

Tarrant Regional Water District  
Fort Worth, Texas

Annual Comprehensive Financial Report  
As of and for the year ended September 30, 2022





Tarrant Regional Water District  
Fort Worth, Texas  
Annual Comprehensive Financial Report  
As of and for the Year Ended September 30, 2022

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

Finance Director

Jennifer Mitchell

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

# TARRANT REGIONAL WATER DISTRICT – FORT WORTH, TEXAS

## Table of Contents

<b>INTRODUCTORY SECTION (UNAUDITED)</b> .....	<b>1</b>
Transmittal Letter .....	2
Elected Officials .....	16
Organization of Tarrant Regional Water District .....	17
<b>FINANCIAL SECTION</b> .....	<b>18</b>
Independent Auditors' Report .....	19
Management's Discussion and Analysis .....	22
Basic Financial Statements	
Statement of Net Position .....	34
Statement of Activities .....	35
Balance Sheet - General Fund .....	36
Reconciliation of Balance Sheet - General Fund to Government-Wide Statement of Net Position .....	37
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund .....	38
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund to Government Wide Statement of Activities .....	39
Statement of Net Position - Enterprise Fund .....	40
Statement of Revenues, Expenses, and Changes in Net Position - Enterprise Fund .....	42
Statement of Cash Flows - Enterprise Fund .....	43
Statement of Fiduciary Net Position .....	45
Statement of Changes in Fiduciary Net Position .....	46
Notes to Basic Financial Statements .....	47
1. Summary of Significant Accounting Policies .....	47
2. Revenues from the Sale of Water .....	56
3. Cash, Cash Equivalents, and Investments .....	57

4. Capital Assets .....	61
5. Retirement Plan .....	64
6. Note Payable .....	64
7. Bonds Payable .....	65
8. Leases .....	68
9. Interfund Transactions .....	70
10. Post Employment Health Care Benefits .....	70
11. Commitments and Contingencies .....	76
12. Recently Issued Governmental Accounting Standards Board Statements .....	79
13. Subsequent Event .....	82
Required Supplementary Information .....	83
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual (GAAP Basis) - General Fund .....	84
Notes to RSI .....	85
Schedule of Changes in Net Other Post Employment Benefits Liability and Related Ratios ..	86
Schedule of Investments Returns in Other Post Employment Benefits .....	88
Schedule of Contributions in Other Post Employment Benefits .....	89
STATISTICAL SECTION (UNAUDITED) .....	90
Description of Statistical Section .....	91
Financial Trends	
Net Position .....	92
Changes in Net Position .....	95
Fund Balance .....	98
Changes in Fund Balance .....	101
Debt Capacity	
Ratio of Outstanding Debt by Type .....	104

Pledged Revenue Coverage .....	105
<b>Revenue Capacity</b>	
Principal Water Customers and Water Rate .....	106
Sale of System Capacity Restricted for Debt Service .....	108
Assessed and Actual Estimated Value of Property and Tax Rate .....	109
Property Tax Levies and Collections .....	110
Principal Taxpayers .....	111
<b>Operating Information</b>	
Enterprise Fund Expenses .....	114
General Government Revenues by Source .....	115
Enterprise Fund Revenues by Source .....	116
Full-time Employee Head Count .....	117
Miscellaneous Statistical Facts .....	118
<b>Demographic and Economic Information</b>	
Demographic and Economic Statistics .....	119
<b>Other Information</b>	
Schedule of Bonds Authorized, Issued and Outstanding - By Purpose of Issue .....	129
Schedule of Changes in Bonded Debt .....	130
Enterprise Fund Debt Service Requirement to Maturity - Tarrant Regional Water District Bonds .....	131
Enterprise Fund Debt Service Requirement to Maturity - City of Dallas Water Utilities Project .....	134
Schedule of Insurance .....	136

## INTRODUCTORY SECTION (UNAUDITED)



(Dam on Lake Bridgeport)



December 16, 2022

To the: Board of Directors and Citizens 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, 2022. 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, 2022. The Independent Auditors' Report is located in the beginning of the financial section of this report.

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

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

The District, formerly the Tarrant County Water Control and Improvement District Number One, is a water control and improvement district and political subdivision of the State of Texas created in October 1924 pursuant to Article 16, Section 59 of the Texas Constitution. The District is presently functioning

under the general and special laws of the State of Texas, including Chapters 49 and 51, Texas Water Code, and pursuant to the provisions of Chapter 268, Acts of 1957, 55<sup>th</sup> Legislature of Texas, as amended, Regular Session (the District Act), and is authorized by the District Act to issue bonds and finance public works projects.

The District has spent the last 90 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. Dan Buhman was appointed General Manager by the Board in 2021. Sadly, in November 2022, board member Jim Lane passed away. Director Lane had served on the District's board since 2006 and made a profound impact on the organization. The District is grateful for his many contributions and he will be missed.

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 other 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 has three pipelines that 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. The joint section of the IPL Project was placed in service in fiscal year 2022, which increased the system capacity by 350 million gallons per day, ensuring adequate future water supply.





(View of Eagle Mountain Lake from an Eagle Mountain Park Trail)

The District also operates and maintains a 27 mile floodway system consisting of levees and river channel improvements designed by the United States Army Corps of Engineers (USACE) to protect the communities within the District from flooding, including a majority of the City of Fort Worth. Additionally, the current floodway system maintenance roads are open for the public to use as trails; there are over 100 miles of trails along the Trinity River which connect to 31 neighborhoods and 21 city parks throughout a community of approximately three million people.

The current floodway system was designed and constructed between 1950 and 1970 and was based on earlier projections of flood flows on 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 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 2022 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 on September 19, prior to the September Board of Directors meeting. In September, the tax rate was approved by the Board of Directors and for fiscal year 2023 the rate will be \$0.0269 per \$100 valuation.

### **Local Economy**

The COVID-19 pandemic lessened in effect in fiscal year 2022; all businesses and facilities remained at 100% capacity, and commercial travel no longer required the use of face masks. The District continues to monitor the spread of COVID-19 and is following the directives of local, state, and national agencies.

For the past eight years, Texas has been attracting out-of-state residents which increased the population. Tarrant County is one of Texas' larger inflows of both in-state Texas residents and out-of-state residents. In September, the average sale price of a home in Tarrant County was \$352 thousand, up 13% from the previous year.

Supply chain issues and labor shortages continued in fiscal year 2022, along with the addition of significant inflation of prices. The District specifically saw a larger than normal number of vacant positions, and many budgeted equipment items could not be purchased due to manufacturer shortages. Inflation was seen in many areas, with the largest impact on the cost of construction projects.

Fiscal year 2022 began with total reservoir storage at 95%. This was the high water mark, as the fiscal year ended with total storage at 80%. The declining reservoir levels were due to lack of rainfall and higher than normal temperatures. In total, 29.9 inches of rain were recorded at DFW airport, 7.1 inches below normal, and DFW had 47 days with temperatures above 100 degrees.

## **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 additional water from Cedar Creek and Richland-Chambers Reservoirs to the District system and Lake Palestine to the City of Dallas; 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.

The IPL Project was split into phases. The first two phases consist mostly of the joint sections (benefiting both the District and DWU) of the pipeline and pump stations, connecting the Kennedale Balance Reservoir to the Cedar Creek Reservoir. The third phase of the project connects the joint sections to Lake Palestine. The third phase is for the benefit of DWU only. The final phase(s) will be to connect Lake Benbrook and Richland-Chambers Reservoir to the other sections. The final phase will be for the benefit of the District only.

#### Overall construction summary:

The Trinity River Tunnel on Pipeline Section 17 and the Joint Cedar Creek Lake Pump Station (JCC1) were completed this year. At JCC1 there is a small amount of additional work needed before fully accepting the vendor work, but the pump station is fully operational and was in use as of September 30, 2022. Phase 1 and 2 of the IPL Project has incurred \$1.2 billion in total costs and has been determined to be substantially complete and fully operational and was moved out of construction in progress as of September 30, 2022.



(JCC1 Pump Station at Cedar Creek Lake)

In fiscal year 2022, Phase 3 incurred \$80.5 million in total costs and construction continued with tunnels at TXDOT Roadway Crossings for Pipeline Sections 19-1 & 19-2 and the Long Tunnel Project. Phase 3 is expected to be complete in fiscal year 2027.

As of September 30, 2022, the IPL Project has acquired 99.8% of the land required for the project and only has one parcel left to acquire.

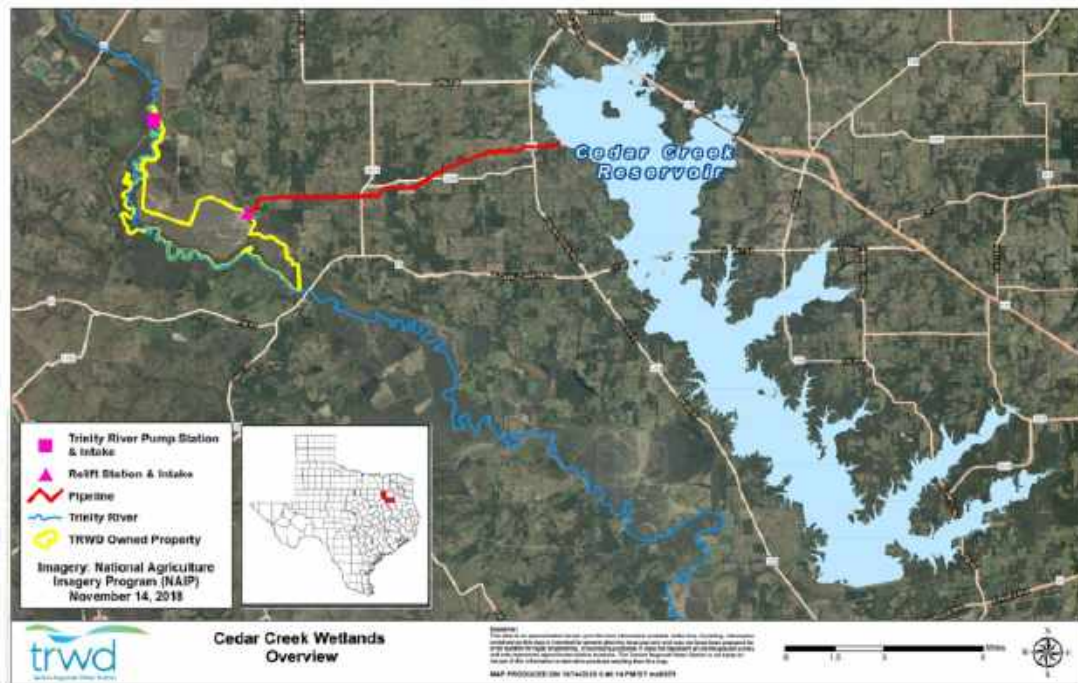
#### Kennedale Balancing Reservoir - Phase 3 -

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. The construction portion of KBR Phase 3 began in fiscal year 2022 and \$13.3 million of the \$41.5 million contract has been spent this year. This phase will be completed over a three year period and 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 final Phase 4 is expected to begin in fiscal year 2025 and will complete the 165 million gallon third cell at KBR which will provide additional emergency storage and optimized time of day operational capability.



## Cedar Creek Wetlands Project -

The Cedar Creek Wetlands project is a wetlands facility planned to enhance yield of the Cedar Creek Reservoir. It is located north and west of the Cedar Creek Reservoir and east of the main stem of the Trinity River. The project is expected to encompass over 3,000 acres, where water will course through the wetlands to remove sediment and nutrients. The water will then be re-lifted into the Cedar Creek Reservoir for subsequent delivery to customers, increasing the water supply available from Cedar Creek by 50%. As of September 30, 2022, design work is 10% complete and \$22.8 million has been spent on design and land for this project.



(Cedar Creek Wetland Overview Map)

## Central City Project -

The 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 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.

At the August 2022 District's Board meeting, the Board approved a resolution to extend the Tax Increment Financing Zone (TIF) No. 9 and 9A to December 31, 2054, which is an additional 10 years, contingent on other partners accepting the TIF extension. Subsequently, all partners have agreed to the TIF extension.

During fiscal year 2022, the 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 2022 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 \$247.1 million on the District's local portion of the Central City Project and has an outstanding loan payable of \$192.9 million to the District. In addition, USACE has spent \$58.9 million and TXDOT has spent \$63.2 million on the 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 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 2022, no long-term debt has been issued for this project.

In January 2022, USACE received \$403 million in federal funds for Central City. These funds will be used to complete the designs on the Bypass Channel and other valley storage components and begin construction on critical elements. Work began immediately to chart the path forward and USACE will have multiple design contracts underway in 2023.



(Congresswoman Kay Granger discussing receipt of \$403 million in federal funds)

Demolition of the Police and Fire Towers was complete in 2022 and the property is ready for the associated utility work for Central City. Police and Fire Phase 1, Rubin and Star R Foam environmental projects all received final acceptance by TCEQ, and environmental maintenance continues at Luminant. See Note 1 for more information on pollution remediation liabilities for these properties.



(Demolition of Police and Fire Towers)

#### 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 2022 an estimated 77,000 people enjoyed the beach and 35,000 used the boat ramp, which generated revenue of over \$551 thousand.





(Trash Bash Cleanup)

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 11 tons of trash was picked up during the fiscal year 2022 events. An additional 5,982 pieces of trash were removed from our waterways through the Litterati app challenges. 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, promote stewardship and conservation, and educate the community on environmental quality.



Additionally, summer events took place at or near the Panther Island Pavilion; these events include the Fort Worth's Fourth and the Rockin' the River concert series. In total, the summer events brought approximately 105,000 people to the river in fiscal year 2022.



(Fort Worth's Fourth at Panther Island Pavilion)

### **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, as well as long-term fixed rate bonds, for funds needed to complete large water infrastructure projects to efficiently manage outstanding debt. The District also has a

comprehensive Asset Management program that allows for the proper balance of maintenance and system improvements. 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 2022, the District completed 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. The recreation program net cost is funded through the 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 the District 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, 2021. 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.

In fiscal year 2022, the Texas Comptroller of Public Accounts awarded the District Transparency Stars in the areas of Traditional Finances, Contracts and Procurement, Economic Development and Debt Obligations. The Transparency Stars program recognizes local governments for going above and beyond in their transparency efforts. Stars are awarded based on clear and meaningful financials information through posted financial documents as well as summaries, visualization, downloadable data and other relevant information.

## Acknowledgments

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Dan Buhman".

Dan Buhman  
General Manager

A handwritten signature in blue ink, appearing to read "Sandra Newby".

