

Tarrant Regional Water District Fort Worth, Texas

Annual Comprehensive Financial Report
As of and for the year ended September 30, 2024



Tarrant Regional Water District
Fort Worth, Texas
Annual Comprehensive Financial Report
As of and for the Year Ended September 30, 2024

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

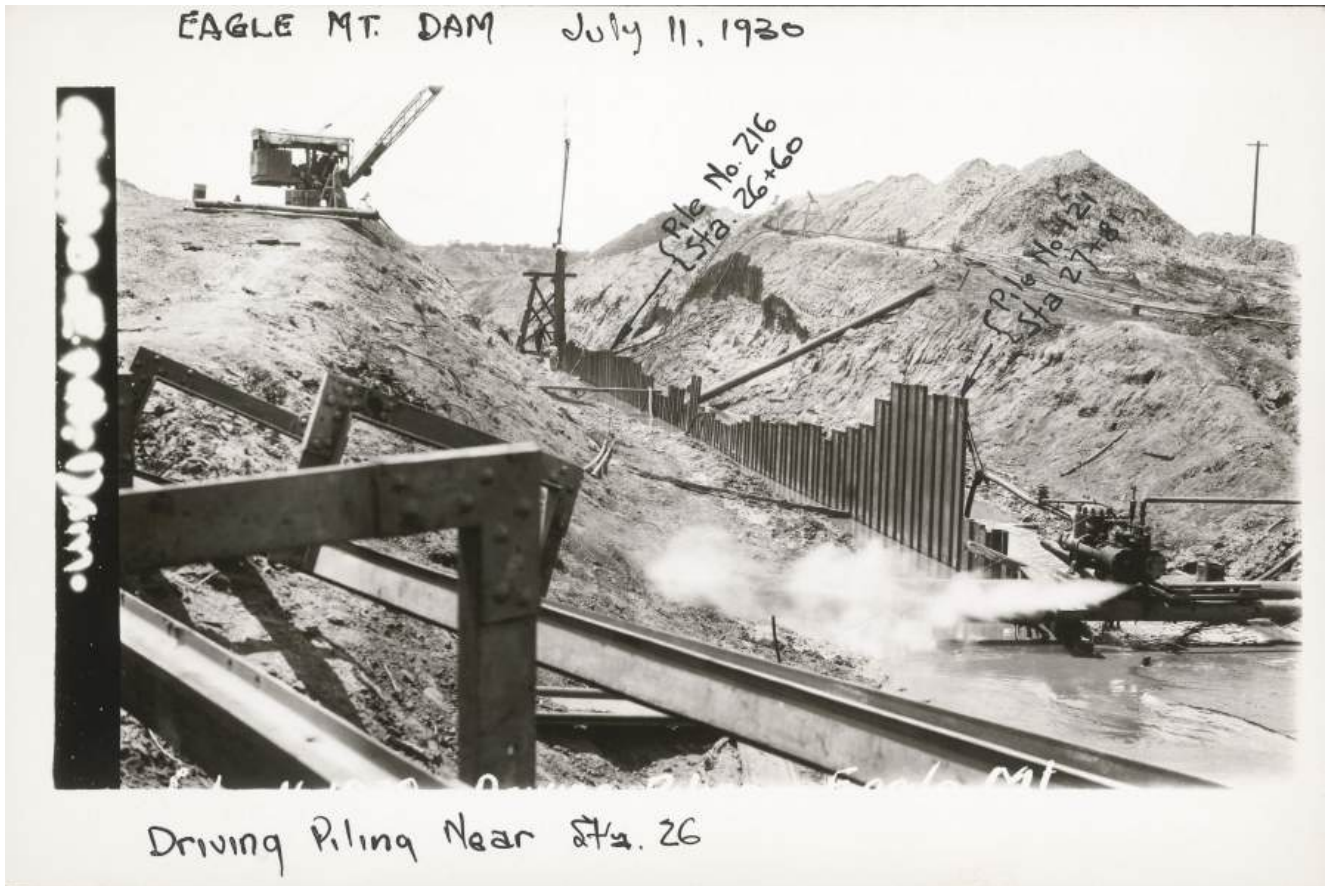
Table of Contents

INTRODUCTORY SECTION (UNAUDITED)	1
Transmittal Letter	2
Elected Officials	19
Organization of Tarrant Regional Water District	20
FINANCIAL SECTION	21
Independent Auditor's Report	22
Management's Discussion and Analysis	25
Basic Financial Statements	
Statement of Net Position	36
Statement of Activities	37
Balance Sheet - Governmental Funds	38
Reconciliation of Balance Sheet - General Fund to Government-Wide Statement of Net Position	39
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	40
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund to Government Wide Statement of Activities	41
Statement of Net Position - Enterprise Fund	42
Statement of Revenues, Expenses, and Changes in Net Position - Enterprise Fund	44
Statement of Cash Flows - Enterprise Fund	45
Statement of Fiduciary Net Position	47
Statement of Changes in Fiduciary Net Position	48
Notes to Basic Financial Statements	49
1. Summary of Significant Accounting Policies	49
2. Revenues from the Sale of Water	58

3. Cash, Cash Equivalents, and Investments	59
4. Lease Receivables	63
5. Capital Assets	64
6. Retirement Plan	66
7. Note Payable	66
8. Bonds Payable	67
9. Lease Payables	72
10. Interfund Transactions	73
11. Post Employment Health Care Benefits	74
12. Commitments and Contingencies	79
13. Recently Issued Governmental Accounting Standards Board Statements	82
Required Supplementary Information	84
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual (GAAP Basis) - General Fund	85
Notes to RSI	86
Schedule of Changes in Net Other Post Employment Benefits Liability and Related Ratios ..	87
Schedule of Investments Returns in Other Post Employment Benefits	88
Schedule of Contributions in Other Post Employment Benefits	89
STATISTICAL SECTION (UNAUDITED)	90
Description of Statistical Section	91
Financial Trends	
Net Position	92
Changes in Net Position	93
Fund Balance of Governmental Funds	94
Changes in Fund Balance of Governmental Funds	95

Debt Capacity	
Ratio of Outstanding Debt by Type	96
Pledged Revenue Coverage	97
Revenue Capacity	
Principal Water Customers and Water Rate	98
Sale of System Capacity Restricted for Debt Service	100
Assessed and Actual Estimated Value of Property and Tax Rate	101
Property Tax Levies and Collections	102
Principal Taxpayers	103
Operating Information	
Enterprise Fund Expenses	104
General Government Revenues by Source	105
Enterprise Fund Revenues by Source	106
Full-time Employee Head Count	107
Miscellaneous Statistical Facts	108
Demographic and Economic Information	
Demographic and Economic Statistics	109
Other Information	
Schedule of Bonds Authorized, Issued and Outstanding - By Purpose of Issue	120
Schedule of Changes in Bonded Debt	121
Governmental Funds Debt Service Requirements to Maturity - Tarrant Regional Water District Bonds	122
Enterprise Fund Debt Service Requirements to Maturity - Tarrant Regional Water District Bonds	123
Enterprise Fund Debt Service Requirements to Maturity - City of Dallas Water Utilities Project	126
Schedule of Insurance	127

INTRODUCTORY SECTION (UNAUDITED)



Celebrating 100 Years - Construction of the Dam on Eagle Mountain Lake, July 1930





December 19, 2024

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, 2024. 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 fairly present 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 that there was a reasonable basis for rendering an unmodified opinion for the District's financial statements for the fiscal year ended September 30, 2024. 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 is celebrating 100 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 hires the General Manager who oversees the day to day operations of the District.

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 flood protection system with 27 miles of levees and river channel improvements built 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 flood protection system maintenance roads are open for the public to use as trails which connect to 31 neighborhoods and 21 city parks throughout the community.



Waterfall along a trail as part of the Trinity Trail System in Fort Worth

The current flood protection 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 and its ability to function as a flood damage reduction system. To improve the current 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 workshops. 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 2024 fiscal year was \$0.0267 per \$100 valuation to fund flood protection and recreation. In August, the proposed tax rate for 2025 was presented at the Board of Directors meeting, and a tax public hearing was held on September 12, prior to the September Board of Directors meeting. In September, the tax rate was approved by the Board of Directors and for fiscal year 2025 the rate will remain unchanged at \$0.0267 per \$100 valuation.

Local Economy

Fort Worth has now become the 12th largest city in the United States, according to the latest census data. The Panther Island development will connect downtown Fort Worth to the Stockyards and Northside neighborhoods, offering hundreds of acres of mixed-use waterfront development, further enhancing its economic and cultural landscape as population and development increase. This growing population and development increases the demand for both water supply as well as the need for additional flood protection. The Central City Flood Control Project will provide additional flood protection for the City of Fort Worth, and the District has multiple water supply projects coming over the next 5 to 10 years to support additional water supply needs.

The average appraised residence homestead value in fiscal year 2024 was \$289,918, which is an increase of \$14,906 as compared to last fiscal year, and the tax on an average residence homestead is \$77.41 per \$100 valuation in fiscal year 2024.

Major Initiatives

Integrated Pipeline Project (Phase 3) -

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 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 Phase 3 19-1 and 19-2 Pipelines and Lake Palestine Intake Pump Station

IPL Phase 3 Project consists of the Section 19 pipelines (19-1, 19-2 and tunnels) and the IPL Lake Palestine Pump Station (LP1). In fiscal year 2024, construction of the PL19 TXDOT Tunnel Crossings of the Integrated Pipeline was completed. Construction of the 19-2 Long Tunnel Crossings continued and a new contract for \$73.8 million was awarded for the 19-2 open cut 84 inch pipeline installation. Additionally, construction of the LP1 pump station started up at the beginning of 2024. During fiscal year 2024, \$104.9 million was spent on IPL Phase 3 and this phase has incurred \$307.2 million in total costs.



Aerial view of Lake Palestine Pump Station and dredge activities, April 2024

Kennedale Balancing Reservoir (Phase 3) -

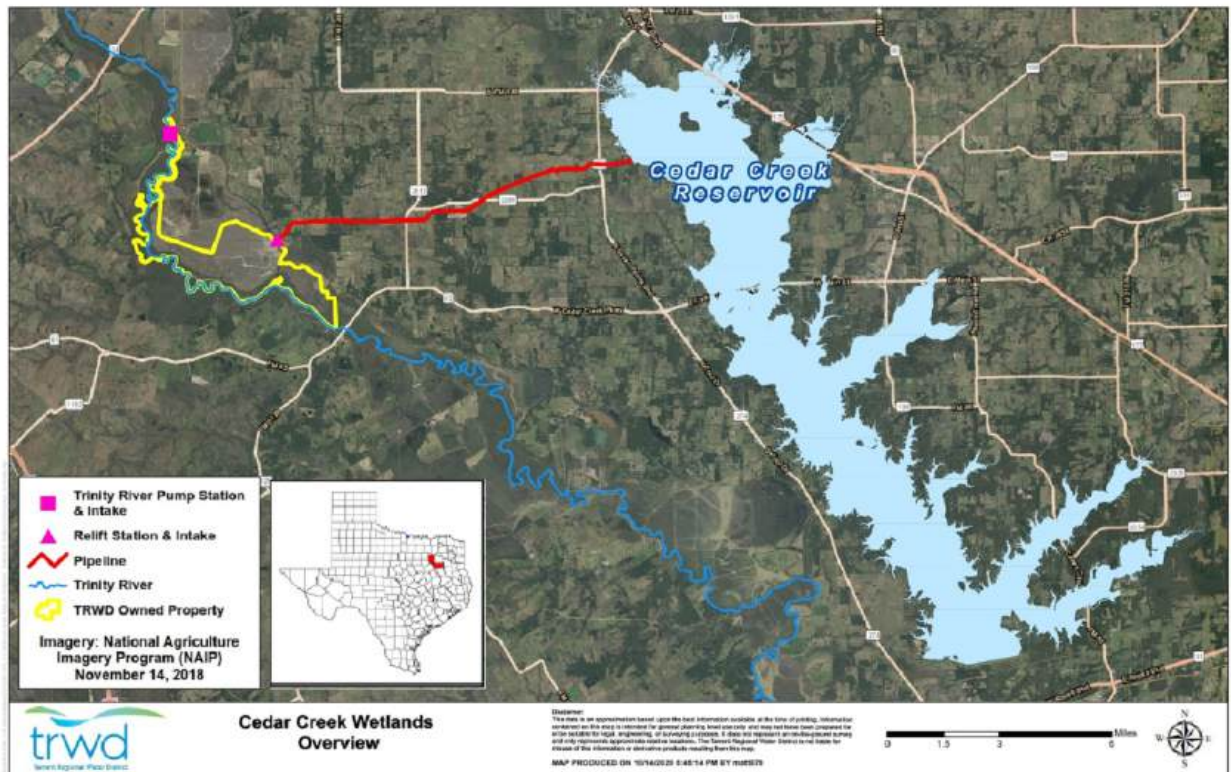
The third phase of the Kennedale Balancing Reservoir (KBR) Project includes installation of 120-inch diameter flow-through inlet and outlet piping for the existing two cells, along with large diameter yard piping and valve connections to the Cedar Creek Reservoir, Richland-Chambers Reservoir and Integrated Pipeline that supply KBR. In fiscal year 2024, the construction portion of KBR Phase 3 continued and incurred \$9.2 million in costs; to date \$64.7 million has been spent toward this project. This project is expected to be completed in fiscal year 2025 and will allow enhanced operational flexibility and improved water quality. The final phase (Phase 4) will complete the 165 million gallon third cell at KBR which will provide additional emergency storage and optimized time of day operational capability.



Kennedale Balancing Reservoir (Phase 3) - Construction of Cell 2 Outlet, March 2024

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, 2024, design work is 30% complete and \$36.7 million has been spent on design and land acquisition for this project. This project is currently estimated at \$540.6 million and is expected to be complete in 2032.



Cedar Creek Wetland Overview Map

Cedar Creek Pipeline Replacement (Phase 1) -

The District maintains an assessment and risk-based prioritization program for identifying and replacing approximately 15 to 20 segments of distressed prestressed concrete cylinder pipe (PCCP) each year. Cedar Creek 72-inch PCCP is the District's oldest raw water transmission main installed in the 1970s. The District has committed to properly operating a galvanic cathodic protection system on its PCCP assets, since the mid-1990s, and has greatly extended the useful life of the CC pipeline. However, high pressure rated areas of the CC pipeline currently require a more substantial renewal program. Therefore, Cedar Creek Section 2 (CCRL-2), located between the cities of Mansfield and Midlothian, is the first large pipeline replacement project. The area around this project is rapidly developing, making the project more urgent to complete. The project will remove and replace approximately eleven miles of 72" prestressed concrete cylinder pipe with 90" welded steel pipe.

The design phase of the Cedar Creek Section 2 Pipeline Replacement Phase 1 Project was completed in fiscal year 2024. A total of \$3.1 million was spent towards the design phase, contributing to the overall design costs of \$8.4 million to date. As of the end of fiscal year 2024, \$14.8 million in construction contracts were awarded with construction expected to commence at the beginning of fiscal year 2025. Additionally, land parcels acquired for the project in fiscal year 2024 amounted to \$547,192.

Aquifer Storage and Recovery -

To support emergency preparedness and resilience, the Aquifer Storage and Recovery Project (ASR) is using proven technology to store water underground for future use. The ASR system will allow improved resiliency during times of drought, avoid evaporation of water, allowing storage of water for emergency situations, and provides an intermittent source of supply that can be used during peak periods of water demand. The ASR Project is verifying the feasibility of this type of water storage in the Trinity aquifer in this region and the purpose of the project is to verify geochemistry reactions, track recharge rates, and to understand feasible storage volumes, and recovery rates. Studies were done in 2000, 2002 and 2015, which showed that ASR would be a technically feasible water supply strategy for the District.

Design for the Aquifer Storage Project has been ongoing since 2018 and in 2024 a new construction contract for \$3.5 million was awarded and construction of the 1st well commenced. In 2024, the Bonneville Environmental Foundation awarded the District a \$250,000 grant in support of the Aquifer Storage and Recovery Project. Total costs to date are \$6.6 million with \$3.5 million being spent in fiscal year 2024. This project is currently estimated to cost \$8.5 million and is expected to be completed in 2027.

