

Tarrant Regional Water District
Fort Worth, Texas

Annual Comprehensive Financial Report
As of and for the year ended September 30, 2023





Tarrant Regional Water District
Fort Worth, Texas
Annual Comprehensive Financial Report
As of and for the Year Ended September 30, 2023

Board of Directors

Leah M. King, President

James Hill, Vice President

Mary Kelleher, Secretary

C.B. Team, Director

Paxton Motheral, 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

| | |
|---|----|
| INTRODUCTORY SECTION (UNAUDITED)..... | 1 |
| Transmittal Letter | 2 |
| Elected Officials..... | 18 |
| Organization of Tarrant Regional Water District..... | 19 |
| FINANCIAL SECTION | 20 |
| Independent Auditor's Report | 21 |
| Management's Discussion and Analysis | 24 |
| Basic Financial Statements | |
| Statement of Net Position..... | 38 |
| Statement of Activities..... | 39 |
| Balance Sheet - General Fund | 40 |
| Reconciliation of Balance Sheet - General Fund to Government-Wide Statement of Net Position | 41 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund | 42 |
| Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund to Government Wide Statement of Activities | 43 |
| Statement of Net Position - Enterprise Fund | 44 |
| Statement of Revenues, Expenses, and Changes in Net Position - Enterprise Fund | 46 |
| Statement of Cash Flows - Enterprise Fund | 47 |
| Statement of Fiduciary Net Position..... | 49 |
| Statement of Changes in Fiduciary Net Position..... | 50 |
| Notes to Basic Financial Statements | 51 |
| 1. Summary of Significant Accounting Policies | 51 |
| 2. Revenues from the Sale of Water | 60 |

| | |
|--|-----|
| 3. Cash, Cash Equivalents, and Investments | 60 |
| 4. Capital Assets | 65 |
| 5. Retirement Plan | 68 |
| 6. Note Payable | 68 |
| 7. Bonds Payable | 69 |
| 8. Leases | 72 |
| 9. Interfund Transactions | 74 |
| 10. Post Employment Health Care Benefits | 74 |
| 11. Commitments and Contingencies | 80 |
| 12. Recently Issued Governmental Accounting Standards Board Statements | 83 |
| Required Supplementary Information | 85 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual (GAAP Basis) - General Fund | 86 |
| Notes to RSI | 87 |
| Schedule of Changes in Net Other Post Employment Benefits Liability and Related Ratios .. | 88 |
| Schedule of Investments Returns in Other Post Employment Benefits | 91 |
| Schedule of Contributions in Other Post Employment Benefits | 92 |
| STATISTICAL SECTION (UNAUDITED) | 93 |
| Description of Statistical Section | 94 |
| Financial Trends | |
| Net Position | 95 |
| Changes in Net Position | 98 |
| Fund Balance | 101 |
| Changes in Fund Balance | 104 |

Debt Capacity

| | |
|---|-----|
| Ratio of Outstanding Debt by Type | 107 |
| Pledged Revenue Coverage | 108 |

Revenue Capacity

| | |
|--|-----|
| Principal Water Customers and Water Rate | 109 |
| Sale of System Capacity Restricted for Debt Service | 111 |
| Assessed and Actual Estimated Value of Property and Tax Rate | 112 |
| Property Tax Levies and Collections | 113 |
| Principal Taxpayers | 114 |

Operating Information

| | |
|---|-----|
| Enterprise Fund Expenses | 117 |
| General Government Revenues by Source | 118 |
| Enterprise Fund Revenues by Source | 119 |
| Full-time Employee Head Count | 120 |
| Miscellaneous Statistical Facts | 121 |

Demographic and Economic Information

| | |
|---|-----|
| Demographic and Economic Statistics | 122 |
|---|-----|

Other Information

| | |
|--|-----|
| Schedule of Bonds Authorized, Issued and Outstanding - By Purpose of Issue | 133 |
| Schedule of Changes in Bonded Debt | 134 |
| Enterprise Fund Debt Service Requirement to Maturity - Tarrant Regional Water District Bonds | 135 |
| Enterprise Fund Debt Service Requirement to Maturity - City of Dallas Water Utilities Project | 138 |
| Schedule of Insurance | 140 |

INTRODUCTORY SECTION (UNAUDITED)



(Dam on Richland-Chambers Reservoir)



December 15, 2023

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, 2023. 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, 2023. The Independent Auditor's 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 Auditor's Report and should be read in conjunction with the basic financial statements.

Profile of the Tarrant Regional Water District

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

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

The District has spent the last 99 plus years enriching communities and improving the quality of life through water supply, flood control and recreation. 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. New board members C.B. Team and Paxton Motheral were elected and began to serve their term in fiscal year 2023.

The District supplies raw water to approximately 55 municipal and non-municipal direct customers 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, including 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 include the Integrated Pipeline Project with Dallas Water Utilities, the Kennedale Balancing Reservoir, and the Cedar Creek Wetlands.

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 much of the City of Fort Worth. Additionally, the current floodway system maintenance roads are open for the public to use as trails which connect to 31 neighborhoods and 21 city parks throughout the community.



(Walking and biking trail along the Trinity River)

The current floodway system was designed and constructed between 1950 and 1970 and was based on earlier projections of flood flows and 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 Flood Control 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 the summer, 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. 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 2023 fiscal year was \$0.0269 per \$100 valuation to fund flood protection. In August, the proposed tax rate was presented at the Board of Directors meeting and a tax public hearing was held on September 13, prior to the September Board of Directors meeting. In September, the tax rate was approved by the Board of Directors and for fiscal year 2024 the rate will be \$0.0267 per \$100 valuation.

Local Economy

The DFW region saw the highest job growth rate in the U.S. in April 2023 per an "Economy in Brief" report released by Truist Bank, along with unemployment rates dropping. Consumer spending has gone up, exceeding pre-pandemic levels. Fort Worth alone is currently growing at 1.4% annually and its population has increased by 4.26% since the most recent census.

The average appraised residence homestead value in fiscal year 2023 was \$275,012, which is an increase of \$36,448 as compared to last fiscal year, and the tax on an average residence homestead is \$73.43 per \$100 valuation in fiscal year 2023.

Fiscal year 2023 began with total reservoir storage of 80% and rain storms over the fall and spring increased it to 95% up until June. After a hot and dry summer, the fiscal year ended at the same level as it started, at 80% total storage. August and September were the second hottest on record and DFW registered 52 days with temperatures above 100 degrees. However, due to the early rains the District avoided entering stage 1 of the Water Conservation and Drought Contingency Plan in fiscal year 2023, which is triggered at 75% of capacity.

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 Balancing Reservoir to the Cedar Creek Reservoir, and was completed and put into use in fiscal year 2022. The third phase of the project connects the joint sections to Lake Palestine, where DWU has contract water rights. This phase, benefiting and paid for by DWU only, is currently in progress, and it is expected to be complete in 2027. Future phases will connect Lake Benbrook and Richland-Chambers Reservoir to this third pipeline.



(Location of IPL PH 3 19-1 and 19-2 Pipelines and LP1 Pump Station)

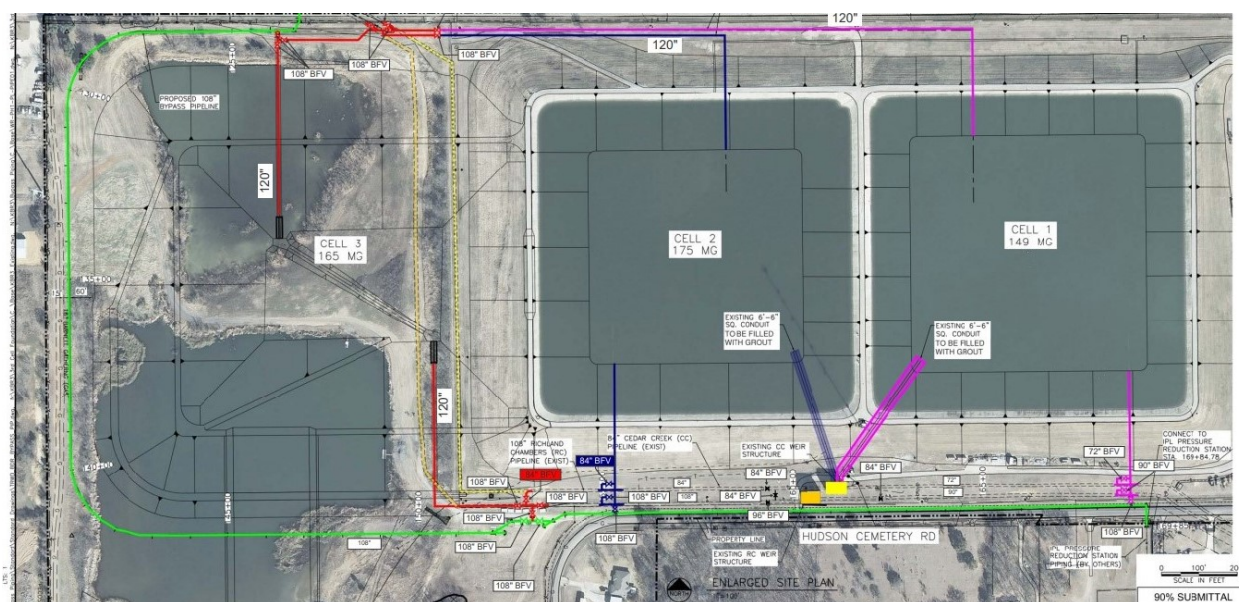
Construction on the third phase of the IPL Project has continued with the Section 19-1 and 19-2 Pipelines, which are connecting Lake Palestine to the joint sections of the pipeline. In fiscal year 2023, construction focused on the tunnels at TXDOT Roadway Crossings and the tunnels at Cedar Creek Reservoir, SH31, Hollywood Lake, Stream A, and the SH151/Frankston ISD locations. The District awarded a contract on the Lake Palestine Pump Station at the end of 2023 and construction will start at the beginning of 2024. During fiscal year 2023, \$123.1 million was spent on phase 3 and this phase has incurred \$199.9 million in total costs. All required IPL land parcels have been acquired as of the end of fiscal year 2023.



(Tunnel Boring Machine (TBM) operator shield delivery at the pipeline Section 19 Cedar Creek tunnel launch shaft)

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 Reservoir, Richland-Chambers Reservoir and Integrated Pipeline that supply KBR. The construction portion of KBR Phase 3 continued and incurred \$11.7 million in fiscal year 2023; to date \$25.0 million has been spent. This phase will be completed over a three year period and will allow enhanced operational flexibility and will improve water quality. The final Phase 4 construction 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.

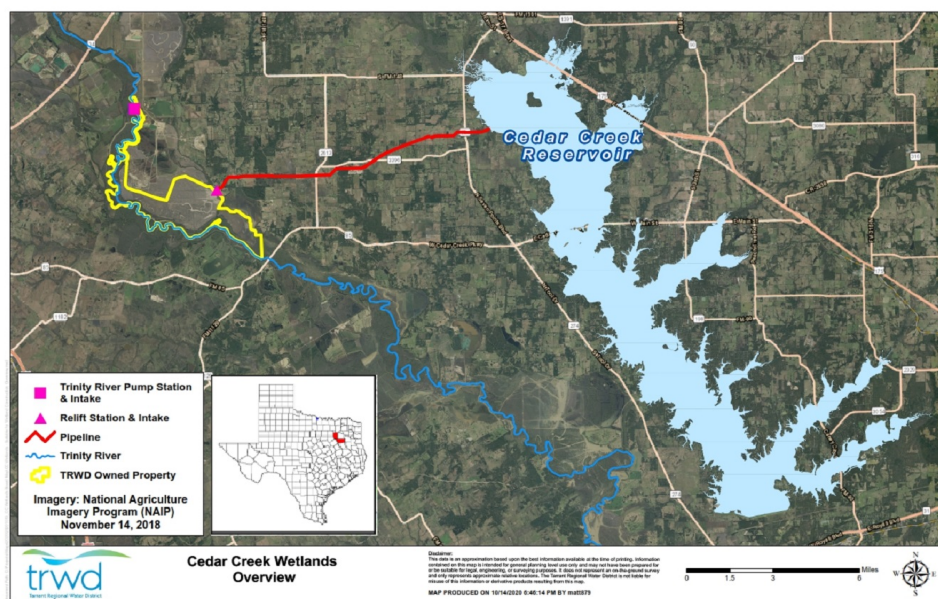


(Overview of KBR Phase 3 Expansion (KBR Cells 1 & 2 Modifications))

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 Reservoir by 50%. The existing Cedar Creek Reservoir Lake Pump Station and Pipeline, JCC1 Lake Pump station and the IPL transmission pipeline will all be utilized when providing the wetland-enhanced water supply to the District's customers. As of September 30, 2023, design work is 17% complete and \$30.2 million has been spent on design and land for this project. There is a final land settlement expected to

pay out in the beginning of fiscal year 2024 for \$2.3 million. This project is currently estimated at \$440.0 million and is expected to be complete in 2030.



(Cedar Creek Wetland Overview Map)

Central City Flood Control Project -

The Central City Flood Control Project is a multi-agency collaboration between the District, the City of Fort Worth, Texas Department of Transportation (TXDOT), United States Army Corps of Engineers (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 Flood Control Project include flood protection and related infrastructure. Improved roads and bridges will provide access to the area; upgraded utilities will improve the existing infrastructure; and ecosystem enhancement will restore the balance after decades of industrial use.

During fiscal year 2023, the Central City Flood Control Project continued work with acquisition, relocation, demolition and environmental clean-up of properties on the north segment of the bypass channel. As of 2023 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 \$253.2 million on the District's local portion of the Central City Flood Control Project and has an

outstanding loan payable of \$190.9 million to the District. In addition, USACE has spent \$60.4 million and TXDOT has spent \$63.6 million on the Central City Flood Control Project.

On May 5, 2018, a special bond election was held and voters approved issuing \$250 million in bonds to finance the remaining outstanding local share of the Central City Flood Control 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 2023, no long-term debt has been issued for this project.

With receipt of federal funds, USACE continued with program planning and was able to secure multiple design contracts in fiscal year 2023. These contracts include major design components such as Bypass Channel North, Bypass Channel South, and University Drive. Bypass Channel North design was 60% complete as of September 2023. The Bypass Channel South contract was awarded in July and 30% design is expected to be complete by December 2023. Design for University Drive was ongoing in 2023 and a traffic study is currently underway. USACE Ham Branch mitigation planning continued into fiscal year 2023 with a design-build contract expected to be awarded in fiscal year 2024. USACE received \$20 million in additional funds in fiscal year 2023 which will be used to begin preliminary design of the gates and pump stations.

The Central City Project team executed a contract for the two pedestrian bridges along the bypass channel. The two bridges are key elements within the flood project. Design of the pedestrian bridges is ongoing and is being coordinated with the North and South Bypass Channel Design projects.

Demolition work within the future South Bypass Channel is nearly complete. The demolition contract for the Blackmon Mooring Services (BMS) building has been awarded and pre-construction activities are ongoing and expected to complete in October 2023. Demolition of the BMS building is expected to be complete in December 2023.



(Aerial shot of demolished properties within the South Bypass Channel)

Environmental site assessments are ongoing for the remaining sites which include Gateway Oxbow Site E and the District's operations yard. Environmental maintenance continues at Luminant. See Note 1 for more information on pollution remediation liabilities for these properties.

City of Fort Worth utilities continued to move forward with completion of design for Sanitary Sewer, Water Systems and Storm Drainage utility relocations in the North and South Bypass Channel. Contracts for relocation of utilities in the North Bypass Channel are expected to be completed summer 2024 and contracts for relocation of utilities in the South Bypass Channel are expected to be completed winter 2024. Design for franchise utility relocations and construction is ongoing in both North and South Bypass Channel. Franchise utility contracts are expected to be completed summer 2024.

Public Engagement -

From parks to pipelines, the District incorporates environmental stewardship, conservation, and sustainability into all practices and processes. The District has built Eagle Mountain Park, Airfield Falls Trailhead & Conservation Park, the George W. Shannon Wetlands, and the Cedar Creek Wetlands. Each of these projects preserve wildlife and pollinator habitats so they are around for future North Texans to enjoy. As a part of the District's Fish the Fort annual stocking program, which is an urban fishing initiative aimed at restoring the natural environments and promoting conservation, Fly Fest brought the community to the banks of the Trinity River to help educate the community on how they can help maintain the quality of their environment.

The District endeavored to bring the community out to the river and lakes throughout the fiscal year through public events, river and lake cleanups, and recreational facilities. Eagle Mountain Lake is the home of Twin Points Park, a District property that offers a year-round boat ramp and a swim beach throughout the summer. In fiscal year 2023 an estimated 77,000 people enjoyed the beach and 37,000 used the boat ramp, generating a combined revenue of over \$573 thousand. As part of a recreation master plan, in fiscal year 2023 the District sought input from the community, asking what amenities they would like to see along the Trinity River to allow them to more easily experience the natural environment firsthand.

In fiscal year 2023 Trash Bash took place not only along the Trinity River but also along the shores of the District's reservoirs, including a first-time event in Richland Chambers. Collectively, these programs prevented 30,425 pounds or 15.2 tons of trash from contaminating our waterways. The District's Adopt-A-Trail program members self-reported an estimated 3,200 pounds or 1.6 tons of trash collected. The Litterati app showed participation through Adopt-A-Trail and Trash Bash challenges with a total of 23,702 pieces of litter collected.



(Trash Bash Cleanup at Eagle Mountain Lake)

The District's Water Conservation programs achieved remarkable success in the past year, educating students and adults and supporting the efforts of customer cities. Staff led the regional water conservation public outreach campaign "Water is Awesome" by introducing the "Texas Yard Makeover" promotions and resources. On the local front, the "Save Tarrant Water" brand continued its expansion, reaching over 12,000 subscribers with the monthly newsletter. The scorching and arid summer season contributed to a surge in demand for residential sprinkler evaluations, resulting in the provision of over 2,000 evaluations in Tarrant County. Furthermore, the Weekly Water Advice subscribers saw a substantial increase, with 2,500 new sign-ups, bringing the total number to 17,000. The Youth Education program served more than 100 schools and engaged over 19,000 students in effective conservation and water awareness programs. Finally, our adult education program "Learn and Grow" supported 167 activities and reached over 8,000 residents through a range of classes, workshops and events.



(New "Water is Awesome" Campaign)

Many summer events took place at or near the Panther Island Pavilion, including the Rockin' the River concert series and the District's 16th annual Fort Worth's Fourth. In total, the summer events brought approximately 100,000 people to the river in fiscal year 2023.

Long-term Financial Planning

The District recently updated its strategic plan, which will be effective from 2023 through 2026, which includes six specific strategies for that period.



(Six Strategies for fiscal years 2023 - 2026)

In addition to the strategic plan above, for the Enterprise Fund, the District will utilize a balance of extendable commercial paper bonds and long-term fixed rate bonds to complete large water infrastructure projects, ensuring the District efficiently manages outstanding debt. The District also continues to implement its comprehensive asset management program that allows for the proper balance of maintenance and system improvements. In addition, the Pumping Power Contingency fund has \$5.2 million as of the end of fiscal year 2023 that can be used to offset pumping power costs in years when the volatile pumping power costs go over budget.

