Sources				
Proceeds from Sale of Land		2,049,050	34,475	
Change in Fund Balance	<u>\$ (2,347,783)</u>	<u>\$ 8,126,571</u>	<u>\$ 8,782,083</u>	<u>\$ 14,669,416</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 10 FISCAL YEARS (UNAUDITED)

Fiscal Year	Total Construction and Improvement Bonds (3)	Percentage of Revenue (1)	Percentage of Personal Income (2)	Debt per Population (2)
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
2021	1,771,555,178	1,058%	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	
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
2021	169,196,764	55,545,963	113,650,801	58,265,000	40,179,149	1.15

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
2021	142,721,489	55,545,963	87,175,526	45,370,000	25,205,518	1.24

PLEDGED REVENUE COVERAGE (CITY OF DALLAS WATER UTILITIES 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
2021	26,475,276		26,475,276	12,895,000	14,973,631	0.95 (7)

(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 Water Utilities Project) have been split to allow for clearer review.

(7) Coverage ratio below 1.0 due to prior year excess income used to pay current year debt service.

**TARRANT REGIONAL WATER DISTRICT
PRINCIPAL WATER CUSTOMERS AND WATER RATE
LAST 10 FISCAL YEARS (UNAUDITED)**

Fiscal Year	Customer	Rate	Amount Due	Amount Received	Percent of Total Revenue
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 %
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 %

(continued)

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

**TARRANT REGIONAL WATER DISTRICT
PRINCIPAL WATER CUSTOMERS AND WATER RATE
LAST 10 FISCAL YEARS (UNAUDITED)**

Fiscal Year	Customer	Rate	Amount Due	Amount Received	Percent of Total Revenue
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 (1)	1.25539	74,932,530	74,932,530	47.48 %
	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 %
2021	Arlington	1.25448	* 21,862,246	21,862,246	13.06 %
	Fort Worth (1)	1.25448	* 83,791,703	83,791,703	50.04 %
	Mansfield	1.25448	* 6,247,606	6,247,606	3.73 %
	Trinity River Authority	1.25448	* 12,469,854	12,469,854	7.45 %
			124,371,409	124,371,409	74.28 %

*Rate based on 2021 approved budget

(1) In District and Out of District water rates are the same as of fiscal year 2020, therefore Fort Worth's water data will be reported together from that year forward.

(concluded)

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

TARRANT REGIONAL WATER DISTRICT
SALE OF SYSTEM CAPACITY RESTRICTED FOR DEBT SERVICE
LAST 10 FISCAL YEARS (UNAUDITED)

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 %
2021	Dallas Utilities	27,272,197	27,272,197	16.29 %

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)**

Fiscal Year	Assessed Valuation	Estimated Actual Valuation	Ratio of Assessed Valuation to Estimated Actual Valuation	Tax Rate (per \$100 valuation)
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
2021	74,567,554,727	80,498,318,774	92.6%	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)**

Fiscal Year	Total Tax Levy	Current Tax Collections	Ratio of Current Tax Collections to Total Tax Levy	Delinquent Tax Collections	Ratio of Delinquent Tax Collections to Total Tax Levy	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
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%
2021	23,085,616	22,886,975	99.1%	61,039	0.26%	22,948,014	99.4%

Source: From the Tarrant County Tax Office.

TARRANT REGIONAL WATER DISTRICT
PRINCIPAL TAXPAYERS
LAST 10 FISCAL YEARS (UNAUDITED)

2012

Tarrant County	Taxable Value	Rank	Percent of total taxable value
OnCor Electric Delivery Co	\$ 348,276,563	1	0.8%
XTO Energy Inc	267,126,366	2	0.6%
Chesapeake Operating (Wi)	259,700,540	3	0.6%
Bell Helicopter Textron Inc	257,875,667	4	0.6%
DDR/DTC City Investments LP Etal	207,500,670	5	0.5%
Alcon Laboratories Inc	185,781,347	6	0.4%
American Airlines Inc	165,278,094	7	0.4%
Wal-Mart Real Estate Bus Trust	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%