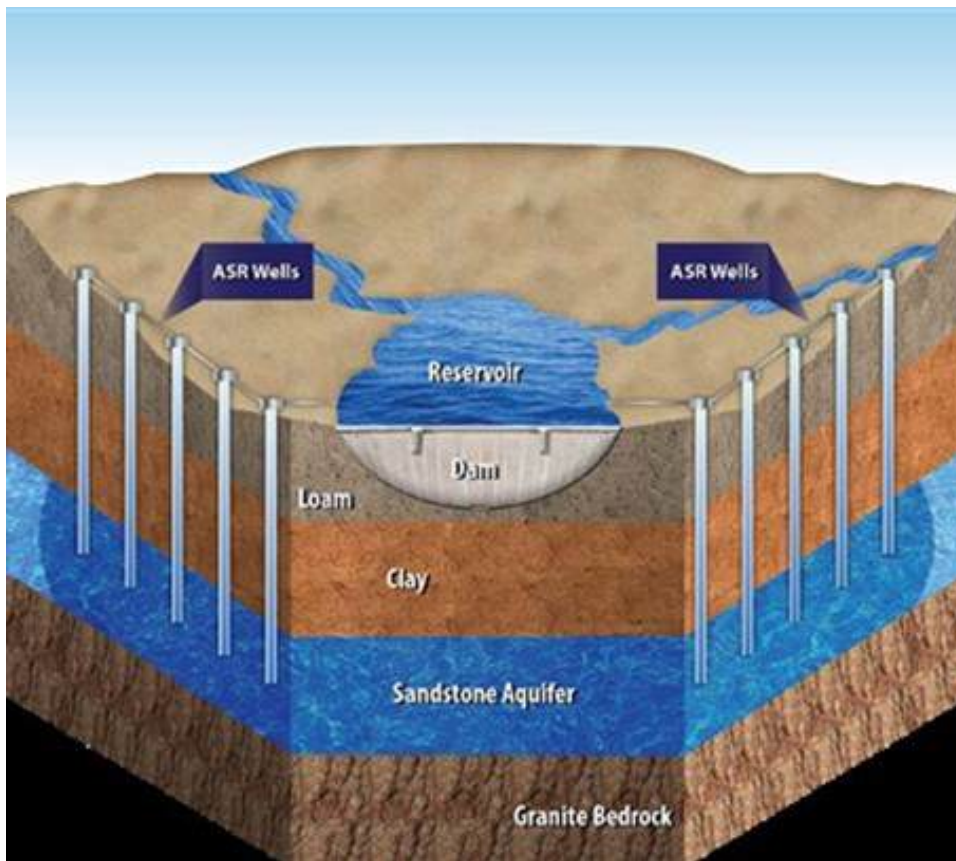


Diagram of Aquifer Storage and Recovery Project

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 balance after decades of industrial use.

During fiscal year 2024, 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 2024 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 \$294.1 million on the local portion of the Central City Flood Control Project and has an outstanding loan payable of \$223.7 million to the District.

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. As of the end of fiscal year 2024, there has been \$50 million issued for this project.

USACE Fort Worth District's Modified Central City Project received an additional \$20 million in fiscal year 2024 to continue the design of the project, which will include Samuels Avenue Dam, Marine Creek Dam and Channel Expansion, West Fork Maintenance/Pedestrian Bridge, Rockwood Park Ecosystem Restoration, and Gateway/Oxbow Ecosystem Restoration. Design of all the major components of the program is now fully funded. USACE continued design of the North and South bypass channels this fiscal year, with the North design at a 95% degree of completion and working toward the 100% submittal. Preliminary design of the Gates and Pump Station started this fiscal year as well. USACE plans to award the North Bypass Channel mid-year 2025, with construction to start fall of 2025.

Demolition along the Bypass Channel was nearly completed this fiscal year with the demolition of the District's mechanic shop in the North Bypass Channel and demolition of the old Blackmon Mooring Services building within South Bypass Channel. These buildings were demolished in preparation of USACE to start the Bypass Channel construction for 2025. Demolition Package 4 will be early 2025 which includes the District's operations offices on top of the levee and the old purchasing building. This project should wrap up all demolition for the future Bypass Channel.

Environmental remediation of the District's operations yard south started this fiscal year and will be completed by early fiscal year 2025.



The District's operations yard environmental cleanup

Public Engagement -

From parks to pipelines, the District incorporates environmental stewardship, conservation, and sustainability into all practices and processes.

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. The District's Fish the Fort annual stocking program 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. 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 2024 an estimated 79,000 people enjoyed the beach and 40,000 used the boat ramp, generating a combined revenue of over \$606,000.



The District's Fly Fest Event

In fiscal year 2024 Trash Bash took place not only along the Trinity River but also along the shores of the District's reservoirs and creeks, including first-time pop-up cleanup events. Collectively, these programs prevented 31,530 pounds or 15.76 tons of trash from contaminating our waterways. The District's Adopt-A-Trail program members self-reported an estimated 2,170 pounds or 1.08 tons of trash collected. The Litterati app showed participation through Adopt-A-Trail and Trash Bash challenges with a total of 20,688 pieces of litter collected. Together, the District and dedicated volunteers have made a significant impact, surpassing 50,000 total litter pieces collected since launch of the Litterati app.



Trash Bash cleanup at Cobb Park

The District's Water Conservation programs continued supporting customer cities and fostering water awareness among adults and youth. A significant milestone was the update of the Water Conservation and Drought Contingency and Emergency Response Plan, a comprehensive revision of the previous plan, alongside the update of the Water Conservation Strategic Plan.

The "Water is Awesome" regional water conservation public outreach campaign reintroduced the "Texas Yard Makeover" promotion, adding a "Weekend Edition" twist. The District's "Save Tarrant Water" brand continued to flourish, reaching over 13,800 subscribers with the monthly newsletter. The residential sprinkler evaluation program achieved a record-breaking year, with 2,806 check-ups conducted. The Weekly Water Advice service also saw growth, welcoming 1,467 new subscribers, bringing the total to 18,727.



New "Water is Awesome" Campaign

The Youth Education program continued expanding its reach, serving 270 schools and engaging over 31,000 students in impactful conservation and water awareness initiatives. Finally, the adult education program, "Learn and Grow", furthered its mission by supporting 255 activities and educating over 10,000 residents through a variety of classes, workshops and events.



Youth Education Program

Panther Island Pavilion hosted numerous summer events, including the District's 17th annual Fort Worth's Fourth, which drew over 80,000 attendees.



Fort Worth's Fourth Event

Long-term Financial Planning

The District's 100 year tenure at managing water supply and flood protection continues with looking ahead to the future needs of the community served. As part of the long-term financial strategy, and the current strategic plan, the District is looking at pursuing federal and state funding opportunities in the form of grants and reduced interest rate debt programs to help offset the costs of building new infrastructure related to water supply, flood control, and recreation.

Specifically for the Enterprise Fund, the District has a Capital Improvement Plan (CIP) that plans for growth and large infrastructure maintenance projects for 5 to 20 years in the future. Knowing the expected upcoming projects, the District is able to balance the use of Extendable Commercial Paper Bonds versus long-term fixed rate bonds, 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 the Governmental Fund, the District just finished and is reviewing a Recreation Master Plan that will help guide future investment in the recreation portion of the District's mission. Additionally, the District is working on a long-term land strategy to ensure that land is used in its most efficient way that both benefits the long-term needs of the District and the public needs. Joint cooperation with other government entities as well as the public is a necessary part of the long-term strategies, to ensure a global approach to planning and resources. Finally, variable revenues, such as oil and gas royalties, are held in a Special Projects/Governmental

Contingency Fund and not used for normal operations and maintenance of the flood control and recreation systems. This allows the Board of Directors access to funds and the ability to approve those funds for use on specific programs or other unexpected future costs.

Finally, the District is finishing the second year of the current strategic plan which includes the following six strategies:

trwd Tarrant Regional Water District

STRATEGIC PLAN

FISCAL YEARS 2023-2026

SUPPORT LOCAL STAKEHOLDERS IN THE DEVELOPMENT OF PANTHER ISLAND

Revise the Panther Island Strategic Vision with local stakeholders.
Consult with a real estate team to sell TRWD's property on Panther Island.

GROWTH

OUR POPULATION HAS DOUBLED IN 50 YEARS

- Optimize regional water supply.
- Master Plan for future recreation.
- More flood mitigation strategies.
- Update our facilities.

INVEST IN OUR PEOPLE

Diverse workforce.
Great training.
Focus on safety.
Planning & support.

ENHANCE OUR FISCAL RESPONSIBILITY

Update long-range financial plans.
Pursue Federal and State funding.
Increase efficiency.

IMPROVE OUR COMMUNITY STEWARDSHIP

Develop a public feedback strategy and track progress.
Publicize when we accomplish something we promised.
Build a culture where employees can convey our positive aspects.
Demonstrate our values and commitment to the community.

FULFILL OUR ROLE IN THE CENTRAL CITY FLOOD CONTROL PROJECT

Fulfill local sponsor obligations to support USACE's bypass channel construction.

OUR PURPOSE: *Enriching communities and improving the quality of life through water supply, flood control & recreation.*

Six Strategies for fiscal years 2023 - 2026

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, 2023. 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 2024, the Texas Comptroller of Public Accounts awarded the District a sixth Transparency Star in the area of Open Government. The District continues to have Transparency Stars in the areas of Traditional Finances, Contracts and Procurement, Economic Development, Debt Obligations and Public Pensions. 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,



Dan Buhman
General Manager



Sandra Newby
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Tarrant Regional Water District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO



Board of Directors

As of September 30, 2024

Leah M. King, President

James Hill, Vice President

Mary Kelleher, Secretary

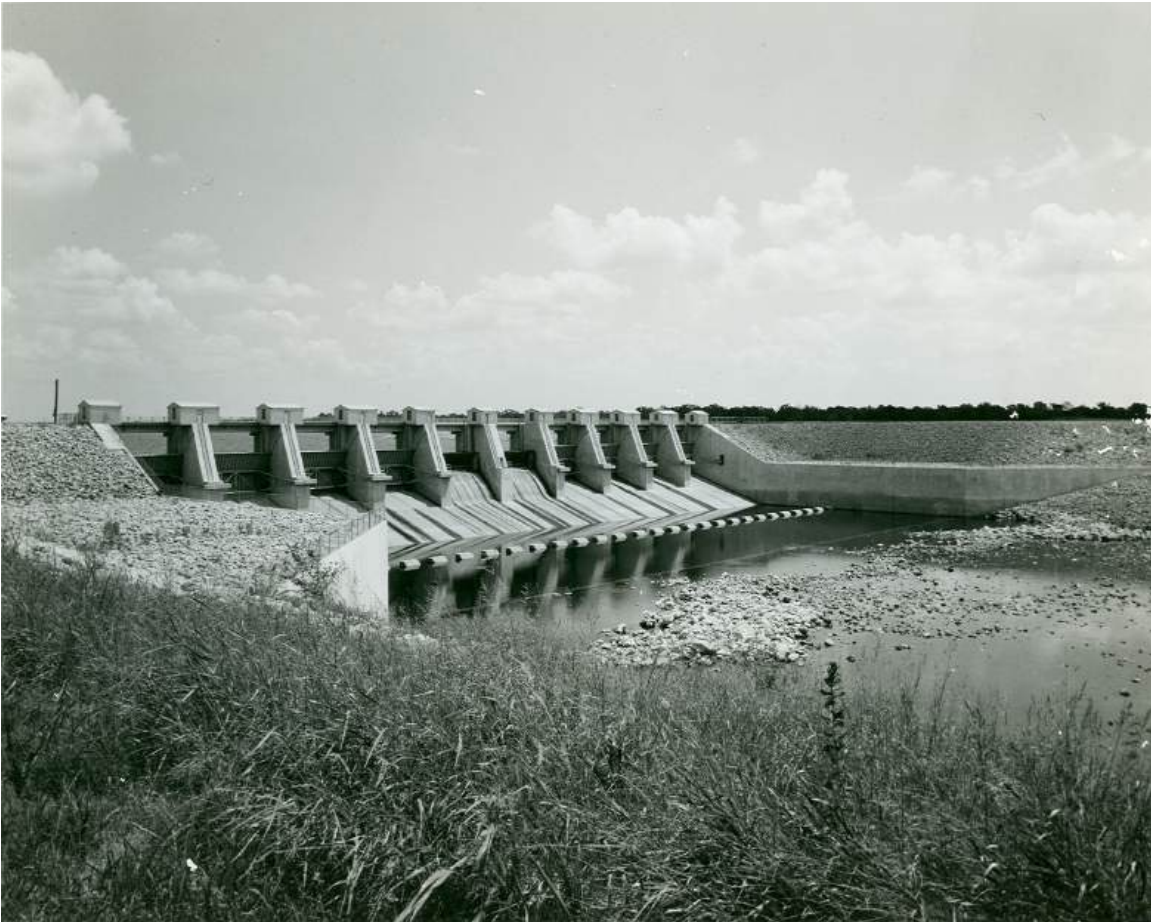
C.B. Team, Director

Paxton Motheral, Director

Tarrant Regional Water District Organizational Chart



FINANCIAL SECTION



Celebrating 100 Years - Cedar Creek Spillway, August 1968



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, 2024, 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, 2024, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District recognized a new major fund in the current year, which has been presented as a change in reporting entity in accordance with the requirements of GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No 62*. Our opinion is not modified with respect to this matter.

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 19, 2024

TARRANT REGIONAL WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2024

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, 2024. 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, \$371.4 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: Governmental activities total net position increased by \$22.7 million mainly due to oil and gas revenues and investment income, as well as lower than budgeted expenses. Business-Type Activities total net position increased by \$51.9 million mainly due to revenues from customer water sales used to pay down debt as well as payments for non-debt related capital.

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 36 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 three governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Capital Projects Fund which are considered to be major funds. The General

Fund accounts for the flood control and recreation activities, and the Capital Projects Fund accounts for the activities for the Central City Flood Control capital project. The third fund, Debt Service Fund, is considered to be a nonmajor fund.

Proprietary Funds

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District 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 49 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, creating a positive net position of \$1.6 billion at the close of fiscal year 2024, an increase of \$74.7 million. A majority of the net position balance is in net investment in capital assets of \$1.1 billion. The District uses these assets to support the public it serves, but these assets are not available to use towards future costs.

CONDENSED SCHEDULE OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2023	2024	2023	2024	2023	2024
Current and other assets	\$ 329,385,764	\$ 416,430,445	\$ 620,824,012	\$ 632,605,190	\$ 950,209,776	\$1,049,035,635
Capital assets	386,619,023	387,785,104	2,225,030,686	2,319,115,179	2,611,649,709	2,706,900,283
Total Assets	716,004,787	804,215,549	2,845,854,698	2,951,720,369	3,561,859,485	3,755,935,918
Total Deferred Outflows of Resources	709,294	141,898	51,275,741	37,117,720	51,985,035	37,259,618
Current liabilities	6,841,296	22,889,835	151,296,850	177,033,315	158,138,146	199,923,150
Long-term liabilities	14,348,852	62,524,568	1,880,813,333	1,889,823,928	1,895,162,185	1,952,348,496
Total Liabilities	21,190,148	85,414,403	2,032,110,183	2,066,857,243	2,053,300,331	2,152,271,646
Total Deferred Inflows of Resources	2,379,959	3,086,745	3,591,123	8,611,799	5,971,082	11,698,544
Net position						
Net investment in cap. assets	386,155,715	384,963,535	714,072,935	746,035,763	1,100,228,650	1,130,999,298
Restricted	5,765,799	130,793	100,986,881	126,723,165	106,752,680	126,853,958
Unrestricted	301,222,460	330,761,971	46,369,317	40,610,119	347,591,777	371,372,090
Total Net Position	<u>\$ 693,143,974</u>	<u>\$ 715,856,299</u>	<u>\$ 861,429,133</u>	<u>\$ 913,369,047</u>	<u>\$1,554,573,107</u>	<u>\$1,629,225,346</u>

A majority of the governmental activities increase in net position was unrestricted and due to revenues received from taxes, investment income, and oil and gas, offset by lower than budgeted expenses. Individually, both assets and liabilities increased, mainly due to the issuance of \$50 million in long-term debt.