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, 2021

*Christopher P. Morill*

Executive Director/CEO



## Board of Directors

As of September 30, 2022

Leah M. King, President

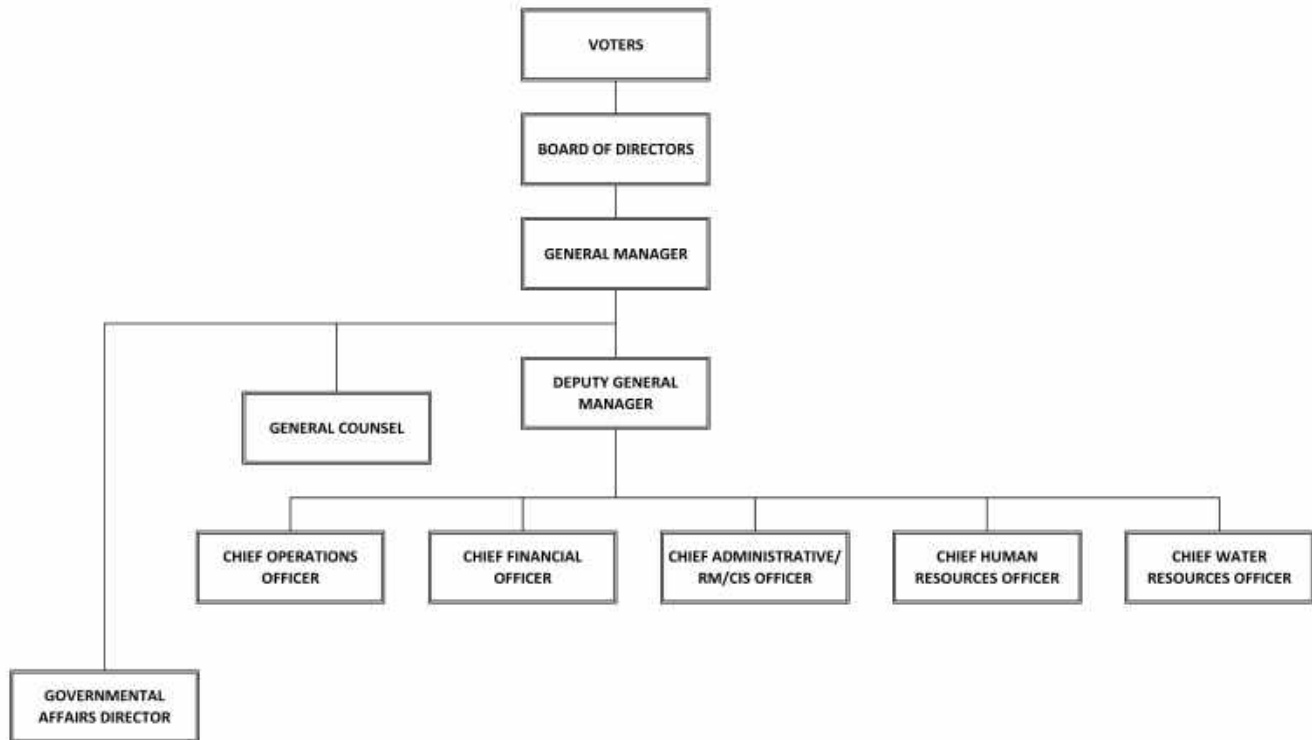
James Hill, Vice President

Jim Lane, Secretary

Marty Leonard, Director

Mary Kelleher, Director

## Tarrant Regional Water District Organizational Chart



## FINANCIAL SECTION



(Twin Points Park and Dam on Eagle Mountain Lake)



## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tarrant Regional Water District (the "District"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that the 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 is the responsibility of management and, 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***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Deloitte & Touche LLP*

December 16, 2022

# **TARRANT REGIONAL WATER DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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, 2022. 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 \$1.5 billion (net position). Of this amount, \$316.0 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 \$47.6 million mainly due to the payment of debt service payables from customer water sales. Governmental activities total net position increased by \$27.3 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 34 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 45 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 \$1.5 billion at the close of fiscal year 2022.

### CONDENSED SCHEDULE OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Current and other assets	\$ 286,443,966	\$ 310,286,563	\$ 503,212,548	\$ 460,239,258	\$ 789,656,514	\$ 770,525,821
Capital assets	375,138,247	381,557,959	2,031,260,774	2,120,499,935	\$2,406,399,021	2,502,057,894
Total Assets	661,582,213	691,844,522	2,534,473,322	2,580,739,193	3,196,055,535	3,272,583,715
Total Deferred Outflows of Resources	565,749	946,825	56,318,079	54,811,251	56,883,828	55,758,076
Current liabilities	8,064,619	4,972,398	101,460,944	116,489,628	109,525,563	121,462,026
Long-term liabilities	11,071,319	15,185,168	1,720,819,104	1,703,451,727	1,731,890,423	1,718,636,895
Total Liabilities	19,135,938	20,157,566	1,822,280,048	1,819,941,355	1,841,415,986	1,840,098,921
Total Deferred Inflows of Resources	410,882	2,742,968	4,349,368	3,813,156	4,760,250	6,556,124
Net position						
Net investment in cap. assets	375,138,247	380,949,418	624,792,728	692,153,862	999,930,975	1,073,103,280
Restricted for						
Capital Projects	5,552,676	5,510,011			5,552,676	5,510,011
Debt Service			102,311,377	87,094,181	102,311,377	87,094,181
Unrestricted	261,910,219	283,431,384	37,057,880	32,547,890	298,968,099	315,979,274
Total Net Position	<u>\$ 642,601,142</u>	<u>\$ 669,890,813</u>	<u>\$ 764,161,985</u>	<u>\$ 811,795,933</u>	<u>\$1,406,763,127</u>	<u>\$1,481,686,746</u>

### Government-wide

- **Current and Other Assets**

The decrease in current and other assets of \$19.1 million is mainly due to ongoing enterprise project costs offset by receipt of \$14.6 million in oil and gas royalties and the receipt of a \$9.0 million buy-in premium.

- **Capital Assets**

The increase in capital assets of \$95.7 million is due to land purchases and design and construction costs for capital projects including the IPL and the Central City Project offset by accumulated depreciation. Refer to Note 4 for further detail about capital assets.

- **Current Liabilities**

The increase in current liabilities of \$11.9 million was due to accruing approximately \$12.4 million for two large construction projects that mobilized in fiscal year 2022, the Kennedale Balancing Reservoir (KBR) and phase 3 of the IPL.

- **Long-Term Liabilities**

The decrease in long-term liabilities of \$13.3 million is mainly due to the debt service payments of \$60.8 million offset by the new \$46.5 million TRWD 2022 Bond issue.

- **Net Investment in Capital Assets**

The increase in net investment in capital assets of \$73.2 million is mainly due to principal payments of long-term debt as well as costs for the Central City Project. 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 \$5.5 million represents resources that are restricted for the environmental clean-up of property that is part of the Central City Project.

- **Restricted for Debt Service**

The decrease of \$15.2 million is mainly due to the unrealized market loss on investments.

- **Unrestricted Net Position**

The increase of \$17.0 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 \$23.8 million was mainly due to oil and gas royalties, higher than budgeted property taxes, and lease receivable of \$2.5 million as a result of the new GASB standard that became effective for the District in fiscal year 2022.

- **Long-Term Liabilities**

The increase of \$4.1 million was mainly due to \$3.2 million long term portion of a loan with North Central Texas Council of Governments (NCTCOG) for the District's portion of the Central City bridge construction costs.

- **Unrestricted Net Position**

The increase of \$21.5 million in the District's unrestricted net position occurred mainly due to oil and gas revenues, higher than budgeted property taxes, and lower than budgeted expenses.

## **Business-Type Activities**

- **Current and Other Assets**

The decrease of \$43.0 million is mainly due increased spending on capital projects including the IPL and the KBR projects.

- **Capital Assets**

The capital assets increase of \$89.2 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.

- **Current Liabilities**

The increase of \$15.0 million is due to accruing approximately \$12.4 million for two large construction projects that mobilization in fiscal year 2022, the Kennedale Balancing Reservoir (KBR) and phase 3 of the IPL.

- **Long-Term Liabilities**

The decrease of \$17.4 million is mainly due to the debt service payments of \$60.8 million offset by the new \$46.5 million TRWD 2022 Bond issue. Refer to Note 7 for further detail about bonds payable.

- **Net Investment in Capital Assets**

The increase of \$67.4 million is mainly due to increased capital asset costs from the IPL, KBR and Central City Projects.



## CONDENSED SCHEDULE OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Revenues:						
Program Revenues						
Charges for services	\$ 10,760,556	\$ 17,116,980	\$ 166,216,070	\$ 172,432,425	\$ 176,976,626	\$ 189,549,405
Operating Grants and Contributions	223,910	68,500	1,142,129	10,086,962	1,366,039	10,155,462
Capital Grants and Contributions	5,000,645	11,511,098			5,000,645	11,511,098
Total Program Revenues	15,985,111	28,696,578	167,358,199	182,519,387	183,343,310	211,215,965
General Revenues						
Property tax revenues	23,067,000	24,669,850			23,067,000	24,669,850
Investment income (loss)	63,736	(707,632)	(227,021)	(12,965,711)	(163,285)	(13,673,343)
Other income (loss)	81,243	(90,239)	305,082	188,870	386,325	98,631
Total Revenues	39,197,090	52,568,557	167,436,260	169,742,546	206,633,350	222,311,103
Expenses						
Flood protection	18,615,103	21,520,140			18,615,103	21,520,140
Recreation	4,289,108	3,758,746			4,289,108	3,758,746
Water supply			116,674,851	122,108,598	116,674,851	122,108,598
Total Expenses	22,904,211	25,278,886	116,674,851	122,108,598	139,579,062	147,387,484
Changes in Net Position	16,292,879	27,289,671	50,761,409	47,633,948	67,054,288	74,923,619
Net Position - Beginning of year	626,308,263	642,601,142	713,400,576	764,161,985	1,339,708,839	1,406,763,127
Net Position - Ending	\$ 642,601,142	\$ 669,890,813	\$ 764,161,985	\$ 811,795,933	\$ 1,406,763,127	\$ 1,481,686,746

### Governmental Activities

- Program Revenues - Charges for Services**

The increase of \$6.4 million is due primarily to increased oil and gas revenues related to higher oil prices in the petroleum market and increased volume.

- Program Revenues - Capital Grants and Contributions**

The increase of \$6.5 million is due to the increase in Central City Project contributions as the project has accelerated due to receipt of federal United States Army Corp of Engineers (USACE) funding.

- General Revenues - Property Tax Revenues**

The increase of \$1.6 million is mainly due to the increase in property tax revenues due to the increase in tax valuations for fiscal year 2022.

- Expenses - Flood protection**

The increase of \$2.9 million is mainly due to the contribution of \$3.5 million to the Central City bridge construction.

## **Business Type Activities**

- **Program Revenues - Charges for Services**

The increase of \$6.2 million is due to increased water sales as the system cost for fiscal year 2022 was higher and therefore customers were charged more than prior year mainly due to higher pumping power costs.

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

The increase of \$8.9 million is due to the \$9.0 million buy in premium received.

- **General Revenues - Investment income (loss)**

The decrease of \$12.7 million is primarily due to the decline in fair market value of investments.

- **Expenses - Water Supply**

The increase of \$5.4 million is mainly due to high pumping costs due to dry conditions and increased electricity costs.

## FINANCIAL ANALYSIS: CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Nondepreciable						
Land	\$ 269,621,461	\$ 276,339,794	\$ 177,959,672	\$ 186,637,511	\$ 447,581,133	\$ 462,977,305
Construction in progress	76,191,992	74,422,677	1,251,635,976	150,855,605	1,327,827,968	225,278,282
Total nondepreciable assets	345,813,453	350,762,471	1,429,595,648	337,493,116	1,775,409,101	688,255,587
Depreciable						
Dams and spillways	3,070,461	3,070,461	230,276,676	234,543,120	233,347,137	237,613,581
Pipeline			565,673,446	1,721,500,069	565,673,446	1,721,500,069
Wetlands			56,160,860	56,160,860	56,160,860	56,160,860
Communications			20,787	20,787	20,787	20,787
Buildings	49,103,834	52,147,148	7,854,201	7,854,201	56,958,035	60,001,349
Technology Infrastructure			3,240,353	3,865,282	3,240,353	3,865,282
Machinery and equipment	10,946,927	11,664,297	13,420,113	13,577,179	24,367,040	25,241,476
Flood control	8,115,517	8,115,517			8,115,517	8,115,517
Other project costs			151,114,301	193,072,352	151,114,301	193,072,352
	71,236,739	74,997,423	1,027,760,737	2,230,593,850	1,098,997,476	2,305,591,273
Less						
Accumulated depreciation	(41,911,945)	(44,805,919)	(430,031,517)	(450,735,756)	(471,943,462)	(495,541,675)
Total depreciable assets	29,324,794	30,191,504	597,729,220	1,779,858,094	627,054,014	1,810,049,598
Intangible assets, net of accum amort.		603,984	3,935,906	3,148,725	3,935,906	3,752,709
Total	\$ 375,138,247	\$ 381,557,959	\$ 2,031,260,774	\$ 2,120,499,935	\$ 2,406,399,021	\$ 2,502,057,894

The District's capital assets for its governmental and business-type activities as of September 30, 2022 were \$2.5 billion. Capital assets include: dams, spillways and water transmission facilities as well as land, roads, buildings, technology infrastructure, machinery, equipment, construction costs and intangibles. 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**
  - Central City Project land, relocation, demolition, environmental costs increased the land balance by \$6.7 million.

- **Construction in Progress**

- Central City Project increased by \$1.1 million.
- Panther Island Canal Construction Project total of \$2.5 million was complete and transferred out of CIP.
- Clear Fork Trail Replacement increased by \$318 thousand and was completed and transferred out of CIP with a balance of \$678 thousand.

- **Intangible Assets**

- These are new right-of-use assets per GASB 87, *Leases*, lease agreements totaling \$604 thousand were capitalized starting in fiscal year 2022.

## **Business Type Activities**

- **Land**

- Integrated Pipeline land purchases increased by \$2.5 million.
- Operations Facility land purchase increased by \$5.7 million.
- Cedar Creek Wetlands land purchase increased by \$475 thousand.

- **Construction in Progress**

- Integrated Pipeline Phase 1 and 2 increased \$22.4 million; the project was completed and transferred out of CIP with a balance of \$1.2 billion.
- Integrated Pipeline Phase 3 increased \$59.3 million.
- Kennedale Balancing Reservoir Project increased \$14.3 million.
- Eagle Mountain Spillway Seepage Cutoff increased \$2.2 million, and the project was complete and transferred out of CIP with a balance of \$2.9 million.
- Cedar Creek Wetlands Project increased by \$886 thousand.
- Richland Chambers 1 Hydraulic Actuator Project increased by \$588 thousand.
- Refurbishing of Controllers for the Richland Chambers Spillway increased by \$892 thousand, and the project was complete and transferred out of CIP with a balance of \$1.4 million.
- Variable Frequency Drives addition at Richland Chambers 3L and 3H increased by \$539 thousand, and the project transferred out of CIP with a balance of \$1.8 million.

## **FINANCIAL ANALYSIS: FUND STATEMENTS**

### **General Fund**

As of the end of the 2022 fiscal year, the District's General Fund reported an ending fund balance of \$110.6 million. This total includes nonspendable fund balance in the amount of \$2.3 million (which includes long-term interfund notes and interest, prepaid items, inventory of supplies and inventory held for sale), \$5.5 million restricted for environmental cleanup on a District property that was acquired for the Central City Project, \$25.6 million for the Reserve Policy, \$56.7 million for the Contingency Fund (\$7.2 million assigned for fiscal year 2023 debt service, \$49.5 million assigned for future board designated projects), and \$20.5 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 34) and has an end of year net position of \$811.8 million. This includes a net investment in capital assets of \$692.2 million, restricted net position for debt service of \$87.1 million, and an unrestricted net position of \$32.5 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 \$13.6 million.

## **BUDGETARY HIGHLIGHTS**

### **GENERAL FUND**

The 2022 budgeted revenues for the General Fund were \$38.6 million and the year ended with actual revenues of \$48.3 million. The increase in revenues was due to higher property taxes from increased property values and increased oil and gas revenues due to higher prices.

The 2022 budgeted expenditures for the General Fund were \$48.2 million and the year ended with actual expenditures of \$31.2 million. The deficiency in expenditures was due to several factors, the largest of which was lower than budgeted expenditures on the Central City Project.

The District approved \$51.5 million in expenditures for fiscal year 2023, an increase of \$3.3 million. The increase was due to an increase in expenditures for the Central City Project, as well as additional capital expenditures and system improvements.

The property tax rate for the tax year 2022, fiscal year 2023, will decrease to \$0.0269 per \$100 valuation.

### **ENTERPRISE FUND**

The 2022 budgeted expenses for the Revenue Fund were \$154.9 million and the year ended with actual expenses of \$149.3 million. The deficiency in expenses was mainly due to lower than budgeted support services costs including personnel and professional services.