For flood control and recreation in the Governmental Fund, part of the long-term outlook includes the District's continuing to work with other government entities as well as the public to ensure a global approach to planning and resources. The District has been reaching out to the public for input on the

future recreation plans, and is continuing work with the United States Army Corp of Engineers (USACE), City of Fort Worth, and other organizations related to local flood control. Additionally, in fiscal year 2023 the District set a tax rate beginning for fiscal year 2024 that can fully cover the annual operations and maintenance cost of both flood control and recreational infrastructure and programs, therefore not relying on variable revenue sources to cover fixed costs. The variable revenues, such as oil and gas royalties, are held in a Special Projects/Governmental Contingency Fund which the Board of Directors may approve to use for programs or other unexpected costs in the future.

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, 2022. 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 2023, the Texas Comptroller of Public Accounts awarded the District a Transparency Star in the area of Public Pensions. The District continues to have 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.

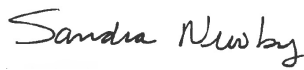
Acknowledgments

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 black ink, appearing to read "Dan Buhman".

Dan Buhman
General Manager

A handwritten signature in black 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, 2022

Christopher P. Morill

Executive Director/CEO



Board of Directors
As of September 30, 2023

Leah M. King, President

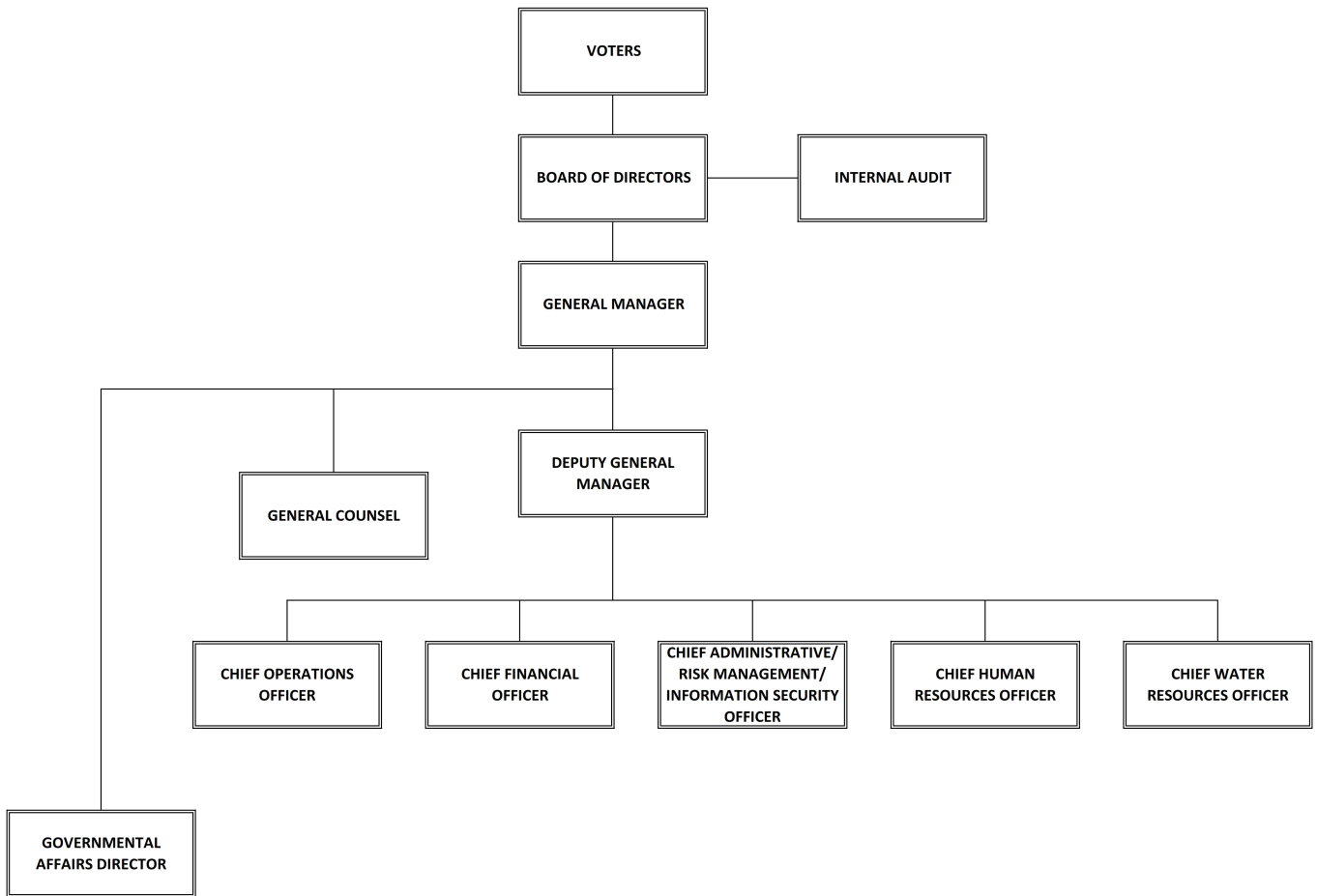
James Hill, Vice President

Mary Kelleher, Secretary

C.B. Team, Director

Paxton Motheral, Director

Tarrant Regional Water District Organizational Chart



FINANCIAL SECTION



(Eagle Mountain Park 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, 2023, 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, 2023, 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 15, 2023

TARRANT REGIONAL WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2023

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, 2023. 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 \$1.6 billion (net position). Of this amount, \$347.6 million (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.

At the end of the current fiscal year: Business-Type Activities total net position increased by \$49.6 million mainly due to the payment of debt service payables by revenues from customer water sales. Governmental activities total net position increased by \$23.3 million mainly due to higher than expected property taxes and investment income and 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 38 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 51 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 \$1.6 billion at the close of fiscal year 2023.

CONDENSED SCHEDULE OF NET POSITION

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-------------------------|-------------------------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Current and other assets | \$ 310,286,563 | \$ 329,385,764 | \$ 460,239,258 | \$ 620,824,012 | \$ 770,525,821 | \$ 950,209,776 |
| Capital assets | 381,557,959 | 386,619,023 | 2,120,499,935 | 2,225,030,686 | 2,502,057,894 | 2,611,649,709 |
| Total Assets | 691,844,522 | 716,004,787 | 2,580,739,193 | 2,845,854,698 | 3,272,583,715 | 3,561,859,485 |
| Total Deferred Outflows of Resources | 946,825 | 709,294 | 54,811,251 | 51,275,741 | 55,758,076 | 51,985,035 |
| Current liabilities | 4,972,398 | 6,841,296 | 116,489,628 | 151,296,850 | 121,462,026 | 158,138,146 |
| Long-term liabilities | 15,185,168 | 14,348,852 | 1,703,451,727 | 1,880,813,333 | 1,718,636,895 | 1,895,162,185 |
| Total Liabilities | 20,157,566 | 21,190,148 | 1,819,941,355 | 2,032,110,183 | 1,840,098,921 | 2,053,300,331 |
| Total Deferred Inflows of Resources | 2,742,968 | 2,379,959 | 3,813,156 | 3,591,123 | 6,556,124 | 5,971,082 |
| Net position | | | | | | |
| Net investment in cap. assets | 380,949,418 | 386,155,715 | 692,153,862 | 714,072,935 | 1,073,103,280 | 1,100,228,650 |
| Restricted for | | | | | | |
| Capital projects | 5,510,011 | 5,765,799 | | | 5,510,011 | 5,765,799 |
| Debt service | | | 87,094,181 | 100,986,881 | 87,094,181 | 100,986,881 |
| Unrestricted | 283,431,384 | 301,222,460 | 32,547,890 | 46,369,317 | 315,979,274 | 347,591,777 |
| Total Net Position | <u>\$ 669,890,813</u> | <u>\$ 693,143,974</u> | <u>\$ 811,795,933</u> | <u>\$ 861,429,133</u> | <u>\$ 1,481,686,746</u> | <u>\$ 1,554,573,107</u> |

Government-wide

- **Current and Other Assets**

The increase in current and other assets of \$179.7 million is mainly due to \$241.0 million received from the new Dallas 2022 Bond issue offset by bond project costs.

- **Capital Assets**

The increase in capital assets of \$109.6 million is due to land purchases and design and construction costs for capital projects including a \$123.1 million increase in the IPL Phase 3 Project, \$13.0 million increase in the Kennedale Balancing Reservoir and \$5.8 million increase in the Central City Flood Control Project offset by accumulated depreciation. Refer to Note 4 for further detail about capital assets.

- **Current Liabilities**

The increase in current liabilities of \$36.7 million is due in large part to two invoices from Traylor Sundt Joint Venture totaling \$26.5 million for IPL Section 19 tunnel crossing construction services.

- **Long-Term Liabilities**

The increase in long-term liabilities of \$176.5 million is mainly due to the new \$241.0 million Dallas 2022 Bond issue offset by the debt service payments of \$61.1 million.

- **Net Investment in Capital Assets**

The increase in net investment in capital assets of \$27.1 million is mainly due to capital asset project expenses and principal payments of long-term debt with current resources. 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 \$5.8 million represents resources that are restricted for the environmental clean-up of property that is part of the Central City Flood Control Project.

- **Restricted for Debt Service**

The increase of \$13.9 million is mainly due to an increase in the reserve balance from the Dallas 2022 Bond issuance.

- **Unrestricted Net Position**

The increase of \$31.6 million in the District's unrestricted net position included a \$17.8 million increase in the Governmental Fund due to a \$5.9 million increase in investment income, higher property taxes, and lower-than-expected expenditures, and a \$13.8 million increase in the Enterprise fund mostly due to an increase in the fair market value of investments over the prior year.

Governmental Activities

- **Current and Other Assets**

The increase of \$19.1 million is mainly due to higher than budgeted property taxes offset by lower than budgeted expenditures.

- **Capital Assets**

The capital assets increase of \$5.2 million is mainly due to purchases of land and ongoing construction-in-progress for the Central City Flood Control Project offset by accumulated depreciation. Refer to Note 4 for further detail about capital assets.

- **Current Liabilities**

The increase of \$1.9 million is mainly due to the accrual of an invoice for Oncor on the Central City Flood Control Project franchise utility relocation.

- **Net Investment in Capital Assets**

The increase in net investment in capital assets of \$5.2 million is due to purchases of land and ongoing construction-in-progress for the Central City Flood Control Project offset by depreciation.

- **Unrestricted Net Position**

The increase of \$17.8 million in the District's unrestricted net position occurred mainly due to a \$5.9 million increase in investment income, higher property taxes, and lower-than-expected expenditures.

Business-Type Activities

- **Current and Other Assets**

The increase of \$160.6 million is mainly due to \$241.0 million received from the new Dallas bond issue offset by spending on capital projects including the IPL and Kennedale Balancing Reservoir projects.

- **Capital Assets**

The capital assets increase of \$104.5 million is due to on-going bond projects costs, including the IPL and Kennedale Balancing Reservoir projects offset by depreciation. Refer to Note 4 for further detail about capital assets.

- **Current Liabilities**

The increase of \$34.8 million is due in large part to accruing two invoices from Traylor Sundt Joint Venture totaling \$26.5 million for IPL Section 19 tunnel crossing construction services accruing as well as a net increase of \$7.0 million in retainage for large construction projects.

- **Long-Term Liabilities**

The increase of \$177.4 million is mainly due to the new \$241.0 million Dallas 2022 Bond issue offset by the debt service payments of \$61.1 million. Refer to Note 7 for further detail about bonds payable.

- **Net Investment in Capital Assets**

The increase of \$21.9 million is mainly due to increased capital project costs and principal payments of long-term debt with current resources.

- **Restricted for Debt Service**

The increase of \$13.9 million is mainly due to an increase in the reserve balance from the Dallas 2022 bond issuance.

- **Unrestricted Net Position**

The increase of \$13.8 million is mostly due to an increase in the fair market value of investments over the prior year.

CONDENSED SCHEDULE OF ACTIVITIES

| | Governmental Activities | | Business-Type Activities | | Total | |
|------------------------------------|-------------------------|----------------|--------------------------|----------------|------------------|------------------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Revenues: | | | | | | |
| Program Revenues | | | | | | |
| Charges for services | \$ 17,116,980 | \$ 8,271,553 | \$ 172,432,425 | \$ 194,798,879 | \$ 189,549,405 | \$ 203,070,432 |
| Operating Grants and Contributions | 68,500 | 62,806 | 10,086,962 | 1,336,146 | 10,155,462 | 1,398,952 |
| Capital Grants and Contributions | 11,511,098 | 6,676,117 | | | 11,511,098 | 6,676,117 |
| Total Program Revenues | 28,696,578 | 15,010,476 | 182,519,387 | 196,135,025 | 211,215,965 | 211,145,501 |
| General Revenues | | | | | | |
| Property tax revenues | 24,669,850 | 25,989,506 | | | 24,669,850 | 25,989,506 |
| Investment income (loss) | (707,632) | 5,206,309 | (12,965,711) | 25,973,598 | (13,673,343) | 31,179,907 |
| Other income (loss) | (90,239) | 773,225 | 188,870 | 111,385 | 98,631 | 884,610 |
| Total Revenues | 52,568,557 | 46,979,516 | 169,742,546 | 222,220,008 | 222,311,103 | 269,199,524 |
| Expenses | | | | | | |
| Flood protection | 21,520,140 | 20,301,962 | | | 21,520,140 | 20,301,962 |
| Recreation | 3,758,746 | 3,424,393 | | | 3,758,746 | 3,424,393 |
| Water supply | | | 122,108,598 | 172,586,808 | 122,108,598 | 172,586,808 |
| Total Expenses | 25,278,886 | 23,726,355 | 122,108,598 | 172,586,808 | 147,387,484 | 196,313,163 |
| Changes in Net Position | 27,289,671 | 23,253,161 | 47,633,948 | 49,633,200 | 74,923,619 | 72,886,361 |
| Net Position - Beginning of year | 642,601,142 | 669,890,813 | 764,161,985 | 811,795,933 | 1,406,763,127 | 1,481,686,746 |
| Net Position - Ending | \$ 669,890,813 | \$ 693,143,974 | \$ 811,795,933 | \$ 861,429,133 | \$ 1,481,686,746 | \$ 1,554,573,107 |

Governmental Activities

- **Program Revenues - Charges for Services**

The decrease of \$8.8 million is due to a \$8.7 million decrease in oil and gas royalties due to decreases in price and volume.

- **Program Revenues - Capital Grants and Contributions**

The decrease of \$4.8 million is due to decrease in Central City Flood Control Project contributions as the project did not have as high of expenditures in fiscal year 2023 as in fiscal year 2022.

- **General Revenues - Property Tax Revenues**

The increase of \$1.3 million is mainly due to the increase in property tax revenues due to the increase in tax valuations for fiscal year 2023 offset by a decrease in the tax rate from \$0.0287 to \$0.0269.

- **General Revenues - Investment income**

The increase of \$5.9 million is due to a \$4.4 million increase in interest income as well as a \$1.5 million increase in fair market value over the prior year.

- **Expenses - Flood protection**

The decrease of \$1.2 million is mainly due to the Central City Flood Control Project bridge with most of its construction being finished in fiscal year 2022 and was not needed in fiscal year 2023.

Business Type Activities

- **Program Revenues - Charges for Services**

The increase of \$22.4 million is due primarily to a \$12.7 million increase in Dallas Water Utilities payments as they are now paying additional operating costs since IPL Phases 1 and 2 are now online and a \$9.8 million increase in Sale of Water revenues also due in large part to additional operating costs due to IPL Phases 1 and 2.

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

The decrease of \$8.8 million is due to a \$9.0 million buy in premium received in fiscal year 2022 and no buy-in premium received in fiscal year 2023.

- **General Revenues - Investment income**

The increase of \$38.9 million is due to a \$19.9 million increase in interest income as well as a \$19.1 million increase in fair market value over the prior year.

- **Expenses - Water Supply**

The increase of \$50.5 million is mainly due to a \$24.0 million increase in depreciation expense due to the completion of the IPL Phase 1 and 2 as well as a \$12.6 million increase in personnel and pension plan expenses due to increased headcount and an increase in expenses allocated to the Enterprise Fund after completion of the IPL Phase 1 and 2.

FINANCIAL ANALYSIS: CAPITAL ASSETS

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|----------------|--------------------------|------------------|------------------|------------------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Nondepreciable | | | | | | |
| Land | \$ 276,339,794 | \$ 280,200,672 | \$ 186,637,511 | \$ 193,225,257 | \$ 462,977,305 | \$ 473,425,929 |
| Construction in progress | 74,422,677 | 77,600,924 | 150,855,605 | 281,493,242 | 225,278,282 | 359,094,166 |
| Total nondepreciable assets | 350,762,471 | 357,801,596 | 337,493,116 | 474,718,499 | 688,255,587 | 832,520,095 |
| Depreciable | | | | | | |
| Dams and spillways | 3,070,461 | 3,070,461 | 234,543,120 | 234,543,120 | 237,613,581 | 237,613,581 |
| Pipeline | | | 1,721,500,069 | 1,733,211,319 | 1,721,500,069 | 1,733,211,319 |
| Wetlands | | | 56,160,860 | 56,160,860 | 56,160,860 | 56,160,860 |
| Communications | | | 20,787 | 20,787 | 20,787 | 20,787 |
| Buildings | 52,147,148 | 49,841,095 | 7,854,201 | 7,854,201 | 60,001,349 | 57,695,296 |
| Technology Infrastructure | | | 3,865,282 | 3,865,282 | 3,865,282 | 3,865,282 |
| Machinery and equipment | 11,664,297 | 12,220,406 | 13,577,179 | 14,041,560 | 25,241,476 | 26,261,966 |
| Flood control | 8,115,517 | 10,569,192 | | | 8,115,517 | 10,569,192 |
| Other project costs | | | 193,072,352 | 193,072,352 | 193,072,352 | 193,072,352 |
| | 74,997,423 | 75,701,154 | 2,230,593,850 | 2,242,769,481 | 2,305,591,273 | 2,318,470,635 |
| Less | | | | | | |
| Accumulated depreciation | (44,805,919) | (47,333,049) | (450,735,756) | (495,212,428) | (495,541,675) | (542,545,477) |
| Total depreciable assets | 30,191,504 | 28,368,105 | 1,779,858,094 | 1,747,557,053 | 1,810,049,598 | 1,775,925,158 |
| Intangible assets, net of accum amort. | 603,984 | 449,322 | 3,148,725 | 2,755,134 | 3,752,709 | 3,204,456 |
| Total | \$ 381,557,959 | \$ 386,619,023 | \$ 2,120,499,935 | \$ 2,225,030,686 | \$ 2,502,057,894 | \$ 2,611,649,709 |

The District's capital assets for its governmental and business-type activities as of September 30, 2023 were \$2.6 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 Flood Control Project land, relocation, demolition, environmental costs increased the land balance by \$3.0 million.

- **Construction in Progress**

- Central City Flood Control Project increased by \$2.9 million.

Business Type Activities

- **Land**

- Purchased final land parcels for the Integrated Pipeline Project for \$1.3 million.
- Purchased additional land for the Cedar Creek Wetlands for \$5.1 million.