For the business-type activities, both net investment in capital assets and restricted net position increased similarly. Net investment in capital assets increased due to payments reducing long-term debt using current revenues. The 2024 bond issuance included the refunding of prior debt as well as net new proceeds of \$100 million which increased both assets and liabilities for business-type activities. Additionally, this issuance increased the restricted net position as the additional debt increased the required reserve balance held for debt service.

CONDENSED SCHEDULE OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total	
	2023	2024	2023	2024	2023	2024
Revenues:						
Program Revenues						
Charges for services	\$ 8,271,553	\$ 7,697,243	\$ 194,798,879	\$ 185,547,364	\$ 203,070,432	\$ 193,244,607
Operating Grants and Contributions	62,806	38,456,021	1,336,146	2,303,378	1,398,952	40,759,399
Capital Grants and Contributions	6,676,117	2,593,742		250,000	6,676,117	2,843,742
Total Program Revenues	15,010,476	48,747,006	196,135,025	188,100,742	211,145,501	236,847,748
General Revenues						
Property tax revenues	25,989,506	29,117,031			25,989,506	29,117,031
Investment income	5,206,309	8,396,448	25,973,598	31,833,323	31,179,907	40,229,771
Gain on extinguishment of debt				7,061,189		7,061,189
Other income	773,225	151,025	111,385	93,549	884,610	244,574
Total Revenues	46,979,516	86,411,510	222,220,008	227,088,803	269,199,524	313,500,313
Expenses						
Flood protection	20,301,962	63,699,185			20,301,962	63,699,185
Recreation	3,424,393				3,424,393	
Water supply			172,586,808	175,148,889	172,586,808	175,148,889
Total Expenses	23,726,355	63,699,185	172,586,808	175,148,889	196,313,163	238,848,074
Changes in Net Position	23,253,161	22,712,325	49,633,200	51,939,914	72,886,361	74,652,239
Net Position - Beginning of year, as previously stated	669,890,813	693,143,974	811,795,933	861,429,133	1,481,686,746	1,554,573,107
Net Position - Ending	\$ 693,143,974	\$ 715,856,299	\$ 861,429,133	\$ 913,369,047	\$ 1,554,573,107	\$ 1,629,225,346

The District's had a positive change in net position of \$74.7 million, split between \$22.7 million in governmental activities, and \$51.9 million in business-type activities.

The change in net position for governmental activities was mainly due to property tax revenues higher than operational expenses, oil and gas revenues, and investment income. Tax revenues increased from fiscal year 2023 due to higher property tax values offset by a lower property tax rate, and investment income increased significantly due to higher interest rates. Recreation specific activities have been eliminated in fiscal year 2024 and only recreation activities that support the flood control mission have remained.

The change in net position for business-type activities was mainly due to investment income earned, and the amount earned was significantly higher than fiscal year 2023 due to higher interest rates.

FINANCIAL ANALYSIS: CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2023	2024	2023	2024	2023	2024
Nondepreciable						
Land	\$ 280,200,672	\$ 279,972,869	\$ 193,225,257	\$ 198,822,862	\$ 473,425,929	\$ 478,795,731
Construction in progress	77,600,924	79,664,417	281,493,242	408,128,130	359,094,166	487,792,547
Total nondepreciable assets	357,801,596	359,637,286	474,718,499	606,950,992	832,520,095	966,588,278
Depreciable/Amortizable						
Dams and spillways	3,070,461	3,070,461	234,543,120	234,543,120	237,613,581	237,613,581
Pipeline			1,733,232,106	1,739,664,692	1,733,232,106	1,739,664,692
Wetlands			56,160,860	56,160,860	56,160,860	56,160,860
Buildings	49,841,095	50,328,983	7,854,201	7,854,201	57,695,296	58,183,184
Technology Infrastructure			3,865,282	3,865,282	3,865,282	3,865,282
Machinery and equipment	12,220,406	13,182,569	14,041,560	14,588,066	26,261,966	27,770,635
Flood control	10,569,192	10,569,192			10,569,192	10,569,192
Other project costs			193,072,352	193,072,352	193,072,352	193,072,352
Intangibles	740,774	740,774	3,935,906	3,935,906	4,676,680	4,676,680
Total depreciable & amortizable assets	76,441,928	77,891,979	2,246,705,387	2,253,684,479	2,323,147,315	2,331,576,458
Less						
Accumulated depreciation/amortization	(47,624,501)	(49,744,161)	(496,393,200)	(541,520,292)	(544,017,701)	(591,264,453)
Total depreciable/amortizable assets	28,817,427	28,147,818	1,750,312,187	1,712,164,187	1,779,129,614	1,740,312,005
Total	\$ 386,619,023	\$ 387,785,104	\$ 2,225,030,686	\$ 2,319,115,179	\$ 2,611,649,709	\$ 2,706,900,283

The District's capital assets for its governmental and business-type activities as of September 30, 2024 were \$2.7 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 5 in the Notes to the Financial Statements.

The majority of the governmental capital asset activity was construction-in-progress (CIP) costs of \$2.2 million related to the Central City Flood Control Project offset by the completion of the Oakforest Trailhead, which moved \$263 thousand out of CIP.

The business-type capital asset balances had the majority of activity in two main areas: land and construction-in-progress. Land increased by \$5.6 million mostly due to land purchases for the Eagle Mountain Balancing Reservoir and the Cedar Creek Wetlands. The majority of the construction-in-progress costs consisted of \$104.9 million spent on phase 3 of the Integrated Pipeline Project. An additional \$23.4 million was spent on the Kennedale Balancing Reservoir, the Cedar Creek Wetlands, the Aquifer Storage Project, the Richland Chambers Hydraulic Actuator, and the Cedar Creek pipeline replacement. The depreciable pipeline asset balance increased by \$6.4 million due to the completion of the Chloramine Feed Project.

FINANCIAL ANALYSIS: LONG-TERM LIABILITIES OUTSTANDING

	Governmental Activities		Business-Type Activities		Total	
	2023	2024	2023	2024	2023	2024
Note payable	\$ 2,800,000	\$ 2,450,000	\$	\$	\$ 2,800,000	\$ 2,450,000
General obligation bond payable		50,608,429				50,608,429
Revenue bonds payable			1,870,764,494	1,883,406,244	1,870,764,494	1,883,406,244
Leases payable	317,066	165,739			317,066	165,739
Accrued vacation	903,666	1,095,417	3,025,315	3,468,819	3,928,981	4,564,236
Pollution remediation obligations	5,952,500	5,952,500			5,952,500	5,952,500
Post employment benefits payable	4,375,620	2,252,483	7,023,524	2,948,865	11,399,144	5,201,348
	<u>\$ 14,348,852</u>	<u>\$ 62,524,568</u>	<u>\$ 1,880,813,333</u>	<u>\$ 1,889,823,928</u>	<u>\$ 1,895,162,185</u>	<u>\$ 1,952,348,496</u>

The overall increase in long-term liabilities by \$57.2 million was primarily driven by bond issuances in both governmental and business-type activities. In the governmental activities, the District issued the 2024 Unlimited Tax Bond for \$50 million in proceeds for the Central City Flood Control Project. In the business-type activities, the District issued the 2024 Refunding Bond for \$288.9 million, which included partial refundings of both 2020 and 2020B bond issuances as well as \$100 million in new proceeds for ongoing projects. Refer to Note 7 for note payable, Note 8 for bonds payable, Note 9 for leases payable, Page 55 for accrued vacation and pollution remediation obligations and Note 11 for post employment benefits.

FINANCIAL ANALYSIS: FUND STATEMENTS

General Fund

As of the end of the 2024 fiscal year, the District's General Fund reported an ending fund balance of \$156.9 million. This total includes nonspendable fund balance in the amount of \$3.1 million (which includes prepaid items, inventory of supplies and inventory held for sale), \$6.1 million restricted for environmental cleanup on a District property, \$27.3 million assigned for the Reserve Policy, \$117.2 million assigned for the Contingency Fund for future board designated projects, and \$3.2 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.

Capital Projects Fund

As of the end of the 2024 fiscal year, the District's Capital Projects Fund reported an ending fund balance of \$11.9 million. This total includes nonspendable fund balance in the amount of \$12 thousand (which includes prepaid items), and \$11.9 million restricted for the Central City Flood Control Project.

The Capital Project Fund includes public improvements of floodway protection and related infrastructure. General Fund transfers, investment income and general obligation bond proceeds are the major sources of revenue. Capital Projects Fund revenues cannot be used to support Enterprise Fund functions.

Debt Service Fund

As of the end of the 2024 fiscal year, the District's Debt Service Fund reported an ending fund balance of \$2 thousand. This total includes \$2 thousand in an unassigned fund balance.

The Debt Service Fund includes issuance of debt as needed for the Central City Flood Control Project. Proceeds from the general obligation bonds to pay bond issuance expenses are the major source of financing in fiscal year 2024. Debt Service 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 36) and has an end of year net position of \$913.4 million. This includes a net investment in capital assets of \$746.0 million, restricted net position for debt service of \$126.7 million, and an unrestricted net position of \$40.6 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 governmental 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 \$23.2 million.

BUDGETARY HIGHLIGHTS

GENERAL FUND

The 2024 budgeted revenues for the General Fund were \$48.3 million and the year ended with actual revenues of \$53.5 million. The increase in revenues was mostly due to increased investment income due to higher interest rates than expected.

The 2024 budgeted expenditures for the General Fund were \$32.1 million and the year ended with actual expenditures of \$26.6 million. The deficiency in expenditures was due to several factors, the largest of which was lower than budgeted capital expenditures on the Flood Control Canal project.

The District approved \$74.8 million in expenditures for fiscal year 2025, an increase of \$42.7 million. The increase was due in large part to an increase of \$42.0 million for the construction of canals, just north of downtown (Panther Island) that will function as flood control and stormwater transmission. These costs will come from the current balance assigned for Contingency Fund and not fiscal year 2025's incoming budgeted revenues.

The property tax rate for the tax year 2024, fiscal year 2025, will remain at \$0.0267 per \$100 valuation.

ENTERPRISE FUND

The 2024 budgeted expenses for the Revenue Fund were \$171.8 million and the year ended with actual expenses of \$159.4 million. The deficiency in expenses was mainly due to lower than budgeted support services costs including personnel and professional services.

The fiscal year 2025 Revenue Fund Budget, prepared in accordance with the Tarrant Regional Water Supply Facilities Amendatory Contract, totals \$186.6 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, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 113,038,918	\$ 477,186,914	\$ 590,225,832
Investments	68,507,166	148,275,979	216,783,145
Receivables			
Accounts, oil and gas royalties, and other	451,953	2,458,843	2,910,796
Taxes-net of allowance	24,477		24,477
Accrued interest	271,650	773,650	1,045,300
Long-term receivable	223,669,176		223,669,176
Internal balances	(668,642)	668,642	
Prepaid items	2,665,517	3,177,145	5,842,662
Inventory-at cost	100,232		100,232
Inventory held for sale	414,051		414,051
Lease receivable			
Due within one year	258,221	43,010	301,231
Accrued interest	5,449	360	5,809
Due in more than one year	1,611,354	20,647	1,632,001
Deposits held by others	6,080,923		6,080,923
Land	279,972,869	198,822,862	478,795,731
Construction in progress	79,664,417	408,128,130	487,792,547
Depreciable capital assets, net of accumulated depreciation	27,844,222	1,709,802,643	1,737,646,865
Intangible assets, net of accumulated amortization	303,596	2,361,544	2,665,140
Total Assets	<u>804,215,549</u>	<u>2,951,720,369</u>	<u>3,755,935,918</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred bond refunding -loss		35,897,960	35,897,960
Deferred outflow from OPEB	141,898	1,219,760	1,361,658
Total Deferred Outflows of Resources	<u>141,898</u>	<u>37,117,720</u>	<u>37,259,618</u>
LIABILITIES			
Accounts payable	20,431,323	74,326,319	94,757,642
Other liabilities	1,326,639	27,515,681	28,842,320
Note payable			
Due within one year	350,000		350,000
Due in more than one year	2,450,000		2,450,000
General obligation bonds payable, net of premium			
Accrued interest	165,150		165,150
Due in more than one year	50,608,429		50,608,429
Revenue bonds payable, net of premium			
Due within one year		68,440,000	68,440,000
Payable from restricted assets - accrued bond interest payable		5,278,398	5,278,398
Due in more than one year		1,883,406,244	1,883,406,244
Leases payable			
Due within one year	151,327		151,327
Accrued interest	265		265
Due in more than one year	165,739		165,739
Accrued vacation			
Due within one year	465,131	1,472,917	1,938,048
Due in more than one year	1,095,417	3,468,819	4,564,236
Long-term payables-due in more than one year			
Pollution remediation obligations	5,952,500		5,952,500
Post employment benefits payable	2,252,483	2,948,865	5,201,348
Total Liabilities	<u>85,414,403</u>	<u>2,066,857,243</u>	<u>2,152,271,646</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred bond refunding -gain		6,175,294	6,175,294
Deferred inflow from OPEB	1,264,199	2,352,610	3,616,809
Deferred inflow from Leases	1,822,546	83,895	1,906,441
Total Deferred Inflows of Resources	<u>3,086,745</u>	<u>8,611,799</u>	<u>11,698,544</u>
NET POSITION			
Net investment in capital assets	384,963,535	746,035,763	1,130,999,298
Restricted for			
Capital projects	128,423		128,423
Debt service	2,370	126,723,165	126,725,535
Unrestricted	330,761,971	40,610,119	371,372,090
Total Net Position	<u>\$ 715,856,299</u>	<u>\$ 913,369,047</u>	<u>\$ 1,629,225,346</u>

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

TARRANT REGIONAL WATER DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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	\$ 63,699,185	\$ 7,697,243	\$ 38,456,021	\$ 2,593,742	\$ (14,952,179)		\$ (14,952,179)
Total governmental activities	<u>63,699,185</u>	<u>7,697,243</u>	<u>38,456,021</u>	<u>2,593,742</u>	<u>(14,952,179)</u>		<u>(14,952,179)</u>
Business type activities-Water supply	175,148,889	185,547,364	2,303,378	250,000		12,951,853	12,951,853
	<u>\$ 238,848,074</u>	<u>\$ 193,244,607</u>	<u>\$ 40,759,399</u>	<u>\$ 2,843,742</u>		<u>12,951,853</u>	<u>(2,000,326)</u>
GENERAL REVENUES							
Property taxes					29,117,031		29,117,031
Investment income					8,396,448	31,833,323	40,229,771
Gain on extinguishment of debt						7,061,189	7,061,189
Gain on disposal of assets					64,470	82,425	146,895
Miscellaneous					86,555	11,124	97,679
Total general revenues					<u>37,664,504</u>	<u>38,988,061</u>	<u>76,652,565</u>
CHANGES IN NET POSITION					22,712,325	51,939,914	74,652,239
NET POSITION - Beginning of year					<u>693,143,974</u>	<u>861,429,133</u>	<u>1,554,573,107</u>
NET POSITION - End of year					<u>\$ 715,856,299</u>	<u>\$ 913,369,047</u>	<u>\$ 1,629,225,346</u>