The fiscal year 2023 Revenue Fund Budget, prepared in accordance with the Tarrant Regional Water Supply Facilities Amendatory Contract, totals \$158.1 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, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 55,834,081	\$ 40,126,793	\$ 95,960,874
Investments	47,897,817	15,505,008	63,402,825
Receivables			
Accounts, oil and gas royalties, and other	3,718,502	3,660,886	7,379,388
Accrued interest	108,719	47,809	156,528
Lease receivable - due within one year	311,362	27,612	338,974
Long-term receivable	192,925,933		192,925,933
Internal balances	(316,215)	316,215	
Prepaid items	1,597,600	5,964,778	7,562,378
Inventory-at cost	67,041		67,041
Inventory held for sale	478,234		478,234
Cash and cash equivalents for bond projects		165,310,062	165,310,062
Investments held for bond projects		132,842,838	132,842,838
Accrued interest receivable for bond projects		321,559	321,559
Cash and cash equivalents restricted		6,100,000	6,100,000
Cash and cash equivalents for debt service		1,490,816	1,490,816
Investments for debt service		88,233,948	88,233,948
Accrued interest receivable for debt service		224,850	224,850
Lease receivable - due in more than one year	2,153,478	66,084	2,219,562
Deposits held by others	5,510,011		5,510,011
Land	276,339,794	186,637,511	462,977,305
Construction in progress	74,422,677	150,855,605	225,278,282
Depreciable capital assets, net of accumulated depreciation	30,191,504	1,779,858,094	1,810,049,598
Intangible assets, net of amortization	603,984	3,148,725	3,752,709
Total Assets	691,844,522	2,580,739,193	3,272,583,715
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred bond refunding -loss		51,872,252	51,872,252
Deferred outflow from OPEB	946,825	2,938,999	3,885,824
Total Deferred Outflows of Resources	946,825	54,811,251	55,758,076
<b>LIABILITIES</b>			
Accounts payable	3,173,822	17,203,769	20,377,591
Accounts payable restricted for customer contingency		5,000,000	5,000,000
Accounts payable for bond projects		14,664,781	14,664,781
Accrued vacation - due within one year	346,955	1,098,691	1,445,646
Other liabilities	956,388	5,469,315	6,425,703
Accrued lease interest payable	506		506
Other liabilities for bond projects		8,012,639	8,012,639
Payable from restricted assets - accrued bond interest payable		3,955,433	3,955,433
Note payable			
Due within one year	350,000		350,000
Due in more than one year	3,150,000		3,150,000
Revenue bonds payable, net of discount			
Due within one year		61,085,000	61,085,000
Due in more than one year		1,691,973,790	1,691,973,790
Lease payable			
Due within one year	144,727		144,727
Due in more than one year	463,308		463,308
Long-term Payables - due in more than one year			
Pollution remediation obligations	5,952,500		5,952,500
Post employment benefits payable	4,664,661	8,454,722	13,119,383
Accrued vacation	954,699	3,023,215	3,977,914
Total Liabilities	20,157,566	1,819,941,355	1,840,098,921
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred bond refunding -gain		2,859,587	2,859,587
Deferred inflow from OPEB	290,786	856,582	1,147,368
Deferred inflow from Leases	2,452,182	96,987	2,549,169
Total Deferred Inflows of Resources	2,742,968	3,813,156	6,556,124
<b>NET POSITION</b>			
Net investment in capital assets	380,949,418	692,153,862	1,073,103,280
Restricted for			
Capital projects	5,510,011		5,510,011
Debt service		87,094,181	87,094,181
Unrestricted	283,431,384	32,547,890	315,979,274
Total Net Position	\$ 669,890,813	\$ 811,795,933	\$ 1,481,686,746

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

**TARRANT REGIONAL WATER DISTRICT**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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	\$ 21,520,140	\$ 15,488,479		\$ 11,511,098	\$ 5,479,437		\$ 5,479,437
Recreation	3,758,746	1,628,501	68,500		(2,061,745)		(2,061,745)
Total governmental activities	<u>25,278,886</u>	<u>17,116,980</u>	<u>68,500</u>	<u>11,511,098</u>	<u>3,417,692</u>		<u>3,417,692</u>
Business type activities-Water supply	122,108,598	172,432,425	10,086,962			\$ 60,410,789	60,410,789
	<u>\$ 147,387,484</u>	<u>\$ 189,549,405</u>	<u>\$ 10,155,462</u>	<u>\$ 11,511,098</u>		<u>60,410,789</u>	<u>63,828,481</u>
GENERAL REVENUES							
Property taxes					24,669,850		24,669,850
Investment loss					(707,632)	(12,965,711)	(13,673,343)
Miscellaneous					16,031	93,820	109,851
Gain (loss) on disposal of assets					(106,270)	95,050	(11,220)
Total general revenues					<u>23,871,979</u>	<u>(12,776,841)</u>	<u>11,095,138</u>
CHANGES IN NET POSITION					27,289,671	47,633,948	74,923,619
NET POSITION - Beginning of year					<u>642,601,142</u>	<u>764,161,985</u>	<u>1,406,763,127</u>
NET POSITION - End of year					<u>\$ 669,890,813</u>	<u>\$ 811,795,933</u>	<u>\$ 1,481,686,746</u>

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



**TARRANT REGIONAL WATER DISTRICT****BALANCE SHEET—GENERAL FUND  
SEPTEMBER 30, 2022**

<b>ASSETS</b>	
Cash and cash equivalents	\$ 55,834,081
Investments	47,897,817
Receivables	
Accounts, oil and gas royalties and other	3,718,502
Accrued interest	108,719
Lease receivable-current portion	311,362
Notes and interest due from enterprise fund	157,320
Prepaid items	1,597,600
Inventory of supplies—at cost	67,041
Inventory held for sale	478,234
Deposits held by others	5,510,011
Long-term lease receivable	2,153,478
Long-term receivable	192,925,933
Total assets	<u>310,760,098</u>
<b>LIABILITIES</b>	
Accounts payable	3,173,822
Due to Enterprise Fund	473,535
Other liabilities	956,388
Total liabilities	<u>4,603,745</u>
<b>DEFERRED INFLOWS</b>	
Unavailable revenue	193,130,815
Deferred inflows from leases	2,452,182
Total deferred inflows	<u>195,582,997</u>
<b>FUND BALANCES</b>	
Nonspendable	
Long-term interfund notes and interest	157,320
Prepaid items	1,597,600
Inventory of supplies - at cost	67,041
Inventory held for sale	478,234
Restricted for Capital Projects	5,510,011
Assigned for General Fund Reserve Policy	25,591,841
Assigned for Contingency Fund	56,709,333
Unassigned	20,461,976
Total fund balances	<u>110,573,356</u>
<b>TOTAL</b>	<u><u>\$ 310,760,098</u></u>

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

**TARRANT REGIONAL WATER DISTRICT**

**RECONCILIATION OF BALANCE SHEET-GENERAL FUND TO GOVERNMENT-WIDE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022**

---

TOTAL FUND BALANCES -General Fund \$ 110,573,356

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	192,925,933
Oil and gas revenues	204,882
Deferred outflows-other post employment benefits	946,825

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

Accrued vacation	(1,301,654)
Pollution remediation obligations	(5,952,500)
Other post employment benefits payable	(4,664,661)
Deferred inflows-other post employment benefits	(290,786)
Lease payables	(608,035)
Other payables	(3,500,000)
Accrued interest-leases	(506)

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

381,557,959

TOTAL NET POSITION - Governmental activities \$ 669,890,813

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, 2022**

REVENUES	
Property taxes	\$ 24,689,890
Oil and gas royalties	14,570,873
Contributions	7,296,236
Lease rentals	1,326,827
Investment loss	(707,632)
Other	1,143,960
	<hr/>
Total revenues	48,320,154
EXPENDITURES	
Current	
General and administrative	8,154,428
Personnel services	9,700,561
Retirement plan contribution	809,572
Contribution	3,500,000
Capital expenditures	8,901,368
Debt service - leases	
Principal payments	143,863
Interest payments	6,551
Total expenditures	<hr/> 31,216,343 <hr/>
EXCESS OF REVENUES OVER EXPENDITURES	<hr/> 17,103,811 <hr/>
OTHER FINANCING SOURCES	
Proceeds from NCTCOG	<hr/> 3,500,000 <hr/>
CHANGE IN FUND BALANCE	20,603,811
FUND BALANCE - Beginning of year	<hr/> 89,969,545 <hr/>
FUND BALANCE - End of year	<hr/> \$ 110,573,356 <hr/>

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

**TARRANT REGIONAL WATER DISTRICT**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE—GENERAL FUND—TO GOVERNMENT WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

---

CHANGE IN FUND BALANCE—General Fund \$ 20,603,811

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	4,283,362
Change in unavailable property taxes	(20,040)
Change in unavailable oil and gas revenue	102,923
Change in unavailable contributions	(3,500,000)

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

Change in paid leave	(5,302)
Change in post employment benefits	13,747
Change in accrued interest on leases	(506)
Change in debt service for leases - principal payments	143,863

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 and amortization expense.

Amount by which Capital Outlays (\$8,901,368) exceeded depreciation (\$2,967,798)	5,933,570
Intangible right-of-use lease asset amortization expense	(147,915)

Change in gain/(loss) on disposal of assets	<u>(117,842)</u>
---	------------------

CHANGE IN NET POSITION—Governmental activities	<u><u>\$ 27,289,671</u></u>
--	-----------------------------

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

**TARRANT REGIONAL WATER DISTRICT****STATEMENT OF NET POSITION—ENTERPRISE FUND  
SEPTEMBER 30, 2022****ASSETS**

## Current

Cash and cash equivalents	\$	40,126,793
Investments		15,505,008
Receivables		
Accounts and other		3,660,886
Accrued interest		47,809
Lease receivable		27,612
Due from General Fund		473,535
Prepaid items		5,964,778
		<hr/>
Total current assets		65,806,421

## Noncurrent

Cash and cash equivalents for bond projects		165,310,062
Investments held for bond projects		132,842,838
Accrued interest receivable for bond projects		321,559
Cash and cash equivalents restricted		6,100,000
Cash and cash equivalents for debt service		1,490,816
Investments for debt service		88,233,948
Accrued interest receivable for debt service		224,850
Lease receivable		66,084
Capital Assets		
Land		186,637,511
Construction in progress		150,855,605
Depreciable capital assets—net		1,779,858,094
Intangible assets—net of amortization		3,148,725
		<hr/>
Total noncurrent assets		2,515,090,092
		<hr/>
Total assets		2,580,896,513

**DEFERRED OUTFLOWS OF RESOURCES:**

Deferred bond refunding-loss		51,872,252
Deferred outflow from OPEB		2,938,999
		<hr/>
Total deferred outflows of resources		54,811,251

(Continued)

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

**TARRANT REGIONAL WATER DISTRICT**  
**STATEMENT OF NET POSITION—ENTERPRISE FUND**  
**SEPTEMBER 30, 2022**

**LIABILITIES**

Current Liabilities

Accounts payable	\$ 17,203,769
Accounts payable restricted for customer contingency	5,000,000
Accounts payable for bond projects	14,664,781
Accrued vacation	1,098,691
Other liabilities	5,469,315
Other liabilities for bond projects	8,012,639
Payable from restricted assets—accrued bond interest payable	3,955,433
Revenue bonds payable-current portion	61,085,000
Notes and interest payable to General Fund-current portion	77,498

Total current liabilities	116,567,126
---------------------------	-------------

Noncurrent Liabilities

Accrued vacation	3,023,215
Long-term post employment benefits	8,454,722
Revenue bonds payable-net of discount	1,691,973,790
Notes and interest payable to General Fund	79,822

Total noncurrent liabilities	1,703,531,549
------------------------------	---------------

Total liabilities	1,820,098,675
-------------------	---------------

**DEFERRED INFLOWS OF RESOURCES**

Deferred bond refunding-gain	2,859,587
Deferred inflow from OPEB	856,582
Deferred inflow from leases	96,987

Total deferred inflows of resources	3,813,156
-------------------------------------	-----------

**NET POSITION**

Net investment in capital assets	692,153,862
Restricted for debt service	87,094,181
Unrestricted	32,547,890

<b>TOTAL NET POSITION</b>	<b>\$ 811,795,933</b>
---------------------------	-----------------------

(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, 2022**

OPERATING REVENUES	
Sale of water	\$ 138,836,740
Contributions	10,086,962
Sale of system capacity	1,808,574
Land lease rentals	154,186
Other	626,872
	<hr/>
Total operating revenues	151,513,334
	<hr/>
OPERATING EXPENSES	
General and administrative	18,720,481
Personnel services	17,303,507
Retirement plan contribution	1,564,066
Utilities	21,587,282
Depreciation and amortization	21,599,925
	<hr/>
Total operating expenses	80,775,261
	<hr/>
OPERATING INCOME	70,738,073
	<hr/>
NONOPERATING INCOME/(LOSS)	
Sale of system capacity restricted for debt service	31,099,873
Investment loss	(12,965,711)
Interest expense	(41,333,337)
Gain on disposal of capital assets	95,050
	<hr/>
Total nonoperating expenses	(23,104,125)
	<hr/>
NET INCOME	47,633,948
	<hr/>
NET POSITION - Beginning of year	764,161,985
	<hr/>
NET POSITION - End of year	\$ 811,795,933
	<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, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from water customers	\$ 138,802,919
Contributions	10,086,962
Miscellaneous receipts	626,872
Payments to suppliers and contractors	(21,366,351)
Payments to employees for services	(19,053,920)
Receipts from General Fund	(2,034,553)
	<hr/>
Net cash provided by operating activities	107,061,929
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from the sale of revenue bonds	50,689,435
Principal paid on revenue bonds payable	(60,830,000)
Interest paid on revenue bonds and contract payable	(47,603,222)
Receipts from system capacity customer restricted for debt service	31,099,873
Acquisition and construction of capital assets	(110,839,086)
Cost paid for bond related items	(272,422)
Interest received on leases	28,108
Proceeds from disposal of capital assets	95,050
	<hr/>
Net cash used for capital and related financing activities	(137,632,264)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	(40,000,000)
Proceeds from sale and maturity of investments	68,000,000
Interest received on investments	3,889,756
	<hr/>
Net cash provided by investing activities	31,889,756
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,319,421</b>
<b>CASH AND CASH EQUIVALENTS—Beginning of year</b>	<b>211,708,250</b>
	<hr/>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 213,027,671</b>

(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, 2022**

---

RECONCILIATION OF OPERATING INCOME TO NET CASH

PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 70,738,073
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation & amortization expense	21,599,925
Bond issuance cost considered financing activity	598,878
Loss on sale of assets	(24,817)
OPEB amortization of deferred inflows	8,072
Change in assets and liabilities	
Accounts and other receivables	(1,971,764)
Prepaid expenses	3,537,257
Accounts payable	14,055,035
Due to (from) other funds—net	(1,959,313)
Interfund note payable	(75,240)
Vacation accrual	232,848
OPEB liability	(427,267)
Other liabilities	750,242
Net cash provided by operating activities	<u>\$ 107,061,929</u>

NONCASH ACTIVITIES

Disposal of \$108,505 of capital assets, net of \$108,505 accumulated depreciation.

Record decrease in fair value of investments and change in premium/discounts on investments to interest income of \$16,148,309 and (\$702,278) respectively.

Record Amortization of Gain/Loss of \$2,478,369.

Record increase in Other Post Employment Benefits deferred outflow of resources of \$1,220,199 and decrease in deferred inflow of resources of \$384,541 from the amortization of the deferred balances.

Record amortization of Deferred Inflow of Resources from Other Post Employment Benefits of \$8,072.