- **Construction in Progress**

- Integrated Pipeline Phase 3 increased \$123.1 million.
- Kennedale Balancing Reservoir Project increased \$13.0 million.
- Cedar Creek Wetlands Project increased by \$2.3 million.
- Cedar Creek Reservoir pipeline replacement increased \$740 thousand.
- Pump room cooling project was completed and transferred out of CIP to Pipeline for \$10.6 million.

- **Pipeline**

- Increased by \$10.6 million due to Pump Room Cooling project being moved out of CIP.

FINANCIAL ANALYSIS: FUND STATEMENTS

General Fund

As of the end of the 2023 fiscal year, the District's General Fund reported an ending fund balance of \$130.1 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), \$5.8 million restricted for environmental cleanup on a District property that was acquired for the Central City Flood Control Project, \$27.1 million assigned for the Reserve Policy, \$64.9 million assigned for the Contingency Fund (\$8.1 million assigned for fiscal year 2024 debt service, \$56.8 million assigned for future board designated projects), and \$30.0 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 38) and has an end of year net position of \$861.4 million. This includes a net investment in capital assets of \$714.0 million, restricted net position for debt service of \$101.0 million, and an unrestricted net position of \$46.4 million. The Enterprise fund includes the current water supply infrastructure, support and maintenance for the existing system, 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 \$16.8 million.

BUDGETARY HIGHLIGHTS

GENERAL FUND

The 2023 budgeted revenues for the General Fund were \$41.9 million and the year ended with actual revenues of \$47.8 million. The increase in revenues was due to higher property taxes from increased property values and increased investment income due to higher market rates.

The 2023 budgeted expenditures for the General Fund were \$51.5 million and the year ended with actual expenditures of \$28.3 million. The deficiency in expenditures was due to several factors, the largest of which was lower than budgeted capital expenditures on the Central City Flood Control Project, as well as no debt was needed for the project during the year.

The District approved \$156.2 million in expenditures for fiscal year 2024, an increase of \$104.7 million. The increase was due in large part to an increase of \$98.7 million for the Central City Flood Control Project.

The property tax rate for the tax year 2023, fiscal year 2024, will decrease from \$0.0269 to \$0.0267 per \$100 valuation.

ENTERPRISE FUND

The 2023 budgeted expenses for the Revenue Fund were \$158.1 million and the year ended with actual expenses of \$155.2 million. The deficiency in expenses was mainly due to lower than budgeted support services costs including personnel and professional services.

The fiscal year 2024 Revenue Fund Budget, prepared in accordance with the Tarrant Regional Water Supply Facilities Amendatory Contract, totals \$171.8 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, 2023

| | Primary Government | | |
|--|-------------------------|--------------------------|------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 73,232,118 | \$ 377,613,047 | \$ 450,845,165 |
| Investments | 53,452,076 | 235,327,302 | 288,779,378 |
| Receivables | | | |
| Accounts, oil and gas royalties, and other | 980,923 | 3,752,889 | 4,733,812 |
| Taxes-net of allowance | 4,872 | | 4,872 |
| Accrued interest | 496,587 | 664,008 | 1,160,595 |
| Long-term receivable | 190,856,610 | | 190,856,610 |
| Internal balances | 255,554 | (255,554) | |
| Prepaid items | 1,664,322 | 3,640,098 | 5,304,420 |
| Inventory-at cost | 88,653 | | 88,653 |
| Inventory held for sale | 429,292 | | 429,292 |
| Lease receivable | | | |
| Due within one year | 283,364 | 34,460 | 317,824 |
| Accrued interest | 6,018 | 320 | 6,338 |
| Due in more than one year | 1,869,576 | 47,442 | 1,917,018 |
| Deposits held by others | 5,765,799 | | 5,765,799 |
| Land | 280,200,672 | 193,225,257 | 473,425,929 |
| Construction in progress | 77,600,924 | 281,493,242 | 359,094,166 |
| Depreciable capital assets, net of accumulated depreciation | 28,368,105 | 1,747,557,053 | 1,775,925,158 |
| Intangible assets, net of accumulated amortization | 449,322 | 2,755,134 | 3,204,456 |
| Total Assets | 716,004,787 | 2,845,854,698 | 3,561,859,485 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred bond refunding -loss | | 49,145,225 | 49,145,225 |
| Deferred outflow from OPEB | 709,294 | 2,130,516 | 2,839,810 |
| Total Deferred Outflows of Resources | 709,294 | 51,275,741 | 51,985,035 |
| LIABILITIES | | | |
| Accounts payable | 5,051,828 | 56,485,434 | 61,537,262 |
| Other liabilities | 890,474 | 20,464,039 | 21,354,513 |
| Note payable | | | |
| Due within one year | 350,000 | | 350,000 |
| Due in more than one year | 2,800,000 | | 2,800,000 |
| Revenue bonds payable, net of premium | | | |
| Due within one year | | 68,320,000 | 68,320,000 |
| Payable from restricted assets - accrued bond interest payable | | 4,680,328 | 4,680,328 |
| Due in more than one year | | 1,870,764,494 | 1,870,764,494 |
| Leases payable | | | |
| Due within one year | 146,242 | | 146,242 |
| Accrued interest | 387 | | 387 |
| Due in more than one year | 317,066 | | 317,066 |
| Accrued vacation | | | |
| Due within one year | 402,365 | 1,347,049 | 1,749,414 |
| Due in more than one year | 903,666 | 3,025,315 | 3,928,981 |
| Long-term payables-due in more than one year | | | |
| Pollution remediation obligations | 5,952,500 | | 5,952,500 |
| Post employment benefits payable | 4,375,620 | 7,023,524 | 11,399,144 |
| Total Liabilities | 21,190,148 | 2,032,110,183 | 2,053,300,331 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred bond refunding -gain | | 2,760,013 | 2,760,013 |
| Deferred inflow from OPEB | 253,843 | 730,837 | 984,680 |
| Deferred inflow from Leases | 2,126,116 | 100,273 | 2,226,389 |
| Total Deferred Inflows of Resources | 2,379,959 | 3,591,123 | 5,971,082 |
| NET POSITION | | | |
| Net investment in capital assets | 386,155,715 | 714,072,935 | 1,100,228,650 |
| Restricted for | | | |
| Capital projects | 5,765,799 | | 5,765,799 |
| Debt service | | 100,986,881 | 100,986,881 |
| Unrestricted | 301,222,460 | 46,369,317 | 347,591,777 |
| Total Net Position | \$ 693,143,974 | \$ 861,429,133 | \$ 1,554,573,107 |

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

TARRANT REGIONAL WATER DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

| 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 | \$ 20,301,962 | \$ 6,848,612 | \$ 31,006 | \$ 6,676,117 | \$ (6,746,227) | | \$ (6,746,227) |
| Recreation | 3,424,393 | 1,422,941 | 31,800 | | (1,969,652) | | (1,969,652) |
| Total governmental activities | <u>23,726,355</u> | <u>8,271,553</u> | <u>62,806</u> | <u>6,676,117</u> | <u>(8,715,879)</u> | | <u>(8,715,879)</u> |
| Business type activities-Water supply | 172,586,808 | 194,798,879 | 1,336,146 | | | 23,548,217 | 23,548,217 |
| | <u>\$ 196,313,163</u> | <u>\$ 203,070,432</u> | <u>\$ 1,398,952</u> | <u>\$ 6,676,117</u> | | <u>23,548,217</u> | <u>14,832,338</u> |
| GENERAL REVENUES | | | | | | | |
| Property taxes | | | | | 25,989,506 | | 25,989,506 |
| Investment income | | | | | 5,206,309 | 25,973,598 | 31,179,907 |
| Miscellaneous | | | | | 70,322 | 41,535 | 111,857 |
| Gain (loss) on disposal of assets | | | | | 702,903 | 69,850 | 772,753 |
| Total general revenues | | | | | <u>31,969,040</u> | <u>26,084,983</u> | <u>58,054,023</u> |
| CHANGES IN NET POSITION | | | | | 23,253,161 | 49,633,200 | 72,886,361 |
| NET POSITION - Beginning of year | | | | | <u>669,890,813</u> | <u>811,795,933</u> | <u>1,481,686,746</u> |
| NET POSITION - End of year | | | | | <u>\$ 693,143,974</u> | <u>\$ 861,429,133</u> | <u>\$ 1,554,573,107</u> |

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

TARRANT REGIONAL WATER DISTRICT**BALANCE SHEET—GENERAL FUND****SEPTEMBER 30, 2023**

| | | |
|---|-----------|---------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ | 73,232,118 |
| Investments | | 53,452,076 |
| Receivables | | |
| Accounts, oil and gas royalties and other | | 980,923 |
| Taxes—net of allowance | | 4,872 |
| Accrued interest | | 496,587 |
| Due from Enterprise Fund | | 175,732 |
| Notes and interest due from enterprise fund | | 79,822 |
| Prepaid items | | 1,664,322 |
| Inventory of supplies—at cost | | 88,653 |
| Inventory held for sale | | 429,292 |
| Lease receivable | | |
| Due within one year | | 283,364 |
| Accrued interest | | 6,018 |
| Due in more than one year | | 1,869,576 |
| Deposits held by others | | 5,765,799 |
| Long-term receivable | | 190,856,610 |
| Total assets | | <u>329,385,764</u> |
| LIABILITIES | | |
| Accounts payable | | 5,051,828 |
| Other liabilities | | 890,474 |
| Total liabilities | | <u>5,942,302</u> |
| DEFERRED INFLOWS | | |
| Unavailable revenue | | 191,263,496 |
| Deferred inflows from leases | | 2,126,116 |
| Total deferred inflows | | <u>193,389,612</u> |
| FUND BALANCES | | |
| Nonspendable | | |
| Long-term interfund notes and interest | | 79,822 |
| Prepaid items | | 1,664,322 |
| Inventory of supplies - at cost | | 88,653 |
| Inventory held for sale | | 429,292 |
| Restricted for Capital Projects | | 5,765,799 |
| Assigned for General Fund Reserve Policy | | 27,106,472 |
| Assigned for Contingency Fund | | 64,917,192 |
| Unassigned | | 30,002,298 |
| Total fund balances | | <u>130,053,850</u> |
| TOTAL | \$ | <u>329,385,764</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, 2023**

| | |
|-----------------------------------|----------------|
| TOTAL FUND BALANCES -General Fund | \$ 130,053,850 |
|-----------------------------------|----------------|

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 | 190,856,610 |
| Property tax revenues | 4,872 |
| Oil and gas revenues | 402,014 |
| Deferred outflows-other post employment benefits | 709,294 |

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

| | |
|---|-------------|
| Accrued vacation | (1,306,031) |
| Pollution remediation obligations | (5,952,500) |
| Other post employment benefits payable | (4,375,620) |
| Deferred inflows-other post employment benefits | (253,843) |
| Lease payable | (463,308) |
| Other payables | (3,150,000) |
| Lease accrued interest | (387) |

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

386,619,023

TOTAL NET POSITION - Governmental activities

\$ 693,143,974

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, 2023**

| | |
|--------------------------------------|----------------|
| REVENUES | |
| Property taxes | \$ 25,984,634 |
| Contributions | 8,173,744 |
| Oil and gas royalties | 5,821,884 |
| Investment income | 5,206,309 |
| Lease rentals | 1,292,432 |
| Other | 1,106,514 |
| | <hr/> |
| Total revenues | 47,585,517 |
| EXPENDITURES | |
| Current | |
| General and administrative | 9,492,233 |
| Personnel services | 9,982,786 |
| Retirement plan contribution | 842,229 |
| Contribution | 312,253 |
| Capital expenditures | 7,151,833 |
| Debt service | |
| Principal payments | 483,602 |
| Interest payments | 5,687 |
| Total expenditures | 28,270,623 |
| | <hr/> |
| EXCESS OF REVENUES OVER EXPENDITURES | 19,314,894 |
| OTHER FINANCING SOURCES (USES) | |
| Proceeds from Sale of Land | 165,600 |
| Total other financing sources (uses) | 165,600 |
| | <hr/> |
| CHANGE IN FUND BALANCE | 19,480,494 |
| FUND BALANCE - Beginning of year | 110,573,356 |
| | <hr/> |
| FUND BALANCE - End of year | \$ 130,053,850 |
| | <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, 2023**

| | |
|-------------------------------------|---------------|
| CHANGE IN FUND BALANCE—General Fund | \$ 19,480,494 |
|-------------------------------------|---------------|

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

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

| | |
|---|-------------|
| Change in unavailable revenue-TIF | (2,069,323) |
| Change in unavailable property taxes | 4,872 |
| Change in unavailable oil and gas revenue | 197,133 |
| Change in unavailable contributions | 634,502 |

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

| | |
|---|---------|
| Change in paid leave | (4,377) |
| Change in post employment benefits | 88,453 |
| Change in accrued interest on leases | (5,568) |
| Change in debt service-principal payments | 483,602 |
| Change in debt service-interest payments | 5,687 |

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 (\$7,151,833) exceeded depreciation (\$3,031,825) | 4,120,008 |
| Intangible right-of-use lease asset amortization expense | (143,537) |

| | |
|---|----------------|
| Change in gain/(loss) on disposal of assets | <u>461,215</u> |
|---|----------------|

| | |
|--|-----------------------------|
| CHANGE IN NET POSITION—Governmental activities | <u><u>\$ 23,253,161</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, 2023****ASSETS**

Current

| | | |
|---------------------------|----|-------------------|
| Cash and cash equivalents | \$ | 53,672,480 |
| Investments | | 19,611,483 |
| Receivables | | |
| Accounts and other | | 3,752,889 |
| Accrued interest | | 160,934 |
| Lease receivable | | |
| Current portion | | 34,460 |
| Accrued interest | | 320 |
| Prepaid items | | 3,640,098 |
| Total current assets | | <u>80,872,664</u> |

Noncurrent

| | | |
|--|--|----------------------|
| Cash and cash equivalents for bond projects | | 317,227,771 |
| Investments held for bond projects | | 111,829,497 |
| Accrued interest receivable for bond projects | | 189,946 |
| Cash and cash equivalents restricted | | 1,324,601 |
| Investments restricted | | 4,984,811 |
| Accrued interest receivable restricted | | 35,625 |
| Cash and cash equivalents for debt service | | 5,388,195 |
| Investments for debt service | | 98,901,511 |
| Accrued interest receivable for debt service | | 277,503 |
| Lease receivable | | 47,442 |
| Capital Assets | | |
| Land | | 193,225,257 |
| Construction in progress | | 281,493,242 |
| Depreciable capital assets—net of accumulated depreciation | | 1,747,557,053 |
| Intangible assets—net of accumulated amortization | | <u>2,755,134</u> |
| Total noncurrent assets | | <u>2,765,237,588</u> |
| Total assets | | <u>2,846,110,252</u> |

DEFERRED OUTFLOWS OF RESOURCES:

| | | |
|--------------------------------------|--|-------------------|
| Deferred bond refunding-loss | | 49,145,225 |
| Deferred outflow from OPEB | | <u>2,130,516</u> |
| Total deferred outflows of resources | | <u>51,275,741</u> |

(Continued)

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

TARRANT REGIONAL WATER DISTRICT**STATEMENT OF NET POSITION—ENTERPRISE FUND****SEPTEMBER 30, 2023****LIABILITIES**

Current Liabilities

| | | |
|--|----|------------|
| Accounts payable | \$ | 18,899,436 |
| Accounts payable restricted for customer contingency | | 5,245,037 |
| Accounts payable for bond projects | | 32,340,961 |
| Due to General Fund | | 175,732 |
| Notes and interest payable to General Fund | | 79,822 |
| Accrued vacation | | 1,347,049 |
| Other liabilities | | 5,489,263 |
| Other liabilities for bond projects | | 14,974,776 |
| Payable from restricted assets—accrued bond interest payable | | 4,680,328 |
| Revenue bonds payable | | 68,320,000 |

| | | |
|---------------------------|--|--------------------|
| Total current liabilities | | <u>151,552,404</u> |
|---------------------------|--|--------------------|

Noncurrent Liabilities

| | | |
|--------------------------------------|--|---------------|
| Accrued vacation | | 3,025,315 |
| Revenue bonds payable-net of premium | | 1,870,764,494 |
| Long-term post employment benefits | | 7,023,524 |

| | | |
|------------------------------|--|----------------------|
| Total noncurrent liabilities | | <u>1,880,813,333</u> |
|------------------------------|--|----------------------|

| | | |
|-------------------|--|----------------------|
| Total liabilities | | <u>2,032,365,737</u> |
|-------------------|--|----------------------|

DEFERRED INFLOWS OF RESOURCES

| | | |
|------------------------------|--|-----------|
| Deferred bond refunding-gain | | 2,760,013 |
| Deferred inflow from OPEB | | 730,837 |
| Deferred inflow from leases | | 100,273 |

| | | |
|-------------------------------------|--|------------------|
| Total deferred inflows of resources | | <u>3,591,123</u> |
|-------------------------------------|--|------------------|

NET POSITION

| | | |
|----------------------------------|--|-------------|
| Net investment in capital assets | | 714,072,935 |
| Restricted for debt service | | 100,986,881 |
| Unrestricted | | 46,369,317 |

| | | |
|---------------------------|-----------|---------------------------|
| TOTAL NET POSITION | \$ | <u>861,429,133</u> |
|---------------------------|-----------|---------------------------|

(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, 2023**

| | |
|---|----------------------------|
| OPERATING REVENUES | |
| Sale of water | \$ 148,599,782 |
| Sale of system capacity | 7,023,519 |
| Contributions | 1,336,146 |
| Land lease rentals | 138,346 |
| Other | 522,542 |
| | <hr/> |
| Total operating revenues | 157,620,335 |
| OPERATING EXPENSES | |
| General and administrative | 24,370,094 |
| Personnel services | 28,948,894 |
| Retirement plan contribution | 2,524,698 |
| Utilities | 21,010,817 |
| Depreciation and amortization | 45,176,425 |
| | <hr/> |
| Total operating expenses | 122,030,928 |
| OPERATING INCOME | <hr/> 35,589,407 |
| NONOPERATING INCOME/(LOSS) | |
| Sale of system capacity restricted for debt service | 38,556,225 |
| Investment income | 25,973,598 |
| Interest expense | (50,555,880) |
| Gain on disposal of capital assets | 69,850 |
| | <hr/> |
| Total net nonoperating revenues | 14,043,793 |
| NET INCOME | 49,633,200 |
| NET POSITION - Beginning of year | <hr/> 811,795,933 |
| NET POSITION - End of year | <hr/> <hr/> \$ 861,429,133 |

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, 2023**

| | |
|--|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from water customers | \$ 155,249,559 |
| Contributions | 1,336,146 |
| Miscellaneous receipts | 957,707 |
| Payments to suppliers and contractors | (40,820,525) |
| Payments to employees for services | (31,971,594) |
| Receipts from General Fund | 571,769 |
| | <hr/> |
| Net cash provided by operating activities | 85,323,062 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Proceeds from the sale of revenue bonds | 254,329,918 |
| Principal paid on revenue bonds payable | (61,085,000) |
| Interest paid on revenue bonds and contract payable | (55,092,828) |
| Receipts from system capacity customer restricted for debt service | 38,556,225 |
| Acquisition and construction of capital assets | (125,068,859) |
| Proceeds from disposal of capital assets | 69,850 |
| | <hr/> |
| Net cash provided by capital and related financing activities | 51,709,306 |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Purchase of investments | (166,000,000) |
| Proceeds from sale and maturity of investments | 169,500,000 |
| Interest received on investments | 24,053,008 |
| | <hr/> |
| Net cash provided by investing activities | 27,553,008 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | |
| | 164,585,376 |
| CASH AND CASH EQUIVALENTS—Beginning of year | <hr/> 213,027,671 |
| CASH AND CASH EQUIVALENTS - End of year | <hr/> <hr/> \$ 377,613,047 |

(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, 2023**

RECONCILIATION OF OPERATING INCOME TO NET CASH

PROVIDED BY OPERATING ACTIVITIES

| | | |
|--|----|-------------------|
| Operating income | \$ | 35,589,407 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | |
| Depreciation & amortization expense | | 45,176,425 |
| Bond issuance cost considered financing activity | | 670,082 |
| OPEB amortization of deferred inflows | | 459,323 |
| Change in assets and liabilities | | |
| Accounts and other receivables | | (76,923) |
| Prepaid expenses | | 2,324,680 |
| Accounts payable | | 1,940,704 |
| Due to (from) other funds—net | | 571,769 |
| Vacation accrual | | 250,458 |
| OPEB liability | | (1,207,783) |
| Other liabilities | | (375,080) |
| | | <hr/> |
| Net cash provided by operating activities | \$ | <u>85,323,062</u> |

NONCASH ACTIVITIES

Disposal of \$306,162 of capital assets, net of \$306,162 accumulated depreciation.