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

TARRANT REGIONAL WATER DISTRICT

BALANCE SHEET—GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	General	Capital Projects	Debt Service (Nonmajor)	Total
ASSETS				
Cash and cash equivalents	\$ 87,355,698	\$ 25,680,850	\$ 2,370	\$ 113,038,918
Investments	64,641,117	3,866,049		68,507,166
Receivables				
Accounts, oil and gas royalties and other	451,953			451,953
Taxes—net of allowance	24,477			24,477
Accrued interest	270,775	875		271,650
Due from General Fund		66,855		66,855
Due from Enterprise Fund		22		22
Prepaid items	2,653,650	11,867		2,665,517
Inventory of supplies—at cost	100,232			100,232
Inventory held for sale	414,051			414,051
Lease receivable				
Due within one year	258,221			258,221
Accrued interest	5,449			5,449
Due in more than one year	1,611,354			1,611,354
Deposits held by others	6,080,923			6,080,923
Long-term receivable	223,669,176			223,669,176
Total assets	<u>387,537,076</u>	<u>29,626,518</u>	<u>2,370</u>	<u>417,165,964</u>
LIABILITIES				
Accounts payable	2,750,408	17,680,915		20,431,323
Due to Capital Projects Fund	66,855			66,855
Due to Enterprise Fund	668,664			668,664
Other liabilities	1,326,639	—		1,326,639
Total liabilities	<u>4,812,566</u>	<u>17,680,915</u>	<u>—</u>	<u>22,493,481</u>
DEFERRED INFLOWS				
Unavailable revenue	223,978,742			223,978,742
Deferred inflows from leases	1,822,546			1,822,546
Total deferred inflows	<u>225,801,288</u>	<u>—</u>	<u>—</u>	<u>225,801,288</u>
FUND BALANCES				
Nonspendable				
Prepaid items	2,653,650	11,867		2,665,517
Inventory of supplies - at cost	100,232			100,232
Inventory held for sale	414,051			414,051
Restricted for Capital Projects	6,080,923			6,080,923
Restricted for Central City Flood Control Project		11,933,736		11,933,736
Assigned for General Fund Reserve Policy	27,279,889			27,279,889
Assigned for Contingency Fund	117,228,209			117,228,209
Unassigned	3,166,268		2,370	3,168,638
Total fund balances	<u>156,923,222</u>	<u>11,945,603</u>	<u>2,370</u>	<u>168,871,195</u>
TOTAL	<u>\$ 387,537,076</u>	<u>\$ 29,626,518</u>	<u>\$ 2,370</u>	<u>\$ 417,165,964</u>

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

TARRANT REGIONAL WATER DISTRICT

RECONCILIATION OF BALANCE SHEET-GOVERNMENTAL FUNDS TO GOVERNMENT-WIDE STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

TOTAL FUND BALANCES -Governmental Funds	\$ 168,871,195
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Amounts reported for governmental activities in the statement of net assets are different because

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

TIF Project contribution revenues	223,669,176
Property tax revenues	24,477
Oil and gas revenues	285,089
Deferred outflows-other post employment benefits	141,898

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

Governmental obligation bonds payable	(50,608,429)
Accrued vacation	(1,560,548)
Pollution remediation obligations	(5,952,500)
Other post employment benefits payable	(2,252,483)
Deferred inflows-other post employment benefits	(1,264,199)
Lease payable	(317,066)
Other payables	(2,800,000)
Lease accrued interest	(265)
Governmental obligation bonds accrued interest	(165,150)

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

387,785,104

TOTAL NET POSITION - Governmental activities

\$ 715,856,299

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

TARRANT REGIONAL WATER DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General	Capital Projects	Debt Service (Nonmajor)	Total
REVENUES				
Property taxes	\$ 29,097,426	\$	\$	\$ 29,097,426
Investment income	8,155,851	240,590	7	8,396,448
Contributions	8,237,197			8,237,197
Oil and gas royalties	5,503,534			5,503,534
Lease rentals	1,274,497			1,274,497
Other	1,187,162			1,187,162
Total revenues	<u>53,455,667</u>	<u>240,590</u>	<u>7</u>	<u>53,696,264</u>
EXPENDITURES				
Current				
General and administrative	9,813,880	28,500	606,085	10,448,465
Personnel services	11,494,274			11,494,274
Retirement plan contribution	986,892			986,892
Contribution		38,416,617		38,416,617
Capital expenditures	1,744,310	1,896,376		3,640,686
Debt service				
Principal payments	350,000	146,486		496,486
Interest payments		3,928		3,928
Total expenditures	<u>24,389,356</u>	<u>40,491,907</u>	<u>606,085</u>	<u>65,487,348</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>29,066,311</u>	<u>(40,251,317)</u>	<u>(606,078)</u>	<u>(11,791,084)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In		2,196,920	19	2,196,939
Transfers out	(2,196,939)			(2,196,939)
Proceeds from General obligation bonds		50,000,000	608,429	50,608,429
Total other financing sources (uses)	<u>(2,196,939)</u>	<u>52,196,920</u>	<u>608,448</u>	<u>50,608,429</u>
CHANGE IN FUND BALANCE	26,869,372	11,945,603	2,370	38,817,345
FUND BALANCES - Beginning of year	<u>130,053,850</u>			<u>130,053,850</u>
FUND BALANCES - End of year	<u>\$ 156,923,222</u>	<u>\$ 11,945,603</u>	<u>\$ 2,370</u>	<u>\$168,871,195</u>

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

Note: Beginning in fiscal year 2024, the District has two major funds, General Fund and Capital Projects Fund and one nonmajor fund, Debt Service Fund. Refer to Note 1 for further detail about the new funds.

TARRANT REGIONAL WATER DISTRICT

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE—GOVERNMENTAL FUNDS TO GOVERNMENT WIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2024

CHANGE IN FUND BALANCE—General Fund \$ 38,817,345

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	38,416,617
Change in unavailable property taxes	19,605
Change in unavailable oil and gas revenue	(116,925)
Change in other financing sources-governmental obligation bonds	(50,608,429)
Change in unavailable contributions	(5,604,051)

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

Change in paid leave	(254,517)
Change in post employment benefits	545,385
Change in interest expense on leases	(4,050)
Change in interest expense on governmental obligation bonds	(165,150)
Change in debt service-principal payments	496,486
Change in debt service-interest payments	3,928

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 (\$3,640,686) exceeded depreciation (\$2,328,879)	1,311,807
Intangible right-to-use lease asset amortization expense	(145,726)

CHANGE IN NET POSITION—Governmental activities \$ 22,712,325

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

TARRANT REGIONAL WATER DISTRICT

STATEMENT OF NET POSITION—ENTERPRISE FUND

SEPTEMBER 30, 2024

ASSETS

Current

Cash and cash equivalents	\$	88,893,397
Investments		11,016,399
Receivables		
Accounts and other		2,458,843
Accrued interest		129,246
Lease receivable		
Current portion		43,010
Accrued interest		360
Due from General Fund		668,664
Prepaid items		3,177,145
		<hr/>
Total current assets		106,387,064

Noncurrent

Cash and cash equivalents for bond projects		351,440,233
Investments held for bond projects		36,834,487
Accrued interest receivable for bond projects		353,355
Cash and cash equivalents restricted		1,562,918
Investments restricted		5,038,747
Accrued interest receivable restricted		66,198
Cash and cash equivalents for debt service		35,290,366
Investments for debt service		95,386,346
Accrued interest receivable for debt service		224,851
Lease receivable		20,647
Capital Assets		
Land		198,822,862
Construction in progress		408,128,130
Depreciable capital assets—net of accumulated depreciation		1,709,802,643
Intangible assets—net of accumulated amortization		2,361,544
		<hr/>
Total noncurrent assets		2,845,333,327

Total assets

 2,951,720,391

DEFERRED OUTFLOWS OF RESOURCES

Deferred bond refunding-loss		35,897,960
Deferred outflow from OPEB		1,219,760
		<hr/>
Total deferred outflows of resources		37,117,720

(Continued)

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

TARRANT REGIONAL WATER DISTRICT

STATEMENT OF NET POSITION—ENTERPRISE FUND

SEPTEMBER 30, 2024

LIABILITIES

Current Liabilities

Accounts payable	\$ 45,310,853
Accounts payable restricted for customer contingency	5,567,863
Accounts payable for bond projects	23,447,603
Due to Capital Projects Fund	22
Accrued vacation	1,472,917
Other liabilities	11,732,726
Other liabilities for bond projects	15,782,955
Payable from restricted assets—accrued bond interest payable	5,278,398
Revenue bonds payable	68,440,000

Total current liabilities	177,033,337
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Noncurrent Liabilities

Accrued vacation	3,468,819
Revenue bonds payable-net of premium	1,883,406,244
Long-term post employment benefits	2,948,865

Total noncurrent liabilities	1,889,823,928
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Total liabilities	2,066,857,265
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DEFERRED INFLOWS OF RESOURCES

Deferred bond refunding-gain	6,175,294
Deferred inflow from OPEB	2,352,610
Deferred inflow from leases	83,895

Total deferred inflows of resources	8,611,799
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NET POSITION

Net investment in capital assets	746,035,763
Restricted for debt service	126,723,165
Unrestricted	40,610,119

TOTAL NET POSITION	\$ 913,369,047
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(Concluded)

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

TARRANT REGIONAL WATER DISTRICT

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

OPERATING REVENUES	
Sale of water	\$ 148,984,917
Sale of system capacity	8,024,644
Contributions	2,553,378
Land lease rentals	111,543
Other	349,871
	<hr/>
Total operating revenues	160,024,353
OPERATING EXPENSES	
General and administrative	27,441,488
Personnel services	30,980,811
Retirement plan contribution	2,738,343
Utilities	16,455,177
Depreciation and amortization	45,161,850
	<hr/>
Total operating expenses	122,777,669
	<hr/>
OPERATING INCOME	37,246,684
NONOPERATING INCOME/(LOSS)	
Sale of system capacity restricted for debt service	28,087,513
Investment income	31,833,323
Interest expense	(52,371,220)
Gain on disposal of capital assets	82,425
Gain on extinguishment of debt	7,061,189
	<hr/>
Total net nonoperating revenues	14,693,230
	<hr/>
NET INCOME	51,939,914
	<hr/>
NET POSITION - Beginning of year	861,429,133
	<hr/>
NET POSITION - End of year	\$ 913,369,047
	<hr/> <hr/>

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

TARRANT REGIONAL WATER DISTRICT

**STATEMENT OF CASH FLOWS—ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from water customers	\$ 158,130,295
Contributions	2,553,378
Miscellaneous receipts	636,593
Payments to suppliers and contractors	(12,115,025)
Payments to employees for services	(34,691,914)
Receipts from General Fund	(924,196)
	<hr/>
Net cash provided by operating activities	113,589,131
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from the sale of revenue bonds	315,514,896
Principal paid on revenue bonds payable	(290,358,811)
Interest paid on revenue bonds and contract payable	(42,853,795)
Receipts from system capacity customer restricted for debt service	28,087,513
Acquisition and construction of capital assets	(147,331,522)
Proceeds from disposal of capital assets	82,425
	<hr/>
Net cash used for capital and related financing activities	(136,859,294)
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(72,700,000)
Proceeds from sale and maturity of investments	168,000,000
Interest received on investments	27,544,030
	<hr/>
Net cash provided by investing activities	122,844,030
	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	99,573,867
CASH AND CASH EQUIVALENTS—Beginning of year	377,613,047
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CASH AND CASH EQUIVALENTS - End of year	\$ 477,186,914
	<hr/> <hr/>

(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, 2024**

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$	37,246,684
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation & amortization expense		45,161,850
Bond issuance cost considered financing activity		2,410,048
OPEB amortization of deferred inflows		330,539
Change in assets and liabilities		
Accounts and other receivables		1,295,913
Prepaid expenses		462,953
Accounts payable		26,734,243
Other liabilities		2,174,396
Due to (from) other funds - net		(924,196)
Vacation accrual		569,372
OPEB liability		(1,872,671)
		<hr/>
Net cash provided by operating activities	\$	<u>113,589,131</u>

NONCASH ACTIVITIES

Disposal of \$34,758 of capital assets, net of \$34,758 accumulated depreciation.

Record increase in fair value of investments and change in premium/discounts on investments to interest income of \$7,955,203 and (\$293,475) respectively.

Record Amortization of Gain/Loss of \$2,717,940 and net gain on refunding on 2020 and 2020B bonds of \$13,682,389.

Record decrease in Other Post Employment Benefits deferred outflow of resources of \$910,756 and increase in deferred inflow of resources of \$1,621,773 from the amortization of the deferred balances.

Record amortization of Deferred Inflow of Resources from Other Post Employment Benefits of \$330,539.

Record lease receivable of \$24,585 offset by Deferred Inflow of Resources of \$24,585.

(Concluded)

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

TARRANT REGIONAL WATER DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2024

	<u>Other Post-Employment Benefits Trust Fund</u>
ASSETS	
Cash and cash equivalents	\$ 730,389
Equity Fund Investments	11,868,846
Fixed Income Fund Investments	10,629,430
Interest Receivable	<u>8,091</u>
 Total Assets	 <u>23,236,756</u>
 NET POSITION	
Restricted and held in trust for Other Post-Employment Benefits	<u>23,236,756</u>
 TOTAL FIDUCIARY NET POSITION	 <u><u>\$ 23,236,756</u></u>

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, 2024**

	<u>Other Post-Employment Benefits Trust Fund</u>
ADDITIONS	
Employer Contributions	\$ 3,114,864
Net Appreciation in Fair Value of Investments	4,131,196
Total Additions	<u>7,246,060</u>
DEDUCTIONS	
Benefit Payments	756,916
Other Post Employment Benefits Plan Administrative Expense	91,146
Total Deductions	<u>848,062</u>
Net Increase in Fiduciary Net Position	6,397,998
Fiduciary Net Position - Beginning of Year	<u>16,838,758</u>
Fiduciary Net Position - End of Year	<u>\$ 23,236,756</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, 2024

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 governmental funds, proprietary funds, and fiduciary funds. Governmental funds present two major funds and one nonmajor fund as separate columns on the fund financial statements. The General Fund and the Capital Projects Fund (governmental funds) and the Enterprise Fund (a proprietary fund) are each classified as major funds. The Debt Service Fund (governmental fund) is classified as a nonmajor fund. The Fiduciary Fund (a fiduciary fund) is provided as a separate financial statement and it is classified as a nonmajor fund.

Governmental Funds - The General Fund is used to account for revenues and expenditures related to flood protection operations including floodway improvements and recreation activities. In fiscal year 2018, 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. During fiscal year 2024, the District issued \$50 million in long-term debt for this project. As a result of this change, the District established a new major Capital Projects Fund to account for the Central City Flood Control Project. Additionally, a new nonmajor Debt Service Fund was created to manage debt service. Both new funds did not impact the beginning fund balance, which did not necessitate a restatement in accordance with GASB 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*.

All governmental funds are 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 governmental funds report using the current financial resources measurement focus. The reported fund balance is considered a measure of "available spending resources" and the 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 two financial institutions 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.

Lease Receivables - 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.

Long Term Receivables - During the fiscal year 2024 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 2024, the District expended an additional \$40.8 million under the agreement bringing the total amount expended to \$294.1 million. As of the end of fiscal year 2024, the TIF had repaid \$70.4 million, including \$8.0 million collected in fiscal year 2024 bringing the net loan amount to \$223.7 million.

Interfund Transactions - Certain governmental 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. Refer to Note 10 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. The capitalizable costs related to the implementation of the Workday enterprise resource planning system were recorded as a prepaid in the amount of \$810 thousand and will remain there until the system is fully implemented.

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.

Deposits Held by Others - In September 2016 there was a conveyance of real estate made between Luminant Generation Company LLC (Luminant) and the District. As a requirement of the conveyance, \$5.5 million was deposited into a fund that was established by a Financial Assurance Agreement between the Texas Commission on Environmental Quality (TCEQ) and the District. The fund is held at the Texas Comptroller's Texas Treasury Safekeeping Trust Company (TTSTC) to ensure the completion of the TCEQ environmental requirements for the Luminant site. It was further agreed that the District could apply to TCEQ for a withdrawal of up to \$80 thousand per year for reimbursement of the actual costs of the prior year's post-closure care and maintenance related to the Luminant site for a period of 10 years. The fund earns interest and incurs fees and the balance as of September 30, 2024 is \$6.1 million.

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 improvements 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 to an 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.

Lease Payables - The District is a lessee for noncancellable leases of one building. The District recognized a lease liability and an intangible right-to-use asset (RTU 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 RTU 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 RTU 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 RTU asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. RTU assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Vacation and Sick Leave - Eligible District 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			Balance at		Due Within
	October 1, 2023	Additions	Deletions	September 30, 2024	One Year	
Governmental Activities	\$ 1,306,031	\$ 787,687	\$ 533,170	\$ 1,560,548	\$ 465,131	
Business-type Activities	4,372,364	2,257,743	1,688,371	4,941,736	1,472,917	
Total	<u>\$ 5,678,395</u>	<u>\$ 3,045,430</u>	<u>\$ 2,221,541</u>	<u>\$ 6,502,284</u>	<u>\$ 1,938,048</u>	

Vacation and sick leave increased by \$824 thousand in fiscal year 2024 when compared to fiscal year 2023. During fiscal year 2024, 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, 2024. Properties purchased during fiscal year 2024 were screened for potential environmental concerns based upon available records, assessments and other actions. No properties purchased in fiscal year 2024 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, 2024, the pollution remediation obligation amounted to \$6.0 million. The Deposits Held by Others balance discussed above are to be used towards this property's pollution remediation obligation.