Record lease receivable of \$121,804 offset by Deferred Inflow of Resources of \$121,804.

(Concluded)

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

**TARRANT REGIONAL WATER DISTRICT**

**STATEMENT OF FIDUCIARY NET POSITION**

**SEPTEMBER 30, 2022**

	<b>Other Post-Employment Benefits Trust Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 771,534
Equity Fund Investments	6,214,609
Fixed Income Fund Investments	6,599,850
Total Assets	13,585,993
<b>NET POSITION</b>	
Restricted and held in trust for Other Post-Employment Benefits	13,585,993
<b>TOTAL FIDUCIARY NET POSITION</b>	<b>\$ 13,585,993</b>

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, 2022**

	<u>Other Post-Employment Benefits Trust Fund</u>
ADDITIONS	
Employer Contributions	\$ 2,350,655
Net Depreciation in Fair Value of Investments	(2,456,362)
Total Additions	<u>(105,707)</u>
DEDUCTIONS	
Benefit Payments	401,938
Other Post-Employment Benefits Plan Administrative Expense	74,393
Total Deductions	<u>476,331</u>
Net Decrease in Fiduciary Net Position	(582,038)
Fiduciary Net Position	
Beginning of Year	<u>14,168,031</u>
End of Year	<u><u>\$ 13,585,993</u></u>

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

## TARRANT REGIONAL WATER DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2022

#### 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").

**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 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 Central City flood protection project. As of the end of fiscal year 2022, no long-term debt has been issued for this project.

The General Fund is accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Major revenue sources which are susceptible to accrual include property taxes, lease rentals and oil & gas royalties. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred.

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

The General Fund is reported using the current financial resources measurement focus. The reported fund balance is considered a measure of "available spending resources". The General Fund operating statement presents increases (revenues) and decreases (expenditures) in 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 extendible 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 2022 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 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 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 United States Army Corps of Engineers (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 2022, the District expended an additional \$11.5 million under the agreement bringing the total amount expended to \$247.1 million. As of the end of fiscal year 2021, the TIF had repaid \$47.0 million, and during fiscal year 2022 the District collected an additional \$7.2 million from the TIF bringing the net loan amount to \$192.9 million.

**Interfund Transactions** - Interfund balance consists of allocation of expenses to Enterprise Fund as well as loan payments from General Fund to Enterprise Fund. Certain General Fund expenditures are allocated to the Enterprise Fund. The allocation is based on time and effort for the benefit of the Enterprise Fund by General Fund employees. The Enterprise Fund has an outstanding loan from the General Fund for the construction of the administration building which is reflected in the appropriate areas in the accompanying basic financial statements rather than as an interfund transaction. Refer to Note 9 for further detail about interfund transactions.

**Prepaid Items** - Certain payments to vendors reflect services that will occur throughout future accounting periods. These payments are recorded as prepaid items in both government-wide and fund financial statements and follow the consumption method, the expense is recognized proportionately over the periods that the service is provided. Due to the Phase 1 and 2 portions of the Integrated Pipeline Project (IPL) nearing completion in fiscal year 2022, a portion of the prepaid insurance claims held in escrow were released, reducing the prepaid balance by \$3.2 million. The remaining prepaid claims balance will be held until the program ends or until the claims activity is reevaluated for additional release.

**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, infrastructure assets and intangible 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.

**Intangible 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.

**Leases - Lessee** - The District is a lessee for noncancellable leases of one building and several copiers and printers. The District recognized a lease liability and an intangible right-of-use asset (ROU asset) in the government-wide financial statements. The District recognized lease liabilities with an initial value of \$10,000 or more for machinery and equipment and \$20,000 or more for all other assets. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The ROU asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the ROU asset is amortized on a straight-line basis over its lease term. Key estimates and judgements related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments. The District uses the interest rate charge by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases. The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the ROU asset and liability if certain changes occur that are expected to significantly affect the amount of the lease



liability. ROU assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**Lessor** - The District is a lessor for several noncancellable leases consisting of one building and several land and equipment leases. The District recognized a lease receivable and a deferred inflow of resources in the government-wide and fund level financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgements include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The District uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. Lease receivables and deferred inflow of resources are reported on the statement of net position.

**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:

	Balance at October 1, 2021			Balance at September 30, 2022		Due Within One Year
		Additions	Deletions			
Governmental Activities	\$ 1,296,353	\$ 402,909	\$ 397,608	\$ 1,301,654	\$ 346,955	
Business-type Activities	3,889,058	1,491,940	1,259,092	4,121,906	1,098,691	
Total	<u>\$ 5,185,411</u>	<u>\$ 1,894,849</u>	<u>\$ 1,656,700</u>	<u>\$ 5,423,560</u>	<u>\$ 1,445,646</u>	

Vacation and sick leave increased by \$238 thousand in fiscal year 2022 when compared to fiscal year 2021. During fiscal year 2022, more vacation and sick leave hours were accrued than taken by employees which led to this increase.

**Pollution Remediation Obligations** - The District has an environmental financial obligation for property purchased through September 30, 2022. Properties purchased during fiscal year 2022 were

screened for potential environmental concerns based upon available records, assessments and other actions. No properties purchased in fiscal year 2022 were identified requiring pollution remediation.

Based upon the Phase I, Phase II, or other site investigations completed to date, one property still requires remediation and is classified as high or moderate risk. As of September 30, 2022, the pollution remediation obligation amounted to \$6.0 million.

Based upon the limited data available, a remediation liability outlay for five 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.

**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.

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

**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

**Program Revenue - Operating Contributions** - During 2022, the District received contributions of \$10.2 million mainly due to a \$9.0 million water system buy-in premium, contributions to the Water Conservation campaign, as well as sponsorships for multiple events. The Water Conservation campaign focuses on increasing the public's awareness of water efficient practices.

**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.

**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 2022 resulted in an estimated \$8.6 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.

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

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

In fiscal year 2022, 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). There was no taxes receivable balance as of September 30, 2022. 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.

**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.

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

### **Governmental Fund Balances -**

**Fund Balance Classification** - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to 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, 2022, the District had nonspendable fund balances in the amount of \$2.3 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, 2022. At September 30, 2022, the District had a restricted fund balance in the amount of \$5.5 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, 2022, 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, 2022, the District had an assigned fund balance in the amount of \$25.6 million for the Reserve Policy and \$56.7 million for the Contingency Fund (Central City Project \$7.2 million TIF Budget assigned for fiscal year 2023 debt service, \$49.5 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 \$20.5 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. 87, *Leases*, was implemented. Certain provisions in GASB Statement No. 92, *Omnibus 2020*, became effective for the District 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 paragraphs pertaining to Leases and Lease Modification, which were implemented with no effect 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 became effective for the District with no effect on the District's financial statements. Certain provisions in GASB Statement No. 99, *Omnibus 2022*, became effective for the District. This included (1) extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate, (2) accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), (3) Disclosures related to nonmonetary transactions, (4) pledges of future revenues when resources are not received by the pledging government, (5) clarification of provisions in Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis-for State and Local Governments*, as amended, (6) terminology updates related to certain provision of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and (7) terminology used in Statement 53 to refer to resource flows statements, which were implemented with no effect on the District's financial statements.

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

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

Sales of water to four government entities (Cities of Fort Worth, Mansfield, and Arlington, and the Trinity River Authority of Texas) accounted for approximately 92% of the District's water sales for the year ended September 30, 2022. 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, 2022 was \$3.7 million and was entirely covered by FDIC insurance or collateral. The carrying value of cash for the District was \$3.4 million. At September 30, 2022, the District also held petty cash of \$2,901.

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

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

LOGIC is also a public fund investment pool with the same authority as Texpool. It has been organized and established pursuant to an Interlocal Agreement between participating government entities. The District has an undivided beneficial interest in the pool of assets held by this agency. These investments and deposits are fully insured by the federal depository insurance or collateralized by securities held in the name of Texas Treasury Safekeeping Trust Company.

**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 90% 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 10% 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, 2022, the District's bank balance of \$3.7 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. The District recorded an unrealized fair market value loss that significantly reduced investment income, showing a net loss on investments in all funds. 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 held to maturity.

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**

	<b>9/30/2022</b>	<b>Weighted Avg. Maturity (Years)</b>	<b>S &amp; P Rating</b>	<b>Fair Value Measurements Using Significant Other Observable Inputs (Level 2)</b>
<b>Investments</b>				
Federal Farm Credit Bank	\$ 93,783,160	1.79	AA+	\$ 93,783,160
Federal Home Loan Bank	136,352,322	2.62	AA+	136,352,322
Federal Home Loan Mortgage Corp	14,286,283	2.92	AA+	14,286,283
Federal National Mortgage Association	11,355,566	3.70	AA+	11,355,566
U.S. Treasury Notes	28,702,280	0.38	AA+	28,702,280
Total investments	<u>284,479,611</u>			<u>284,479,611</u>
<b>Investment pools</b>				
LOGIC (net asset value)	140,937,467	N/A	AAA-m	N/A
Texpool (net asset value)	124,485,241	N/A	AAA-m	N/A
Total investment pools	<u>265,422,708</u>			
Total investments and cash equivalents	<u>\$ 549,902,319</u>			<u>\$ 284,479,611</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 balance per bank of cash on deposit in the Trust Fund and the carrying value was \$3,379 as of September 30, 2022. See below for the detail of investments held as of the end of fiscal year 2022.

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. The Moderate Portfolio's goal is for moderate growth of both principal and income.

	9/30/2022	Fair Value Measurements Using Significant Other Observable Inputs (Level 1)
<b>Investments</b>		
Money Market Funds		
First AM Govt	\$ 767,507	N/A
Equity Funds		
iShares Core S&P 500 ETF	1,840,233	1,840,233
iShares S&P 500 Value ETF	852,859	852,859
iShares S&P 500 Growth ETF	744,298	744,298
iShares Russell Mid Cap ETF	604,595	604,595
iShares Russell 2000 Value ETF	479,620	479,620
iShares Russell 2000 Growth ETF	499,328	499,328
iShares Core MSCI EAFE ETF	578,896	578,896
Vanguard FTSE Emerging Markets ETF	384,532	384,532
Vanguard Real Estate ETF	230,248	230,248
Fixed Income Funds		
Vanguard Short-Term Corp Adm Fund	1,479,780	N/A
iShares Core US Agg Bond ETF	4,982,030	4,982,030
Vanguard High-Yield Corporate Adm	138,688	138,688
<b>Total Investments and Cash Equivalents</b>	<u>\$ 13,582,614</u>	

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

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

#### 4. CAPITAL ASSETS

A summary of changes in capital assets governmental activities:

	October 1, 2021	Additions/ Adjustments	Disposals/ Adjustments	Reclassification & Transfers	September 30, 2022
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>NONDEPRECIABLE ASSETS</b>					
Land	\$ 269,621,461	\$ 6,718,333			\$ 276,339,794
Construction in progress	76,191,992	1,461,865		(3,231,180)	74,422,677
<b>TOTAL NONDEPRECIABLE ASSETS</b>	<b>345,813,453</b>	<b>8,180,198</b>	<b>—</b>	<b>(3,231,180)</b>	<b>350,762,471</b>
<b>DEPRECIABLE ASSETS</b>					
Dams and spillways	3,070,461				3,070,461
Flood control projects	8,115,517				8,115,517
Buildings	49,103,834	3,800	(191,666)	3,231,180	52,147,148
Machinery and equipment	10,946,927	717,370			11,664,297
	<u>71,236,739</u>	<u>721,170</u>	<u>(191,666)</u>	<u>3,231,180</u>	<u>74,997,423</u>
<b>Less accumulated depreciation for</b>					
Dams and spillways	(1,117,082)	(68,275)			(1,185,357)
Flood control projects	(8,112,908)	(2,610)			(8,115,518)
Buildings	(22,885,638)	(2,488,349)	73,824		(25,300,163)
Machinery and equipment	(9,796,317)	(408,564)			(10,204,881)
Total accumulated depreciation	<u>(41,911,945)</u>	<u>(2,967,798)</u>	<u>73,824</u>		<u>(44,805,919)</u>
<b>TOTAL DEPRECIABLE ASSETS, NET</b>	<b>29,324,794</b>	<b>(2,246,628)</b>	<b>(117,842)</b>	<b>3,231,180</b>	<b>30,191,504</b>
<b>INTANGIBLE RIGHT-OF-USE ASSETS</b>					
Buildings	751,899				751,899
	<u>751,899</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>751,899</u>
<b>Less accumulated amortization for</b>					
Buildings	—	(147,915)			(147,915)
Total accumulated amortization	<u>—</u>	<u>(147,915)</u>	<u>—</u>	<u>—</u>	<u>(147,915)</u>
<b>TOTAL AMORTIZABLE ASSETS, NET</b>	<b>751,899</b>	<b>(147,915)</b>	<b>—</b>	<b>—</b>	<b>603,984</b>
<b>TOTAL GOVERNMENTAL ACTIVITIES, NET</b>	<b>\$ 375,890,146</b>	<b>\$ 5,785,655</b>	<b>(117,842)</b>	<b>—</b>	<b>\$ 381,557,959</b>

Note: Intangible Right-of-Use asset balance as of October 1, 2021 was restated to include a lease that began prior to October 1, 2021 and prior to implementation of GASB 87. See Note 8 for further details.

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

Governmental activities

Flood protection	\$	1,948,698
Recreation		<u>1,019,100</u>
Total depreciation expense - governmental activities	\$	<u><u>2,967,798</u></u>

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

Governmental activities

Flood protection	\$	<u>147,915</u>
Total amortization expense - governmental activities	\$	<u><u>147,915</u></u>

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

	October 1, 2021	Additions/ Adjustments	Disposals/ Adjustments	Reclassification & Transfers	September 30, 2022
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>NONDEPRECIABLE ASSETS</b>					
Land	\$ 177,959,672	\$ 8,677,839			\$ 186,637,511
Construction in progress	1,251,635,976	101,895,676		(1,202,676,047)	150,855,605
<b>TOTAL NONDEPRECIABLE ASSETS</b>	<b>1,429,595,648</b>	<b>110,573,515</b>	<b>—</b>	<b>(1,202,676,047)</b>	<b>337,493,116</b>
<b>DEPRECIABLE ASSETS</b>					
Dams and spillways	230,276,676			4,266,444	234,543,120
Pipeline	565,673,446			1,155,826,623	1,721,500,069
Wetlands	56,160,860				56,160,860
Communications	20,787				20,787
Buildings	7,854,201				7,854,201
Technology Infrastructure	3,240,353			624,929	3,865,282
Machinery and equipment	13,420,113	265,571	(108,505)		13,577,179
Other project costs	151,114,301			41,958,051	193,072,352
	<u>1,027,760,737</u>	<u>265,571</u>	<u>(108,505)</u>	<u>1,202,676,047</u>	<u>2,230,593,850</u>
<b>Less accumulated depreciation for</b>					
Dams and spillways	(137,053,676)	(4,243,849)			(141,297,525)
Pipeline	(240,353,824)	(11,086,660)			(251,440,484)
Wetlands	(9,533,656)	(1,122,780)			(10,656,436)
Communications	(6,926)	(416)			(7,342)
Buildings	(5,762,932)	(246,579)			(6,009,511)
Technology Infrastructure	(648,070)	(324,035)			(972,105)
Machinery and equipment	(11,080,256)	(787,644)	108,505		(11,759,395)
Other project costs	(25,592,177)	(3,000,781)			(28,592,958)
Total accumulated depreciation	<u>(430,031,517)</u>	<u>(20,812,744)</u>	<u>108,505</u>	<u>—</u>	<u>(450,735,756)</u>
<b>TOTAL DEPRECIABLE ASSETS, NET</b>	<b>597,729,220</b>	<b>(20,547,173)</b>	<b>—</b>	<b>1,202,676,047</b>	<b>1,779,858,094</b>
<b>INTANGIBLE ASSETS</b>					
Internally Developed Asset Management System	3,935,906				3,935,906
	<u>3,935,906</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,935,906</u>
<b>Less accumulated amortization for</b>					
Internally Developed Asset Management System		(787,181)			(787,181)
Total accumulated amortization	<u>—</u>	<u>(787,181)</u>	<u>—</u>	<u>—</u>	<u>(787,181)</u>
<b>TOTAL AMORTIZABLE ASSETS, NET</b>	<b>3,935,906</b>	<b>(787,181)</b>	<b>—</b>	<b>—</b>	<b>3,148,725</b>
<b>TOTAL BUSINESS-TYPE ACTIVITIES, NET</b>	<b>\$ 2,031,260,774</b>	<b>\$ 89,239,161</b>	<b>—</b>	<b>—</b>	<b>\$ 2,120,499,935</b>

## 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 2022 the District made contributions of \$3.5 million under this plan.