Record increase in fair value of investments and change in premium/discounts on investments to interest income of \$2,902,686 and (\$657,178) respectively.

Record Amortization of Gain/Loss of \$2,627,453.

Record decrease in Other Post Employment Benefits deferred outflow of resources of \$808,483 and decrease in deferred inflow of resources of \$125,745 from the amortization of the deferred balances.

Record amortization of Deferred Inflow of Resources from Other Post Employment Benefits of \$459,323.

Record lease receivable of \$29,962 offset by Deferred Inflow of Resources of \$29,962.

(Concluded)

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

TARRANT REGIONAL WATER DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2023

| | Other Post-Employment Benefits Trust Fund |
|---|--|
| ASSETS | |
| Cash and cash equivalents | \$ 617,170 |
| Equity Fund Investments | 8,091,359 |
| Fixed Income Fund Investments | 8,089,660 |
| Interest Receivable | 40,569 |
| | |
| Total Assets | 16,838,758 |
| | |
| NET POSITION | |
| Restricted and held in trust for Other Post-Employment Benefits | 16,838,758 |
| | |
| TOTAL FIDUCIARY NET POSITION | \$ 16,838,758 |

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, 2023**

| | Other Post-Employment Benefits Trust Fund |
|--|--|
| ADDITIONS | |
| Employer Contributions | \$ 2,739,735 |
| Net Appreciation in Fair Value of Investments | 1,186,938 |
| Total Additions | <u>3,926,673</u> |
| DEDUCTIONS | |
| Benefit Payments | 596,146 |
| Other Post-Employment Benefits Plan Administrative Expense | 77,762 |
| Total Deductions | <u>673,908</u> |
| Net Increase in Fiduciary Net Position | 3,252,765 |
| Fiduciary Net Position | |
| Beginning of Year | <u>13,585,993</u> |
| End of Year | <u><u>\$ 16,838,758</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, 2023

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 \$250.0 million in bonds to finance the remaining outstanding local share of the Central City Flood Control Project. As part of the \$250.0 million, the District created a \$150.0 million Extendable Commercial Paper Bond program that provides efficient flexibility for the Central City Flood Control Project. As of the end of fiscal year 2023, 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 \$150.0 million

extendable commercial paper bond program that provides efficient flexibility for those large projects. This program is separate from the Governmental extendable commercial paper bond program.

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

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

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

Revenues and expenses for the District's Enterprise Fund are categorized as either operating or non-operating. For the District, the majority of operating revenues are from the sale of water. Operating expenses include general and administrative, personnel services, utilities, depreciation and amortization, and retirement plan contributions.

Fiduciary Fund - The Fiduciary Fund accounts for assets held by the District in a trustee capacity for others or other Funds. The District's only Fiduciary Fund is the Other Post Employee Benefits Trust Fund which holds assets to be used for the future payments of benefits offered through the District's post-employment healthcare benefit plan. Benefit payments in this fund are made by the employer as they come due. The Fiduciary fund is not included in the government-wide financial statements.

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

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

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

Long Term Receivables - During the fiscal year 2023 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 Flood Control 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 Flood Control 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 2023, the District expended an additional \$6.1 million under the agreement bringing the total amount expended to \$253.2 million. As of the end of fiscal year 2023, the TIF had repaid \$62.4 million, including \$8.1 million collected in fiscal year 2023 bringing the net loan amount to \$190.9 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 completion of Phase 1 and 2 of the Integrated Pipeline Project (IPL), a portion of the prepaid ROCIP insurance balance held in escrow was released, reducing the prepaid balance by \$1.3 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 thousand and all other assets purchased which cost \$20 thousand or greater.

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

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

| | |
|---------------------------|----------|
| Communications | 50 years |
| Dams and spillways | 50 years |
| Flood control projects | 50 years |
| Pipeline | 50 years |
| Wetlands | 50 years |
| Other project costs | 50 years |
| Buildings | 20 years |
| Technology infrastructure | 10 years |
| Machinery and equipment | 5 years |

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. 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 thousand or more for machinery and equipment and \$20 thousand 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 charged 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, 2022 | | | Balance at September 30, 2023 | | Due Within One Year |
|--------------------------|-------------------------------|---------------------|---------------------|----------------------------------|---------------------|------------------------|
| | | Additions | Deletions | | | |
| Governmental Activities | \$ 1,301,654 | \$ 437,215 | \$ 432,838 | \$ 1,306,031 | \$ 402,365 | |
| Business-type Activities | 4,121,906 | 1,699,527 | 1,449,069 | 4,372,364 | 1,347,049 | |
| Total | <u>\$ 5,423,560</u> | <u>\$ 2,136,742</u> | <u>\$ 1,881,907</u> | <u>\$ 5,678,395</u> | <u>\$ 1,749,414</u> | |

Vacation and sick leave increased by \$255 thousand in fiscal year 2023 when compared to fiscal year 2022. During fiscal year 2023, 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, 2023. Properties purchased during fiscal year 2023 were screened for potential environmental concerns based upon available records, assessments and other actions. No properties purchased in fiscal year 2023 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, 2023, the pollution remediation obligation amounted to \$6.0 million.

Based upon the limited data available, a remediation liability outlay for four other properties with low risk cannot be reasonably estimated at this time.

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

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.

Program Revenue - Operating Contributions - During 2023, the District received contributions of \$1.4 million mainly due to contributions to the Water Conservation campaign, participation in an interlocal agreement with Trinity River Authority, 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 2023 resulted in an estimated \$9.7 million due to the customers, which is reflected in the accounts payable balance in the Enterprise Fund. The District has not experienced any credit losses resulting from its sale of water.

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

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

In fiscal year 2023, the District's ad valorem tax rate was \$0.0269 per \$100 valuation. Collections of the current year's levy are reported as current collections if received by June 30th (within nine months of the October 1st due date). Collections received thereafter are reported as delinquent collections.

Generally, property taxes, net of amounts estimated to be uncollectible, are recorded as a receivable on the assessment date and recognized as revenue when they become available (collected within 60 days of year-end). The allowance for uncollectible taxes as of September 30, 2023 was \$194 thousand. Under GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions*, property taxes are imposed non-exchange revenue. Assets from imposed non-exchange transactions are recorded when the entity has enforceable legal claim to the asset, or when the District receives resources, whichever comes first. The assessment date has been designated at a date subsequent to fiscal year-end.

The District's taxes on real property are a lien (as of the date of levy) against such property until paid. The District may foreclose on real property upon which it has a lien for unpaid taxes. Delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title to

the property. Any liens and subsequent suits against the taxpayer for payment of delinquent personal property taxes are barred unless instituted within four years from the time such taxes became delinquent.

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, 2023, 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, 2023. At September 30, 2023, the District had a restricted fund balance in the amount of \$5.8 million for environmental cleanup on a District property that was acquired for the Central City Flood Control Project.

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, 2023, 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, 2023, the District

had an assigned fund balance in the amount of \$27.1 million for the Reserve Policy and \$64.9 million for the Contingency Fund (Central City Flood Control Project \$8.1 million TIF Budget assigned for fiscal year 2024 debt service, \$56.8 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 \$30.0 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. 91, *Conduit Debt Obligations*, and GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, became effective for the District with no effect on the District's financial statements. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was implemented with no effect on the District's financial statements. The remaining requirements for GASB Statement No. 99, *Omnibus 2022*, 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 Reservoir, 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, Arlington, and the Trinity River Authority of Texas) accounted for approximately 89% of the District's water sales for the year ended September 30, 2023. 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, 2023 was \$3.8 million and was entirely covered by FDIC insurance or collateral. The carrying value of cash for the District was \$3.7 million. At September 30, 2023, the District also held petty cash of \$500.

BOK Financial Short Term Cash Fund - Proceeds from the 2022 Dallas Bond issuance were placed into escrow after issuance to be released by the Texas Water Development Board as contracts for the

Integrated Pipeline Project Phase 3 are issued. Currently \$120,727,718 is held in a demand deposit account at BOK Financial Corporation. To be nationally competitive with other cash investment options, the fund is priced daily and is indexed using the Prime Institutional index proved by iMoneyNet. Interest is accrued daily and credited to the account monthly, but unlike money market funds, the earnings are interest and not dividends. The balance is collateralized at 110% of the cash market value in excess of FDIC coverage and consists of US Treasury and US Agency securities.

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 72% 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 28% 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, 2023, the District's bank balance of \$3.8 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. During fiscal year 2023, the fair market value of the District's investments increased, which increased the investment income during the year. However, overall, the District's portfolio balance still includes a significant unrealized loss. The District, as a practice, buys and holds investments, and therefore, while the financials reflect the 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**

| | 9/30/2023 | Weighted Avg. Maturity (Years) | S & P Rating | Fair Value Measurements Using Significant Other Observable Inputs (Level 2) |
|---|-----------------------|---|-----------------------------|--|
| Investments | | | | |
| Federal Farm Credit Bank | \$ 54,176,980 | 2.60 | AA+ | \$ 54,176,980 |
| Federal Home Loan Bank | 122,187,246 | 2.32 | AA+ | 122,187,246 |
| Federal Home Loan Mortgage Corp | 19,223,288 | 2.56 | AA+ | 19,223,288 |
| Federal National Mortgage Association | 11,547,400 | 2.72 | AA+ | 11,547,400 |
| U.S. Treasury Notes | 81,644,464 | 0.09 | AA+ | 81,644,464 |
| Total investments | <u>288,779,378</u> | | | <u>288,779,378</u> |
| Investment pools | | | | |
| LOGIC (net asset value) | 155,405,016 | N/A | AAA-m | N/A |
| Texpool (net asset value) | 171,022,206 | N/A | AAA-m | N/A |
| Total investment pools | <u>326,427,222</u> | | | |
| Total investments and cash equivalents | <u>\$ 615,206,600</u> | | | <u>\$ 288,779,378</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 zero as of September 30, 2023. See below for the detail of investments held as of the end of fiscal year 2023.

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

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

| | 9/30/2023 | Fair Value Measurements Using Significant Other Observable Inputs (Level 1) |
|---|----------------------|--|
| Investments | | |
| Money Market Funds | | |
| First AM Govt | \$ 617,170 | N/A |
| Equity Funds | | |
| iShares Core S&P 500 ETF | \$ 2,299,598 | \$ 2,299,598 |
| iShares S&P 500 Value ETF | 1,033,959 | 1,033,959 |
| iShares S&P 500 Growth ETF | 909,028 | 909,028 |
| iShares Russell Mid Cap ETF | 898,450 | 898,450 |
| iShares Russell 2000 Value ETF | 556,839 | 556,839 |
| iShares Russell 2000 Growth ETF | 561,720 | 561,720 |
| iShares Core MSCI EAFE ETF | 1,015,700 | 1,015,700 |
| Vanguard FTSE Emerging Markets ETF | 557,762 | 557,762 |
| Vanguard Real Estate ETF | 258,303 | 258,303 |
| Fixed Income Funds | | |
| iShares Core US Agg Bond ETF | \$ 7,067,294 | \$ 7,067,294 |
| iShares Trust US Treasury ETF | 512,210 | 512,210 |
| iShares MBS ETF | 510,156 | 510,156 |
| Total Investments and Cash Equivalents | \$ 16,798,189 | |

The OPEB Plan is invested in a Money Market Fund (First Am Govt) which is 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, 2022 | Additions/ Adjustments | Disposals/ Adjustments | Reclassification & Transfers | September 30, 2023 |
|---|-----------------------|---------------------------|---------------------------|---------------------------------|-----------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| NONDEPRECIABLE ASSETS | | | | | |
| Land | \$ 276,339,794 | \$ 3,860,878 | \$ | \$ | \$ 280,200,672 |
| Construction in progress | 74,422,677 | 3,414,374 | | (236,127) | 77,600,924 |
| TOTAL NONDEPRECIABLE ASSETS | 350,762,471 | 7,275,252 | — | (236,127) | 357,801,596 |
| DEPRECIABLE ASSETS | | | | | |
| Dams and spillways | 3,070,461 | | | | 3,070,461 |
| Flood control projects | 8,115,517 | | | 2,453,675 (1) | 10,569,192 |
| Buildings | 52,147,148 | | (88,505) | (2,217,548) (1) | 49,841,095 |
| Machinery and equipment | 11,664,297 | 1,060,804 | (504,695) | | 12,220,406 |
| | <u>74,997,423</u> | <u>1,060,804</u> | <u>(593,200)</u> | <u>236,127</u> | <u>75,701,154</u> |
| Less accumulated depreciation for | | | | | |
| Dams and spillways | (1,185,357) | (68,275) | | | (1,253,632) |
| Flood control projects | (8,115,518) | (49,288) | | | (8,164,806) |
| Buildings | (25,300,163) | (2,352,582) | | | (27,652,745) |
| Machinery and equipment | (10,204,881) | (561,680) | 504,695 | | (10,261,866) |
| Total accumulated depreciation | <u>(44,805,919)</u> | <u>(3,031,825)</u> | <u>504,695</u> | | <u>(47,333,049)</u> |
| TOTAL DEPRECIABLE ASSETS, NET | 30,191,504 | (1,971,021) | (88,505) | 236,127 | 28,368,105 |
| INTANGIBLE RIGHT-OF-USE ASSETS | | | | | |
| Buildings | 751,899 | | (11,125) | | 740,774 |
| | <u>751,899</u> | <u>—</u> | <u>(11,125)</u> | <u>—</u> | <u>740,774</u> |
| Less accumulated amortization for | | | | | |
| Buildings | (147,915) | (143,537) | | | (291,452) |
| Total accumulated amortization | <u>(147,915)</u> | <u>(143,537)</u> | <u>—</u> | <u>—</u> | <u>(291,452)</u> |
| TOTAL AMORTIZABLE ASSETS, NET | 603,984 | (143,537) | (11,125) | — | 449,322 |
| TOTAL GOVERNMENTAL ACTIVITIES, NET | \$ 381,557,959 | \$ 5,160,694 | \$ (99,630) | \$ — | \$ 386,619,023 |

(1) In fiscal year 2023, \$2,552,893 was transferred from Buildings to Flood Control Projects for the canal project completed in fiscal year 2022. The District determined that the canal project, as it will be part of a full canal system that will support flood control and stormwater in Fort Worth, would be better reflected as a Flood Control Project. This will ensure consistency over the future years as additional canals are completed.

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

| | |
|--|---------------------|
| Governmental activities | |
| Flood protection | \$ 2,012,725 |
| Recreation | <u>1,019,100</u> |
| Total depreciation expense - governmental activities | <u>\$ 3,031,825</u> |

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

| | |
|--|-------------------|
| Governmental activities | |
| Flood protection | <u>\$ 143,537</u> |
| Total amortization expense - governmental activities | <u>\$ 143,537</u> |

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

| | October 1, 2022 | Additions/ Adjustments | Disposals/ Adjustments | Reclassification & Transfers | September 30, 2023 |
|--|-------------------------|---------------------------|---------------------------|---------------------------------|-------------------------|
| BUSINESS-TYPE ACTIVITIES | | | | | |
| NONDEPRECIABLE ASSETS | | | | | |
| Land | \$ 186,637,511 | \$ 6,587,746 | \$ — | \$ — | \$ 193,225,257 |
| Construction in progress | 150,855,605 | 141,398,172 | — | (10,760,535) | 281,493,242 |
| TOTAL NONDEPRECIABLE ASSETS | 337,493,116 | 147,985,918 | — | (10,760,535) | 474,718,499 |
| DEPRECIABLE ASSETS | | | | | |
| Dams and spillways | 234,543,120 | — | — | — | 234,543,120 |
| Pipeline | 1,721,500,069 | 950,715 | — | 10,760,535 | 1,733,211,319 |
| Wetlands | 56,160,860 | — | — | — | 56,160,860 |
| Communications | 20,787 | — | — | — | 20,787 |
| Buildings | 7,854,201 | — | — | — | 7,854,201 |
| Technology Infrastructure | 3,865,282 | — | — | — | 3,865,282 |
| Machinery and equipment | 13,577,179 | 770,543 | (306,162) | — | 14,041,560 |
| Other project costs | 193,072,352 | — | — | — | 193,072,352 |
| | <u>2,230,593,850</u> | <u>1,721,258</u> | <u>(306,162)</u> | <u>10,760,535</u> | <u>2,242,769,481</u> |
| Less accumulated depreciation for | | | | | |
| Dams and spillways | (141,297,525) | (4,329,178) | — | — | (145,626,703) |
| Pipeline | (251,440,484) | (34,226,359) | — | — | (285,666,843) |
| Wetlands | (10,656,436) | (1,122,780) | — | — | (11,779,216) |
| Communications | (7,342) | (181,223) | — | — | (188,565) |
| Buildings | (6,009,511) | (236,232) | — | — | (6,245,743) |
| Technology Infrastructure | (972,105) | (155,727) | — | — | (1,127,832) |
| Machinery and equipment | (11,759,395) | (691,394) | 306,162 | — | (12,144,627) |
| Other project costs | (28,592,958) | (3,839,941) | — | — | (32,432,899) |
| Total accumulated depreciation | <u>(450,735,756)</u> | <u>(44,782,834)</u> | <u>306,162</u> | <u>—</u> | <u>(495,212,428)</u> |
| TOTAL DEPRECIABLE ASSETS, NET | 1,779,858,094 | (43,061,576) | — | 10,760,535 | 1,747,557,053 |
| INTANGIBLE ASSETS | | | | | |
| 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> |
| Less accumulated amortization for | | | | | |
| Internally Developed Asset Management System | (787,181) | (393,591) | — | — | (1,180,772) |
| Total accumulated amortization | <u>(787,181)</u> | <u>(393,591)</u> | <u>—</u> | <u>—</u> | <u>(1,180,772)</u> |
| TOTAL AMORTIZABLE ASSETS, NET | 3,148,725 | (393,591) | — | — | 2,755,134 |
| TOTAL BUSINESS-TYPE ACTIVITIES, NET | \$ 2,120,499,935 | \$ 104,530,751 | \$ — | \$ — | \$ 2,225,030,686 |

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 2023 the District made contributions of \$3.8 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 Flood Control Project related to the construction of the bridges. The loan is non-interest bearing and will be paid back over 10 years at \$350 thousand per year.