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 2024, the District received contributions of \$40.8 million mainly due to contributions for the Central City Flood Control Project, the Water Conservation campaign, water system buy-in premium 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 2024 resulted in an estimated \$17.5 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 2024, the District's ad valorem tax rate was \$0.0267 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, 2024 was \$219 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, 2024, the General Fund had a nonspendable fund balance in the amount of \$3.1 million and the Capital Projects fund had a balance in the amount of \$12 thousand.

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, 2024. At September 30, 2024, the General Fund had a restricted fund balance in the amount of \$6.1 million

for environmental cleanup on a District property. The Capital Projects Fund has a restricted fund balance in the amount of \$11.9 million for the proceeds from the Series 2024 Unlimited Tax Bonds restricted for use on 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, 2024, 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, 2024, the General Fund had an assigned fund balance in the amount of \$27.3 million for the Reserve Policy and \$117.2 million for the Contingency Fund (\$8.0 million assigned for fiscal year 2025 debt service and \$109.2 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 \$3.2 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, one GASB Statement became effective for the District. GASB Statement No. 100, *Accounting Changes and Error Corrections*, became effective for the District. There was a change in reporting entity with the addition of one new major fund, Capital Projects Fund, and one new nonmajor fund, Debt Service Fund. See page 50 for discussion of governmental funds.

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 88% of the District's water sales for the year ended September 30, 2024. 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, 2024 was \$5.6 million in JPMorgan Chase and \$1.0 million in PlainsCapital and was entirely covered by FDIC insurance or collateral. The carrying value of cash for the District was \$5.5 million at JPMorgan Chase and \$1.0 million at PlainsCapital. At September 30, 2024, the District also held petty cash of \$500.

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

The District invests in the Texas Local Government Investment Pool (Texpool) 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 -

- General Fund - three years
- Debt Service Fund - six months
- Capital Projects 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 82% 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 18% 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, 2024, the District's bank balance of \$6.6 million was not exposed to custodial credit risk and was insured and over-collateralized.

Fair Value of Investments - Fair value represents the price at which a security could be exchanged in a current transaction between willing parties, excluding forced liquidation scenarios. During fiscal year 2024, the fair value of the District's investments declined because a portion of maturities was directly transferred to pool accounts instead of being reinvested. Despite this, investment income increased year over year due to high returns from pool accounts. Overall, due to improved market conditions, unrealized losses decreased from \$15.5 million on September 30, 2023, to \$6.2 million by September 30, 2024. As a standard practice, the District buys and holds investments. Consequently, while the financials include the necessary unrealized fair value adjustments, these losses would only be realized if the investments were sold before 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

	9/30/2024	Weighted Avg. Maturity (Years)	S & P Rating	Fair Value Measurements Using Significant Other Observable Inputs (Level 2)
Investments				
Federal Farm Credit Bank	\$ 61,729,246	1.71	AA+	\$ 61,729,246
Federal Home Loan Bank	94,314,893	1.85	AA+	94,314,893
Federal Home Loan Mortgage Corp	6,800,875	0.81	AA+	6,800,875
Federal National Mortgage Association	14,224,551	1.59	AA+	14,224,551
U.S. Treasury Notes	39,713,580	0.94	AA+	39,713,580
Total investments	<u>216,783,145</u>			<u>216,783,145</u>
Investment pools				
LOGIC (net asset value)	272,611,250	N/A	AAA-m	N/A
Texpool (net asset value)	311,035,186	N/A	AAA-m	N/A
Total investment pools	<u>583,646,436</u>			
Total investments and cash equivalents	<u>\$ 800,429,581</u>			<u>\$ 216,783,145</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, 2024. See below for the detail of investments held as of the end of fiscal year 2024.

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.

	<u>9/30/2024</u>	<u>Fair Value Measurements Using Significant Other Observable Inputs (Level 1)</u>
Investments		
Money Market Funds		
First AM Govt	\$ 730,389	N/A
Equity Funds		
iShares Core S&P 500 ETF	3,316,138	3,316,138
iShares S&P 500 Value ETF	1,307,040	1,307,040
iShares S&P 500 Growth ETF	1,319,052	1,319,052
iShares Russell Mid Cap ETF	1,130,219	1,130,219
iShares Russell 2000 Value ETF	749,356	749,356
iShares Russell 2000 Growth ETF	791,508	791,508
iShares Core MSCI EAFE ETF	1,299,376	1,299,376
iShares Global Infrastructure ETF	587,354	587,354
Vanguard FTSE Emerging Markets ETF	796,655	796,655
Vanguard Real Estate ETF	572,148	572,148
Fixed Income Funds		
iShares Core US Agg Bond ETF	8,573,620	8,573,620
iShares Trust 5-10 Year ETF	1,263,387	1,263,387
SPDR Portfolio High Yield Bond ETF	792,423	792,423
Total Investments and Cash Equivalents	<u>\$ 23,228,665</u>	

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. LEASE RECEIVABLES

During fiscal year 2024, the District leases out some of its property, including one building, several parcels of land, and towers. The District recognized \$345 thousand in lease revenue and \$41 thousand in interest revenue during the fiscal year 2024 related to these leases. The District received \$368 thousand in lease payments, \$326 thousand in principal and \$42 thousand in interest. As of September 30, 2024, the District's total lease receivable for lease payments was \$1.9 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, 2024, the balance of the deferred inflows of resources was \$1.9 million.

5. CAPITAL ASSETS

A summary of changes in capital assets governmental activities:

	October 1, 2023	Additions/ Adjustments	Disposals/ Adjustments	Reclassification & Transfers	September 30, 2024
GOVERNMENTAL ACTIVITIES					
NONDEPRECIABLE ASSETS					
Land	\$ 280,200,672	\$ 2,625,610	\$ (2,853,413)	\$	\$ 279,972,869
Construction in progress	77,600,924	2,326,470		(262,977)	79,664,417
TOTAL NONDEPRECIABLE ASSETS	357,801,596	4,952,080	(2,853,413)	(262,977)	359,637,286
DEPRECIABLE/AMORTIZABLE ASSETS					
Dams and spillways	3,070,461				3,070,461
Buildings	49,841,095	224,911		262,977	50,328,983
Machinery and equipment	12,220,406	1,317,108	(354,945)		13,182,569
Flood control projects	10,569,192				10,569,192
Right-to-use building (intangible)	740,774				740,774
	76,441,928	1,542,019	(354,945)	262,977	77,891,979
Less accumulated depreciation for					
Dams and spillways	(1,253,632)	(17,110)			(1,270,742)
Buildings	(27,652,745)	(1,546,719)			(29,199,464)
Machinery and equipment	(10,261,866)	(716,191)	354,945		(10,623,112)
Flood control projects	(8,164,806)	(48,859)			(8,213,665)
Right-to-use building (intangible)	(291,452)	(145,726)			(437,178)
Total accumulated depreciation	(47,624,501)	(2,474,605)	354,945		(49,744,161)
TOTAL DEPRECIABLE & AMORTIZABLE ASSETS, NET	28,817,427	(932,586)		262,977	28,147,818
TOTAL GOVERNMENTAL ACTIVITIES, NET	\$ 386,619,023	\$ 4,019,494	\$ (2,853,413)	\$ —	\$ 387,785,104

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

	Total
Governmental activities	
Flood protection	\$ 2,474,605
Total governmental activities depreciation/amortization expense	\$ 2,474,605

Note: Previously the District has split assets out of flood protection into a recreation function. However, now that the District has adjusted the previous recreation activities to support the flood control mission, all assets are considered flood control functions.

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

	October 1, 2023	Additions/ Adjustments	Disposals/ Adjustments	Reclassification & Transfers	September 30, 2024
BUSINESS-TYPE ACTIVITIES					
NONDEPRECIABLE ASSETS					
Land	\$ 193,225,257	\$ 5,597,605	\$	\$	\$ 198,822,862
Construction in progress	281,493,242	133,047,993		(6,413,105)	408,128,130
TOTAL NONDEPRECIABLE ASSETS	474,718,499	138,645,598	—	(6,413,105)	606,950,992
DEPRECIABLE/AMORTIZABLE ASSETS					
Dams and spillways	234,543,120				234,543,120
Pipeline	1,733,232,106	19,481		6,413,105	1,739,664,692
Wetlands	56,160,860				56,160,860
Buildings	7,854,201				7,854,201
Technology Infrastructure	3,865,282				3,865,282
Machinery and equipment	14,041,560	581,264	(34,758)		14,588,066
Other project costs	193,072,352				193,072,352
Internally developed asset management systems (intangible)	3,935,906				3,935,906
	2,246,705,387	600,745	(34,758)	6,413,105	2,253,684,479
Less accumulated depreciation/ amortization for					
Dams and spillways	(145,626,703)	(4,329,180)			(149,955,883)
Pipeline	(285,855,408)	(33,748,249)		180,808	(319,422,849)
Wetlands	(11,779,216)	(1,122,780)			(12,901,996)
Buildings	(6,245,743)	(186,522)			(6,432,265)
Technology Infrastructure	(1,127,832)	(336,534)		(180,808)	(1,645,174)
Machinery and equipment	(12,144,627)	(715,264)	34,758		(12,825,133)
Other project costs	(32,432,899)	(4,329,731)			(36,762,630)
Internally developed asset management systems (intangible)	(1,180,772)	(393,590)			(1,574,362)
Total accumulated depreciation/ amortization	(496,393,200)	(45,161,850)	34,758	—	(541,520,292)
TOTAL DEPRECIABLE/AMORTIZABLE ASSETS, NET	1,750,312,187	(44,561,105)	—	6,413,105	1,712,164,187
TOTAL BUSINESS-TYPE ACTIVITIES, NET	\$2,225,030,686	\$ 94,084,493	\$ —	\$ —	\$2,319,115,179

Note: Communications was determined to be too immaterial to continue tracking separately, so it has been combined with Pipeline. Accumulated depreciation in the amount of \$180 thousand was moved from Pipeline to Technology Infrastructure to match its asset.

6. 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. 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 2024 the District made contributions of \$4.2 million under this plan.

7. 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, 2024 is shown below:

	Balance at			Balance at September 30, 2024	Due Within One Year
	October 1, 2023	Additions	Deletions		
<u>Governmental Activities</u>					
Note payable	\$ 3,150,000	\$ —	\$ 350,000	\$ 2,800,000	\$ 350,000
Total Governmental Activities	<u>\$ 3,150,000</u>	<u>\$ —</u>	<u>\$ 350,000</u>	<u>\$ 2,800,000</u>	<u>\$ 350,000</u>

The future principal note payments as of September 30, 2024 were as follows:

Years Ending September 30th	Principal	Interest	Total
2025	\$ 350,000	\$ —	\$ 350,000
2026	350,000	—	350,000
2027	350,000	—	350,000
2028	350,000	—	350,000
2029	350,000	—	350,000
2030 - 2032	1,050,000	—	1,050,000
	<u>\$ 2,800,000</u>	<u>\$ —</u>	<u>\$ 2,800,000</u>

8. BONDS PAYABLE

A summary of long-term bond transactions (excluding original issue premiums) of the District for the year ended September 30, 2024 is shown below:

	Balance at Oct. 1, 2023	Additions	Deletions	Balance at Sept. 30, 2024	Due Within One Year
<u>Governmental Activities</u>					
TRWD Bond	\$	\$ 48,940,000	\$	\$ 48,940,000	\$
Total Construction and improvement Bonds (Governmental activities)	\$ —	\$ 48,940,000	\$ —	\$ 48,940,000	\$ —
 <u>Business-type Activities</u>					
TRWD Bonds	\$ 771,450,000	\$288,885,000	\$262,020,000	\$ 798,315,000	\$32,210,000
TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)	519,680,000		17,480,000	502,200,000	17,960,000
Bonds from Direct Borrowings (TRWD Bonds)	245,860,000		8,230,000	237,630,000	8,390,000
Bonds from Direct Borrowings (City of Dallas Water Utilities Project)	369,460,000		9,690,000	359,770,000	9,880,000
Total Construction and Improvement Bonds (Business-type activities)	\$ 1,906,450,000	\$288,885,000	\$ 297,420,000	\$ 1,897,915,000	\$ 68,440,000

On June 6, 2024 the District advanced refunded \$47.1 million of Series 2020 Water Revenue Refunding Bonds with a \$4.7 million deferred gain and advance refunded \$115.2 million of Series 2020B Water Revenue Refunding Bonds with a \$2.5 million deferred loss. The refunding resulted in cashflow savings of \$6.8 million with an economic gain of \$2.1 million. Additionally, \$66.8 million was refunded of which \$7.1 million was extinguished generating a \$7.1 million gain on debt extinguishment. These bonds were refunded/redeemed with \$288.9 million of Series 2024 Water Revenue Refunding and Improvement Bonds which included \$100 million of new proceeds. Series 2020 Bonds had a remaining balance of \$73.5 million after refunding with the \$47.1 million in defeased debt set to fully redeem in fiscal year 2036. Series 2020B had a remaining balance of \$175.2 million after refunding with the \$115.2 million in defeased debt set to fully redeem in fiscal year 2036.

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.

DETAIL OF REVENUE BONDS PAYABLE AS OF SEPTEMBER 30, 2024

Bond Type	Maturity	Interest Rates	Outstanding Balance
<u>Governmental Activities</u>			
<u>Tarrant Regional Water District Bonds</u>			
\$48,940,000 Series 2024 Unlimited Tax Bonds	Serially through 2055	4.0 - 5.0%	\$ 48,940,000
Total Tarrant Regional Water District Bonds (Governmental Activities)			48,940,000
Add premium (net of accumulated amortization)			1,668,429
Less Current Portion			—
Total long term general obligation bonds payable, net of premium (Governmental Activities)			<u>\$ 50,608,429</u>
<u>Business-type Activities</u>			
<u>Tarrant Regional Water District Bonds</u>			
\$156,470,000 Series 2015 Water Revenue Refunding Bonds	Serially through 2029	2.0 - 5.0%	\$ 71,710,000
\$300,000,000 Series 2015A Waterworks Revenue Bonds (Direct)	Serially through 2045	0.5 - 3.2%	237,630,000
\$28,530,000 Series 2016 Water Systems Revenue Bonds	Serially through 2046	3.0 - 5.0%	23,420,000
\$61,910,000 Series 2016A Water Revenue Refunding Bonds	Serially through 2032	2.0 - 5.0%	43,680,000
\$52,765,000 Series 2017 Water Revenue Refunding Bonds	Serially through 2040	2.0 - 5.0%	50,000,000
\$129,570,000 Series 2020 Water Revenue Refunding Bonds	Serially through 2052	1.7 - 3.1%	73,535,000
\$386,680,000 Series 2020B Water Revenue Refunding Bonds	Serially through 2049	0.8 - 3.0%	175,155,000
\$38,105,000 Series 2020C Water Revenue Refunding Bonds	Serially through 2030	4.0 - 5.0%	26,750,000
\$46,510,000 Series 2022 Water Revenue Refunding Bonds	Serially through 2052	4.0 - 5.0%	45,180,000
\$288,885,000 Series 2024, Water Revenue Refunding Bonds	Serially through 2054	4.0 - 5.0%	288,885,000
Total Tarrant Regional Water District Bonds			<u>1,035,945,000</u>
<u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u>			
\$140,000,000 Series 2015 Dallas Contract Revenue Bonds (Direct)	Serially through 2045	0.5 - 3.2%	110,590,000
\$240,025,000 Series 2021A Dallas Contract Revenue Bonds	Serially through 2051	2.0 - 4.0%	224,405,000
\$298,395,000 Series 2021B Dallas Contract Revenue Refunding Bonds	Serially through 2044	0.15 - 2.45%	277,795,000
\$255,000,000 Series 2022 Dallas Contract Revenue Bonds (Direct)	Serially through 2052	2.78 - 4.17%	249,180,000
Total TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)			<u>861,970,000</u>
Total Construction and Improvement Bonds (Business-type Activities)			1,897,915,000
Add premium (net of accumulated amortization)			53,931,244
			1,951,846,244
Less current portion			(68,440,000)
Total long term revenue bonds payable, net of premium (Business-type Activities)			<u>\$ 1,883,406,244</u>