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%

(Continued)

Source: From the Tarrant Appraisal District

TARRANT REGIONAL WATER DISTRICT
PRINCIPAL TAXPAYERS
LAST 10 FISCAL YEARS (UNAUDITED)

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%

2017

Tarrant County	Taxable Value	Rank	Percent of total taxable value
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 West 7	169,320,197	9	0.3%
	156,567,607	10	0.3%

(Continued)

Source: From the Tarrant Appraisal District

**TARRANT REGIONAL WATER DISTRICT
PRINCIPAL TAXPAYERS
LAST 10 FISCAL YEARS (UNAUDITED)**

2018

Tarrant County	Taxable Value	Rank	Percent of total 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%

2019

Tarrant County	Taxable Value	Rank	Percent of total 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%

2020

Tarrant County	Taxable Value	Rank	Percent of total 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%
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%

2021

Tarrant County	Taxable Value	Rank	Percent of total taxable value
Winner LLC	1,958,426,229	1	2.4%
OnCor Electric Delivery Co LLC	1,486,400,083	2	1.8%
American Airlines Inc/American Airlines Inc	942,538,548	3	1.2%
Bell Textron Inc/Bell Helicopter Inc	545,880,812	4	0.7%
Alcon Laboratories Inc/Alcon Laboratories Inc	392,514,997	5	0.5%
DDR/DTC City Investmts LP Etal	249,769,325	6	0.3%
AT&T Mobility LLC	221,168,571	7	0.3%
Atmos Energy/Mid Tex Division	219,479,531	8	0.3%
Burnett Plaza Holdings LLC	166,762,390	9	0.2%
F7 SSSM LLC	157,987,644	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
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
2021	55,545,963 (6)	40,188,317 (7)	20,940,571

(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.

(6) Increase in operating maintenance and administrative expense due to bond issuance expenses from the 2020B, 2020C, Dallas 2021A and Dallas 2021B bond issuance costs. The increase is also do to the increase in pumping power due to the bitterly cold winter storm in February 2021.

(7) Decrease in interest expense due to refunding of the 2008A, 2008B, 2010A, 2010B, 2014, Dallas 2012, Dallas 2014 Bonds and the new 2021A Bond.

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 (1)	Property Taxes
2012	\$20,738,333	\$ 875,426	\$ 708,010	\$ 9,042,451	\$ 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 (4)	4,935,928	12,010,248
2019	8,197,878 (2)	1,562,198	1,435,560 (4)	9,055,684	13,152,496
2020	6,414,237 (2)	1,272,670	763,675 (5)	9,300,640	21,924,922 (6)
2021	7,843,251 (3)	1,404,345	63,736 (5)	9,799,305	23,089,003

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

(2) Oil and gas royalties are reflective of a decreasing market.

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

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

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

(6) Property taxes increased due to increase in tax rate.

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 (loss)</u>	<u>Land Lease Rentals</u>	<u>Other (1)</u>
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)
2021	138,108,606	27,272,197	(227,021) (9)	152,743	2,129,735

(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.

(9) Loss is due to decrease in fair market value.

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

TARRANT REGIONAL WATER DISTRICT**FULL-TIME EMPLOYEE HEAD COUNT
LAST 10 FISCAL YEARS (UNAUDITED)**

Fiscal Year	Flood Control	Water Supply	Operational Support	Administrative	Recreation	Total
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
2021 (1)	29	97	92	84	5	307

(1) Beginning in fiscal year 2021, employees were specifically designated to the recreation mission. Also, there was a shift of employees from Flood Control to Operational Support which organizationally was more efficient and supports all functions of the District.