A summary of long-term note transactions of the District for the year ended September 30, 2023 is show below:

| | Balance at October 1, 2022 | Additions | Deletions | Balance at September 30, 2023 | Due Within One Year |
|--------------------------------|-------------------------------|-------------|-------------------|----------------------------------|------------------------|
| <u>Governmental Activities</u> | | | | | |
| Note payable | \$ 3,500,000 | \$ | \$ 350,000 | \$ 3,150,000 | \$ 350,000 |
| Total Governmental Activities | <u>\$ 3,500,000</u> | <u>\$ —</u> | <u>\$ 350,000</u> | <u>\$ 3,150,000</u> | <u>\$ 350,000</u> |

The future principal note payments as of September 30, 2023 were as follows:

| Years Ending September 30th | Principal | Interest | Total |
|--------------------------------|---------------------|-------------|---------------------|
| 2024 | \$ 350,000 | \$ | \$ 350,000 |
| 2025 | 350,000 | | 350,000 |
| 2026 | 350,000 | | 350,000 |
| 2027 | 350,000 | | 350,000 |
| 2028 | 350,000 | | 350,000 |
| 2029 - 2032 | 1,400,000 | | 1,400,000 |
| | <u>\$ 3,150,000</u> | <u>\$ —</u> | <u>\$ 3,150,000</u> |

7. BONDS PAYABLE

A summary of long-term bond transactions (excluding original issue premiums) of the District for the year ended September 30, 2023 is show below:

| | Balance at Oct. 1, 2022 | Additions | Deletions | Balance at Sept. 30, 2023 | Due Within One Year |
|---|----------------------------|-----------------------|---------------------|------------------------------|------------------------|
| <u>Business-type Activities</u> | | | | | |
| TRWD Bonds | \$ 803,630,000 | \$ | \$32,180,000 | \$ 771,450,000 | \$ 32,920,000 |
| TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) | 536,710,000 | | 17,030,000 | 519,680,000 | 17,480,000 |
| Bonds from Direct Borrowings (TRWD Bonds) | 253,935,000 | | 8,075,000 | 245,860,000 | 8,230,000 |
| Bonds from Direct Borrowings (City of Dallas Water Utilities Project) | 118,260,000 | 255,000,000 | 3,800,000 | 369,460,000 | 9,690,000 |
| Total Construction and Improvement Bonds | <u>\$ 1,712,535,000</u> | <u>\$ 255,000,000</u> | <u>\$61,085,000</u> | <u>\$ 1,906,450,000</u> | <u>\$ 68,320,000</u> |

DETAIL OF REVENUE BONDS PAYABLE AS OF SEPTEMBER 30, 2023

| 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% | \$ 86,110,000 |
| \$300,000,000 Series 2015A Waterworks Revenue Bonds (Direct) | Serially through 2045 | 0.5 - 3.2% | 245,860,000 |
| \$28,530,000 Series 2016 Water Systems Revenue Bonds | Serially through 2046 | 3.0 - 5.0% | 24,130,000 |
| \$61,910,000 Series 2016A Water Revenue Refunding Bonds | Serially through 2032 | 2.0 - 5.0% | 47,690,000 |
| \$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% | 126,495,000 |
| \$386,680,000 Series 2020B Water Revenue Refunding Bonds | Serially through 2049 | 0.3 - 3.0% | 358,770,000 |
| \$38,105,000 Series 2020C Water Revenue Refunding Bonds | Serially through 2030 | 4.0 - 5.0% | 30,450,000 |
| \$46,510,000 Series 2022 Water Revenue Bonds | Serially through 2052 | 4.0 - 5.0% | 45,905,000 |
| Total Tarrant Regional Water District Bonds | | | <u>1,017,310,000</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% | 4,720,000 |
| \$140,000,000 Series 2015 Dallas Contract Revenue Bonds (Direct) | Serially through 2045 | 0.5 - 3.2% | 114,460,000 |
| \$240,025,000 Series 2021A Dallas Contract Revenue Bonds | Serially through 2051 | 2.0 - 4.0% | 229,815,000 |
| \$298,395,000 Series 2021B Dallas Contract Revenue Refunding Bonds | Serially through 2044 | 0.15 - 2.45% | 285,145,000 |
| \$255,000,000 Series 2022 Dallas Contract Revenue Bonds (Direct) | Serially through 2052 | 2.78 - 4.17% | <u>255,000,000</u> |
| Total TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) | | | <u>889,140,000</u> |
| Total Construction and Improvement Bonds | | | 1,906,450,000 |
| Add premium (net of accumulated amortization) | | | <u>32,634,494</u> |
| | | | 1,939,084,494 |
| Less current portion | | | (68,320,000) |
| Total long term revenue bonds payable, net of premium | | | <u>\$ 1,870,764,494</u> |

Series 2020B Water Revenue Refunding Bonds currently has \$312.0 million in defeased debt outstanding related to the Series 2014 Revenue Bonds. This debt will be fully redeemed in fiscal year 2024.

Series 2021B Dallas Contract Revenue Refunding Bonds currently has \$163.9 million in defeased debt outstanding related to the Series 2014 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, 2023 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> | | | | | | |
| 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 | 36,840 | 18,997 | 55,837 | 9,000 | 6,252 | 15,252 |
| 2029-2033 | 189,445 | 76,162 | 265,607 | 48,955 | 27,547 | 76,502 |
| 2034-2038 | 140,030 | 53,653 | 193,683 | 56,940 | 19,933 | 76,873 |
| 2039-2043 | 104,445 | 35,156 | 139,601 | 66,935 | 10,306 | 77,241 |
| 2044-2048 | 115,370 | 17,507 | 132,877 | 30,055 | 973 | 31,028 |
| 2049-2052 | 50,400 | 2,576 | 52,976 | | | |
| | <u>771,450</u> | <u>294,571</u> | <u>1,066,021</u> | <u>245,860</u> | <u>91,829</u> | <u>337,689</u> |
| <u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u> | | | | | | |
| 2024 | 17,480 | 10,986 | 28,466 | 9,690 | 12,879 | 22,569 |
| 2025 | 17,960 | 10,461 | 28,421 | 9,880 | 12,652 | 22,532 |
| 2026 | 18,220 | 10,156 | 28,376 | 10,085 | 12,416 | 22,501 |
| 2027 | 18,600 | 9,829 | 28,429 | 10,305 | 12,163 | 22,468 |
| 2028 | 19,065 | 9,453 | 28,518 | 10,540 | 11,894 | 22,434 |
| 2029-2033 | 102,855 | 40,673 | 143,528 | 56,715 | 54,887 | 111,602 |
| 2034-2038 | 114,630 | 30,000 | 144,630 | 65,265 | 45,479 | 110,744 |
| 2039-2043 | 120,185 | 17,193 | 137,378 | 76,820 | 32,963 | 109,783 |
| 2044-2048 | 58,945 | 6,391 | 65,336 | 68,625 | 18,331 | 86,956 |
| 2049-2052 | 31,740 | 1,278 | 33,018 | 51,535 | 5,471 | 57,006 |
| | <u>519,680</u> | <u>146,420</u> | <u>666,100</u> | <u>369,460</u> | <u>219,135</u> | <u>588,595</u> |
| Total | <u>\$1,291,130</u> | <u>\$ 440,991</u> | <u>\$ 1,732,121</u> | <u>\$ 615,320</u> | <u>\$ 310,964</u> | <u>\$ 926,284</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, 2023, pledged revenues for the Tarrant Regional Water District Revenue Bonds were \$86.5 million which offsets debt service requirements for the year of \$69.6 million.

The various revenue bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various sinking funds. None of the revenue bond indentures contain bond coverage requirement provisions.

The TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) are Dallas Water Utilities' share of the Integrated Pipeline (IPL) Project, which is currently estimated at \$1.2 billion. Under the IPL Project Contract, the City of Dallas has requested and authorized the District to issue contract revenue bonds (the Dallas Contract Revenue Bonds) secured solely by payments from the City of Dallas to the District under the IPL Project Contract. Such Dallas Contract Revenue Bonds shall be in such amounts and issued at such times as determined by the District, in consultation with the City of Dallas to finance the City of Dallas' share of the design and construction of the IPL Project. All such payments by the City of Dallas to the District will constitute operating expenses of the Dallas Water Utilities System and System Capacity revenues of the District. The District has issued and will continue to issue Dallas Contract Revenue Bonds over a 10 to 15 year period to pay the City of Dallas' share of the total capital cost of the IPL Project. Future Dallas Contract Revenue Bonds will be issued as determined by the District in consultation with the City of Dallas. However, the IPL Project Contract gives the District specific authority to issue Dallas Contract Revenue Bonds without any additional City approval in the event the City of Dallas fails to take certain actions. No payments from the City of Dallas to the District under the IPL Project Contract are pledged to the payment of the District's System Revenue Bonds. For the year ended September 30, 2023, pledged revenues for the TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) were \$56.0 million which offsets debt service requirements for the year of \$42.0 million.

Extendible Commercial Paper Bonds

In fiscal year 2016 the District implemented an extendable commercial paper bonds program in the amount of \$150.0 million for the benefit of enterprise fund projects and capital needs. In fiscal year 2018 the District implemented an additional extendable commercial paper bonds program in the amount of \$150.0 million for the benefit of the general fund Central City Flood Control Project. During fiscal year 2023, no commercial paper bonds were issued and none were outstanding as of September 30, 2023.

8. LEASES

Lease receivable - During fiscal year 2023, the District leases out some of its property, including one building, several parcels of land, and towers. The District recognized \$352 thousand in lease revenue

and \$45 thousand in interest revenue during the fiscal year 2023 related to these leases. The District received \$400 thousand in lease payments, \$354 thousand in principal and \$46 thousand in interest. As of September 30, 2023, the District's total lease receivable for lease payments was \$2.2 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, 2023, the balance of the deferred inflows of resources was \$2.2 million.

Lease payable - During fiscal year 2023, the District leased one building. As of September 30, 2023, the value of the lease liability was \$463 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, 2023 was \$741 thousand net of accumulated amortization of \$291 thousand.

| | Balance at October 1, 2022 | Additions | Deletions | Balance at September 30, 2023 | Due Within One Year |
|--------------------------------|-------------------------------|-------------|-------------------|----------------------------------|---------------------------|
| <u>Governmental Activities</u> | | | | | |
| Leases | \$ 608,035 | \$ | \$ 144,727 | \$ 463,308 | \$ 146,242 |
| Total Governmental Activities | <u>\$ 608,035</u> | <u>\$ —</u> | <u>\$ 144,727</u> | <u>\$ 463,308</u> | <u>\$ 146,242</u> |

The future principal and interest lease payments as of September 30, 2023 were as follows:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|-------------------------------------|-------------------|-----------------|-------------------|
| 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>\$ 463,308</u> | <u>\$ 7,787</u> | <u>\$ 471,095</u> |

9. INTERFUND TRANSACTIONS

At September 30, 2023, 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 | \$ 79,822 | | \$ 175,732 | |
| Enterprise Fund | | \$ 79,822 | | \$ 175,732 |
| Total | <u>\$ 79,822</u> | <u>\$ 79,822</u> | <u>\$ 175,732</u> | <u>\$ 175,732</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 2023, the Enterprise Fund repaid \$77 thousand, plus interest of \$5 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 49. 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, 2023

| | |
|---|-------------------|
| Inactive Plan Members or Beneficiaries currently receiving benefits | 42 |
| Inactive Plan Members entitled to but not receiving benefits | 0 |
| Active Plan Members (active employees hired on or before 9/30/16) | <u>187</u> |
| Total Plan Members | <u><u>229</u></u> |

Funding Policies

For other post employment benefits, contractual requirements for the District are established by the Board of Directors. In fiscal year 2014, the District established a trust to fund OPEB costs through the Public Agency Retirement Fund (PARS). In fiscal year 2023, \$2.1 million was contributed to the trust and in fiscal year 2024 \$2.4 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 7.74% for fiscal year 2023. 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, 2023.

| | Increase/(Decrease) | | |
|---|----------------------|-----------------------------|--------------------|
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
| | (a) | (b) | (a)-(b) |
| Balance at September 30, 2022 | \$ 26,705,376 | \$ 13,585,993 | \$ 13,119,383 |
| Changes for the year: | | | |
| Service Cost | 573,868 | | 573,868 |
| Interest | 1,601,654 | | 1,601,654 |
| Difference between expected and actual experience | (46,850) | | (46,850) |
| Changes in Assumptions | | | |
| Benefit Payments | (596,146) | (596,146) | |
| Contributions - employer | | 2,739,735 | (2,739,735) |
| Net Investment income | | 1,186,938 | (1,186,938) |
| Administrative Expense | | (77,762) | 77,762 |
| Net Changes | 1,532,526 | 3,252,765 | (1,720,239) |
| Balance at September 30, 2023 | \$ 28,237,902 | \$ 16,838,758 | \$ 11,399,144 |

Plan Fiduciary Net Position as a percentage of the total OPEB liability 60%

Sensitivity of Net OPEB Liability

Regarding the sensitivity of the net OPEB liability to changes in the Single Discount Rate, the following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 6.00%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

| 1% Decrease 5.0% | Current Single Discount Rate Assumption 6.0% | 1% Increase 7.0% |
|---------------------|--|---------------------|
| \$15,646,766 | \$11,399,144 | \$7,910,558 |

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. Refer to page 79 for further detail about healthcare trend rates.

| 1% Decrease | Current Healthcare Cost Trend Rate Assumption | 1% Increase |
|-------------|---|--------------|
| \$7,109,048 | \$11,399,144 | \$16,808,298 |

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

For the year ended September 30, 2023, the District recognized OPEB expenses of \$1,902,822 which included amortization of deferred inflows and outflows of (\$526,672). At September 30, 2023, 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 | \$ 485,366 | \$ 642,874 |
| Assumption changes | 1,045,675 | 341,806 |
| Net difference between projected and actual earnings on OPEB plan investments | 1,308,769 | |
| Total | <u>\$ 2,839,810</u> | <u>\$ 984,680</u> |

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 |
|--------------------------|--|
| 2024 | \$ 536,464 |
| 2025 | 564,369 |
| 2026 | 728,440 |
| 2027 | 39,612 |
| 2028 | 55,434 |
| Thereafter | (69,189) |
| Total | <u>\$ 1,855,130</u> |

Actuarial Methods and Assumptions

| | |
|-------------------------------|--|
| Actuarial cost method | Individual entry age normal cost method |
| Amortization method | Level dollar, Closed |
| Remaining amortization period | 23 years as of September 30, 2023 |
| 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 13 years Post-65: Initial rate of 5.30% declining to an ultimate rate of 4.15% after 12 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 Fund had remaining commitments estimated at \$231.5 million due to on-going construction contracts as of September 30, 2023.

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 brokerage firm specializing in aircraft insurance. For the IPL Project, the District and the City of Dallas Water Utilities are utilizing a Rolling Owner Controlled Insurance Program (ROCIP). Willis Towers Watson manages and administers the ROCIP program for the project.

Texas Water Conservation Association Risk Management Fund (Trust) - This risk pool 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 concerning 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 during the Trust year and within the agreement. The Trust reserves the right to deny any 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. Still, 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.

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 the 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. They 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 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 - 2022 | \$ 4,040 | \$ 15,690 | \$ (11,359) | \$ 8,371 |
| IPL Project ROCIP - 2023 | \$ 8,371 | \$ 594,869 | \$ (584,522) | \$ 18,718 |

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 2023 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 7.4% for medical and 8.5% 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 \$8,309,947 in aggregate for the plan year to date (October 2022 – September 2023).

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 - 2022 | \$ 901,209 | \$ 4,989,396 | \$ (5,483,849) | \$ 406,756 |
| Group Health - 2023 | \$ 406,756 | \$ 6,697,488 | \$ (6,655,194) | \$ 449,050 |

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. 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 financials 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.

REQUIRED SUPPLEMENTARY INFORMATION



(Trinity Park North on the Trinity River)

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, 2023

| | Original and Final Budget | Actual | Variance (Budget - Actual) |
|--|------------------------------|----------------|----------------------------------|
| REVENUES | | | |
| Property taxes | \$ 24,600,000 | \$ 25,984,634 | \$ (1,384,634) |
| Contributions | 7,510,553 | 8,173,744 | (663,191) |
| Oil and gas royalties | 7,000,000 | 5,821,884 | 1,178,116 |
| Investment income | 350,000 | 5,206,309 | (4,856,309) |
| Lease rentals | 1,260,930 | 1,292,432 | (31,502) |
| Other | 1,186,200 | 1,106,514 | 79,686 |
| Total revenues | 41,907,683 | 47,585,517 | (5,677,834) |
| EXPENDITURES | | | |
| Current | | | |
| General and administrative | 11,435,059 | 9,492,233 | 1,942,826 |
| Personnel services | 11,425,181 | 9,982,786 | 1,442,395 |
| Retirement plan contribution | 754,848 | 842,229 | (87,381) |
| Contribution | 1,034,170 | 312,253 | 721,917 |
| Interest | 7,310,553 | | 7,310,553 |
| Capital expenditures | 19,542,454 | 7,151,833 | 12,390,621 |
| Debt service - leases | | | |
| Principal payments | | 483,602 | (483,602) |
| Interest payments | | 5,687 | (5,687) |
| Total expenditures | 51,502,265 | 28,270,623 | 23,231,642 |
| Excess/(Deficiency) of Revenues Over/Under Expenditures | (9,594,582) | 19,314,894 | (28,909,476) |
| Other Financing Sources | | | |
| Proceeds from Sale of Land | | 165,600 | (165,600) |
| CHANGE IN FUND BALANCE | (9,594,582) | 19,480,494 | (29,075,076) |
| FUND BALANCE—Beginning of year | 110,573,356 | 110,573,356 | — |
| FUND BALANCE—End of year | \$ 100,978,774 | \$ 130,053,850 | \$ (29,075,076) |

NOTES TO RSI

Property Taxes Revenues over Budget - The District received \$1.4 million more in taxes than budgeted due to an increase in property values.

Oil and Gas Royalties under Budget - The District received \$1.2 million less in oil and gas royalties due to lower oil and gas price and production during the year.

Contribution Revenue over Budget - The District received \$663 thousand more than budgeted due to higher TIF reimbursements as property values increased.

Investment Income over Budget - The District earned \$4.9 million more than budgeted investment income due to both higher than budgeted interest rates during the year as well as an increase in the fair market value of the District's investments since prior year.

General and Administrative Expenditures under Budget - Expenses were under budget mainly due to projects beginning later in the year and the ending of property tax contributions to TIF #4.