The annual requirements to amortize all bonds outstanding as of September 30, 2024 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>Governmental Activities</u>							
<u>Tarrant Regional Water District Bonds</u>							
2025	\$	\$ 2,034	\$ 2,034	\$	\$	\$ —	
2026		130	2,086			—	
2027		135	2,080			—	
2028		145	2,073			—	
2029		150	2,066			—	
2030-2034		875	10,207			—	
2035-2039		7,745	9,335			—	
2040-2044		9,830	7,257			—	
2045-2049		12,020	5,061			—	
2050-2054		14,625	2,457			—	
2055		3,285	131			—	
Total Governmental Activities		<u>48,940</u>	<u>44,787</u>		<u>—</u>	<u>—</u>	
<u>Business-Type Activities</u>							
<u>Tarrant Regional Water District</u>							
2025		32,210	32,593	64,803	8,390	6,793	15,183
2026		33,740	31,020	64,760	8,575	6,635	15,210
2027		35,450	29,333	64,783	8,780	6,454	15,234
2028		37,135	27,529	64,664	9,000	6,252	15,252
2029		38,955	25,634	64,589	9,245	6,028	15,273
2030-2034		175,150	102,159	277,309	50,395	26,177	76,572
2035-2039		126,595	67,234	193,829	58,775	18,167	76,942
2040-2044		124,435	44,282	168,717	69,190	8,142	77,332
2045-2049		140,580	21,771	162,351	15,280	245	15,525
2050-2054		54,065	4,226	58,291			—
		<u>798,315</u>	<u>385,781</u>	<u>1,184,096</u>	<u>237,630</u>	<u>84,893</u>	<u>322,523</u>
<u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u>							
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		19,570	9,054	28,624	10,790	11,611	22,401
2030-2034		105,225	38,493	143,718	58,195	53,219	111,414
2035-2039		117,170	27,682	144,852	67,350	43,221	110,571
2040-2044		115,165	14,496	129,661	79,465	30,117	109,582
2045-2049		49,855	5,167	55,022	63,815	15,641	79,456
2050-2052		21,370	644	22,014	39,345	3,321	42,666
		<u>502,200</u>	<u>135,435</u>	<u>637,635</u>	<u>359,770</u>	<u>206,255</u>	<u>566,025</u>
Total Business-Type Activities		<u>\$ 1,300,515</u>	<u>\$ 521,216</u>	<u>\$ 1,821,731</u>	<u>\$ 597,400</u>	<u>\$ 291,148</u>	<u>\$ 888,548</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. On September 10, 2024, the District issued \$50 million of Series 2024 Unlimited Tax Bonds to fund various projects costs related to the flood control and drainage facilities.

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, 2024, pledged revenues for the Tarrant Regional Water District Revenue Bonds were \$90.2 million which offsets debt service requirements for the year of \$70.9 million.

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

The TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) are Dallas Water Utilities' share of the Integrated Pipeline (IPL) Project, which is currently estimated at \$1.5 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, 2024, pledged revenues for the TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project) were \$44.3 million which offsets debt service requirements for the year of \$49.8 million.

Extendible Commercial Paper Bonds

In fiscal year 2016 the District implemented an Extendible 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 Extendible 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 2024, no commercial paper bonds were issued and none were outstanding as of September 30, 2024.

9. Lease payable

During fiscal year 2024, the District leased one building. As of September 30, 2024, the value of the lease liability was \$317 thousand. The District made principal and interest payments of \$150 thousand. The balance of the right-to-use asset as of September 30, 2024 was \$741 thousand net of accumulated amortization of \$437 thousand.

	Balance at October 1, 2023	Additions	Deletions	Balance at September 30, 2024	Due Within One Year
<u>Governmental Activities</u>					
Leases	\$ 463,308	\$ —	\$ 146,242	\$ 317,066	\$ 151,327
Total Governmental Activities	<u>\$ 463,308</u>	<u>\$ —</u>	<u>\$ 146,242</u>	<u>\$ 317,066</u>	<u>\$ 151,327</u>

The future principal and interest lease payments as of September 30, 2024 were as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	\$ 151,327	\$ 2,600	\$ 153,927
2026	152,923	1,004	153,927
2027	12,816	11	12,827
	<u>\$ 317,066</u>	<u>\$ 3,615</u>	<u>\$ 320,681</u>

10. INTERFUND TRANSACTIONS

Interfund balances - At September 30, 2024, interfund balances consisted of the following:

	<u>Due From General Fund</u>	<u>Due From Enterprise Fund</u>	<u>Due To Capital Projects Fund</u>	<u>Due To Enterprise Fund</u>
General Fund	\$	\$	\$ 66,855	\$ 668,664
Capital Projects Fund	66,855	22		
Enterprise Fund	<u>668,664</u>		<u>22</u>	
Total	<u>\$ 735,519</u>	<u>\$ 22</u>	<u>\$ 66,877</u>	<u>\$ 668,664</u>

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.

Interfund Transfers - At September 30, 2024, interfund transfers consisted of the following:

	<u>Transfer In From General Fund</u>	<u>Transfer Out To Capital Projects Fund</u>	<u>Transfer Out To Debt Service Fund (nonmajor)</u>
General Fund	\$	\$ 2,196,920	\$ 19
Capital Projects Fund	2,196,920		
Debt Service Fund (nonmajor)	<u>19</u>		
Total	<u>\$ 2,196,939</u>	<u>\$ 2,196,920</u>	<u>\$ 19</u>

Interfund transfers are the results of funds transferred from the General Fund to support the activities of the Capital Projects Fund and Debt Service Fund.

11. 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 \$187 (Plan F participants) or \$205 (Plan G participants) 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 \$187 (Plan F participants) or \$205 (Plan G Participants) 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 47. 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, 2024

Inactive Plan Members or Beneficiaries currently receiving benefits	43
Inactive Plan Members entitled to but not receiving benefits	0
Active Plan Members (active employees hired on or before 9/30/16)	<u>178</u>
Total Plan Members	<u><u>221</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 2024, \$2.4 million was contributed to the trust and in fiscal year 2025 \$2.6 million is budgeted to contribute to the trust; these contributions are in addition to claims paid. The District has funded 82% of the total OPEB liability as of fiscal year 2024.

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

OPEB Plan Investment Policy

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

<i>Strategic Asset Allocation Ranges</i>			
Asset Class	Cash	Fixed Income	Equity
Allocation Range	0-20%	40%-60%	40%-60%
Target Allocation	Policy: 5%	Policy: 45%	Policy: 50%
Long-term Expected Real Rate of Return	0.2%	2.2%	3.6%

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 21.81% for fiscal year 2024. 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, 2023 and a measurement date of September 30, 2024.

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balance at September 30, 2023	\$ 28,237,902	\$ 16,838,758	\$ 11,399,144
Changes for the year:			
Service Cost	566,436		566,436
Interest	1,688,560		1,688,560
Difference between expected and actual experience	(1,535,736)		(1,535,736)
Changes in Assumptions	237,858		237,858
Benefit Payments	(756,916)	(756,916)	—
Contributions - employer		3,114,864	(3,114,864)
Net Investment income		4,131,196	(4,131,196)
Administrative Expense		(91,146)	91,146
Net Changes	200,202	6,397,998	(6,197,796)
Balance at September 30, 2024	<u>\$ 28,438,104</u>	<u>\$ 23,236,756</u>	<u>\$ 5,201,348</u>

Plan Fiduciary Net Position as a percentage of the total OPEB liability 82%

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%
\$9,213,834	\$5,201,348	\$1,874,551

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 78 for further detail about healthcare trend rates.

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$1,378,997	\$5,201,348	\$9,910,844

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

For the year ended September 30, 2024, the District recognized OPEB expenses of \$1,027,349 which included amortization of deferred inflows and outflows of \$240,463. At September 30, 2024, 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	\$ 363,676	\$ 1,831,544
Assumption changes	997,982	282,493
Net difference between projected and actual earnings on OPEB plan investments		1,502,772
Total	\$ 1,361,658	\$ 3,616,809

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
2025	\$ (212,558)
2026	(48,487)
2027	(737,315)
2028	(721,494)
2029	(203,969)
Thereafter	(331,328)
Total	<u>\$ (2,255,151)</u>

Actuarial Methods and Assumptions

Actuarial cost method	Individual entry age normal cost method
Amortization method	Level dollar, Closed
Remaining amortization period	22 years as of September 30, 2024
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

12. COMMITMENTS AND CONTINGENCIES

Commitments - The Enterprise Fund had remaining commitments estimated at \$255.5 million due to on-going construction contracts as of September 30, 2024.

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 (Insurance Provider). 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 years 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 - 2023	\$ 8,371	\$ 594,869	\$ (584,522)	\$ 18,718
IPL Project ROCIP - 2024	\$ 18,718	\$ 140,488	\$ (151,644)	\$ 7,562

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 claim liability estimates are calculated using a link-ratio method: a method under which historical claims data are grouped into the time periods in which claims were incurred and the time periods in which they were processed. The processing date is typically the date the claim is received, adjudicated, or paid by the claim payer. The method uses these groupings to create a claims processing or development pattern, which is used to help estimate the unprocessed portion of incurred 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 (January 2024 – December 2024).

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 - 2023	\$ 406,756	\$ 6,697,488	\$ (6,655,194)	\$ 449,050
Group Health - 2024	\$ 449,050	\$ 7,411,048	\$ (7,320,985)	\$ 539,113

13. 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. 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.

GASB Statement No. 102, *Certain Risk Disclosures* (issued December 2023) – The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. Concentrations and constraints may limit a government’s ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes them vulnerable to the risk of a substantial impact and to assess whether an event(s) that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If the criteria for disclosure have been met, then it should be disclosed in the notes to the financial statements. The description of the concentration or constraint, the event associated with the concentration and constraint and actions taken by the government to mitigate the risk should all be disclosed. 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.

GASB Statement No. 103, *Financial Reporting Model Improvements* (issued April 2024) – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement requires information presented in Management’s Discussion and Analysis (MD&A) be limited to five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. This Statement describes unusual or infrequent items and governments are required to display the inflows and outflows for each unusual or infrequent item separately in the government-wide, governmental fund, and proprietary fund statement of resource flows. This Statement also requires that the proprietary funds statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and governments are required to present each major component unit separately in the statement of net position and statement of activities if it does not reduce the readability of the statements. This Statement requires to present budgetary comparison information using a single method of communication, Required Supplementary Information (RSI). This standard becomes effective for the District in fiscal year 2026.

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

GASB Statement No. 104, *Disclosure of Certain Capital Assets* (issued September 2024) –The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. Leases, subscription assets and intangibles should be disclosed separately by major class in the capital assets note disclosures. This statement also requires additional disclosures for capital assets held for sale. Governments should disclose (1) the ending balance of the capital asset with separate disclosure for historical cost and accumulated depreciation by major class of asset and (2) the carrying amount of debt for which the capital assets are pledged as collateral for each major class of asset. This standard becomes effective for the District in fiscal year 2026.

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

REQUIRED SUPPLEMENTARY INFORMATION



(Celebrating 100 Years - Construction of the Bridgeport Channel, February 1993)



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, 2024

	Original and Final Budget	Actual	Variance ((Over)/Under)
REVENUES			
Property taxes	\$ 28,242,000	\$ 29,097,426	\$ (855,426)
Investment income	1,600,000	8,155,851	(6,555,851)
Contributions	8,237,446	8,237,197	249
Oil and gas royalties	8,000,000	5,503,534	2,496,466
Lease rentals	1,265,647	1,274,497	(8,850)
Other	936,200	1,187,162	(250,962)
	<u>48,281,293</u>	<u>53,455,667</u>	<u>(5,174,374)</u>
EXPENDITURES			
Current			
General and administrative	11,694,592	9,813,880	1,880,712
Personnel services	12,934,490	11,494,274	1,440,216
Retirement plan contribution	1,051,805	986,892	64,913
Capital expenditures	6,040,000	1,744,310	4,295,690
Debt service - leases			
Principal payments	350,000	350,000	—
Total expenditures	<u>32,070,887</u>	<u>24,389,356</u>	<u>7,681,531</u>
Excess/(Deficiency) of Revenues Over/Under Expenditures	<u>16,210,406</u>	<u>29,066,311</u>	<u>(12,855,905)</u>
Other Financing Sources (Uses)			
Transfers out		<u>(2,196,939)</u>	<u>2,196,939</u>
CHANGE IN FUND BALANCE	16,210,406	26,869,372	(10,658,966)
FUND BALANCE—Beginning of year	<u>130,053,850</u>	<u>130,053,850</u>	<u>—</u>
FUND BALANCE—End of year	<u>\$ 146,264,256</u>	<u>\$ 156,923,222</u>	<u>\$ (10,658,966)</u>

NOTES TO RSI

Property Taxes Revenues over Budget - The District received \$855 thousand more in taxes than budgeted due to an increase in property values.

Oil and Gas Royalties under Budget - The District received \$2.5 million less in oil and gas royalties primarily due to declines in both commodity prices and production levels.

Investment Income over Budget - The District received \$6.6 million more in interest income due to an increase in interest rates.

General and Administrative Expenditures under Budget - Expenses were under budget mainly due to projects beginning later in the year and were not able to be completed.

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.

Capital Expenditures under Budget - The variance of \$4.3 million is due in large part to \$3.0 million not spent on the construction of canals as the canal design is still being evaluated. The canals will be located just north of downtown (Panther Island) and will function as flood control and stormwater transmission.

TARRANT REGIONAL WATER DISTRICT

SCHEDULE OF CHANGES IN NET OTHER POST EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

LAST 10 FISCAL YEARS

	2017	2018	2019	2020	2021	2022	2023	2024
<u>Other post employment benefits liability</u>								
Service cost	\$ 565,239	\$ 531,820	\$ 528,530	\$ 561,117	\$ 547,295	\$ 602,123	\$ 573,868	\$ 566,436
Interest	1,033,856	1,109,066	1,237,434	1,315,611	1,455,965	1,542,872	1,601,654	1,688,560
Difference between expected and actual experience of the total OPEB liability	(72,928)	190,998	(688,704)	826,908	(141,365)	(298,023)	(46,850)	(1,535,736)
Changes in assumptions		548,904	524,159	(139,716)	1,061,704	(354,102)		237,858
Benefit payments	(335,551)	(295,730)	(387,380)	(366,238)	(292,111)	(401,938)	(596,146)	(756,916)
Net change in total other post employment benefits liability	1,190,616	2,085,058	1,214,039	2,197,682	2,631,488	1,090,932	1,532,526	200,202
Total other post employment benefits liability - beginning	16,295,561	17,486,177	19,571,235	20,785,274	22,982,956	25,614,444	26,705,376	28,237,902
Total other post employment benefits liability - ending	\$ 17,486,177	\$ 19,571,235	\$ 20,785,274	\$ 22,982,956	\$ 25,614,444	\$ 26,705,376	\$ 28,237,902	\$ 28,438,104
<u>Plan fiduciary net position</u>								
Contributions - employer	1,545,551	\$ 1,626,730	\$ 1,851,480	\$ 1,976,748	\$ 2,063,672	\$ 2,350,655	2,739,735	3,114,864
Net investment income	417,971	296,613	501,718	686,452	1,822,450	(2,456,362)	1,186,938	4,131,196
Benefit payments	(335,551)	(295,730)	(387,380)	(366,238)	(292,111)	(401,938)	(596,146)	(756,916)
Administrative expense	(25,922)	(32,888)	(43,846)	(53,147)	(68,206)	(74,393)	(77,762)	(91,146)
Net changes	1,602,049	1,594,725	1,921,972	2,243,815	3,525,805	(582,038)	3,252,765	6,397,998
Plan fiduciary net position - beginning	3,279,665	4,881,714	6,476,439	8,398,411	10,642,226	14,168,031	13,585,993	16,838,758
Plan fiduciary net position - ending	4,881,714	6,476,439	8,398,411	10,642,226	14,168,031	13,585,993	16,838,758	23,236,756
Net other post employment benefits liability	\$ 12,604,463	\$ 13,094,796	\$ 12,386,863	\$ 12,340,730	\$ 11,446,413	\$ 13,119,383	\$ 11,399,144	\$ 5,201,348
Plan fiduciary net position as percentage of total OPEB liability	28%	33%	40%	46%	55%	51%	60%	82%
Covered-employee payroll	\$ 19,291,600	\$ 18,513,781	\$ 18,674,165	\$ 19,662,433	\$ 20,217,028	\$ 20,106,498	\$ 20,216,906	\$ 20,870,783
Net OPEB liability as percentage of covered-employee payroll	65%	71%	66%	63%	57%	65%	56%	25%