Source: From the District's internal payroll records

TARRANT REGIONAL WATER DISTRICT**MISCELLANEOUS STATISTICAL FACTS****FOR THE YEAR ENDED SEPTEMBER 30, 2021 (UNAUDITED)**

Date of organization October 7, 1924

Area covered by District 345 square miles

Facilities:

Number of water supply reservoirs 4

	Conservation Pool	Actual in Storage
Acre feet of water storage:		
Bridgeport Lake	361,785	361,400
Eagle Mountain Lake	179,880	173,522
Cedar Creek Lake	644,785	601,027
Richland-Chambers	1,112,763	1,067,554
Total	<u>2,299,213</u>	<u>2,203,503</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	DFW Weather Service	Lake Worth	Eagle Mountain Lake	Bridgeport Lake	Cedar Creek Lake	Richland- Chambers
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
2021	32.91	24.81	28.75	30.30	39.81	33.17

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

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

ELLIS COUNTY, TX

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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	5,369,512,523	30,727	36.1	2,871	3.1 %
2021	177,721	5,788,550,691	32,571	36.2	5,641	6.0 %

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

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 10 FISCAL YEARS (UNAUDITED)

FREESTONE COUNTY, TX

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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	478,745,957	24,083	40.4	307	4.8 %
2021	19,860	488,973,060	24,621	41.5	528	8.3 %

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

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 10 FISCAL YEARS (UNAUDITED)

HENDERSON COUNTY, TX

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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	2,047,300,800	25,280	43.9	1,279	3.5 %
2021	81,179	2,120,476,659	26,121	43.9	2,377	6.4 %

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

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 10 FISCAL YEARS (UNAUDITED)

JACK COUNTY, TX

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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	226,661,970	25,626	39.7	109	3.1 %
2021	8,841	220,635,996	24,956	39.6	238	7.0 %

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

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 10 FISCAL YEARS (UNAUDITED)

JOHNSON COUNTY, TX

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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	4,691,631,525	27,667	36.8	2,644	3.2 %
2021	171,701	4,907,042,879	28,579	36.8	5,390	6.5 %

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

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 10 FISCAL YEARS (UNAUDITED)

KAUFMAN COUNTY, TX

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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	3,363,987,564	27,411	35.6	2,112	3.3 %
2021	125,134	3,583,086,956	28,634	35.5	4,377	6.5 %

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

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 10 FISCAL YEARS (UNAUDITED)

NAVARRO COUNTY, TX

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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	1,123,717,294	23,422	38.6	778	3.2 %
2021	47,985	1,141,371,210	23,786	38.1	1,442	6.2 %

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

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 10 FISCAL YEARS (UNAUDITED)

PARKER COUNTY, TX

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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	4,635,824,490	34,705	39.7	1,959	2.9 %
2021	135,621	4,765,993,182	35,142	39.7	4,012	5.9 %

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

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 10 FISCAL YEARS (UNAUDITED)

TARRANT COUNTY, TX

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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	67,680,038,296	32,092	34.3	35,655	3.3 %
2021	2,143,755	71,369,891,460	33,292	34.4	79,553	7.3 %

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

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 10 FISCAL YEARS (UNAUDITED)

WISE COUNTY, TX

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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	1,875,369,960	28,781	38.4	1,027	3.2 %
2021	65,807	1,935,910,326	29,418	38.3	2,099	6.5 %

(1) Beginning in fiscal year 2020, the source for population changed from The Texas Department of State Health Services to the Texas Demographic Center.