## 6. NOTE PAYABLE

During fiscal year 2022, the District entered into an interlocal cooperation agreement with North Central Texas Council of Governments to repay \$3.5 million in a loan on the Central City project related to the construction of the bridges. The loan is non-interest bearing and will be paid back over 10 years at \$350,000 per year; payments are due beginning November 2022.

A summary of long-term note transactions of the District for the year ended September 30, 2022 is show below:

	Balance at Oct. 1, 2021	Additions	Deletions	Balance at Sept. 30, 2022	Due Within One Year
<u>Governmental Activities</u>					
Note payable	\$ —	\$ 3,500,000		\$ 3,500,000	\$ 350,000
Total Governmental Activities	<u>\$ —</u>	<u>\$ 3,500,000</u>	<u>\$ —</u>	<u>\$ 3,500,000</u>	<u>\$ 350,000</u>

The future principal note payments as of September 30, 2022 were as follows:

Years Ending September 30th	Principal	Interest	Total
2023	\$ 350,000	\$	350,000
2024	350,000		350,000
2025	350,000		350,000
2026	350,000		350,000
2027	350,000		350,000
2028 - 2032	1,750,000		1,750,000
	<u>\$ 3,500,000</u>	<u>\$ —</u>	<u>\$ 3,500,000</u>

## 7. BONDS PAYABLE

A summary of long-term debt transactions (excluding original issue premiums) of the District for the year ended September 30, 2022 is show below:

	Balance at Oct. 1, 2021	Additions	Deletions	Balance at Sept. 30, 2022	Due Within One Year
<u>Business-type Activities</u>					
TRWD Bonds	\$ 789,745,000	\$ 46,510,000	\$ 32,625,000	\$ 803,630,000	\$ 32,180,000
TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)	553,245,000		16,535,000	\$ 536,710,000	17,030,000
Bonds from Direct Borrowings (TRWD Bonds)	261,870,000		7,935,000	253,935,000	8,075,000
Bonds from Direct Borrowings (City of Dallas Water Utilities Projects)	121,995,000		3,735,000	118,260,000	3,800,000
Total Construction and Improvement Bonds	<u>\$ 1,726,855,000</u>	<u>\$ 46,510,000</u>	<u>\$ 60,830,000</u>	<u>\$1,712,535,000</u>	<u>\$ 61,085,000</u>

**DETAIL OF REVENUE BONDS PAYABLE AS OF SEPTEMBER 30, 2022**

Bond Type	Maturity	Interest Rates	Outstanding Balance
<u>Tarrant Regional Water District Bonds</u>			
\$156,470,000 Series 2015 Water Revenue Refunding Bonds	Serially through 2029	2.0 - 5.0%	102,095,000
\$300,000,000 Series 2015A Waterworks Revenue Bonds	Serially through 2045	0.5 - 3.2%	253,935,000
\$28,530,000 Series 2016 Water Systems Revenue Bonds	Serially through 2046	3.0 - 5.0%	24,820,000
\$61,910,000 Series 2016A Water Revenue Refunding Bonds	Serially through 2032	2.0 - 5.0%	51,505,000
\$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%	127,535,000
\$386,680,000 Series 2020B Water Revenue Refunding Bonds	Serially through 2049	0.3 - 3.0%	365,300,000
\$38,105,000 Series 2020C Water Revenue Refunding Bonds	Serially through 2030	4.0 - 5.0%	33,965,000
\$46,510,000 Series 2022 Water Revenue Bonds	Serially through 2052	4.0 - 5.0%	46,510,000
Total Tarrant Regional Water District Bonds			<u>1,057,565,000</u>
<u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u>			
\$202,130,000 Series 2014 Dallas Contract Revenue Bonds	Serially through 2044	4.0 - 6.0%	9,215,000
\$140,000,000 Series 2015 Dallas Contract Revenue Bonds	Serially through 2045	0.5 - 3.2%	118,260,000
\$240,025,000 Series 2021A Dallas Contract Revenue Bonds	Serially through 2051	2.0 - 4.0%	235,020,000
\$298,395,000 Series 2021B Dallas Contract Revenue Refunding Bonds	Serially through 2044	0.15 - 2.45%	<u>292,475,000</u>
Total TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)			<u>654,970,000</u>
Total Construction and Improvement Bonds			1,712,535,000
Add premium (net of accumulated amortization)			<u>40,523,790</u>
			1,753,058,790
Less current portion			<u>(61,085,000)</u>
Total long term revenue bonds payable, net of discount			<u>\$ 1,691,973,790</u>

Series 2021B Dallas Contract Revenue Refunding Bonds currently has \$163.9 million in defeased debt outstanding related to the Series 2014 Dallas Contract Revenue Bonds. This 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, 2022 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>						
2023	\$ 32,180	\$ 26,003	\$ 58,183	\$ 8,075	\$ 7,069	\$ 15,144
2024	32,920	24,644	57,564	8,230	6,936	15,166
2025	32,640	23,339	55,979	8,390	6,793	15,183
2026	33,945	21,992	55,937	8,575	6,635	15,210
2027	35,415	20,545	55,960	8,780	6,454	15,234
2028-2032	187,530	81,844	269,374	47,585	28,839	76,424
2033-2037	158,940	57,802	216,742	55,190	21,617	76,807
2038-2042	102,795	38,650	141,445	64,765	12,388	77,153
2043-2047	113,220	21,169	134,389	44,345	2,167	46,512
2048-2052	74,045	4,586	78,631			
	<u>803,630</u>	<u>320,574</u>	<u>1,124,204</u>	<u>253,935</u>	<u>98,898</u>	<u>352,833</u>
<u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u>						
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	18,600	9,829	28,429	4,115	3,045	7,160
2028-2032	100,425	42,864	143,289	22,240	13,688	35,928
2033-2037	112,155	32,188	144,343	25,695	10,410	36,105
2038-2042	125,125	19,983	145,108	30,050	6,212	36,262
2043-2047	67,810	7,837	75,647	20,525	1,332	21,857
2048-2051	41,905	2,116	44,021			
	<u>536,710</u>	<u>157,903</u>	<u>694,613</u>	<u>118,260</u>	<u>47,584</u>	<u>165,844</u>
Total	<u>\$1,340,340</u>	<u>\$ 478,477</u>	<u>\$ 1,818,817</u>	<u>\$ 372,195</u>	<u>\$ 146,482</u>	<u>\$ 518,677</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, 2022, pledged revenues for the Tarrant Regional Water District Revenue Bonds were \$94.0 million which offsets debt service requirements for the year of \$68.4 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, 2022, pledged revenues for the TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) were \$32.8 million which offsets debt service requirements for the year of \$33.7 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 Central City Project. During fiscal year 2022, no commercial paper bonds were issued and none were outstanding as of September 30, 2022.

## 8. LEASES

**Lease receivable** - During fiscal year 2022, the District leases out some of its property, including one building, several parcels of land, and towers. The District recognized \$345 thousand in lease revenue

and \$49 thousand in interest revenue during the fiscal year 2022 related to these leases. The District received \$377 thousand in lease payments, \$335 thousand in principal and \$42 thousand in interest. As of September 30, 2022, the District's total lease receivable for lease payments was \$2.6 million for Governmental and Enterprise funds. Also, the District has a deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term. As of September 30, 2022, the balance of the deferred inflows of resources was \$2.5 million.

**Lease payable** - During fiscal year 2022, the District leased one building. An initial lease liability was recorded in the amount of \$752 thousand during the fiscal year 2022. As of September 30, 2022, the value of the lease liability was \$608 thousand. The District is required to make monthly principal and interest payments of \$150 thousand. The balance of the right-of-use asset as of September 30, 2022 was \$752 thousand net of accumulated amortization of \$148 thousand.

	Balance at Oct. 1, 2021	Additions	Deletions	Balance at Sept. 30, 2022	Due Within One Year
<u>Governmental Activities</u>					
Leases	\$ 751,898		\$ 143,863	\$ 608,035	\$ 144,727
Total Governmental Activities	<u>\$ 751,898</u>	<u>\$ —</u>	<u>\$ 143,863</u>	<u>\$ 608,035</u>	<u>\$ 144,727</u>

The future principal and interest lease payments as of September 30, 2022 were as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2023	\$ 144,727	\$ 5,687	\$ 150,414
2024	146,242	4,172	150,414
2025	151,327	2,600	153,927
2026	152,923	1,004	153,927
2027	12,816	11	12,827
	<u>\$ 608,035</u>	<u>\$ 13,474</u>	<u>\$ 621,509</u>

## 9. INTERFUND TRANSACTIONS

At September 30, 2022, 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	\$ 157,320			\$ 473,535
Enterprise Fund		157,320	473,535	
Total	<u>\$ 157,320</u>	<u>\$ 157,320</u>	<u>\$ 473,535</u>	<u>\$ 473,535</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 2022, the Enterprise Fund repaid \$75 thousand, plus interest of \$7 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.

## 10. 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 full time 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 full time 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 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. 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 45. 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, 2022**

Inactive Plan Members or Beneficiaries currently receiving benefits	36
Inactive Plan Members entitled to but not receiving benefits	0
Active Plan Members (active employees hired on or before 9/30/16)	194
Total Plan Members	<u>230</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 2022, \$1.9 million was contributed to the trust and in fiscal year 2023 \$2.1 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 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 (15.56)% for fiscal year 2022. 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, 2021 and a measurement date of September 30, 2022.

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balance at September 30, 2021	\$ 25,614,444	\$ 14,168,031	\$ 11,446,413
Changes for the year:			
Service Cost	602,123		602,123
Interest	1,542,872		1,542,872
Difference between expected and actual experience	(298,023)		(298,023)
Changes in Assumptions	(354,102)		(354,102)
Benefit Payments	(401,938)	(401,938)	—
Contributions - employer		2,350,655	(2,350,655)
Net Investment loss		(2,456,362)	2,456,362
Administrative Expense		(74,393)	74,393
Net Changes	1,090,932	(582,038)	1,672,970
Balance at September 30, 2022	<u>\$ 26,705,376</u>	<u>\$ 13,585,993</u>	<u>\$ 13,119,383</u>

Plan Fiduciary Net Position as a percentage of the total OPEB liability 51%

## 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%
\$17,241,506	\$13,119,383	\$9,740,400

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
\$9,173,999	\$13,119,383	\$18,089,077

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

For the year ended September 30, 2022, the District recognized OPEB expenses of \$1,917,713 which included amortization of deferred inflows and outflows of (\$604,637). At September 30, 2022, 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	\$ 607,056	\$ 746,249
Assumption changes	1,300,739	401,119
Net difference between projected and actual earnings on OPEB plan investments	1,978,029	
<b>Total</b>	<b>\$ 3,885,824</b>	<b>\$ 1,147,368</b>

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

Year Ending September 30	Net Deferred Outflows (Inflows) of Resources
2023	\$ 594,272
2024	604,064
2025	631,969
2026	796,040
2027	107,211
Thereafter	4,900
<b>Total</b>	<b>\$ 2,738,456</b>

## Actuarial Methods and Assumptions

Actuarial cost method	Individual entry age normal cost method
Amortization method	Level dollar, Closed
Remaining amortization period	24 years as of September 30, 2022
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	Changes of assumptions reflect an update to the percentage of covered female retirees who are assumed to also cover their spouse.



## 11. COMMITMENTS AND CONTINGENCIES

**Commitments** - The Enterprise Funds had remaining commitments estimated at \$226.6 million due to on-going construction contracts as of September 30, 2022.

**Insurance** - The District 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 is obtained from a separate brokerage firm that specializes in aircraft insurance. 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 is managed and administered by Willis Towers Watson.

Texas Water Conservation Association Risk Management Fund (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 Texas Water Conservation Association Risk Management Fund (Trust). Outside of the Trust, Sedgwick also secures and manages the District's crime policy, law enforcement and director bonds.

Aviation Insurance - The District aviation insurance covers: 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 aircraft Broker. The District does not retain the claims risk.

Rolling Owner Controlled Insurance Program - The 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 provides 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 review all 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 within the United States. 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 - 2021	\$ 6,521	\$ 81,404	\$ (83,885)	\$ 4,040
IPL Project ROCIP - 2022	\$ 4,040	\$ 15,690	\$ (11,359)	\$ 8,371

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 2022 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 7.3% for medical and 7.5% for 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 \$7,605,702 in aggregate for the plan year to date (October 2021 – September 2022).

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 - 2021	\$ 626,861	\$ 6,396,273	\$ (6,121,925)	\$ 901,209
Group Health - 2022	901,209	4,989,396	(5,483,849)	406,756

## 12. 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. 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. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponed the effective fiscal year to fiscal year 2023.

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

**GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*** (issued March 2020) - The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The Statement requires that PPPs that meet the definition of a lease apply the guidance in Statement No. 87, *Leases*, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of an SCA. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement). This Statement also provided guidance for accounting and financial reporting for availability payment arrangements (APAs). This standard becomes effective for the District in fiscal year 2023.

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

**GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*** (issued May 2020) - This Statement provided guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA, (2) establishes that a SBITA results in a right-of-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. 99, *Omnibus 2022*** (issued April 2022) – The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practices issues addressed are (1) classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, (2) clarification of provisions in Statement No. 87, *Leases*, as amended (3) clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, (4) clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, (5) extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate, (6) accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), (7) Disclosures related to nonmonetary transactions, (8) pledges of future revenues when resources are not received by the pledging government, (9) clarification of provisions in Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, as amended, (10) terminology updates related to certain provision of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and (11) terminology used in Statement 53 to refer to resource flows statements. This standard becomes effective for the District in fiscal year 2023 for the requirements related to leases, PPPs, and SBITAs and effective in fiscal year 2024 for the requirements related to financial guarantees and the classification and reporting of derivative instruments. All other requirements of this standard become 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. 100, *Accounting Changes and Error Corrections*** – an amendment of **GASB Statement No. 62** (issued June 2022) – The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This

Statement also addresses corrections of errors in previously issued financial statements. This Statement requires that (1) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (2) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current periods, and (3) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature and information about the quantitative effects on beginning balances should be disclosed by reporting unit in a tabular format. Furthermore, this Statement addresses how information that is affected should be presented in required supplementary information (RSI) and supplementary information (SI). This standard becomes effective for the District in fiscal year 2024.

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

**GASB Statement No. 101, *Compensated Absences*** (issued June 2022) – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This Statement also requires that a liability for certain types of compensated absences, including parental leave, military leave, and jury duty leave, not be recognized until the leave commences. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability. In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. This standard becomes effective for the District in fiscal year 2025.