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

TARRANT REGIONAL WATER DISTRICT

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

	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%
2024	21.81%

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%
2024	1,240,053	3,114,864	(1,874,811)	20,870,783	14.92%

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	22 years as of September 30, 2024
Asset valuation method	Market Value
Investment rate	6.00% 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 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

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

STATISTICAL SECTION (UNAUDITED)



Celebrating 100 Years - First Canal as part of the Central City Flood Control Project, January 2021



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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental Activities										
Net investment in capital assets	\$ 311,416,677	\$ 343,118,047	\$ 348,801,397	\$ 360,586,932	\$ 366,352,452	\$ 371,744,493	\$ 375,138,247	\$ 380,949,418	\$ 386,155,715	\$ 384,963,535
Restricted		5,531,060	5,561,868	5,640,493	5,631,464	5,621,205	5,552,676	5,510,011	5,765,799	130,793
Unrestricted	192,888,999	193,491,410	208,425,599	222,857,751	234,513,138	248,942,565	261,910,219	283,431,384	301,222,460	330,761,971
Total governmental net position	\$ 504,305,676	\$ 542,140,517	\$ 562,788,864	\$ 589,085,176	\$ 606,497,054	\$ 626,308,263	\$ 642,601,142	\$ 669,890,813	\$ 693,143,974	\$ 715,856,299
Business-type Activities										
Net investment in capital assets	\$ 357,632,834	\$ 409,159,039	\$ 444,563,300	\$ 493,835,963	\$ 536,700,791	\$ 580,388,360	\$ 624,792,728	\$ 692,153,862	\$ 714,072,935	\$ 746,035,763
Restricted	89,822,147	110,363,100	109,317,020	103,822,079	102,892,891	100,358,807	102,311,377	87,094,181	100,986,881	126,723,165
Unrestricted	(16,222,050)	(16,336,370)	26,151,324	22,075,675	32,611,383	32,653,409	37,057,880	32,547,890	46,369,317	40,610,119
Total business-type net position	\$ 431,232,931	\$ 503,185,769	\$ 580,031,644	\$ 619,733,717	\$ 672,205,065	\$ 713,400,576	\$ 764,161,985	\$ 811,795,933	\$ 861,429,133	\$ 913,369,047
Total Primary Government										
Net investment in capital assets	\$ 669,049,511	\$ 752,277,086	\$ 793,364,697	(1) \$ 854,422,895	\$ 903,053,243	\$ 952,132,853	\$ 999,930,975	\$1,073,103,280	\$1,100,228,650	\$1,130,999,298
Restricted	89,822,147	115,894,160	114,878,888	109,462,572	108,524,355	105,980,012	107,864,053	92,604,192	106,752,680	126,853,958
Unrestricted	176,666,949	177,155,040	234,576,923	244,933,426	267,124,521	281,595,974	298,968,099	315,979,274	347,591,777	371,372,090
Total primary government net position	\$ 935,538,607	\$1,045,326,286	\$1,142,820,508	\$1,208,818,893	\$1,278,702,119	\$1,339,708,839	\$1,406,763,127	\$1,481,686,746	\$1,554,573,107	\$1,629,225,346

(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.

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)**

	2015	2016 (1)	2017	2018	2019	2020	2021	2022	2023	2024 (2)
Expenses										
Governmental Activities										
General Government	\$ 12,766,315	\$	\$	\$	\$	\$	\$	\$	\$	\$
Flood Protection	4,963,320	18,916,113	21,448,590	17,637,243	18,429,521	19,842,221	18,615,103	21,520,140	20,301,962	63,699,185
Recreation		1,561,346	2,625,628	2,585,102	2,636,155	2,781,733	4,289,108	3,758,746	3,424,393	
Total Governmental Activities	17,729,635	20,477,459	24,074,218	20,222,345	21,065,676	22,623,954	22,904,211	25,278,886	23,726,355	63,699,185
Business-type Activities	87,999,935	77,099,429	83,155,732	118,368,106	114,506,276	116,647,345	116,674,851	122,108,598	172,586,808	175,148,889
Total Primary Government Expenses	105,729,570	97,576,888	107,229,950	138,590,451	135,571,952	139,271,299	139,579,062	147,387,484	196,313,163	238,848,074
Program Revenues										
Governmental Activities										
Charges for Services	16,595,055									
Flood Protection		9,862,928	10,308,977	10,750,390	8,063,725	7,138,932	8,756,940	15,488,479	6,848,612	7,697,243
Recreation		1,067,012	2,940,158	1,407,546	2,159,252	1,302,560	2,003,616	1,628,501	1,422,941	
Operating Grants and Contributions										
Flood Protection			100,000	140,000	236,821	105,187	10,000		31,006	38,456,021
Recreation			131,200	126,315	106,850	142,420	213,910	68,500	31,800	
Capital Grants and Contributions	36,043,940									
Flood Protection		36,029,150	20,634,389	19,101,900	7,931,111	10,751,579	5,000,645	11,511,098	6,676,117	2,593,742
Recreation		126,750		86,527	3,275	200,198				
Total Governmental Activities	52,638,995	47,085,840	34,114,724	31,612,678	18,501,034	19,640,876	15,985,111	28,696,578	15,010,476	48,747,006
Business-type Activities										
Charges for Services	142,578,670	139,387,464	155,447,588	151,036,899	147,294,887	149,721,357	166,216,070	172,432,425	194,798,879	185,547,364
Operating Grants and Contributions			474,769	1,423,460	4,901,133	1,885,301	1,142,129	10,086,962	1,336,146	2,303,378
Capital Grants and Contributions	680,633	3,584,248	57,540							250,000
Total Business-type Activities	143,259,303	142,971,712	155,979,897	152,460,359	152,196,020	151,606,658	167,358,199	182,519,387	196,135,025	188,100,742
Total Primary Government Revenues	195,898,298	190,057,552	190,094,621	184,073,037	170,697,054	171,247,534	183,343,310	211,215,965	211,145,501	236,847,748
Net (Expense) Revenue										
Governmental Activities	34,909,360	26,608,381	10,040,506	11,390,333	(2,564,642)	(2,983,078)	(6,919,100)	3,417,692	(8,715,879)	(14,952,179)
Business-type Activities	55,259,368	65,872,283	72,824,165	34,092,253	37,689,744	34,959,313	50,683,348	60,410,789	23,548,217	12,951,853
Total-Primary Government	90,168,728	92,480,664	82,864,671	45,482,586	35,125,102	31,976,235	43,764,248	63,828,481	14,832,338	(2,000,326)
General Revenues										
Governmental Activities										
Property Taxes	9,757,583	10,264,007	10,854,952	11,960,148	13,147,777	21,941,700	23,067,000	24,669,850	25,989,506	29,117,031
Investment Income	403,723	317,333	435,789	731,769	1,435,560	763,675	63,736	(707,632)	5,206,309	8,396,448
Gain/Loss on Disposal of Assets	99,146	565,950	(109,303)	2,166,126	5,248,669	71,100	65,241	(106,270)	702,903	64,470
Miscellaneous	37,951	79,170	29,379	47,936	144,514	17,812	16,002	16,031	70,322	86,555
Total Governmental Activities	10,298,403	11,226,460	11,210,817	14,905,979	19,976,520	22,794,287	23,211,979	23,871,979	31,969,040	37,664,504
Business-type Activities										
Investment Income	3,748,796	6,776,202	5,706,516	5,511,784	14,653,818	5,810,806	(227,021)	(12,965,711)	25,973,598	31,833,323
Gain/Loss on Disposal of Assets	69,090	(746,447)		37,779	104,025	115,275	80,100	95,050	69,850	82,425
Gain on Extinguishment of Debt										7,061,189
Miscellaneous	288,461	50,800	37,379	60,257	23,761	310,117	224,982	93,820	41,535	11,124
Total Business-type Activities	4,106,347	6,080,555	5,743,895	5,609,820	14,781,604	6,236,198	78,061	(12,776,841)	26,084,983	38,988,061
Total Primary Government	14,404,750	17,307,015	16,954,712	20,515,799	34,758,124	29,030,485	23,290,040	11,095,138	58,054,023	76,652,565
Changes in Net Position										
Governmental Activities	45,207,763	37,834,841	21,251,323	26,296,312	17,411,878	19,811,209	16,292,879	27,289,671	23,253,161	22,712,325
Business-type Activities	59,365,715	71,952,838	78,568,060	39,702,073	52,471,348	41,195,511	50,761,409	47,633,948	49,633,200	51,939,914
Total Primary Government	\$ 104,573,478	\$ 109,787,679	\$ 99,819,383	\$ 65,998,385	\$ 69,883,226	\$ 61,006,720	\$ 67,054,288	\$ 74,923,619	\$ 72,886,361	\$ 74,652,239

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

(2) In fiscal year 2024, recreation activities have been eliminated. Only recreation like activities shown on the financials are considered all flood protection activities.

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

TARRANT REGIONAL WATER DISTRICT

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS (UNAUDITED)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024 (1)</u>
General Fund										
Nonspendable										
Long-term interfund notes and interest	\$ 770,939	\$ 577,139	\$ 512,236	\$ 445,386	\$ 376,531	\$ 305,609	\$ 232,560	\$ 157,320	\$ 79,822	\$
Prepaid items	1,353,935	970,308	3,901,482	3,296,548	1,930,341	1,617,076	1,446,660	1,597,600	1,664,322	2,653,650
Inventory of supplies-at-cost	57,196	51,929	58,322	61,832	57,809	70,033	69,305	67,041	88,653	100,232
Inventory held for sale							491,012	478,234	429,292	414,051
Restricted		5,531,060	5,561,868	5,640,493	5,631,464	5,621,205	5,552,676	5,510,011	5,765,799	6,080,923
Assigned			364,461	26,560,137	55,146,781	59,832,503	68,805,529	82,301,174	92,023,664	144,508,098
Unassigned	88,675,455	63,501,938	50,340,889	22,387,079	3,375,120	7,354,543	13,371,803	20,461,976	30,002,298	3,166,268
Total General Fund	<u>90,857,525</u>	<u>70,632,374</u>	<u>60,739,258</u>	<u>58,391,475</u>	<u>66,518,046</u>	<u>75,300,129</u>	<u>89,969,545</u>	<u>110,573,356</u>	<u>130,053,850</u>	<u>156,923,222</u>
Capital Projects Fund										
Nonspendable										
Prepaid items										11,867
Restricted										11,933,736
Unassigned										
Total Capital Projects Fund	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>11,945,603</u>
Debt Service Fund (nonmajor)										
Unassigned										2,370
Total Debt Service Fund (nonmajor)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,370</u>
Total All Governmental Funds	<u>\$90,857,525</u>	<u>\$70,632,374</u>	<u>\$60,739,258</u>	<u>\$58,391,475</u>	<u>\$66,518,046</u>	<u>\$75,300,129</u>	<u>\$89,969,545</u>	<u>\$110,573,356</u>	<u>\$130,053,850</u>	<u>\$ 168,871,195</u>

(1) Beginning in fiscal year 2024, the District has two major funds, General Fund and Capital Projects Fund and has one nonmajor fund, Debt Service Fund.

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

TARRANT REGIONAL WATER DISTRICT

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

Governmental Funds	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Property Taxes	\$ 9,737,304	\$ 10,271,392	\$ 10,799,762	\$ 12,010,248	\$ 13,152,496	\$ 21,924,922	\$ 23,089,003	\$ 24,689,890	\$ 25,984,634	\$ 29,097,426
Lease Rental	1,601,445	1,598,047	1,389,533	1,403,276	1,562,198	1,272,670	1,404,345	1,326,827	1,292,432	1,274,497
Oil and Gas Royalties	14,875,262	8,781,804	11,048,761	10,148,141	8,197,878	6,414,237	7,843,251	14,570,873	5,821,884	5,503,534
Sale of Rock and Gravel	19,937									
Investment Income (loss)	403,723	317,333	435,789	731,769	1,435,560	763,675	63,736	(707,632)	5,206,309	8,396,448
Contributions	3,503,256	5,299,235	3,368,695	4,193,522	6,074,367	8,344,611	8,293,957	7,296,236	8,173,744	8,237,197
Other	390,221	1,038,859	612,796	742,406	932,267	921,554	1,505,348	1,143,960	1,106,514	1,187,162
Total Revenue	30,531,148	27,306,670	27,655,336	29,229,362	31,354,766	39,641,669	42,199,640	48,320,154	47,585,517	53,696,264
Expenditures										
Current										
General and Administrative	10,797,697	8,336,650	9,097,411	8,398,059	8,862,512	8,489,418	9,161,152	8,154,428	9,492,233	10,448,465
Personnel Services	5,007,562	7,015,739	7,650,611	7,737,421	8,276,805	8,963,307	9,712,955	9,700,561	9,982,786	11,494,274
Retirement Plan Contribution	535,436	588,530	637,903	637,620	673,307	780,327	821,009	809,572	842,229	986,892
Contribution	77,913	1,230,230	3,076,384	242,806	193,647	898,966	550,507	3,500,000	312,253	38,416,617
Capital Expenditures	38,668,521	30,101,222	19,440,358	14,561,239	7,270,974	11,755,309	7,284,601	8,901,368	7,151,833	3,640,686
Capital Lease Payment	259,450	259,450								
Debt Service										
Principal Payments								143,863	483,602	496,486
Interest Payments						6,734		6,551	5,687	3,928
Total Expenditures	55,346,579	47,531,821	39,902,667	31,577,145	25,277,245	30,894,061	27,530,224	31,216,343	28,270,623	65,487,348
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(24,815,431)	(20,225,151)	(12,247,331)	(2,347,783)	6,077,521	8,747,608	14,669,416	17,103,811	19,314,894	(11,791,084)
Other Financing Sources										
Transfer In										2,196,939
Transfer Out										(2,196,939)
Proceeds from Sale of Land			2,354,215		2,049,050	34,475			165,600	
Proceeds/Principal payment to NCTCOG								3,500,000		
Proceeds from General Obligation Bonds										50,608,429
Change in Fund Balance	\$(24,815,431)	\$(20,225,151)	\$(9,893,116)	\$(2,347,783)	\$ 8,126,571	\$ 8,782,083	\$ 14,669,416	\$ 20,603,811	\$ 19,480,494	\$ 38,817,345
Debt Service Expenditures as a Percentage of Noncapital Expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.67%	2.32%	0.81%

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)**

Governmental Activities

Fiscal Year	General Obligation Bonds (1)	Capital Leases	Note Payable	Total Governmental Debt	Percentage of Revenue (2)	Percentage of Outstanding Debt to Actual Estimated Value of Property (3)	Total Outstanding Debt per Capita
2022	\$	\$ 608,035	\$ 3,500,000	\$ 4,108,035	8%	0.005%	\$ 9
2023		463,308	3,150,000	3,613,308	8%	0.004%	8
2024	50,608,429	317,066	2,800,000	53,725,495	62%	0.049%	108

Business-Type Activities

Fiscal Year	Construction and Improvement Bonds (1)	Capital Leases	Note Payable	Total Enterprise Debt	Percentage of Revenue (2)	Percentage of Outstanding Debt to Personal Income (4)	Total Outstanding Debt per Budgeted Water Usage (Gallons)
2015	\$ 1,339,848,678	\$	\$	\$ 1,339,848,678	933%	N/A	\$ 11
2016	1,767,113,767			1,767,113,767	1236%	N/A	15
2017	1,706,363,581			1,706,363,581	1055%	N/A	15
2018	1,646,713,458			1,646,713,458	1042%	N/A	14
2019	1,592,244,826			1,592,244,826	954%	N/A	14
2020	1,533,390,287			1,533,390,287	971%	N/A	13
2021	1,771,555,178			1,771,555,178	1058%	N/A	15
2022	1,753,058,790			1,753,058,790	1033%	N/A	15
2023	1,939,084,494			1,939,084,494	873%	N/A	17
2024	1,951,846,244			1,951,846,244	860%	N/A	16

Primary Government

Fiscal Year	Total Bonds (1)	Total Capital Leases	Total Note Payable	Total District Debt (5)
2015	\$ 1,339,848,678	\$	\$	\$ 1,339,848,678
2016	1,767,113,767			1,767,113,767
2017	1,706,363,581			1,706,363,581
2018	1,646,713,458			1,646,713,458
2019	1,592,244,826			1,592,244,826
2020	1,533,390,287			1,533,390,287
2021	1,771,555,178			1,771,555,178
2022	1,753,058,790	608,035	3,500,000	1,757,166,825
2023	1,939,084,494	463,308	3,150,000	1,942,697,802
2024	2,002,454,673	317,066	2,800,000	2,005,571,739

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

(2) Percentage is based on enterprise revenue for business-type activities and general revenue for governmental activities. No combined debt to revenue percentage is shown as revenue cannot be comingled between activities.