Personnel Services Expenditures under Budget - The variance in the personnel budget is due to vacant positions throughout the fiscal year. Also, the District is self insured and health claims were lower than budgeted.

Contribution Expense under Budget - Decrease is due to reimbursement to the City of Fort Worth for the District's portion of the Central City Flood Control Project utility relocation costs being less than expected.

Capital Expenditures under Budget - Capital expenditures were \$12.4 million under budget mainly due to lower than budgeted capital expenditures on the Central City Flood Control Project.

Interest Expenditures under Budget - Interest expenditures were under budget due to lower than budgeted debt service expenditures on the Central City Flood Control Project.

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

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

(Continued)

TARRANT REGIONAL WATER DISTRICT

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

| | 2022 | 2023 |
|---|----------------------|----------------------|
| <u>Other post employment benefits liability</u> | | |
| Service cost | \$ 602,123 | \$ 573,868 |
| Interest | 1,542,872 | 1,601,654 |
| Difference between expected and actual experience of the total OPEB liability | (298,023) | (46,850) |
| Changes in assumptions | (354,102) | |
| Benefit payments | (401,938) | (596,146) |
| Net change in total other post employment benefits liability | 1,090,932 | 1,532,526 |
| Total other post employment benefits liability - beginning | 25,614,444 | 26,705,376 |
| Total other post employment benefits liability - ending | <u>\$ 26,705,376</u> | <u>\$ 28,237,902</u> |
| <u>Plan fiduciary net position</u> | | |
| Contributions - employer | \$ 2,350,655 | \$ 2,739,735 |
| Net investment income (loss) | (2,456,362) | 1,186,938 |
| Benefit payments | (401,938) | (596,146) |
| Administrative expense | (74,393) | (77,762) |
| Net changes | (582,038) | 3,252,765 |
| Plan fiduciary net position - beginning | 14,168,031 | 13,585,993 |
| Plan fiduciary net position - ending | <u>13,585,993</u> | <u>16,838,758</u> |
| Net other post employment benefits liability | <u>\$ 13,119,383</u> | <u>\$ 11,399,144</u> |
| Plan fiduciary net position as percentage of total OPEB liability | 51% | 60 % |
| Covered-employee payroll | \$ 20,106,498 | \$ 20,216,906 |
| Net OPEB liability as percentage of covered-employee payroll | 65% | 56 % |

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**

| | Annual money-weighted rate of return, net of investment expense |
|------|---|
| 2017 | 9.50% |
| 2018 | 5.27% |
| 2019 | 6.56% |
| 2020 | 7.07% |
| 2021 | 14.95% |
| 2022 | (15.56)% |
| 2023 | 7.74% |

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

| | Actuarially determined contribution | Actual contribution | Contribution deficiency (excess) | Covered- employee payroll | Contributions as % of covered- employee payroll |
|------|---|------------------------|--|---------------------------------|---|
| 2017 | \$ 1,524,244 | \$ 1,545,511 | \$ (21,267) | \$ 19,291,600 | 8.01% |
| 2018 | 1,569,476 | 1,626,730 | (57,254) | 18,513,781 | 8.79% |
| 2019 | 1,534,834 | 1,851,480 | (316,646) | 18,674,165 | 9.91% |
| 2020 | 1,504,889 | 1,976,748 | (471,859) | 19,662,433 | 10.05% |
| 2021 | 1,401,562 | 1,375,112 | 26,450 | 20,217,028 | 10.21% |
| 2022 | 2,063,672 | 2,350,655 | (286,983) | 20,106,498 | 11.69% |
| 2023 | 1,349,443 | 2,739,735 | (1,390,292) | 20,216,906 | 13.55% |

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 | 23 years as of September 30, 2023 |
| Asset valuation method | Market Value |
| Investment rate | 6.30% per annum, net of expenses, including inflation |
| 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.

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.

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

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.

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.

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>2014</u> | <u>2015</u> | <u>2016</u> |
|---------------------------------------|-----------------------|-----------------------|------------------------|
| Governmental Activities | | | |
| Net investment in capital assets | \$ 279,586,633 | \$ 311,416,677 | \$ 343,118,047 |
| Restricted | | | 5,531,060 |
| Unrestricted | <u>179,511,280</u> | <u>192,888,999</u> | <u>193,491,410</u> |
| Total governmental net position | <u>\$ 459,097,913</u> | <u>\$ 504,305,676</u> | <u>\$ 542,140,517</u> |
| Business-type Activities | | | |
| Net investment in capital assets | \$ 308,579,683 | \$ 357,632,834 | \$ 409,159,039 |
| Restricted | 90,811,279 | 89,822,147 | 110,363,100 |
| Unrestricted | <u>(27,523,746)</u> | <u>(16,222,050)</u> | <u>(16,336,370)</u> |
| Total business-type net position | <u>\$ 371,867,216</u> | <u>\$ 431,232,931</u> | <u>\$ 503,185,769</u> |
| Total Primary Government | | | |
| Net investment in capital assets | \$ 588,166,316 | \$ 669,049,511 | \$ 752,277,086 |
| Restricted | 90,811,279 | 89,822,147 | 115,894,160 |
| Unrestricted | <u>151,987,534</u> | <u>176,666,949</u> | <u>177,155,040</u> |
| Total primary government net position | <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> |
|---------------------------------------|------------------------|------------------------|------------------------|
| Governmental Activities | | | |
| Net investment in capital assets | \$ 348,801,397 | \$ 360,586,932 | \$ 366,352,452 |
| Restricted | 5,561,868 | 5,640,493 | 5,631,464 |
| Unrestricted | <u>208,425,599</u> | <u>222,857,751</u> | <u>234,513,138</u> |
| Total governmental net position | <u>\$ 562,788,864</u> | <u>\$ 589,085,176</u> | <u>\$ 606,497,054</u> |
| Business-type Activities | | | |
| Net investment in capital assets | \$ 444,563,300 | \$ 493,835,963 | \$ 536,700,791 |
| Restricted | 109,317,020 | 103,822,079 | 102,892,891 |
| Unrestricted | <u>26,151,324</u> | <u>22,075,675</u> | <u>32,611,383</u> |
| Total business-type net position | <u>\$ 580,031,644</u> | <u>\$ 619,733,717</u> | <u>\$ 672,205,065</u> |
| Total Primary Government | | | |
| Net investment in capital assets | \$ 793,364,697 | \$ 854,422,895 | \$ 903,053,243 |
| Restricted | 114,878,888 | 109,462,572 | 108,524,355 |
| Unrestricted | <u>234,576,923</u> | <u>244,933,426</u> | <u>267,124,521</u> |
| Total primary government net position | <u>\$1,142,820,508</u> | <u>\$1,208,818,893</u> | <u>\$1,278,702,119</u> |

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

(Continued)

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

TARRANT REGIONAL WATER DISTRICT

NET POSITION

LAST 10 FISCAL YEARS (UNAUDITED)

| | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Governmental Activities | | | | |
| Net investment in capital assets | \$ 371,744,493 | \$ 375,138,247 | \$ 380,949,418 | \$ 386,155,715 |
| Restricted | 5,621,205 | 5,552,676 | 5,510,011 | 5,765,799 |
| Unrestricted | 248,942,565 | 261,910,219 | 283,431,384 | 301,222,460 |
| Total governmental net position | <u>\$ 626,308,263</u> | <u>\$ 642,601,142</u> | <u>\$ 669,890,813</u> | <u>\$ 693,143,974</u> |
| Business-Type Activities | | | | |
| Net investment in capital assets | \$ 580,388,360 | \$ 624,792,728 | \$ 692,153,862 | \$ 714,072,935 |
| Restricted | 100,358,807 | 102,311,377 | 87,094,181 | 100,986,881 |
| Unrestricted | 32,653,409 | 37,057,880 | 32,547,890 | 46,369,317 |
| Total business-type net position | <u>\$ 713,400,576</u> | <u>\$ 764,161,985</u> | <u>\$ 811,795,933</u> | <u>\$ 861,429,133</u> |
| Total Primary Government | | | | |
| Net investment in capital assets | \$ 952,132,853 | \$ 999,930,975 | \$ 1,073,103,280 | \$ 1,100,228,650 |
| Restricted | 105,980,012 | 107,864,053 | 92,604,192 | 106,752,680 |
| Unrestricted | 281,595,974 | 298,968,099 | 315,979,274 | 347,591,777 |
| Total primary government net position | <u>\$ 1,339,708,839</u> | <u>\$ 1,406,763,127</u> | <u>\$ 1,481,686,746</u> | <u>\$ 1,554,573,107</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>2014</u> | <u>2015</u> | <u>2016 (1)</u> |
|-----------------------------------|---------------|----------------|-----------------|
| Expenses | | | |
| Governmental Activities | | | |
| General Government | \$ 13,462,903 | \$ 12,766,315 | \$ |
| Flood Control | 3,241,255 | 4,963,320 | |
| Trinity River Vision Project | 18,369,944 | | |
| Flood Protection | | | 18,916,113 |
| Recreation | | | 1,561,346 |
| Total Governmental Activities | 35,074,102 | 17,729,635 | 20,477,459 |
| Business-type Activities | 104,901,544 | 87,999,935 | 77,099,429 |
| Total Primary Government Expenses | 139,975,646 | 105,729,570 | 97,576,888 |
| Program Revenues | | | |
| Governmental Activities | | | |
| Charges for Services | 26,048,278 | 16,595,055 | |
| Flood Protection | | | 9,862,928 |
| Recreation | | | 1,067,012 |
| Capital Grants and Contributions | 49,101,393 | 36,043,940 | |
| Flood Protection | | | 36,029,150 |
| Recreation | | | 126,750 |
| Total Governmental Activities | 75,149,671 | 52,638,995 | 47,085,840 |
| Business-type Activities | | | |
| Charges for Services | 136,041,137 | 142,578,670 | 139,387,464 |
| Capital Grants and Contributions | | 680,633 | 3,584,248 |
| Total Business-type Activities | 136,041,137 | 143,259,303 | 142,971,712 |
| Total Primary Government Revenues | 211,190,808 | 195,898,298 | 190,057,552 |
| Net (Expense) Revenue | | | |
| Governmental Activities | 40,075,569 | 34,909,360 | 26,608,381 |
| Business-type Activities | 31,139,593 | 55,259,368 | 65,872,283 |
| Total-Primary Government | 71,215,162 | 90,168,728 | 92,480,664 |
| General Revenues | | | |
| Governmental Activities | | | |
| Property Taxes | 9,231,193 | 9,757,583 | 10,264,007 |
| Investment Income | 367,655 | 403,723 | 317,333 |
| Miscellaneous | 48,081 | 37,951 | 79,170 |
| Gain/Loss on Disposal of Assets | 46,773 | 99,146 | 565,950 |
| Transfers | | | |
| Total Governmental Activities | 9,693,702 | 10,298,403 | 11,226,460 |
| Business-type Activities | | | |
| Investment Income | 1,598,019 | 3,748,796 | 6,776,202 |
| Miscellaneous | 773,572 | 288,461 | 50,800 |
| Gain/Loss on Disposal of Assets | 43,508 | 69,090 | (746,447) |
| Transfers | | | |
| Total Business-type Activities | 2,415,099 | 4,106,347 | 6,080,555 |
| Total Primary Government | 12,108,801 | 14,404,750 | 17,307,015 |
| Changes in Net Position | | | |
| Governmental Activities | 49,769,271 | 45,207,763 | 37,834,841 |
| Business-type Activities | 33,554,692 | 59,365,715 | 71,952,838 |
| Total Primary Government | \$ 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 |

(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> | <u>2023</u> |
|------------------------------------|---------------|---------------|---------------|---------------|
| Expenses | | | | |
| Governmental Activities | | | | |
| Flood Protection | \$ 19,842,221 | \$ 18,615,103 | \$ 21,520,140 | \$ 20,301,962 |
| Recreation | 2,781,733 | 4,289,108 | 3,758,746 | 3,424,393 |
| Total Governmental Activities | 22,623,954 | 22,904,211 | 25,278,886 | 23,726,355 |
| Business-type Activities | 116,647,345 | 116,674,851 | 122,108,598 | 172,586,808 |
| Total Primary Government Expenses | 139,271,299 | 139,579,062 | 147,387,484 | 196,313,163 |
| Program Revenues | | | | |
| Governmental Activities | | | | |
| Charges for Services | | | | |
| Flood Protection | 7,138,932 | 8,756,940 | 15,488,479 | 6,848,612 |
| Recreation | 1,302,560 | 2,003,616 | 1,628,501 | 1,422,941 |
| Operating Grants and Contributions | | | | |
| Flood Protection | 105,187 | 10,000 | | 31,006 |
| Recreation | 142,420 | 213,910 | 68,500 | 31,800 |
| Capital Grants and Contributions | | | | |
| Flood Protection | 10,751,579 | 5,000,645 | 11,511,098 | 6,676,117 |
| Recreation | 200,198 | | | |
| Total Governmental Activities | 19,640,876 | 15,985,111 | 28,696,578 | 15,010,476 |
| Business-type Activities | | | | |
| Charges for Services | 149,721,357 | 166,216,070 | 172,432,425 | 194,798,879 |
| Operating Grants and Contributions | 1,885,301 | 1,142,129 | 10,086,962 | 1,336,146 |
| Total Business-type Activities | 151,606,658 | 167,358,199 | 182,519,387 | 196,135,025 |
| Total Primary Government Revenues | 171,247,534 | 183,343,310 | 211,215,965 | 211,145,501 |
| Net (Expense) Revenue | | | | |
| Governmental Activities | (2,983,078) | (6,919,100) | 3,417,692 | (8,715,879) |
| Business-type Activities | 34,959,313 | 50,683,348 | 60,410,789 | 23,548,217 |
| Total-Primary Government | 31,976,235 | 43,764,248 | 63,828,481 | 14,832,338 |
| General Revenues | | | | |
| Governmental Activities | | | | |
| Property Taxes | 21,941,700 | 23,067,000 | 24,669,850 | 25,989,506 |
| Investment Income (loss) | 763,675 | 63,736 | (707,632) | 5,206,309 |
| Miscellaneous | 17,812 | 16,002 | 16,031 | 70,322 |
| Gain/Loss on Disposal of Assets | 71,100 | 65,241 | (106,270) | 702,903 |
| Total Governmental Activities | 22,794,287 | 23,211,979 | 23,871,979 | 31,969,040 |
| Business-type Activities | | | | |
| Investment Income (loss) | 5,810,806 | (227,021) | (12,965,711) | 25,973,598 |
| Miscellaneous | 310,117 | 224,982 | 93,820 | 41,535 |
| Gain/Loss on Disposal of Assets | 115,275 | 80,100 | 95,050 | 69,850 |
| Total Business-type Activities | 6,236,198 | 78,061 | (12,776,841) | 26,084,983 |
| Total Primary Government | 29,030,485 | 23,290,040 | 11,095,138 | 58,054,023 |
| Changes in Net Position | | | | |
| Governmental Activities | 19,811,209 | 16,292,879 | 27,289,671 | 23,253,161 |
| Business-type Activities | 41,195,511 | 50,761,409 | 47,633,948 | 49,633,200 |
| Total Primary Government | \$ 61,006,720 | \$ 67,054,288 | \$ 74,923,619 | \$ 72,886,361 |

(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>2014</u> | <u>2015</u> | <u>2016</u> |
|--|-----------------------|----------------------|----------------------|
| Governmental Fund | | | |
| Nonspendable | | | |
| Long-term interfund notes and interest | \$ 874,014 | \$ 770,939 | \$ 577,139 |
| Prepaid items | 2,808,611 | 1,353,935 | 970,308 |
| Inventory of supplies-at-cost | 53,705 | 57,196 | 51,929 |
| Restricted | | | 5,531,060 |
| Assigned | | | |
| Unassigned | 111,936,626 | 88,675,455 | 63,501,938 |
| Total | <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> |
|--|----------------------|----------------------|----------------------|
| Governmental Fund | | | |
| Nonspendable | | | |
| Long-term interfund notes and interest | \$ 512,236 | \$ 445,386 | \$ 376,531 |
| Prepaid items | 3,901,482 | 3,296,548 | 1,930,341 |
| Inventory of supplies-at-cost | 58,322 | 61,832 | 57,809 |
| Inventory held for sale | | | |
| Restricted | 5,561,868 | 5,640,493 | 5,631,464 |
| Assigned | 364,461 | 26,560,137 | 55,146,781 |
| Unassigned | 50,340,889 | 22,387,079 | 3,375,120 |
| Total | <u>\$ 60,739,258</u> | <u>\$ 58,391,475</u> | <u>\$ 66,518,046</u> |

(Continued)

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

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

| | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|--|----------------------|----------------------|-----------------------|-----------------------|
| Governmental Fund | | | | |
| Nonspendable | | | | |
| Long-term interfund notes and interest | \$ 305,609 | \$ 232,560 | \$ 157,320 | \$ 79,822 |
| Prepaid items | 1,617,076 | 1,446,660 | 1,597,600 | 1,664,322 |
| Inventory of supplies-at-cost | 70,033 | 69,305 | 67,041 | 88,653 |
| Inventory held for sale | | 491,012 | 478,234 | 429,292 |
| Restricted | 5,621,205 | 5,552,676 | 5,510,011 | 5,765,799 |
| Assigned | 59,832,503 | 68,805,529 | 82,301,174 | 92,023,664 |
| Unassigned | 7,354,543 | 13,371,803 | 20,461,976 | 30,002,298 |
| Total | <u>\$ 75,300,129</u> | <u>\$ 89,969,545</u> | <u>\$ 110,573,356</u> | <u>\$ 130,053,850</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>2014</u> | <u>2015</u> | <u>2016</u> |
|--|------------------------|------------------------|------------------------|
| Revenues | | | |
| Property Taxes | \$ 9,263,039 | \$ 9,737,304 | \$ 10,271,392 |
| Lease Rental | 1,314,725 | 1,601,445 | 1,598,047 |
| Oil and Gas Royalties | 24,518,478 | 14,875,262 | 8,781,804 |
| Sale of Rock and Gravel | 12,500 | 19,937 | |
| Investment Income | 367,655 | 403,723 | 317,333 |
| Contributions | 3,386,255 | 3,503,256 | 5,299,235 |
| Other | 311,573 | 390,221 | 1,038,859 |
| Total Revenue | <u>39,174,225</u> | <u>30,531,148</u> | <u>27,306,670</u> |
| Expenditures | | | |
| Current | | | |
| General and Administrative | 9,043,006 | 10,797,697 | 8,336,650 |
| Personnel Services | 4,821,935 | 5,007,562 | 7,015,739 |
| Retirement Plan Contribution | 512,818 | 535,436 | 588,530 |
| Contribution | 18,434,944 | 77,913 | 1,230,230 |
| Capital Expenditures | 39,365,013 | 38,668,521 | 30,101,222 |
| Capital Lease Payment | 277,377 | 259,450 | 259,450 |
| Total Expenditures | <u>72,455,093</u> | <u>55,346,579</u> | <u>47,531,821</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | <u>(33,280,868)</u> | <u>(24,815,431)</u> | <u>(20,225,151)</u> |
| Other Financing Sources | | | |
| Proceeds from Capital Lease | | | |
| Change in Fund Balance | <u>\$ (33,280,868)</u> | <u>\$ (24,815,431)</u> | <u>\$ (20,225,151)</u> |
| Debt Service Expenditures as a Percentage of Noncapital Expenditures | N/A | N/A | N/A |