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, 2021 (UNAUDITED)**

	<u>Year Authorized</u>	<u>Issued Amount</u>	<u>Outstanding</u>
Construction and improvement bonds:			
<u>Tarrant Regional Water District Bonds</u>			
Water Revenue Refunding and Improvement Bonds - Series 2012	2012	\$ 150,375,000	\$ 815,000
Water Revenue Refunding Bonds - Series 2012A	2013	98,960,000	3,900,000
Water Revenue Bonds - Series 2014	2014	318,750,000	1,125,000
Water Revenue Refunding Bonds - Series 2015	2015	156,470,000	113,745,000
Water Revenue Bonds - Series 2015A	2016	300,000,000	261,870,000
Water Revenue Bonds - Series 2016	2016	28,530,000	25,490,000
Water Revenue Refunding Bonds - Series 2016A	2016	61,910,000	55,130,000
Water Revenue Refunding Bonds - Series 2017	2017	52,765,000	51,900,000
Water Revenue Refunding Bonds - Series 2020	2020	129,570,000	128,560,000
Water Revenue Refunding Bonds - Series 2020B	2020	386,680,000	371,790,000
Water Revenue Refunding Bonds - Series 2020C	2020	38,105,000	37,290,000
		<u>1,722,115,000</u>	<u>1,051,615,000</u>
<u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u>			
Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2012	2012	131,935,000	3,270,000
Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2014	2014	202,130,000	13,495,000
Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2015	2016	140,000,000	121,995,000
Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2021A	2021	240,025,000	240,025,000
Contract Revenue Refunding Bonds (City of Dallas Water Utilities Project) - Series 2021B	2021	298,395,000	296,455,000
		<u>1,012,485,000</u>	<u>675,240,000</u>
Total - Construction and improvement bonds		<u><u>\$2,734,600,000</u></u>	<u><u>\$1,726,855,000</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, 2021 (UNAUDITED)**

	Balance October 1, 2020	Total Issued	Total Retired	Balance September 30, 2021
<u>Tarrant Regional Water District Bonds</u>				
Water Revenue Bonds Series 2008A-RC	\$ 1,600,000		\$ 1,600,000	\$ —
Water Revenue Bonds Series 2008B-CC	2,520,000		2,520,000	—
Water Revenue Bonds Series 2010A	14,170,000		14,170,000	—
Water Revenue Bonds Series 2010B	48,130,000		48,130,000	—
Water Revenue Bonds Series 2012	1,605,000		790,000	815,000
Water Revenue Refunding Bonds Series 2012A	7,620,000		3,720,000	3,900,000
Water Revenue Bonds Series 2014	313,960,000		312,835,000	1,125,000
Water Revenue Refunding Bonds Series 2015	124,830,000		11,085,000	113,745,000
Water Revenue Bonds Series 2015A	269,680,000		7,810,000	261,870,000
Water Revenue Bonds Series 2016	26,140,000		650,000	25,490,000
Water Revenue Refunding Bonds Series 2016A	58,580,000		3,450,000	55,130,000
Water Revenue Refunding Bonds Series 2017	52,245,000		345,000	51,900,000
Water Revenue Refunding Bonds Series 2020	129,570,000		1,010,000	128,560,000
Water Revenue Refunding Bonds Series 2020B		386,680,000	14,890,000	371,790,000
Water Revenue Refunding Bonds Series 2020C		38,105,000	815,000	37,290,000
	1,050,650,000	424,785,000	423,820,000	1,051,615,000
<u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u>				
Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2012	108,560,000		105,290,000	3,270,000
Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2014	181,435,000		167,940,000	13,495,000
Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2015	125,675,000		3,680,000	121,995,000
Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2021A		240,025,000		240,025,000
Contract Revenue Refunding Bonds (City of Dallas Water Utilities Project) Series 2021B		298,395,000	1,940,000	296,455,000
	415,670,000	538,420,000	278,850,000	675,240,000
Total	\$ 1,466,320,000	\$ 963,205,000	\$ 702,670,000	\$ 1,726,855,000

Note: Above amounts exclude unamortized original issue premiums.

TARRANT REGIONAL WATER DISTRICT

ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2021 (UNAUDITED)