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

### **13. SUBSEQUENT EVENT**

On December 1, 2022, the District issued Private Placement Contract Revenue Bonds (City of Dallas Project), Series 2022 for the amount of \$255,000,000. These bonds will be used for the third phase of the Integrated Pipeline Project which connects the joint sections of the pipeline to Lake Palestine. The bonds were issued through the Texas Water Development Board (TWDB) State Water Implementation Revenue Fund for Texas (SWIRFT) program. These bonds are secured solely by payment from the City of Dallas to the District under the IPL Contract.

## REQUIRED SUPPLEMENTARY INFORMATION



(George W. Shannon Wetlands near Richland-Chambers Reservoir)



**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, 2022**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance (Budget - Actual)</b>
<b>REVENUES</b>			
Property taxes	\$ 22,000,000	\$ 24,689,890	\$ (2,689,890)
Oil and gas royalties	6,000,000	14,570,873	(8,570,873)
Contributions	7,355,455	7,296,236	59,219
Lease rentals	1,290,086	1,326,827	(36,741)
Investment income (loss)	250,000	(707,632)	957,632
Other	1,694,400	1,143,960	550,440
Total revenues	38,589,941	48,320,154	(9,730,213)
<b>EXPENDITURES</b>			
<b>Current</b>			
General and administrative	12,034,269	8,154,428	3,879,841
Personnel services	11,840,668	9,700,561	2,140,107
Retirement plan contribution	887,541	809,572	77,969
Contribution		3,500,000	(3,500,000)
Interest	6,680,455		6,680,455
Capital expenditures	16,745,437	8,901,368	7,844,069
Debt service - leases			
Principal payments		143,863	(143,863)
Interest payments		6,551	(6,551)
Total expenditures	48,188,370	31,216,343	16,972,027
Excess/(Deficiency) of Revenues Over/Under Expenditures	(9,598,429)	17,103,811	(26,702,240)
<b>Other Financing Sources</b>			
Proceeds from NCTCOG		3,500,000	(3,500,000)
CHANGE IN FUND BALANCE	(9,598,429)	20,603,811	(30,202,240)
FUND BALANCE—Beginning of year	89,969,545	89,969,545	—
FUND BALANCE—End of year	\$ 80,371,116	\$ 110,573,356	\$ (30,202,240)

## NOTES TO RSI

**Property Taxes Revenues over Budget** - The District received \$2.7 million more in taxes than budgeted due to an increase in property values.

**Oil and Gas Royalties over Budget** - The District received \$8.6 million more in oil and gas royalties due to higher oil and gas prices and production growth during the year.

**Investment Income (loss) under Budget** - The District received \$958 thousand less in investment income due to a \$1.4 million decline in fair market value of investments, offset by increases in interest earned due to higher interest rates.

**Other Revenues under Budget** - The District received \$550 thousand less in program revenues due to the cancelled programming for Fort Wurst and Oktoberfest.

**General and Administrative Expenditures under Budget** - The District expended \$3.9 million less in general and administrative expenditures due to project delays and shortages with material and equipment.

**Personnel Services Expenditures under Budget** - The District expended \$2.1 million less in personnel costs mainly due to vacant positions filled late in the fiscal year.

**Contribution Expense over Budget** - The overage is due to the unbudgeted \$3.5 million contribution for the District's portion of the Central City bridge construction costs which was approved by the District's Board in April 2022.

**Capital Expenditures under Budget** - Capital expenditures were under budget by \$7.8 million due to vehicles and heavy equipment being unavailable for purchase and portions of the Central City project that were postponed.

**Debt Service - Principal/Interest Payments** - The Debt service variance of \$150 thousand was a result of applying GASB Statement No. 87 regarding leases.

**TARRANT REGIONAL WATER DISTRICT**

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

	2017	2018	2019
<u>Other post employment benefits liability</u>			
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>
<u>Plan fiduciary net position</u>			
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	2022
<u>Other post employment benefits liability</u>			
Service cost	\$ 561,117	\$ 547,295	\$ 602,123
Interest	1,315,611	1,455,965	1,542,872
Difference between expected and actual experience of the total OPEB liability	826,908	(141,365)	(298,023)
Changes in assumptions	(139,716)	1,061,704	(354,102)
Benefit payments	(366,238)	(292,111)	(401,938)
Net change in total other post employment benefits liability	2,197,682	2,631,488	1,090,932
Total other post employment benefits liability - beginning	20,785,274	22,982,956	25,614,444
Total other post employment benefits liability - ending	<u>\$ 22,982,956</u>	<u>\$ 25,614,444</u>	<u>\$ 26,705,376</u>
<u>Plan fiduciary net position</u>			
Contributions - employer	\$ 1,976,748	\$ 2,063,672	\$ 2,350,655
Net investment income (loss)	686,452	1,822,450	(2,456,362)
Benefit payments	(366,238)	(292,111)	(401,938)
Administrative expense	(53,147)	(68,206)	(74,393)
Net changes	2,243,815	3,525,805	(582,038)
Plan fiduciary net position - beginning	8,398,411	10,642,226	14,168,031
Plan fiduciary net position - ending	<u>\$ 10,642,226</u>	<u>\$ 14,168,031</u>	<u>\$ 13,585,993</u>
Net other post employment benefits liability	<u>\$ 12,340,730</u>	<u>\$ 11,446,413</u>	<u>\$ 13,119,383</u>
Plan fiduciary net position as percentage of total OPEB liability	46%	55%	51%
Covered-employee payroll	\$ 19,662,433	\$ 20,217,028	\$ 20,106,498
Net OPEB liability as percentage of covered-employee payroll	63%	57%	65%

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	2022
Annual money-weighted rate of return, net of investment expense	9.50%	5.27%	6.56%	7.07%	14.95%	(15.56)%

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	2022
Actuarially determined contribution	\$ 1,524,244	\$ 1,569,476	\$ 1,534,834	\$ 1,504,889	\$ 1,401,562	\$ 1,375,112
Actual contribution	1,545,511	1,626,730	1,851,480	1,976,748	2,063,672	2,350,655
Contribution deficiency (excess)	<u>\$ (21,267)</u>	<u>\$ (57,254)</u>	<u>\$ (316,646)</u>	<u>\$ (471,859)</u>	<u>\$ (662,110)</u>	<u>\$ (975,543)</u>
Covered-employee payroll	\$ 19,291,600	\$ 18,513,781	\$ 18,674,165	\$ 19,662,433	\$ 20,217,028	\$ 20,106,498
Contributions as % of covered-employee payroll	8.01%	8.79%	9.91%	10.05%	10.21%	11.69%

**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	24 years as of September 30, 2022
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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities				
Net investment in capital assets	\$ 221,301,902	\$ 279,586,633	\$ 311,416,677	\$ 343,118,047
Restricted				5,531,060
Unrestricted	188,026,740	179,511,280	192,888,999	193,491,410
Total governmental net position	<u>409,328,642</u>	<u>459,097,913</u>	<u>504,305,676</u>	<u>542,140,517</u>
Business-type Activities				
Net investment in capital assets	275,649,460	308,579,683	357,632,834	409,159,039
Restricted	63,522,458	90,811,279	89,822,147	110,363,100
Unrestricted	(859,394)	(27,523,746)	(16,222,050)	(16,336,370)
Total business-type net position	<u>338,312,524</u>	<u>371,867,216</u>	<u>431,232,931</u>	<u>503,185,769</u>
Total Primary Government				
Net investment in capital assets	496,951,362	588,166,316	669,049,511	752,277,086
Restricted	63,522,458	90,811,279	89,822,147	115,894,160
Unrestricted	187,167,346	151,987,534	176,666,949	177,155,040
Total primary government net position	<u>\$ 747,641,166</u>	<u>\$ 830,965,129</u>	<u>\$ 935,538,607</u>	<u>\$1,045,326,286</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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities				
Net investment in capital assets	\$ 348,801,397	\$ 360,586,932	\$ 366,352,452	\$ 371,744,493
Restricted	5,561,868	5,640,493	5,631,464	5,621,205
Unrestricted	208,425,599	222,857,751	234,513,138	248,942,565
Total governmental net position	<u>562,788,864</u>	<u>589,085,176</u>	<u>606,497,054</u>	<u>626,308,263</u>
Business-type Activities				
Net investment in capital assets	444,563,300	493,835,963	536,700,791	580,388,360
Restricted	109,317,020	103,822,079	102,892,891	100,358,807
Unrestricted	26,151,324	22,075,675	32,611,383	32,653,409
Total business-type net position	<u>580,031,644</u>	<u>619,733,717</u>	<u>672,205,065</u>	<u>713,400,576</u>
Total Primary Government				
Net investment in capital assets	793,364,697 (1)	854,422,895	903,053,243	952,132,853
Restricted	114,878,888	109,462,572	108,524,355	105,980,012
Unrestricted	234,576,923	244,933,426	267,124,521	281,595,974
Total primary government net position	<u>\$1,142,820,508</u>	<u>\$1,208,818,893</u>	<u>\$1,278,702,119</u>	<u>\$1,339,708,839</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>2021</u>	<u>2022</u>
Governmental Activities		
Net investment in capital assets	\$ 375,138,247	\$ 380,949,418
Restricted	5,552,676	5,510,011
Unrestricted	<u>261,910,219</u>	<u>283,431,384</u>
Total governmental net position	<u><u>642,601,142</u></u>	<u><u>669,890,813</u></u>
Business-Type Activities		
Net investment in capital assets	624,792,728	692,153,862
Restricted	102,311,377	87,094,181
Unrestricted	<u>37,057,880</u>	<u>32,547,890</u>
Total business-type net position	<u><u>764,161,985</u></u>	<u><u>811,795,933</u></u>
Total Primary Government		
Net investment in capital assets	999,930,975	1,073,103,280
Restricted	107,864,053	92,604,192
Unrestricted	<u>298,968,099</u>	<u>315,979,274</u>
Total primary government net position	<u><u>\$ 1,406,763,127</u></u>	<u><u>\$ 1,481,686,746</u></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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 (1)</u>
Expenses				
Governmental Activities				
General Government	\$ 11,521,503	\$ 13,462,903	\$ 12,766,315	
Flood Control	6,313,528	3,241,255	4,963,320	
Trinity River Vision Project	1,041,910	18,369,944		
Flood Protection				18,916,113
Recreation				1,561,346
Total Governmental Activities	18,876,941	35,074,102	17,729,635	20,477,459
Business-type Activities	87,165,497	104,901,544	87,999,935	77,099,429
Total Primary Government Expenses	106,042,438	139,975,646	105,729,570	97,576,888
Program Revenues				
Governmental Activities				
Charges for Services	33,255,675	26,048,278	16,595,055	
Flood Protection				9,862,928
Recreation				1,067,012
Capital Grants and Contributions	31,910,810	49,101,393	36,043,940	
Flood Protection				36,029,150
Recreation				126,750
Total Governmental Activities	65,166,485	75,149,671	52,638,995	47,085,840
Business-type Activities				
Charges for Services	120,270,336	136,041,137	142,578,670	139,387,464
Capital Grants and Contributions			680,633	3,584,248
Total Business-type Activities	120,270,336	136,041,137	143,259,303	142,971,712
Total Primary Government Revenues	185,436,821	211,190,808	195,898,298	190,057,552
Net (Expense) Revenue				
Governmental Activities	46,289,544	40,075,569	34,909,360	26,608,381
Business-type Activities	33,104,839	31,139,593	55,259,368	65,872,283
Total-Primary Government	79,394,383	71,215,162	90,168,728	92,480,664
General Revenues				
Governmental Activities				
Property Taxes	9,013,033	9,231,193	9,757,583	10,264,007
Investment Income	300,771	367,655	403,723	317,333
Miscellaneous	234,068	48,081	37,951	79,170
Gain/Loss on Disposal of Assets	94,509	46,773	99,146	565,950
Transfers				
Total Governmental Activities	9,642,381	9,693,702	10,298,403	11,226,460
Business-type Activities				
Investment Income	262,520	1,598,019	3,748,796	6,776,202
Miscellaneous	939,978	773,572	288,461	50,800
Gain/Loss on Disposal of Assets	48,310	43,508	69,090	(746,447)
Transfers				
Total Business-type Activities	1,250,808	2,415,099	4,106,347	6,080,555
Total Primary Government	10,893,189	12,108,801	14,404,750	17,307,015
Changes in Net Position				
Governmental Activities	55,931,925	49,769,271	45,207,763	37,834,841
Business-type Activities	34,355,647	33,554,692	59,365,715	71,952,838
Total Primary Government	\$ 90,287,572	\$ 83,323,963	\$ 104,573,478	\$ 109,787,679

(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>2017</u>	<u>2018</u>	<u>2019</u>
Expenses			
Governmental Activities			
Flood Protection	21,448,590	17,637,243	18,429,521
Recreation	2,625,628	2,585,102	2,636,155
Total Governmental Activities	24,074,218	20,222,345	21,065,676
Business-type Activities	83,155,732	118,368,106	114,506,276
Total Primary Government Expenses	107,229,950	138,590,451	135,571,952
Program Revenues			
Governmental Activities			
Charges for Services			
Flood Protection	10,308,977	10,750,390	8,063,725
Recreation	2,940,158	1,407,546	2,159,252
Operating Grants and Contributions			
Flood Protection	100,000	140,000	236,821
Recreation	131,200	126,315	106,850
Capital Grants and Contributions			
Flood Protection	20,634,389	19,101,900	7,931,111
Recreation		86,527	3,275
Total Governmental Activities	34,114,724	31,612,678	18,501,034
Business-type Activities			
Charges for Services	155,447,588	151,036,899	147,294,887
Operating Grants and Contributions	474,769	1,423,460	4,901,133
Capital Grants and Contributions	57,540		
Total Business-type Activities	155,979,897	152,460,359	152,196,020
Total Primary Government Revenues	190,094,621	184,073,037	170,697,054
Net (Expense) Revenue			
Governmental Activities	10,040,506	11,390,333	(2,564,642)
Business-type Activities	72,824,165	34,092,253	37,689,744
Total-Primary Government	82,864,671	45,482,586	35,125,102
General Revenues			
Governmental Activities			
Property Taxes	10,854,952	11,960,148	13,147,777
Investment Income	435,789	731,769	1,435,560
Miscellaneous	29,379	47,936	144,514
Gain/Loss on Disposal of Assets	(109,303)	2,166,126	5,248,669
Total Governmental Activities	11,210,817	14,905,979	19,976,520
Business-type Activities			
Investment Income	5,706,516	5,511,784	14,653,818
Miscellaneous	37,379	60,257	23,761
Gain/Loss on Disposal of Assets		37,779	104,025
Total Business-type Activities	5,743,895	5,609,820	14,781,604
Total Primary Government	16,954,712	20,515,799	34,758,124
Changes in Net Position			
Governmental Activities	21,251,323	26,296,312	17,411,878
Business-type Activities	78,568,060	39,702,073	52,471,348
Total Primary Government	\$ 99,819,383	\$ 65,998,385	\$ 69,883,226