(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>2017</u> | <u>2018</u> | <u>2019</u> |
|--|-----------------------|-----------------------|---------------------|
| Revenues | | | |
| Property Taxes | \$ 10,799,762 | \$ 12,010,248 | \$ 13,152,496 |
| Lease Rental | 1,389,533 | 1,403,276 | 1,562,198 |
| Oil and Gas Royalties | 11,048,761 | 10,148,141 | 8,197,878 |
| Investment Income | 435,789 | 731,769 | 1,435,560 |
| Contributions | 3,368,695 | 4,193,522 | 6,074,367 |
| Other | 612,796 | 742,406 | 932,267 |
| Total Revenue | <u>27,655,336</u> | <u>29,229,362</u> | <u>31,354,766</u> |
| Expenditures | | | |
| Current | | | |
| General and Administrative | 9,097,411 | 8,398,059 | 8,862,512 |
| Personnel Services | 7,650,611 | 7,737,421 | 8,276,805 |
| Retirement Plan Contribution | 637,903 | 637,620 | 673,307 |
| Contribution | 3,076,384 | 242,806 | 193,647 |
| Capital Expenditures | 19,440,358 | 14,561,239 | 7,270,974 |
| Total Expenditures | <u>39,902,667</u> | <u>31,577,145</u> | <u>25,277,245</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | <u>(12,247,331)</u> | <u>(2,347,783)</u> | <u>6,077,521</u> |
| Other Financing Sources | | | |
| Proceeds from Sale of Land | 2,354,215 | | 2,049,050 |
| Change in Fund Balance | <u>\$ (9,893,116)</u> | <u>\$ (2,347,783)</u> | <u>\$ 8,126,571</u> |
| Debt Service Expenditures as a Percentage of Noncapital Expenditures | N/A | N/A | N/A |

(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 | 2020 | 2021 | 2022 | 2023 |
|---|--------------------|---------------|---------------|---------------|
| Revenues | | | | |
| Property Taxes | \$ 21,924,922 | \$ 23,089,003 | \$ 24,689,890 | \$ 25,984,634 |
| Lease Rental | 1,272,670 | 1,404,345 | 1,326,827 | 1,292,432 |
| Oil and Gas Royalties | 6,414,237 | 7,843,251 | 14,570,873 | 5,821,884 |
| Investment Income (loss) | 763,675 | 63,736 | (707,632) | 5,206,309 |
| Contributions | 8,344,611 | 8,293,957 | 7,296,236 | 8,173,744 |
| Other | 921,554 | 1,505,348 | 1,143,960 | 1,106,514 |
| Total Revenue | 39,641,669 | 42,199,640 | 48,320,154 | 47,585,517 |
| Expenditures | | | | |
| Current | | | | |
| General and Administrative | 8,489,418 | 9,161,152 | 8,154,428 | 9,492,233 |
| Personnel Services | 8,963,307 | 9,712,955 | 9,700,561 | 9,982,786 |
| Retirement Plan Contribution | 780,327 | 821,009 | 809,572 | 842,229 |
| Contribution | 898,966 | 550,507 | 3,500,000 | 312,253 |
| Interest | 6,734 | | | |
| Capital Expenditures | 11,755,309 | 7,284,601 | 8,901,368 | 7,151,833 |
| Debt Service | | | | |
| Principal Payments | | | 143,863 | 483,602 |
| Interest Payments | | | 6,551 | 5,687 |
| Total Expenditures | 30,894,061 | 27,530,224 | 31,216,343 | 28,270,623 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | 8,747,608 | 14,669,416 | 17,103,811 | 19,314,894 |
| Other Financing Sources/Uses | | | | |
| Proceeds from Sale of Land | 34,475 | | | 165,600 |
| Proceeds/Principal payment to NCTCOG | | | 3,500,000 | |
| Change in Fund Balance | \$ 8,782,083 | \$ 14,669,416 | \$ 20,603,811 | \$ 19,480,494 |
| Debt Service Expenditures as a Percentage of Noncapital Expenditures | N/A (Concluded) | N/A | 0.67% | 2.32% |

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 | Construction and Improvement Bonds (1) | Capital Leases | Notes | Total Debt | Percentage of Revenue (2) |
|-------------|--|----------------|-----------|------------------|------------------------------|
| 2014 | \$ 1,380,885,004 | \$ — | \$ — | \$ 1,380,885,004 | 1,009% |
| 2015 | 1,339,848,678 | — | — | 1,339,848,678 | 933% |
| 2016 | 1,767,113,767 | — | — | 1,767,113,767 | 1,236% |
| 2017 | 1,706,363,581 | — | — | 1,706,363,581 | 1,055% |
| 2018 | 1,646,713,458 | — | — | 1,646,713,458 | 1,042% |
| 2019 | 1,592,244,826 | — | — | 1,592,244,826 | 954% |
| 2020 | 1,533,390,287 | — | — | 1,533,390,287 | 971% |
| 2021 | 1,771,555,178 | — | — | 1,771,555,178 | 1,058% |
| 2022 | 1,753,058,790 | 608,035 | 3,500,000 | 1,757,166,825 | 790% |
| 2023 | 1,939,084,494 | 463,308 | 3,150,000 | 1,942,697,802 | 722% |

(1) Includes premium (net of accumulated amortization).

(2) Based on total Enterprise Fund revenues through 2021. Total all funds beginning 2022.

Note: The District's water customers are municipalities and industrial as well as irrigation, therefore presenting the percentage of personal income and debt per population is not applicable for the District.

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 | |
| 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 |
| 2023 | 219,317,322 (8) | 76,854,503 | 142,462,819 | 61,085,000 | 50,551,161 | 1.28 |

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 |
| 2023 | 163,321,342 | 76,854,503 | 86,466,839 | 40,255,000 | 29,333,196 | 1.24 |

PLEDGED REVENUE COVERAGE (CITY OF DALLAS WATER UTILITIES CONTRACT REVENUE BONDS)

| Fiscal Year | Gross Revenues | Operating Expenses | Net Available Revenues | Bond Payable Debt Service | | Coverage Ratio |
|-------------|----------------|--------------------|------------------------|---------------------------|------------------|----------------|
| | | | | Principal | Interest Expense | |
| 2018 | \$ 29,072,448 | \$ | \$ 29,072,448 | \$ 10,095,000 | \$ 15,460,546 | 1.14 |
| 2019 | 28,807,896 | | 28,807,896 | 10,370,000 | 15,303,753 | 1.12 |
| 2020 | 26,322,147 | | 26,322,147 | 10,660,000 | 15,120,516 | 1.02 |
| 2021 | 26,475,276 | | 26,475,276 | 12,895,000 | 14,973,631 | 0.95 (7) |
| 2022 | 32,753,162 | | 32,753,162 | 20,270,000 | 13,448,123 | 0.97 (7) |
| 2023 | 55,995,981 | | 55,995,981 | 20,830,000 | 21,217,965 | 1.33 |

(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.

(8) Increase due to significant change in interest rates leading to higher investment income.

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 |
|-------------|-------------------------|------------|---------------|-----------------|--------------------------|
| 2014 | Arlington | \$ 1.08267 | \$ 21,319,088 | \$ 21,319,088 | 15.58 % |
| | Fort Worth -In | 1.07242 | 49,326,728 | 49,326,728 | 36.05 % |
| | Fort Worth -Out | 1.09042 | 22,895,485 | 22,895,485 | 16.73 % |
| | Mansfield | 1.09042 | 4,255,381 | 4,255,381 | 3.11 % |
| | Trinity River Authority | 1.09042 | 12,137,378 | 12,137,378 | 8.87 % |
| | | | 109,934,060 | 109,934,060 | 80.34 % |
| 2015 | Arlington | 1.06935 | 20,811,958 | 20,811,958 | 16.00 % |
| | Fort Worth -In | 1.06085 | 49,611,117 | 49,611,117 | 36.80 % |
| | Fort Worth -Out | 1.07585 | 22,213,484 | 22,213,484 | 16.00 % |
| | Mansfield | 1.07585 | 4,368,827 | 4,368,827 | 3.29 % |
| | Trinity River Authority | 1.07585 | 11,118,401 | 11,118,401 | 9.83 % |
| | | | 108,123,787 | 108,123,787 | 81.92 % |
| 2016 | Arlington | 1.00637 | 20,294,552 | 20,294,552 | 14.19 % |
| | Fort Worth -In | 0.99962 | 47,396,879 | 47,396,879 | 33.14 % |
| | Fort Worth -Out | 1.01162 | 19,960,539 | 19,960,539 | 13.96 % |
| | Mansfield | 1.01162 | 4,299,098 | 4,299,098 | 3.01 % |
| | Trinity River Authority | 1.01162 | 11,304,561 | 11,304,561 | 7.90 % |
| | | | 103,255,629 | 103,255,629 | 72.20 % |
| 2017 | Arlington | 1.13170 | 22,296,464 | 22,296,464 | 13.79 % |
| | Fort Worth -In | 1.12670 | 53,175,077 | 53,175,077 | 32.88 % |
| | Fort Worth -Out | 1.13570 | 23,406,016 | 23,406,016 | 14.47 % |
| | Mansfield | 1.13570 | 5,117,915 | 5,117,915 | 3.16 % |
| | Trinity River Authority | 1.13570 | 12,363,932 | 12,363,932 | 7.65 % |
| | | | 116,359,404 | 116,359,404 | 71.95 % |
| 2018 | Arlington | 1.07181 | 21,811,046 | 21,811,046 | 13.80 % |
| | Fort Worth -In | 1.06856 | 55,105,320 | 55,105,320 | 34.86 % |
| | Fort Worth -Out | 1.07456 | 23,616,098 | 23,616,098 | 14.94 % |
| | Mansfield | 1.07456 | 5,523,546 | 5,523,546 | 3.49 % |
| | Trinity River Authority | 1.07456 | 11,850,071 | 11,850,071 | 7.50 % |
| | | | 117,906,081 | 117,906,081 | 74.59 % |

(continued)

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

TARRANT REGIONAL WATER DISTRICT

PRINCIPAL WATER CUSTOMERS AND WATER RATE

LAST 10 FISCAL YEARS (UNAUDITED)

| Fiscal Year | Customer | Rate | Amount Due | Amount Received | Percent of Total Revenue |
|-------------|-------------------------|------------|---------------|-----------------|--------------------------|
| 2019 | Arlington | \$ 1.08264 | \$ 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 % |
| 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 | 1.03530 | 22,236,604 | 22,236,604 | 13.10 % |
| | Fort Worth (1) | 1.03530 | 84,684,463 | 84,684,463 | 49.89 % |
| | Mansfield | 1.03530 | 6,848,951 | 6,848,951 | 4.03 % |
| | Trinity River Authority | 1.03530 | 13,732,210 | 13,732,210 | 8.09 % |
| | | | 127,502,228 | 127,502,228 | 75.11 % |
| 2023 | Arlington | 1.29191 * | 23,380,602 | 23,380,602 | 10.52 % |
| | Fort Worth (1) | 1.29191 * | 84,676,800 | 84,676,800 | 38.10 % |
| | Mansfield | 1.29191 * | 7,265,294 | 7,265,294 | 3.27 % |
| | Trinity River Authority | 1.29191 * | 14,937,275 | 14,937,275 | 6.72 % |
| | | | 130,259,971 | 130,259,971 | 58.61 % |

*Rate based on 2023 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 |
|-------------|------------------|---------------|-----------------|---------------------------------|
| 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 % |
| 2023 | Dallas Utilities | 45,579,744 | 45,579,744 | 20.51 % |

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

TARRANT REGIONAL WATER DISTRICT

**ASSESSED AND ACTUAL ESTIMATED VALUE OF PROPERTY AND TAX RATE
LAST 10 FISCAL YEARS (UNAUDITED)**

| Fiscal Year | Assessed Valuation | Estimated Actual Valuation | Ratio of Assessed Valuation to Estimated Actual Valuation | Tax Rate (per \$100 valuation) |
|------------------------|-------------------------------|---------------------------------------|--|---|
| 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 |
| 2023 | 92,773,649,598 | 96,277,117,783 | 96.4% | 0.0269 |

Note: All taxes are recorded in the General Fund.

Source: From the Tarrant County Tax Office.

TARRANT REGIONAL WATER DISTRICT

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

| Fiscal Year | Total Tax Levy | Current Tax Collections | Ratio of Current Tax Collections to Total Tax Levy | Delinquent Tax Collections | Ratio of Delinquent Tax Collections to Total Tax Levy | Total Tax Collections | Ratio of Total Tax Collections to Total Tax Levy |
|--------------------|-----------------------|--------------------------------|---|-----------------------------------|--|------------------------------|---|
| 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% |
| 2023 | 25,873,984 | 25,651,502 | 99.1% | 190,499 | 0.74% | 25,842,001 | 99.9% |

Source: From the Tarrant County Tax Office.

TARRANT REGIONAL WATER DISTRICT**PRINCIPAL TAXPAYERS****LAST 10 FISCAL YEARS (UNAUDITED)**2014

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

2015

| Tarrant County | Taxable Value | Rank | Percent of total taxable value |
|----------------------------------|----------------|------|--------------------------------|
| Bell Helicopter Textron Inc | \$ 503,393,212 | 1 | 1.0% |
| OnCor Electric Delivery Co | 391,540,705 | 2 | 0.8% |
| DDR/DTC City Investments LP Etal | 257,099,070 | 3 | 0.5% |
| XTO Energy Inc | 250,463,899 | 4 | 0.5% |
| American Airlines Inc | 182,284,867 | 5 | 0.4% |
| Chesapeake Operating (Wi) | 180,849,480 | 6 | 0.4% |
| Wal-Mart Real Estate Bus Trust | 179,544,956 | 7 | 0.4% |
| Alcon Laboratories Inc | 175,384,451 | 8 | 0.4% |
| F7SSSM LLC | 148,283,280 | 9 | 0.3% |
| Miller Coors | 147,079,496 | 10 | 0.3% |

2016

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

(Continued)

Source: From the Tarrant Appraisal District

TARRANT REGIONAL WATER DISTRICT

PRINCIPAL TAXPAYERS

LAST 10 FISCAL YEARS (UNAUDITED)

2017

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

2018

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

2019

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

(Continued)

Source: From the Tarrant Appraisal District

TARRANT REGIONAL WATER DISTRICT

PRINCIPAL TAXPAYERS LAST 10 FISCAL YEARS (UNAUDITED)

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% |
| Wal-Mart Stores Texas LLC/Wal-Mart Real Estate Bus | 199,267,891 | 8 | 0.3% |
| At Industrial Owner 1/3/4/7 Holdco LP | 192,421,917 | 9 | 0.3% |
| AT&T Mobility Inc | 184,113,057 | 10 | 0.2% |

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 Investmnts 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 Investmnts 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% |

2023

| Tarrant County | Taxable Value | Rank | Percent of total taxable value |
|---|------------------|------|--------------------------------|
| Winner LLC/Facebook Procurement LLC | \$ 2,230,704,893 | 1 | 2.3% |
| American Airlines Inc/Envoy Air Inc | 1,091,427,198 | 2 | 1.1% |
| OnCor Electric Delivery Co LLC | 681,187,972 | 3 | 0.7% |
| Bell Textron Inc/Bell Helicopter Inc | 522,486,351 | 4 | 0.5% |
| Alcon Laboratories Inc | 390,038,710 | 5 | 0.4% |
| Amazon.com Services LLC/Amazon Logistics Inc | 388,836,859 | 6 | 0.4% |
| Atmos Energy/Mid Tex Division | 329,229,814 | 7 | 0.3% |
| AT&T Mobility LLC | 276,613,108 | 8 | 0.3% |
| Total E&P USA Barnett LLC | 252,907,198 | 9 | 0.3% |
| CH Realty IX-Knightvest MF FW Berkely Owner LP/KV | 247,200,000 | 10 | 0.3% |

(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 |
|-------------|--|------------------|-------------------------------|
| 2014 | \$ 69,552,995 | \$ 18,920,099 | \$ 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 | 19,574,133 |
| 2018 | 44,164,379 | 53,833,757 (2) | 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 (3) | 40,188,317 (4) | 20,940,571 |
| 2022 | 59,175,336 | 41,333,337 | 21,599,925 |
| 2023 | 76,854,503 (5) | 50,555,880 | 45,176,425 (6) |

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

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

(3) 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.

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

(5) Increase in operating maintenance and administrative expense due to increased personnel costs as well as administration costs previously allocated to the Integrated Pipeline Phase 1 & 2 Project now being expensed since that project was completed in FY22.

(6) Increase in depreciation and amortization due to the completion of IPL Phase 1 and 2.

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

TARRANT REGIONAL WATER DISTRICT

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

| Fiscal Year | Oil and Gas Royalties | Lease Rentals | Interest Income (loss) (4) | Other (1) | Property Taxes |
|-------------|-----------------------|---------------|----------------------------|--------------|----------------|
| 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 | 4,935,928 | 12,010,248 |
| 2019 | 8,197,878 (2) | 1,562,198 | 1,435,560 | 9,055,684 | 13,152,496 |
| 2020 | 6,414,237 (2) | 1,272,670 | 763,675 | 9,300,640 | 21,924,922 (5) |
| 2021 | 7,843,251 (3) | 1,404,345 | 63,736 | 9,799,305 | 23,089,003 |
| 2022 | 14,570,873 (3) | 1,326,827 | (707,632) | 11,940,196 | 24,689,890 |
| 2023 | 5,821,884 (2) | 1,292,432 | 5,206,309 | 9,445,858 | 25,984,634 |

(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) Variability in interest income due to fluctuations in the market interest rate.

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

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

TARRANT REGIONAL WATER DISTRICT

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

| Fiscal Year | Sale of Water (4) | Sale of System Capacity | Investment Income (loss) (2) | Land Lease Rentals | Other (1) |
|-------------|-------------------|-------------------------|------------------------------|--------------------|----------------|
| 2014 | \$ 121,710,988 | \$ 14,072,987 | \$ 1,598,019 | \$ 88,640 | \$ 985,602 |
| 2015 | 120,844,075 | 21,453,659 | 3,748,796 | 74,378 | 1,244,742 |
| 2016 | 115,849,316 | 23,057,320 | 6,776,202 | 172,361 | 3,943,515 (3) |
| 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 (3) |
| 2019 | 120,669,062 | 26,125,003 | 14,653,818 | 164,955 | 5,364,786 (3) |
| 2020 | 123,206,591 | 26,026,083 | 5,810,806 | 145,268 | 2,654,108 |
| 2021 | 138,108,606 | 27,272,197 | (227,021) | 152,743 | 2,129,735 |
| 2022 | 138,836,740 | 32,908,447 | (12,965,711) | 154,186 | 10,808,884 (3) |
| 2023 | 148,599,782 | 45,579,744 | 25,973,598 | 138,346 | 1,928,538 |

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

(2) Variability in interest income due to fluctuations in the market interest rate.

(3) Increase is mainly due to non-annual buy-in premiums received.