TARRANT REGIONAL WATER DISTRICT BONDS

AS OF SEPTEMBER 30, 2021

YR	2012 - Refunding and Water			2012A - Refunding Bonds			2014 - Revenue Bonds			2015 - Refunding Bonds		
	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total
2022	815	12	827	3,900	85	3,985	1,125	23	1,148	11,650	5,396	17,046
2023										15,985	4,705	20,690
2024										14,400	3,946	18,346
2025										12,945	3,262	16,207
2026										13,610	2,598	16,208
2027										14,305	1,900	16,205
2028										15,040	1,167	16,207
2029										15,810	395	16,205
2030												
2031												
2032												
2033												
2034												
2035												
2036												
2037												
2038												
2039												
2040												
2041												
2042												
2043												
2044												
2045												
2046												
2047												
2048												
2049												
2050												
2051												
2052												
<div> <div>\$</div> <div>815</div> <div>\$</div> <div>12</div> <div>\$</div> <div>827</div> <div>\$</div> <div>3,900</div> <div>\$</div> <div>85</div> <div>\$</div> <div>3,985</div> <div>\$</div> <div>1,125</div> <div>\$</div> <div>23</div> <div>\$</div> <div>1,148</div> <div>\$</div> <div>113,745</div> <div>\$</div> <div>23,369</div> <div>\$</div> <div>137,114</div> </div>												

(Continued)

AS OF SEPTEMBER 30, 2021

(Continued)

TARRANT REGIONAL WATER DISTRICT

ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2021 (UNAUDITED)

TARRANT REGIONAL WATER DISTRICT BONDS

AS OF SEPTEMBER 30, 2021

YR	2020 - Refunding			2020B - Refunding			2020C - Refunding			Total Enterprise Funds		
	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total
2022	1,025	3,408	4,433	6,490	8,552	15,042	3,325	1,562	4,887	\$ 40,560	\$ 32,114	\$ 72,674
2023	1,040	3,392	4,432	6,530	8,522	15,052	3,515	1,425	4,940	39,650	30,782	70,432
2024	1,060	3,374	4,434	6,415	8,482	14,897	3,700	1,281	4,981	40,425	29,410	69,835
2025	1,075	3,356	4,431	5,940	8,434	14,374	3,890	1,129	5,019	40,270	27,999	68,269
2026	1,095	3,337	4,432	6,010	8,377	14,387	4,085	970	5,055	41,720	26,533	68,253
2027	1,115	3,316	4,431	6,090	8,308	14,398	4,310	780	5,090	43,355	24,946	68,301
2028	1,140	3,294	4,434	5,920	8,227	14,147	4,565	558	5,123	44,955	23,239	68,194
2029	1,165	3,271	4,436	6,020	8,136	14,156	4,825	324	5,149	46,710	21,430	68,140
2030	1,185	3,246	4,431	24,555	7,873	32,428	5,075	102	5,177	45,165	19,927	65,092
2031	7,570	3,150	10,720	24,000	7,436	31,436				46,130	18,819	64,949
2032	7,720	2,980	10,700	24,210	6,978	31,188				47,250	17,697	64,947
2033	7,880	2,800	10,680	24,455	6,491	30,946				47,990	16,517	64,507
2034	8,015	2,612	10,627	24,750	5,974	30,724				48,970	15,304	64,274
2035	8,185	2,415	10,600	10,945	5,585	16,530				35,910	14,189	50,099
2036	8,340	2,209	10,549	11,200	5,328	16,528				36,935	13,163	50,098
2037	8,520	1,991	10,511	11,480	5,047	16,527				38,030	12,068	50,098
2038		1,881	1,881	11,785	4,744	16,529				30,505	11,007	41,512
2039		1,881	1,881	12,105	4,422	16,527				31,575	9,984	41,559
2040		1,881	1,881	12,450	4,078	16,528				32,705	8,908	41,613
2041	4,390	1,816	6,206	12,810	3,715	16,525				31,835	7,871	39,706
2042	4,520	1,685	6,205	13,195	3,331	16,526				32,850	6,879	39,729
2043	4,655	1,549	6,204	13,595	2,929	16,524				33,910	5,845	39,755
2044	4,800	1,410	6,210	14,010	2,515	16,525				35,010	4,779	39,789
2045	4,940	1,266	6,206	14,435	2,088	16,523				36,135	3,676	39,811
2046	5,090	1,116	6,206	14,880	1,649	16,529				21,515	2,791	24,306
2047	5,250	958	6,208	15,360	1,195	16,555				20,610	2,153	22,763
2048	5,410	795	6,205	15,830	727	16,557				21,240	1,522	22,762
2049	5,580	628	6,208	16,325	245	16,570				21,905	873	22,778
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
\$ 128,560 \$ 65,842 \$ 194,402 \$ 371,790 \$ 149,388 \$ 521,178 \$ 37,290 \$ 8,131 \$ 45,421 \$1,051,615 \$ 411,250 \$1,462,865												