(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>2020</u>	<u>2021</u>	<u>2022</u>
Expenses			
Governmental Activities			
Flood Protection	19,842,221	18,615,103	21,520,140
Recreation	2,781,733	4,289,108	3,758,746
Total Governmental Activities	22,623,954	22,904,211	25,278,886
Business-type Activities	116,647,345	116,674,851	122,108,598
Total Primary Government Expenses	139,271,299	139,579,062	147,387,484
Program Revenues			
Governmental Activities			
Charges for Services			
Flood Protection	7,138,932	8,756,940	15,488,479
Recreation	1,302,560	2,003,616	1,628,501
Operating Grants and Contributions			
Flood Protection	105,187	10,000	
Recreation	142,420	213,910	68,500
Capital Grants and Contributions			
Flood Protection	10,751,579	5,000,645	11,511,098
Recreation	200,198		
Total Governmental Activities	19,640,876	15,985,111	28,696,578
Business-type Activities			
Charges for Services	149,721,357	166,216,070	172,432,425
Operating Grants and Contributions	1,885,301	1,142,129	10,086,962
Total Business-type Activities	151,606,658	167,358,199	182,519,387
Total Primary Government Revenues	171,247,534	183,343,310	211,215,965
Net (Expense) Revenue			
Governmental Activities	(2,983,078)	(6,919,100)	3,417,692
Business-type Activities	34,959,313	50,683,348	60,410,789
Total-Primary Government	31,976,235	43,764,248	63,828,481
General Revenues			
Governmental Activities			
Property Taxes	21,941,700	23,067,000	24,669,850
Investment Income (loss)	763,675	63,736	(707,632)
Miscellaneous	17,812	16,002	16,031
Gain/Loss on Disposal of Assets	71,100	65,241	(106,270)
Total Governmental Activities	22,794,287	23,211,979	23,871,979
Business-type Activities			
Investment Income (loss)	5,810,806	(227,021)	(12,965,711)
Miscellaneous	310,117	224,982	93,820
Gain/Loss on Disposal of Assets	115,275	80,100	95,050
Total Business-type Activities	6,236,198	78,061	(12,776,841)
Total Primary Government	29,030,485	23,290,040	11,095,138
Changes in Net Position			
Governmental Activities	19,811,209	16,292,879	27,289,671
Business-type Activities	41,195,511	50,761,409	47,633,948
Total Primary Government	\$ 61,006,720	\$ 67,054,288	\$ 74,923,619

(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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Fund				
Nonspendable				
Long-term interfund notes and interest	974,485	874,014	770,939	577,139
Prepaid items	2,534,623	2,808,611	1,353,935	970,308
Inventory of supplies-at-cost	51,908	53,705	57,196	51,929
Restricted				5,531,060
Assigned	1,240,858			
Unassigned	144,151,950	111,936,626	88,675,455	63,501,938
Total	<u>\$ 148,953,824</u>	<u>\$ 115,672,956</u>	<u>\$ 90,857,525</u>	<u>\$ 70,632,374</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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Fund				
Nonspendable				
Long-term interfund notes and interest	\$ 512,236	\$ 445,386	\$ 376,531	\$ 305,609
Prepaid items	3,901,482	3,296,548	1,930,341	1,617,076
Inventory of supplies-at-cost	58,322	61,832	57,809	70,033
Inventory held for sale				499,160
Restricted	5,561,868	5,640,493	5,631,464	5,621,205
Assigned	364,461	26,560,137	55,146,781	59,832,503
Unassigned	50,340,889	22,387,079	3,375,120	7,354,543
Total	<u>\$ 60,739,258</u>	<u>\$ 58,391,475</u>	<u>\$ 66,518,046</u>	<u>\$ 75,300,129</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>2021</u>	<u>2022</u>
Governmental Fund		
Nonspendable		
Long-term interfund notes and interest	\$ 232,560	\$ 157,320
Prepaid items	1,446,660	1,597,600
Inventory of supplies-at-cost	69,305	67,041
Inventory held for sale	491,012	478,234
Restricted	5,552,676	5,510,011
Assigned	68,805,529	82,301,174
Unassigned	13,371,803	20,461,976
Total	<u>\$ 89,969,545</u>	<u>\$ 110,573,356</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>2013</u>	<u>2014</u>	<u>2015</u>
Revenues			
Property Taxes	\$ 8,993,946	\$ 9,263,039	\$ 9,737,304
Lease Rental	1,385,702	1,314,725	1,601,445
Oil and Gas Royalties	31,367,889	24,518,478	14,875,262
Sale of Rock and Gravel	12,525	12,500	19,937
Investment Income	300,771	367,655	403,723
Contributions	2,963,174	3,386,255	3,503,256
Other	391,767	311,573	390,221
Total Revenue	<u>45,415,774</u>	<u>39,174,225</u>	<u>30,531,148</u>
Expenditures			
Current			
General and Administrative	8,476,960	9,043,006	10,797,697
Personnel Services	4,753,202	4,821,935	5,007,562
Retirement Plan Contribution	497,578	512,818	535,436
Contribution	1,041,910	18,434,944	77,913
Capital Expenditures	45,075,378	39,365,013	38,668,521
Capital Lease Payment	385,715	277,377	259,450
Total Expenditures	<u>60,230,743</u>	<u>72,455,093</u>	<u>55,346,579</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(14,814,969)</u>	<u>(33,280,868)</u>	<u>(24,815,431)</u>
Other Financing Sources			
Proceeds from Capital Lease	977,569		
Change in Fund Balance	<u>\$ (13,837,400)</u>	<u>\$ (33,280,868)</u>	<u>\$ (24,815,431)</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>2016</u>	<u>2017</u>	<u>2018</u>
Revenues			
Property Taxes	\$ 10,271,392	\$ 10,799,762	\$ 12,010,248
Lease Rental	1,598,047	1,389,533	1,403,276
Oil and Gas Royalties	8,781,804	11,048,761	10,148,141
Investment Income	317,333	435,789	731,769
Contributions	5,299,235	3,368,695	4,193,522
Other	1,038,859	612,796	742,406
Total Revenue	<u>27,306,670</u>	<u>27,655,336</u>	<u>29,229,362</u>
Expenditures			
Current			
General and Administrative	8,336,650	9,097,411	8,398,059
Personnel Services	7,015,739	7,650,611	7,737,421
Retirement Plan Contribution	588,530	637,903	637,620
Contribution	1,230,230	3,076,384	242,806
Capital Expenditures	30,101,222	19,440,358	14,561,239
Capital Lease Payment	259,450		
Total Expenditures	<u>47,531,821</u>	<u>39,902,667</u>	<u>31,577,145</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(20,225,151)</u>	<u>(12,247,331)</u>	<u>(2,347,783)</u>
Other Financing Sources			
Proceeds from Sale of Land		2,354,215	
Change in Fund Balance	<u>\$ (20,225,151)</u>	<u>\$ (9,893,116)</u>	<u>\$ (2,347,783)</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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues				
Property Taxes	\$ 13,152,496	\$ 21,924,922	\$ 23,089,003	\$ 24,689,890
Lease Rental	1,562,198	1,272,670	1,404,345	1,326,827
Oil and Gas Royalties	8,197,878	6,414,237	7,843,251	14,570,873
Investment Income (loss)	1,435,560	763,675	63,736	(707,632)
Contributions	6,074,367	8,344,611	8,293,957	7,296,236
Other	932,267	921,554	1,505,348	1,143,960
Total Revenue	<u>31,354,766</u>	<u>39,641,669</u>	<u>42,199,640</u>	<u>48,320,154</u>
Expenditures				
Current				
General and Administrative	8,862,512	8,489,418	9,161,152	8,154,428
Personnel Services	8,276,805	8,963,307	9,712,955	9,700,561
Retirement Plan Contribution	673,307	780,327	821,009	809,572
Contribution	193,647	898,966	550,507	3,500,000
Interest		6,734		
Capital Expenditures	7,270,974	11,755,309	7,284,601	8,901,368
Debt Service - Leases				
Principal Payments				143,863
Interest Payments				6,551
Total Expenditures	<u>25,277,245</u>	<u>30,894,061</u>	<u>27,530,224</u>	<u>31,216,343</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>6,077,521</u>	<u>8,747,608</u>	<u>14,669,416</u>	<u>17,103,811</u>
Other Financing Sources				
Proceeds from Sale of Land	2,049,050	34,475		
Proceeds from NCTCOG				3,500,000
Change in Fund Balance	<u>\$ 8,126,571</u>	<u>\$ 8,782,083</u>	<u>\$ 14,669,416</u>	<u>\$ 20,603,811</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)	Leases	Percentage of Revenue (1)	Percentage of Personal Income (2)	Debt per Population (2)
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
2022	1,753,058,790		1,033%	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	
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
2022	185,890,855	59,175,336	126,715,519	60,830,000	41,326,360	1.24

**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
2022	153,137,694	59,175,336	93,962,358	40,560,000	27,878,236	1.37

**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)
2022	32,753,162		32,753,162	20,270,000	13,448,123	0.97 (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 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
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 %
2019	Arlington	1.08264	21,016,599	21,016,599	12.59 %
	Fort Worth -In	1.08114	49,479,396	49,479,396	29.63 %
	Fort Worth -Out	1.08414	21,666,506	21,666,506	12.98 %
	Mansfield	1.08414	5,306,509	5,306,509	3.18 %
	Trinity River Authority	1.08414	11,357,357	11,357,357	6.80 %
			108,826,367	108,826,367	65.18 %

(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
2020	Arlington	\$1.05881	\$ 20,452,147	\$ 20,452,147	12.96 %
	Fort Worth (1)	1.05881	73,877,843	73,877,843	46.81 %
	Mansfield	1.05881	5,437,377	5,437,377	3.44 %
	Trinity River Authority	1.05881	11,564,559	11,564,559	7.33 %
			111,331,926	111,331,926	70.54 %
2021	Arlington	1.14219	21,825,863	21,825,863	13.04 %
	Fort Worth (1)	1.14219	83,650,540	83,650,540	49.96 %
	Mansfield	1.14219	6,237,080	6,237,080	3.73 %
	Trinity River Authority	1.14219	12,448,846	12,448,846	7.43 %
			124,162,329	124,162,329	74.16 %
2022	Arlington	1.25503	* 22,192,303	22,192,303	13.07 %
	Fort Worth (1)	1.25503	* 84,515,750	84,515,750	49.79 %
	Mansfield	1.25503	* 6,835,306	6,835,306	4.03 %
	Trinity River Authority	1.25503	* 13,704,852	13,704,852	8.07 %
			127,248,211	127,248,211	74.96 %
*Rate based on 2022 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
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 %
2022	Dallas Utilities	32,908,447	32,908,447	19.39 %

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)**

---

<b>Fiscal Year</b>	<b>Assessed Valuation</b>	<b>Estimated Actual Valuation</b>	<b>Ratio of Assessed Valuation to Estimated Actual Valuation</b>	<b>Tax Rate (per \$100 valuation)</b>
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
2022	83,301,317,005	86,063,956,076	96.8%	0.0287

Note: All taxes are recorded in the General Fund.

Source: From the Tarrant County Tax Office.

**TARRANT REGIONAL WATER DISTRICT**

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

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Ratio of Current Tax Collections to Total Tax Levy</b>	<b>Delinquent Tax Collections</b>	<b>Ratio of Delinquent Tax Collections to Total Tax Levy</b>	<b>Total Tax Collections</b>	<b>Ratio of Total Tax Collections to Total Tax Levy</b>
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%
2022	24,688,642	24,511,161	99.3%	10,693	0.04%	24,521,854	99.3%

Source: From the Tarrant County Tax Office.

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

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%

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%

(Continued)

Source: From the Tarrant Appraisal District

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

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	169,320,197	9	0.3%
West 7	156,567,607	10	0.3%

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%
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%
West 7	162,299,663	9	0.3%
Behringer Harvard Burnett PLZ	161,145,167	10	0.3%

(Continued)

Source: From the Tarrant Appraisal District

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

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%

2022

Tarrant County	Taxable Value	Rank	Percent of total taxable value
Winner LLC	2,083,530,239	1	2.4%
American Airlines Inc/Envoy Air Inc	908,603,940	2	1.1%
OnCor Electric Delivery Co LLC	670,066,740	3	0.8%
Bell Textron Inc/Bell Helicopter	554,340,597	4	0.6%
Alcon Laboratories Inc	410,443,569	5	0.5%
Atmos Energy/Mid Tex Division	272,495,926	6	0.3%
CH Realty IX-Knightvest MF FW Berkeley Owner LP	239,500,382	7	0.3%
DDR/DTC City Investmts LP Etal	239,259,860	8	0.3%
Clearfork MFII LP/Clearfork MF1 LP	213,700,000	9	0.2%
AT&T Mobility LLC	200,135,538	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
2013	\$ 55,653,489	\$ 14,938,583	\$ 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
2022	59,175,336 (8)	41,333,337	21,599,925

(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.

(8) Increase in operating maintenance and administrative expense due to higher pumping power costs due to dry conditions and increased electricity costs.

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)**

<u>Fiscal Year</u>	<u>Oil and Gas Royalties</u>	<u>Lease Rentals</u>	<u>Interest Income (loss)</u>	<u>Other (1)</u>	<u>Property Taxes</u>
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
2022	14,570,873 (3)	1,326,827	(707,632) (7)	11,940,196	24,689,890

(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.

(7) Interest income decreased due to decline in fair market value.

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>
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
2022	138,836,740	32,908,447	(12,965,711) (9)	154,186	10,808,884 (4)

(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 is mainly due to 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
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
2022	25	99	96	86	2	308

(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, 2022 (UNAUDITED)**

Date of organization October 7, 1924

Area covered by District 345 square miles

## Facilities:

Number of water supply reservoirs 4

	<b>Conservation Pool</b>	<b>Actual in Storage</b>
Acre feet of water storage:		
Bridgeport Lake	372,183	285,444
Eagle Mountain Lake	185,083	144,821
Cedar Creek Lake	631,401	503,077
Richland-Chambers	1,125,199	921,549
Total	<u>2,313,866</u>	<u>1,854,891</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
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
2022	29.92	29.48	21.58	29.59	24.03	27.35

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
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 %
2022	180,752	6,078,509,008	33,629	36.4	4,441	4.5 %

(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 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
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 %
2022	19,865	506,557,500	25,500	40.8	458	7.2 %

(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 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
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 %
2022	81,369	2,202,577,461	27,069	44.0	1,962	5.1 %

(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
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 %
2022	8,830	226,215,770	25,619	40.1	186	5.5 %

(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 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
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 %
2022	173,888	4,919,291,520	28,290	36.9	4,151	4.9 %

(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 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
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 %
2022	127,644	3,720,439,668	29,147	35.3	3,519	4.9 %

(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 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
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 %
2022	47,962	1,157,466,946	24,133	38.2	1,206	5.1 %

(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
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 %
2022	137,707	5,015,288,940	36,420	39.8	3,172	4.4 %

(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 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
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 %
2022	2,178,720	74,174,522,400	34,045	34.6	58,300	5.3 %

(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
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 %
2022	66,500	2,041,084,500	30,693	38.6	1,600	4.9 %

(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 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, 2022 (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 Bonds - Series 2015	2015	156,470,000	102,095,000
Water Revenue Bonds - Series 2015A	2016	300,000,000	253,935,000
Water Revenue Bonds - Series 2016	2016	28,530,000	24,820,000
Water Revenue Refunding Bonds - Series 2016A	2016	61,910,000	51,505,000
Water Revenue Refunding Bonds - Series 2017	2017	52,765,000	51,900,000
Water Revenue Refunding Bonds - Series 2020	2020	129,570,000	127,535,000
Water Revenue Refunding Bonds - Series 2020B	2020	386,680,000	365,300,000
Water Revenue Refunding Bonds - Series 2020C	2020	38,105,000	33,965,000
Water Revenue Bonds-Series 2022	2022	46,510,000	46,510,000
		<u>1,200,540,000</u>	<u>1,057,565,000</u>
<u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u>			
Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2014	2014	202,130,000	9,215,000
Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2015	2016	140,000,000	118,260,000
Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2021A	2021	240,025,000	235,020,000
Contract Revenue Refunding Bonds (City of Dallas Water Utilities Project) - Series 2021B	2021	298,395,000	292,475,000
		<u>880,550,000</u>	<u>654,970,000</u>
Total - Construction and improvement bonds		<u><u>\$ 2,081,090,000</u></u>	<u><u>\$ 1,712,535,000</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, 2022 (UNAUDITED)**

	Balance October 1, 2021	Total Issued	Total Retired	Balance September 30, 2022
<u>Tarrant Regional Water District Bonds</u>				
Water Revenue Refunding and Improvement Bonds Series 2012	815,000		815,000	—
Water Revenue Refunding Bonds Series 2012A	3,900,000		3,900,000	—
Water Revenue Bonds Series 2014	1,125,000		1,125,000	—
Water Revenue Refunding Bonds Series 2015	113,745,000		11,650,000	102,095,000
Water Revenue Bonds Series 2015A	261,870,000		7,935,000	253,935,000
Water Revenue Bonds Series 2016	25,490,000		670,000	24,820,000
Water Revenue Refunding Bonds Series 2016A	55,130,000		3,625,000	51,505,000
Water Revenue Refunding Bonds Series 2017	51,900,000			51,900,000
Water Revenue Refunding Bonds Series 2020	128,560,000		1,025,000	127,535,000
Water Revenue Refunding Bonds Series 2020B	371,790,000		6,490,000	365,300,000
Water Revenue Refunding Bonds Series 2020C	37,290,000		3,325,000	33,965,000
Water Revenue Bonds Series 2022		46,510,000		46,510,000
	1,051,615,000	46,510,000	40,560,000	1,057,565,000
<u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u>				
Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2012	3,270,000		3,270,000	—
Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2014	13,495,000		4,280,000	9,215,000
Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2015	121,995,000		3,735,000	118,260,000
Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2021A	240,025,000		5,005,000	235,020,000
Contract Revenue Refunding Bonds (City of Dallas Water Utilities Project) Series 2021B	296,455,000		3,980,000	292,475,000
	675,240,000	—	20,270,000	654,970,000
Total	\$ 1,726,855,000	\$ 46,510,000	\$ 60,830,000	\$ 1,712,535,000

Note: Above amounts exclude unamortized original issue premiums.