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

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 |
|-------------|---------------|--------------|---------------------|----------------|------------|-------|
| 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 |
| 2023 | 29 | 101 | 94 | 94 | 2 | 320 |

(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, 2023 (UNAUDITED)

Date of organization October 7, 1924

Area covered by District 345 square miles

Facilities:

Number of water supply reservoirs 4

| | Conservation Pool | Actual in Storage |
|-----------------------------|----------------------|----------------------|
| Acre feet of water storage: | | |
| Bridgeport Lake | 372,183 | 116,638 |
| Eagle Mountain Lake | 185,083 | 219,040 |
| Cedar Creek Reservoir | 631,401 | 515,245 |
| Richland-Chambers Reservoir | 1,125,199 | 1,012,993 |
| Total | 2,313,866 | 1,863,916 |

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 |
|------|---------------------------|---------------|---------------------------|--------------------|------------------------|-----------------------|
| 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 |
| 2023 | 30.18 | 24.95 | 21.63 | 18.94 | 48.96 | 38.93 |

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)

DENTON COUNTY, TX

| Fiscal Year | Population (1) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|----------------|-------------------|----------------------------|------------|--------------|-------------------|
| 2014 | 726,618 | \$ 24,403,465,530 | \$ 33,585 | 33.0 | 21,557 | 5.4 % |
| 2015 | 748,901 | 25,354,043,355 | 33,855 | 33.4 | 18,599 | 4.5 % |
| 2016 | 771,688 | 26,644,843,264 | 34,528 | 33.8 | 15,365 | 3.6 % |
| 2017 | 795,196 | 27,763,473,144 | 34,914 | 34.2 | 15,532 | 3.4 % |
| 2018 | 819,532 | 29,698,200,616 | 36,238 | 34.5 | 15,739 | 3.4 % |
| 2019 | 844,707 | 32,038,047,096 | 37,928 | 34.9 | 15,482 | 3.2 % |
| 2020 | 870,845 | 34,428,857,075 | 39,535 | 35.2 | 14,825 | 3.0 % |
| 2021 | 897,953 | 36,953,459,809 | 41,153 | 35.5 | 32,965 | 6.4 % |
| 2022 | 925,643 | 39,337,976,214 | 42,498 | 35.8 | 23,408 | 4.4 % |
| 2023 | 954,471 | 43,697,591,322 | 45,782 | 36.2 | 17,669 | 3.2 % |

(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 Denton County as a whole, the District's service area includes only part of Denton 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)

ELLIS COUNTY, TX

| Fiscal Year | Population (1) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|----------------|------------------|----------------------------|------------|--------------|-------------------|
| 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 % |
| 2023 | 183,842 | 6,571,064,606 | 35,743 | 36.4 | 3,589 | 3.5 % |

(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 |
|-------------|----------------|-----------------|----------------------------|------------|--------------|-------------------|
| 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 % |
| 2023 | 19,860 | 550,122,000 | 27,700 | 41.3 | 338 | 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 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 |
|-------------|----------------|------------------|----------------------------|------------|--------------|-------------------|
| 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 % |
| 2023 | 81,548 | 2,382,832,560 | 29,220 | 43.7 | 1,485 | 3.8 % |

(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 |
|-------------|----------------|-----------------|----------------------------|------------|--------------|-------------------|
| 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 % |
| 2023 | 8,820 | 233,668,260 | 26,493 | 39.0 | 130 | 3.8 % |

(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 |
|-------------|----------------|------------------|----------------------------|------------|--------------|-------------------|
| 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 % |
| 2023 | 176,087 | 5,304,796,962 | 30,126 | 37.0 | 3,105 | 3.5 % |

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

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

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

TARRANT REGIONAL WATER DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST 10 FISCAL YEARS (UNAUDITED)

KAUFMAN COUNTY, TX

| Fiscal Year | Population (1) | Personal Income | Per Capita Personal Income | Median Age | Unemployment | Unemployment Rate |
|-------------|----------------|------------------|----------------------------|------------|--------------|-------------------|
| 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 % |
| 2023 | 130,210 | 4,085,468,960 | 31,376 | 35.0 | 2,807 | 3.7 % |

(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 |
|-------------|----------------|------------------|----------------------------|------------|--------------|-------------------|
| 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 % |
| 2023 | 47,962 | 1,176,220,088 | 24,524 | 38.2 | 914 | 3.9 % |

(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 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 |
|-------------|----------------|------------------|----------------------------|------------|--------------|-------------------|
| 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 % |
| 2023 | 139,853 | 5,501,956,873 | 39,341 | 39.5 | 2,441 | 3.3 % |

(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 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 |
|-------------|----------------|-------------------|----------------------------|------------|--------------|-------------------|
| 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 % |
| 2023 | 2,214,148 | 80,085,733,160 | 36,170 | 34.8 | 41,131 | 3.6 % |

(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 |
|-------------|----------------|------------------|----------------------------|------------|--------------|-------------------|
| 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 % |
| 2023 | 67,160 | 2,234,010,240 | 33,264 | 39.1 | 1,205 | 3.5 % |

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

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

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

TARRANT REGIONAL WATER DISTRICT

**SCHEDULE OF BONDS AUTHORIZED, ISSUED, AND OUTSTANDING BY PURPOSE OF ISSUE
AS OF SEPTEMBER 30, 2023 (UNAUDITED)**

| | Fiscal Year Authorized | Issued Amount | Outstanding |
|--|-----------------------------------|--------------------------|-------------------------|
| Construction and improvement bonds: | | | |
| <u>Tarrant Regional Water District Bonds</u> | | | |
| Water Revenue Refunding Bonds - Series 2015 | 2015 | \$ 156,470,000 | \$ 86,110,000 |
| Water Revenue Bonds - Series 2015A | 2016 | 300,000,000 | 245,860,000 |
| Water Revenue Bonds - Series 2016 | 2016 | 28,530,000 | 24,130,000 |
| Water Revenue Refunding Bonds - Series 2016A | 2016 | 61,910,000 | 47,690,000 |
| Water Revenue Refunding Bonds - Series 2017 | 2017 | 52,765,000 | 51,900,000 |
| Water Revenue Refunding Bonds - Series 2020 | 2020 | 129,570,000 | 126,495,000 |
| Water Revenue Refunding Bonds - Series 2020B | 2020 | 386,680,000 | 358,770,000 |
| Water Revenue Refunding Bonds - Series 2020C | 2020 | 38,105,000 | 30,450,000 |
| Water Revenue Bonds-Series 2022 | 2022 | 46,510,000 | 45,905,000 |
| | | <u>1,200,540,000</u> | <u>1,017,310,000</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 | 4,720,000 |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2015 | 2016 | 140,000,000 | 114,460,000 |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2021A | 2021 | 240,025,000 | 229,815,000 |
| Contract Revenue Refunding Bonds (City of Dallas Water Utilities Project) - Series 2021B | 2021 | 298,395,000 | 285,145,000 |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2022 | 2023 | 255,000,000 | 255,000,000 |
| | | <u>1,135,550,000</u> | <u>889,140,000</u> |
| Total - Construction and improvement bonds | | <u>\$ 2,336,090,000</u> | <u>\$ 1,906,450,000</u> |

Note: Above amounts exclude unamortized original issue premiums.

TARRANT REGIONAL WATER DISTRICT

**SCHEDULE OF CHANGES IN BONDED DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2023 (UNAUDITED)**

| | Balance October 1, 2022 | Total Issued | Total Retired | Balance September 30, 2023 |
|--|-------------------------------|-----------------|------------------|----------------------------------|
| <u>Tarrant Regional Water District Bonds</u> | | | | |
| Water Revenue Refunding Bonds Series 2015 | \$ 102,095,000 | \$ | \$ 15,985,000 | \$ 86,110,000 |
| Water Revenue Bonds Series 2015A | 253,935,000 | | 8,075,000 | 245,860,000 |
| Water Revenue Bonds Series 2016 | 24,820,000 | | 690,000 | 24,130,000 |
| Water Revenue Refunding Bonds Series 2016A | 51,505,000 | | 3,815,000 | 47,690,000 |
| Water Revenue Refunding Bonds Series 2017 | 51,900,000 | | | 51,900,000 |
| Water Revenue Refunding Bonds Series 2020 | 127,535,000 | | 1,040,000 | 126,495,000 |
| Water Revenue Refunding Bonds Series 2020B | 365,300,000 | | 6,530,000 | 358,770,000 |
| Water Revenue Refunding Bonds Series 2020C | 33,965,000 | | 3,515,000 | 30,450,000 |
| Water Revenue Bonds Series 2022 | 46,510,000 | | 605,000 | 45,905,000 |
| | 1,057,565,000 | — | 40,255,000 | 1,017,310,000 |
| <u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u> | | | | |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2014 | 9,215,000 | | 4,495,000 | 4,720,000 |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2015 | 118,260,000 | | 3,800,000 | 114,460,000 |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2021A | 235,020,000 | | 5,205,000 | 229,815,000 |
| Contract Revenue Refunding Bonds (City of Dallas Water Utilities Project) Series 2021B | 292,475,000 | | 7,330,000 | 285,145,000 |
| Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2022 | | 255,000,000 | | 255,000,000 |
| | 654,970,000 | 255,000,000 | 20,830,000 | 889,140,000 |
| Total | \$ 1,712,535,000 | \$255,000,000 | \$ 61,085,000 | \$ 1,906,450,000 |

Note: Above amounts exclude unamortized original issue premiums.

TARRANT REGIONAL WATER DISTRICT

ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2023 (UNAUDITED)

TARRANT REGIONAL WATER DISTRICT BONDS

AS OF SEPTEMBER 30, 2023

| YR | 2015 - Refunding Bonds | | | 2015A - Revenue Bonds | | | 2016 - Revenue Bonds | | |
|------|------------------------|-----------|-----------|-----------------------|-----------|------------|----------------------|-----------|-----------|
| | Princ. | Int. | Total | Princ. | Int. | Total | Princ. | Int. | Total |
| 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 | | | | | | | | | |
| 2053 | | | | | | | | | |
| | \$ 86,110 | \$ 13,268 | \$ 99,378 | \$ 245,860 | \$ 91,829 | \$ 337,689 | \$ 24,130 | \$ 10,569 | \$ 34,699 |

(Continued)

TARRANT REGIONAL WATER DISTRICT

ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2023 (UNAUDITED)

TARRANT REGIONAL WATER DISTRICT BONDS

AS OF SEPTEMBER 30, 2023

| YR | 2016A - Refunding | | | 2017 - Refunding | | | 2020 - Refunding | | |
|-------------|-------------------|----------|-----------|------------------|-----------|-----------|------------------|-----------|------------|
| | Princ. | Int. | Total | Princ. | Int. | Total | Princ. | Int. | Total |
| 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 |
| 2053 | | | | | | | | | |
| <div></div> | | | | | | | | | |
| | \$ 47,690 | \$ 9,600 | \$ 57,290 | \$ 51,900 | \$ 26,588 | \$ 78,488 | \$ 126,495 | \$ 59,042 | \$ 185,537 |

(Continued)

TARRANT REGIONAL WATER DISTRICT

ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2023 (UNAUDITED)

TARRANT REGIONAL WATER DISTRICT BONDS

AS OF SEPTEMBER 30, 2023

| YR | 2020B - Refunding | | | 2020C - Refunding | | | 2022 - Revenue Bonds | | | Total Revenue Bonds | | |
|---|-------------------|----------|-----------|-------------------|----------|----------|----------------------|----------|----------|---------------------|-----------|-----------|
| | Princ. | Int. | Total | Princ. | Int. | Total | Princ. | Int. | Total | Princ. | Int. | Total |
| 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 |
| 2053 | | | | | | | | | | | | |
| <div> <div>\$ 358,770</div> <div>\$ 132,314</div> <div>\$ 491,084</div> <div>\$ 30,450</div> <div>\$ 5,144</div> <div>\$ 35,594</div> <div>\$ 45,905</div> <div>\$ 38,046</div> <div>\$ 83,951</div> <div>\$1,017,310</div> <div>\$ 386,400</div> <div>\$1,403,710</div> </div> | | | | | | | | | | | | |

(Concluded)

TARRANT REGIONAL WATER DISTRICT

ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2023 (UNAUDITED)

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

AS OF SEPTEMBER 30, 2023

| YR | Dallas 2014 - Series 2014 | | | Dallas 2015 - Series 2015 | | | Dallas 2021A - Series | | |
|------|---------------------------|--------|----------|---------------------------|-----------|------------|-----------------------|-----------|------------|
| | Princ. | Int. | Total | Princ. | Int. | Total | Princ. | Int. | Total |
| 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 |
| 2049 | | | | | | | 10,370 | 635 | 11,005 |
| 2048 | | | | | | | 10,580 | 427 | 11,007 |
| 2049 | | | | | | | 10,790 | 216 | 11,006 |
| 2050 | | | | | | | | | |
| 2051 | | | | | | | | | |
| | | | | | | | | | |
| | \$ 4,720 | \$ 283 | \$ 5,003 | \$ 114,460 | \$ 44,265 | \$ 158,725 | \$ 229,815 | \$ 78,331 | \$ 308,146 |

(Continued)

TARRANT REGIONAL WATER DISTRICT

ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2023 (UNAUDITED)

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

AS OF SEPTEMBER 30, 2023

| | Dallas 2021B - Series | | | Dallas 2022 - Series | | | Total Contract Revenue Bonds | | |
|------|-----------------------|-----------|------------|----------------------|------------|------------|------------------------------|------------|--------------|
| YR | Princ. | Int. | Total | Princ. | Int. | Total | Princ. | Int. | Total |
| 2024 | \$ 7,350 | \$ 5,109 | \$ 12,459 | \$ 5,820 | \$ 9,620 | \$ 15,440 | \$ 27,170 | \$ 23,865 | \$ 51,035 |
| 2025 | 12,330 | 5,084 | 17,414 | 5,935 | 9,458 | 15,393 | 27,840 | 23,113 | 50,953 |
| 2026 | 12,365 | 5,004 | 17,369 | 6,065 | 9,291 | 15,356 | 28,305 | 22,572 | 50,877 |
| 2027 | 12,515 | 4,911 | 17,426 | 6,190 | 9,118 | 15,308 | 28,905 | 21,992 | 50,897 |
| 2028 | 12,735 | 4,779 | 17,514 | 6,325 | 8,939 | 15,264 | 29,605 | 21,347 | 50,952 |
| 2029 | 12,985 | 4,633 | 17,618 | 6,465 | 8,755 | 15,220 | 30,360 | 20,665 | 51,025 |
| 2030 | 13,220 | 4,445 | 17,665 | 6,610 | 8,564 | 15,174 | 31,120 | 19,913 | 51,033 |
| 2031 | 13,470 | 4,240 | 17,710 | 6,765 | 8,365 | 15,130 | 31,920 | 19,117 | 51,037 |
| 2032 | 13,725 | 4,031 | 17,756 | 6,925 | 8,157 | 15,082 | 32,750 | 18,290 | 51,040 |
| 2033 | 13,940 | 3,811 | 17,751 | 7,090 | 7,942 | 15,032 | 33,420 | 17,575 | 50,995 |
| 2034 | 14,235 | 3,574 | 17,809 | 7,290 | 7,710 | 15,000 | 34,210 | 16,817 | 51,027 |
| 2035 | 14,545 | 3,318 | 17,863 | 7,505 | 7,459 | 14,964 | 35,040 | 16,013 | 51,053 |
| 2036 | 14,885 | 3,035 | 17,920 | 7,740 | 7,192 | 14,932 | 35,930 | 15,155 | 51,085 |
| 2037 | 15,240 | 2,737 | 17,977 | 7,985 | 6,893 | 14,878 | 36,860 | 14,234 | 51,094 |
| 2038 | 15,630 | 2,409 | 18,039 | 8,255 | 6,580 | 14,835 | 37,855 | 13,260 | 51,115 |
| 2039 | 15,975 | 2,058 | 18,033 | 8,540 | 6,254 | 14,794 | 38,835 | 12,241 | 51,076 |
| 2040 | 16,325 | 1,690 | 18,015 | 8,840 | 5,913 | 14,753 | 39,845 | 11,180 | 51,025 |
| 2041 | 16,705 | 1,298 | 18,003 | 9,145 | 5,556 | 14,701 | 40,900 | 10,070 | 50,970 |
| 2042 | 17,085 | 906 | 17,991 | 9,465 | 5,183 | 14,648 | 41,985 | 8,930 | 50,915 |
| 2043 | 9,820 | 487 | 10,307 | 9,795 | 4,792 | 14,587 | 35,440 | 7,735 | 43,175 |
| 2044 | 10,065 | 247 | 10,312 | 10,160 | 4,392 | 14,552 | 36,460 | 6,698 | 43,158 |
| 2045 | | | | 10,535 | 3,977 | 14,512 | 27,185 | 5,627 | 32,812 |
| 2046 | | | | 10,930 | 3,548 | 14,478 | 20,700 | 4,781 | 25,481 |
| 2047 | | | | 11,335 | 3,102 | 14,437 | 21,305 | 4,139 | 25,444 |
| 2048 | | | | 11,755 | 2,639 | 14,394 | 21,920 | 3,477 | 25,397 |
| 2049 | | | | 12,190 | 2,149 | 14,339 | 22,560 | 2,784 | 25,344 |
| 2050 | | | | 12,640 | 1,641 | 14,281 | 23,220 | 2,068 | 25,288 |
| 2051 | | | | 13,110 | 1,114 | 14,224 | 23,900 | 1,330 | 25,230 |
| 2052 | | | | 13,595 | 567 | 14,162 | 13,595 | 567 | 14,162 |
| | | | | | | | | | |
| | \$ 285,145 | \$ 67,806 | \$ 352,951 | \$ 255,000 | \$ 174,870 | \$ 429,870 | \$ 889,140 | \$ 365,555 | \$ 1,254,695 |

(Concluded)

TARRANT REGIONAL WATER DISTRICT

SCHEDULE OF INSURANCE

AS OF SEPTEMBER 30, 2023 (UNAUDITED)

| Insurer (5) | | Policy Period | Type of Coverage |
|---------------------------------|----------|--------------------------|---|
| Hartford Insurance Co. | (1) | 01/15/23-until cancelled | Director Bond |
| TWCA Risk Management Fund | (2), (3) | 07/01/23–07/01/24 | Crime |
| TWCA Risk Management Fund | (3) | 07/01/23–07/01/24 | Fleet Policy |
| | | 07/01/23–07/01/24 | Property Insurance |
| | | 07/01/23–06/30/24 | Workers' Compensation |
| | | 07/01/23–07/01/24 | General Liability |
| | | 07/01/23–07/01/24 | Errors and Omissions Liability |
| | | 07/01/23–07/01/24 | Theft |
| Blue Cross Blue Shield of Texas | (4) | 01/01/23–12/31/23 | Insured with Stop Loss Coverage |
| QBE | | 01/01/23–12/31/23 | Provides plan sponsor (the District) stop loss coverage for participant medical claims over \$100,000 |
| Sutton James Insurance Broker | | 12/16/22 - 12/16/23 | Aviation/Helicopter |
| Global Aerospace, Inc. | | 12/5/22 - 12/5/23 | 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)