(Concluded)

TARRANT REGIONAL WATER DISTRICT

ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2021 (UNAUDITED)

TARRANT REGIONAL WATER DISTRICT BONDS (CITY OF DALLAS WATER UTILITIES PROJECT)

AS OF SEPTEMBER 30, 2021

YR	Dallas 2012 - Series 2012			Dallas 2014 - Series 2014			Dallas 2015 - Series 2015		
	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total
2022	\$ 3,270	\$ 164	\$ 3,434	\$ 4,280	\$ 810	\$ 5,090	\$ 3,735	\$ 3,371	\$ 7,106
2023				4,495	553	5,048	3,800	3,319	7,119
2024				4,720	283	5,003	3,870	3,259	7,129
2025							3,945	3,194	7,139
2026							4,020	3,125	7,145
2027							4,115	3,045	7,160
2028							4,215	2,955	7,170
2029							4,325	2,856	7,181
2030							4,440	2,746	7,186
2031							4,565	2,628	7,193
2032							4,695	2,503	7,198
2033							4,835	2,371	7,206
2034							4,980	2,233	7,213
2035							5,130	2,090	7,220
2036							5,290	1,940	7,230
2037							5,460	1,776	7,236
2038							5,630	1,606	7,236
2039							5,815	1,431	7,246
2040							6,000	1,249	7,249
2041							6,200	1,062	7,262
2042							6,405	864	7,269
2043							6,615	659	7,274
2044							6,840	447	7,287
2045							7,070	226	7,296
2046									
2047									
2048									
2049									
2050									
2051									
<hr/>									
	\$ 3,270	\$ 164	\$ 3,434	\$ 13,495	\$ 1,646	\$ 15,141	\$ 121,995	\$ 50,955	\$ 172,950
<hr/>									

(Continued)

AS OF SEPTEMBER 30, 2021

(Concluded)

TARRANT REGIONAL WATER DISTRICT
SCHEDULE OF INSURANCE
AS OF SEPTEMBER 30, 2021 (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)	07/01/21–07/01/22	Crime	\$5,000 - 10,000—liability (4)
TWCA Risk Management Fund	(3)	07/01/21–07/01/22	Fleet Policy	\$10,000,000—liability
		07/01/21–07/01/22	Property Insurance	\$220,488,770 - Boiler/ Machinery \$331,234,533 - Property \$7,894,014 - EDP \$43,896,755 - Misc. Property \$8,591,400 - Auto
		07/01/21–06/30/22	Workers' Compensation	Statutory limits
		07/01/21–07/01/22	General Liability	\$10,000,000—limit
		07/01/21–07/01/22	Errors and Omissions Liability	\$10,000,000—limit
Blue Cross Blue Shield of Texas	(5)	01/01/21–12/31/21	Insured with Stop Loss Coverage	Unlimited per employee or dependent
Symetra		01/01/21–12/31/21	Stop Loss Coverage for participant medical claims over \$100,000	Unlimited per employee or dependent
Sutton James Insurance Broker		12/16/20 - 12/16/21	Aviation/Helicopter	\$506,295—Physical Damage \$5,000,000-Liability
Global Aerospace, Inc.		12/5/20 - 12/5/21	Aviation/Drone	\$1,300-Physical Damage \$1,000,000-Liability
Willis Towers Watson		04/04/14 - 07/31/21	Rolling Owner Controlled	\$100,000,000 —General Liability \$10,000,000 —Pollution Liability
		04/04/14 - 07/31/21	Insurance Program - IPL	Statutory —Worker's Compensation
		04/04/14 - 07/31/21	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.

(THIS PAGE INTENTIONALLY LEFT BLANK)