**TARRANT REGIONAL WATER DISTRICT**

**ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2022 (UNAUDITED)**

**TARRANT REGIONAL WATER DISTRICT BONDS**

**AS OF SEPTEMBER 30, 2022**

YR	2015 - Refunding Bonds			2015A - Revenue Bonds			2016 - Revenue Bonds		
	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total
2023	15,985	4,705	20,690	8,075	7,069	15,144	690	880	1,570
2024	14,400	3,946	18,346	8,230	6,936	15,166	710	846	1,556
2025	12,945	3,262	16,207	8,390	6,793	15,183	730	809	1,539
2026	13,610	2,598	16,208	8,575	6,635	15,210	755	772	1,527
2027	14,305	1,900	16,205	8,780	6,454	15,234	775	734	1,509
2028	15,040	1,167	16,207	9,000	6,252	15,252	800	699	1,499
2029	15,810	395	16,205	9,245	6,028	15,273	825	666	1,491
2030				9,500	5,785	15,285	850	632	1,482
2031				9,775	5,525	15,300	875	598	1,473
2032				10,065	5,249	15,314	905	562	1,467
2033				10,370	4,960	15,330	935	530	1,465
2034				10,685	4,658	15,343	965	502	1,467
2035				11,020	4,345	15,365	995	472	1,467
2036				11,375	4,007	15,382	1,035	442	1,477
2037				11,740	3,647	15,387	1,075	410	1,485
2038				12,120	3,276	15,396	1,120	375	1,495
2039				12,520	2,892	15,412	1,165	339	1,504
2040				12,935	2,495	15,430	1,215	301	1,516
2041				13,370	2,080	15,450	1,265	260	1,525
2042				13,820	1,645	15,465	1,315	218	1,533
2043				14,290	1,194	15,484	1,370	173	1,543
2044				14,775	728	15,503	1,425	126	1,551
2045				15,280	245	15,525	1,480	77	1,557
2046							1,545	26	1,571
2047									
2048									
2049									
2050									
2051									
2052									
	\$ 102,095	\$ 17,973	\$ 120,068	\$ 253,935	\$ 98,898	\$ 352,833	\$ 24,820	\$ 11,449	\$ 36,269

(Continued)



**TARRANT REGIONAL WATER DISTRICT**

**ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2022 (UNAUDITED)**

**TARRANT REGIONAL WATER DISTRICT BONDS**

**AS OF SEPTEMBER 30, 2022**

YR	2016A - Refunding			2017 - Refunding			2020 - Refunding		
	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total
2023	3,815	2,480	6,295		2,309	2,309	1,040	3,392	4,432
2024	4,010	2,284	6,294	1,900	2,261	4,161	1,060	3,374	4,434
2025	4,215	2,079	6,294	3,085	2,137	5,222	1,075	3,356	4,431
2026	7,590	1,784	9,374		2,060	2,060	1,095	3,337	4,432
2027	7,980	1,394	9,374		2,060	2,060	1,115	3,316	4,431
2028	8,390	985	9,375	100	2,057	2,157	1,140	3,294	4,434
2029	8,820	555	9,375		2,055	2,055	1,165	3,271	4,436
2030	3,160	255	3,415	840	2,034	2,874	1,185	3,246	4,431
2031		176	176	3,910	1,934	5,844	7,570	3,150	10,720
2032	3,525	88	3,613	825	1,840	2,665	7,720	2,980	10,700
2033				4,350	1,736	6,086	7,880	2,800	10,680
2034				4,555	1,558	6,113	8,015	2,612	10,627
2035				4,765	1,372	6,137	8,185	2,415	10,600
2036				4,985	1,177	6,162	8,340	2,209	10,549
2037				5,215	973	6,188	8,520	1,991	10,511
2038				5,480	731	6,211		1,881	1,881
2039				5,785	450	6,235		1,881	1,881
2040				6,105	153	6,258		1,881	1,881
2041							4,390	1,816	6,206
2042							4,520	1,685	6,205
2043							4,655	1,549	6,204
2044							4,800	1,410	6,210
2045							4,940	1,266	6,206
2046							5,090	1,116	6,206
2047							5,250	958	6,208
2048							5,410	795	6,205
2049							5,580	628	6,208
2050							5,750	455	6,205
2051							5,930	277	6,207
2052							6,115	93	6,208
<div> <div>\$</div> <div>51,505</div> <div>\$</div> <div>12,080</div> <div>\$</div> <div>63,585</div> <div>\$</div> <div>51,900</div> <div>\$</div> <div>28,897</div> <div>\$</div> <div>80,797</div> <div>\$</div> <div>127,535</div> <div>\$</div> <div>62,434</div> <div>\$</div> <div>189,969</div> </div>									

(Continued)

**TARRANT REGIONAL WATER DISTRICT**

**ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2022 (UNAUDITED)**

**TARRANT REGIONAL WATER DISTRICT BONDS**

**AS OF SEPTEMBER 30, 2022**

YR	2020B - Refunding			2020C - Refunding			2022 - Revenue Bonds			Total Enterprise Funds		
	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total
2023	6,530	8,522	15,052	3,515	1,425	4,940	605	2,290	2,895	\$ 40,255	\$ 33,072	\$ 73,327
2024	6,415	8,482	14,897	3,700	1,281	4,981	725	2,170	2,895	41,150	31,580	72,730
2025	5,940	8,434	14,374	3,890	1,129	5,019	760	2,133	2,893	41,030	30,132	71,162
2026	6,010	8,377	14,387	4,085	970	5,055	800	2,094	2,894	42,520	28,627	71,147
2027	6,090	8,308	14,398	4,310	780	5,090	840	2,053	2,893	44,195	26,999	71,194
2028	5,920	8,227	14,147	4,565	558	5,123	885	2,010	2,895	45,840	25,249	71,089
2029	6,020	8,136	14,156	4,825	324	5,149	930	1,964	2,894	47,640	23,394	71,034
2030	24,555	7,873	32,428	5,075	102	5,177	980	1,917	2,897	46,145	21,844	67,989
2031	24,000	7,436	31,436				1,030	1,866	2,896	47,160	20,685	67,845
2032	24,210	6,978	31,188				1,080	1,814	2,894	48,330	19,511	67,841
2033	24,455	6,491	30,946				1,135	1,758	2,893	49,125	18,275	67,400
2034	24,750	5,974	30,724				1,195	1,700	2,895	50,165	17,004	67,169
2035	10,945	5,585	16,530				1,255	1,639	2,894	37,165	15,828	52,993
2036	11,200	5,328	16,528				1,320	1,574	2,894	38,255	14,737	52,992
2037	11,480	5,047	16,527				1,390	1,507	2,897	39,420	13,575	52,995
2038	11,785	4,744	16,529				1,460	1,435	2,895	31,965	12,442	44,407
2039	12,105	4,422	16,527				1,535	1,361	2,896	33,110	11,345	44,455
2040	12,450	4,078	16,528				1,615	1,282	2,897	34,320	10,190	44,510
2041	12,810	3,715	16,525				1,695	1,199	2,894	33,530	9,070	42,600
2042	13,195	3,331	16,526				1,785	1,112	2,897	34,635	7,991	42,626
2043	13,595	2,929	16,524				1,875	1,021	2,896	35,785	6,866	42,651
2044	14,010	2,515	16,525				1,970	925	2,895	36,980	5,704	42,684
2045	14,435	2,088	16,523				2,070	824	2,894	38,205	4,500	42,705
2046	14,880	1,649	16,529				2,180	717	2,897	23,695	3,508	27,203
2047	15,360	1,195	16,555				2,290	605	2,895	22,900	2,758	25,658
2048	15,830	727	16,557				2,405	488	2,893	23,645	2,010	25,655
2049	16,325	245	16,570				2,515	378	2,893	24,420	1,251	25,671
2050							2,620	275	2,895	8,370	730	9,100
2051							2,725	168	2,893	8,655	445	9,100
2052							2,840	57	2,897	8,955	150	9,105
<hr/>												
	\$ 365,300	\$ 140,836	\$ 506,136	\$ 33,965	\$ 6,569	\$ 40,534	\$ 46,510	\$ 40,336	\$ 86,846	\$1,057,565	\$ 419,472	\$1,477,037

(Concluded)

**TARRANT REGIONAL WATER DISTRICT**

**ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2022 (UNAUDITED)**

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

**AS OF SEPTEMBER 30, 2022**

YR	Dallas 2014 - Series 2014			Dallas 2015 - Series 2015			Dallas 2021A - Series		
	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total
2023	\$ 4,495	\$ 553	\$ 5,048	\$ 3,800	\$ 3,319	\$ 7,119	\$ 5,205	\$ 5,802	\$ 11,007
2024	4,720	283	5,003	3,870	3,259	7,129	5,410	5,594	11,004
2025				3,945	3,194	7,139	5,630	5,377	11,007
2026				4,020	3,125	7,145	5,855	5,152	11,007
2027				4,115	3,045	7,160	6,085	4,918	11,003
2028				4,215	2,955	7,170	6,330	4,674	11,004
2029				4,325	2,856	7,181	6,585	4,421	11,006
2030				4,440	2,746	7,186	6,850	4,158	11,008
2031				4,565	2,628	7,193	7,120	3,884	11,004
2032				4,695	2,503	7,198	7,405	3,599	11,004
2033				4,835	2,371	7,206	7,555	3,451	11,006
2034				4,980	2,233	7,213	7,705	3,300	11,005
2035				5,130	2,090	7,220	7,860	3,146	11,006
2036				5,290	1,940	7,230	8,015	2,988	11,003
2037				5,460	1,776	7,236	8,175	2,828	11,003
2038				5,630	1,606	7,236	8,340	2,665	11,005
2039				5,815	1,431	7,246	8,505	2,498	11,003
2040				6,000	1,249	7,249	8,680	2,328	11,008
2041				6,200	1,062	7,262	8,850	2,154	11,004
2042				6,405	864	7,269	9,030	1,977	11,007
2043				6,615	659	7,274	9,210	1,797	11,007
2044				6,840	447	7,287	9,395	1,612	11,007
2045				7,070	226	7,296	9,580	1,424	11,004
2046							9,770	1,233	11,003
2047							9,970	1,037	11,007
2048							10,165	838	11,003
2048							10,370	635	11,005
2049							10,580	427	11,007
2050							10,790	216	11,006
2051									
<hr/>									
	\$ 9,215	\$ 836	\$ 10,051	\$ 118,260	\$ 47,584	\$ 165,844	\$ 235,020	\$ 84,133	\$ 319,153
<hr/>									

(Continued)

**TARRANT REGIONAL WATER DISTRICT**

**ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2022 (UNAUDITED)**

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

**AS OF SEPTEMBER 30, 2022**

YR	Dallas 2021B - Series			Total Contract Revenue Bonds		
	Princ.	Int.	Total	Princ.	Int.	Total
2023	\$ 7,330	\$ 5,128	\$ 12,458	\$ 20,830	\$ 14,802	\$ 35,632
2024	7,350	5,109	12,459	21,350	14,245	35,595
2025	12,330	5,084	17,414	21,905	13,655	35,560
2026	12,365	5,004	17,369	22,240	13,281	35,521
2027	12,515	4,911	17,426	22,715	12,874	35,589
2028	12,735	4,779	17,514	23,280	12,408	35,688
2029	12,985	4,633	17,618	23,895	11,910	35,805
2030	13,220	4,445	17,665	24,510	11,349	35,859
2031	13,470	4,240	17,710	25,155	10,752	35,907
2032	13,725	4,031	17,756	25,825	10,133	35,958
2033	13,940	3,811	17,751	26,330	9,633	35,963
2034	14,235	3,574	17,809	26,920	9,107	36,027
2035	14,545	3,318	17,863	27,535	8,554	36,089
2036	14,885	3,035	17,920	28,190	7,963	36,153
2037	15,240	2,737	17,977	28,875	7,341	36,216
2038	15,630	2,409	18,039	29,600	6,680	36,280
2039	15,975	2,058	18,033	30,295	5,987	36,282
2040	16,325	1,690	18,015	31,005	5,267	36,272
2041	16,705	1,298	18,003	31,755	4,514	36,269
2042	17,085	906	17,991	32,520	3,747	36,267
2043	9,820	487	10,307	25,645	2,943	28,588
2044	10,065	247	10,312	26,300	2,306	28,606
2045				16,650	1,650	18,300
2046				9,770	1,233	11,003
2047				9,970	1,037	11,007
2048				10,165	838	11,003
2049				10,370	635	11,005
2050				10,580	427	11,007
2051				10,790	216	11,006
<hr/>						
	\$ 292,475	\$ 72,934	\$ 365,409	\$ 654,970	\$ 205,487	\$ 860,457

(Concluded)

**TARRANT REGIONAL WATER DISTRICT**

**SCHEDULE OF INSURANCE**

**AS OF SEPTEMBER 30, 2022 (UNAUDITED)**

<b>Insurer (5)</b>		<b>Policy Period</b>	<b>Type of Coverage</b>
Hartford Insurance Co.	(1)	01/15/13-until cancelled 3/29/00 - until cancelled	Director Bond Theft
TWCA Risk Management Fund	(2), (3)	07/01/22–07/01/23	Crime
TWCA Risk Management Fund	(3)	07/01/22–07/01/23	Fleet Policy
		07/01/22–07/01/23	Property Insurance
		07/01/22–06/30/23	Workers' Compensation
		07/01/22–07/01/23	General Liability
		07/01/22–07/01/23	Errors and Omissions Liability
Blue Cross Blue Shield of Texas	(4)	01/01/22–12/31/22	Insured with Stop Loss Coverage
QBE		01/01/22–12/31/22	Provides plan sponsor (the District) stop loss coverage for participant medical claims over \$100,000
Sutton James Insurance Broker		12/16/21 - 12/16/22	Aviation/Helicopter
Global Aerospace, Inc.		12/5/21 - 12/5/22	Aviation/Drone
Willis Towers Watson		07/21/20 - 07/21/27	Rolling Owner Controlled Insurance Program IPL Phase 3

- 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 is self-insured in relation to Health Insurance.
- 5 All premiums have been paid in full.

**(THIS PAGE INTENTIONALLY LEFT BLANK)**