(3) See "Assessed and Actual Estimated Value of Property and Tax Rate table" for estimated valuation of properties on page 101.

(4) The majority of the District's water customers are municipalities, therefore presenting the percentage of personal income and debt per population is not applicable for the business-type activities.

(5) Percentage of outstanding debt to actual estimated value of property, total outstanding debt per capita, percentage of outstanding debt to personal income and total outstanding debt per budgeted water usage does not apply as the total District debt support different customer groups.

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	
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
2024	212,072,412	77,615,819	134,456,593	68,320,000	52,368,826	1.11

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
2024	167,779,222	77,615,819	90,163,403	41,150,000	29,778,684	1.27

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
2024	44,293,190		44,293,190	27,170,000	22,590,142	0.89 (7)

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

(2) Operating expenses exclude depreciation and amortization expense.

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

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

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

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

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

(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
2015	Arlington	1.06935	\$ 20,811,958	\$ 20,811,958	16.00 %
	Fort Worth -In	1.06085	49,611,117	49,611,117	36.80 %
	Fort Worth -Out	1.07585	22,213,484	22,213,484	16.00 %
	Mansfield	1.07585	4,368,827	4,368,827	3.29 %
	Trinity River Authority	1.07585	11,118,401	11,118,401	9.83 %
			108,123,787	108,123,787	81.92 %
2016	Arlington	1.00637	20,294,552	20,294,552	14.19 %
	Fort Worth -In	0.99962	47,396,879	47,396,879	33.14 %
	Fort Worth -Out	1.01162	19,960,539	19,960,539	13.96 %
	Mansfield	1.01162	4,299,098	4,299,098	3.01 %
	Trinity River Authority	1.01162	11,304,561	11,304,561	7.90 %
			103,255,629	103,255,629	72.20 %
2017	Arlington	1.13170	22,296,464	22,296,464	13.79 %
	Fort Worth -In	1.12670	53,175,077	53,175,077	32.88 %
	Fort Worth -Out	1.13570	23,406,016	23,406,016	14.47 %
	Mansfield	1.13570	5,117,915	5,117,915	3.16 %
	Trinity River Authority	1.13570	12,363,932	12,363,932	7.65 %
			116,359,404	116,359,404	71.95 %
2018	Arlington	1.07181	21,811,046	21,811,046	13.80 %
	Fort Worth -In	1.06856	55,105,320	55,105,320	34.86 %
	Fort Worth -Out	1.07456	23,616,098	23,616,098	14.94 %
	Mansfield	1.07456	5,523,546	5,523,546	3.49 %
	Trinity River Authority	1.07456	11,850,071	11,850,071	7.50 %
			117,906,081	117,906,081	74.59 %
2019	Arlington	1.08264	21,016,599	21,016,599	12.59 %
	Fort Worth -In	1.08114	49,479,396	49,479,396	29.63 %
	Fort Worth -Out	1.08414	21,666,506	21,666,506	12.98 %
	Mansfield	1.08414	5,306,509	5,306,509	3.18 %
	Trinity River Authority	1.08414	11,357,357	11,357,357	6.80 %
			108,826,367	108,826,367	65.18 %

(continued)

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

TARRANT REGIONAL WATER DISTRICT

PRINCIPAL WATER CUSTOMERS AND WATER RATE

LAST 10 FISCAL YEARS (UNAUDITED)

Fiscal Year	Customer	Rate	Amount Due	Amount Received	Percent of Total Revenue
2020	Arlington	1.05881	\$ 20,452,147	\$ 20,452,147	12.96 %
	Fort Worth (1)	1.05881	73,877,843	73,877,843	46.81 %
	Mansfield	1.05881	5,437,377	5,437,377	3.44 %
	Trinity River Authority	1.05881	11,564,559	11,564,559	7.33 %
			<u>111,331,926</u>	<u>111,331,926</u>	<u>70.54 %</u>
2021	Arlington	1.14219	21,825,863	21,825,863	13.04 %
	Fort Worth	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 %
			<u>124,162,329</u>	<u>124,162,329</u>	<u>74.16 %</u>
2022	Arlington	1.03530	22,236,604	22,236,604	13.10 %
	Fort Worth	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 %
			<u>127,502,228</u>	<u>127,502,228</u>	<u>75.11 %</u>
2023	Arlington	1.06830	22,314,340	22,314,340	10.04 %
	Fort Worth	1.06830	87,388,434	87,388,434	39.33 %
	Mansfield	1.06830	6,933,964	6,933,964	3.12 %
	Trinity River Authority	1.06830	14,256,068	14,256,068	6.42 %
			<u>130,892,806</u>	<u>130,892,806</u>	<u>58.91 %</u>
2024	Arlington	1.35479	* 23,134,026	23,134,026	10.19 %
	Fort Worth	1.35479	* 85,599,958	85,599,958	37.69 %
	Mansfield	1.35479	* 7,981,329	7,981,329	3.51 %
	Trinity River Authority	1.35479	* 14,184,846	14,184,846	6.25 %
			<u>130,900,159</u>	<u>130,900,159</u>	<u>57.64 %</u>

*Rate based on 2024 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
LAST 10 FISCAL YEARS (UNAUDITED)**

<u>Fiscal Year</u>	<u>Customer</u>	<u>Amount Due</u>	<u>Amount Received</u>	<u>Percentage of Total Revenues</u>
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 %
2024	Dallas Utilities	36,112,157	36,112,157	15.90 %

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)
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
2024	108,111,832,404	109,322,372,135	98.9%	0.0267

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
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%
2024	29,165,314	28,899,614	99.1%	19,765	0.07%	28,919,379	99.2%

Source: From the Tarrant County Tax Office.

TARRANT REGIONAL WATER DISTRICT

**PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS PRIOR (UNAUDITED)**

Tarrant County	2024 (1)			2015 (2)		
	Taxable Value	Rank	Percent of total taxable value	Taxable Value	Rank	Percent of total taxable value
Winner LLC/Meta Platforms LLC	\$ 4,509,149,056	1	4.1%	\$ 503,393,212	1	1.0%
OnCor Electric Delivery Co LLC	1,073,716,369	2	1.0%	391,540,705	2	0.8%
American Airlines Inc	1,051,274,448	3	1.0%	257,099,070	3	0.5%
Bell Textron Inc/Bell Helicopter Inc	546,201,489	4	0.5%	182,284,867	5	0.4%
Atmos Energy/Mid Tex Division	382,055,494	5	0.3%	180,849,480	6	0.4%
Amazon.com Services LLC/Amazon Logistics Inc	342,817,055	6	0.3%	250,463,899	4	0.5%
AT&T Mobility LLC/Southwestern Bell	306,705,423	7	0.3%	179,544,956	7	0.4%
Mercantile Partners LP	259,485,851	8	0.2%	175,384,451	8	0.4%
DDR/DTC City Investments LP	223,553,460	9	0.2%	148,283,280	9	0.3%
Alcon Laboratories Inc	174,472,322	10	0.2%	147,079,496	10	0.3%

(1) Source: From the Tarrant Appraisal District

(2) Source: From the Annual Comprehensive Financial Report for the respective year

TARRANT REGIONAL WATER DISTRICT

**ENTERPRISE FUND EXPENSES
LAST 10 FISCAL YEARS (UNAUDITED)**

Fiscal Year	Operating Maintenance and Administrative	Interest Expense	Depreciation and Amortization
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)
2024	77,615,819	52,371,220	45,161,850

(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 fiscal year 2022.

(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)**

<u>Fiscal Year</u>	<u>Oil and Gas Royalties (2)</u>	<u>Lease Rentals</u>	<u>Interest Income (loss) (3)</u>	<u>Other (1)</u>	<u>Property Taxes</u>
2015	\$15,875,262	\$ 1,601,445	\$ 403,723	\$ 3,913,415	\$ 9,737,304
2016	8,781,804	1,598,047	317,333	6,338,094	10,271,392
2017	11,048,761	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	1,562,198	1,435,560	9,055,684	13,152,496
2020	6,414,237	1,272,670	763,675	9,300,640	21,924,922 (4)
2021	7,843,251	1,404,345	63,736	9,799,305	23,089,003
2022	14,570,873	1,326,827	(707,632)	11,940,196	24,689,890
2023	5,821,884	1,292,432	5,206,309	9,445,858	25,984,634
2024	5,503,534	1,274,497	8,396,448	60,032,788 (5)	29,097,426

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

(2) Changes in oil and gas royalties all due to fluctuating market pricing.

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

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

(5) Increase due to \$50 million in proceeds from General obligation bonds issued in fiscal year 2024

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

TARRANT REGIONAL WATER DISTRICT

ENTERPRISE FUND REVENUES BY SOURCE

LAST 10 FISCAL YEARS (UNAUDITED)

<u>Fiscal Year</u>	<u>Sale of Water (1)</u>	<u>Sale of System Capacity</u>	<u>Investment Income (loss) (2)</u>	<u>Land Lease Rentals</u>	<u>Other (3)</u>
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 (4)
2017	127,130,021	27,954,778	5,706,516	157,262	775,215
2018	124,380,349	26,197,337	5,511,784	156,797	1,823,912 (4)
2019	120,669,062	26,125,003	14,653,818	164,955	5,364,786 (4)
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 (4)
2023	148,599,782	45,579,744	25,973,598	138,346	1,928,538
2024	148,984,917	36,112,157	31,833,323	111,543	10,046,863 (5)

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

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

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

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

(5) Increase is mainly due to a \$7.1 million gain on extinguishment of debt.

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)**

<u>Fiscal Year</u>	<u>Flood Protection</u>	<u>Water Supply</u>	<u>Operational Support</u>	<u>Administrative</u>	<u>Recreation</u>	<u>Total</u>
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
2024 (2)	31	104	95	101		331

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

(2) Beginning in fiscal year 2024, recreation employees have shifted to flood protection since recreation activities support the flood protection mission.

Note: In fiscal year 2024 there were 459 budgeted positions. The chart above includes full time employees only.

Source: From the District's internal payroll records

TARRANT REGIONAL WATER DISTRICT

**MISCELLANEOUS STATISTICAL FACTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024 (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	243,423
Eagle Mountain Lake	185,083	139,952
Cedar Creek Reservoir	631,401	558,701
Richland-Chambers Reservoir	1,125,199	1,075,703
Total	<u>2,313,866</u>	<u>2,017,779</u>

Miles of levees	23
Miles of floodway river channel	28
Area to be maintained by District	1,997 acres

Annual rainfall in inches—last 10 fiscal years:

Year	DFW Weather Service	Lake Worth	Eagle Mountain Lake	Bridgeport Lake	Cedar Creek Lake	Richland- Chambers
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
2024	47.59	39.50	41.41	32.08	47.87	47.83

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) (2)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2024	997,139	50,325,605,330	50,470	36.5	19,901	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.

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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)

ELLIS COUNTY, TX

Fiscal Year	Population (1) (2)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2024	219,702	8,486,648,856	38,628	36.2	3,927	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.

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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) (2)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2024	20,342	573,664,742	28,201	41.8	336	5.1 %

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

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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) (2)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2024	85,681	2,785,746,353	32,513	43.9	1,621	4.1 %

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

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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) (2)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2024	8,858	253,569,108	28,626	39.2	123	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.

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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) (2)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2024	207,702	6,797,671,056	32,728	37.1	3,285	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.

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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) (2)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2024	179,647	5,973,262,750	33,250	34.6	3,161	4.1 %

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

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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) (2)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2024	55,836	1,502,546,760	26,910	37.5	942	4.0 %

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

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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) (2)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2024	173,313	7,527,676,842	43,434	39.4	2,555	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.

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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) (2)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2024	2,186,501	86,163,444,907	39,407	34.9	43,487	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.

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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) (2)	Personal Income	Per Capita Personal Income	Median Age	Unemployment	Unemployment Rate
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 %
2024	77,625	2,842,161,750	36,614	39.3	1,285	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.

(2) Beginning in fiscal year 2024, the Texas Demographic Center does not provide projections anymore, they provide estimates.

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, 2024 (UNAUDITED)**

	<u>Fiscal Year Authorized</u>	<u>Issued Amount</u>	<u>Outstanding</u>
Construction and improvement bonds:			
<u>Tarrant Regional Water District Projects</u>			
Unlimited Tax Bonds Series 2024	2024	\$ 48,940,000	\$ 48,940,000
		<u>48,940,000</u>	<u>48,940,000</u>
Add premium (net of accumulated amortization)			1,668,429
Total - Construction and improvement bonds (Governmental activities)			<u><u>\$ 50,608,429</u></u>
<u>Tarrant Regional Water District Bonds</u>			
Water Revenue Refunding Bonds - Series 2015	2015	\$ 156,470,000	\$ 71,710,000
Water Revenue Bonds - Series 2015A	2016	300,000,000	237,630,000
Water Revenue Bonds - Series 2016	2016	28,530,000	23,420,000
Water Revenue Refunding Bonds - Series 2016A	2016	61,910,000	43,680,000
Water Revenue Refunding Bonds - Series 2017	2017	52,765,000	50,000,000
Water Revenue Refunding Bonds - Series 2020	2020	129,570,000	73,535,000
Water Revenue Refunding Bonds - Series 2020B	2020	386,680,000	175,155,000
Water Revenue Refunding Bonds - Series 2020C	2020	38,105,000	26,750,000
Water Revenue Bonds - Series 2022	2022	46,510,000	45,180,000
Water Revenue Refunding Bonds - Series 2024	2024	288,885,000	288,885,000
		<u>1,489,425,000</u>	<u>1,035,945,000</u>
<u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u>			
Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2015	2016	140,000,000	110,590,000
Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2021A	2021	240,025,000	224,405,000
Contract Revenue Refunding Bonds (City of Dallas Water Utilities Project) - Series 2021B	2021	298,395,000	277,795,000
Contract Revenue Bonds (City of Dallas Water Utilities Project) - Series 2022	2023	255,000,000	249,180,000
		<u>933,420,000</u>	<u>861,970,000</u>
Add premium (net of accumulated amortization)			53,931,244
Total - Construction and improvement bonds (Business-type activities)		<u><u>\$ 2,422,845,000</u></u>	<u><u>\$ 1,951,846,244</u></u>

Note: Above amounts exclude unamortized original issue premiums.

TARRANT REGIONAL WATER DISTRICT

**SCHEDULE OF CHANGES IN BONDED DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2024 (UNAUDITED)**

	Balance October 1, 2023	Total Issued	Total Retired	Balance September 30, 2024
<u>Tarrant Regional Water District Bonds</u>				
Unlimited Tax Bonds Series 2024	\$ —	\$ 48,940,000	\$ —	\$ 48,940,000
	—	48,940,000	—	48,940,000
Add premium (net of accumulated amortization)				1,668,429
Total Governmental activities				<u>\$ 50,608,429</u>
<u>Tarrant Regional Water District Bonds</u>				
Water Revenue Refunding Bonds Series 2015	\$ 86,110,000		\$ 14,400,000	\$ 71,710,000
Water Revenue Bonds Series 2015A	245,860,000		8,230,000	237,630,000
Water Revenue Bonds Series 2016	24,130,000		710,000	23,420,000
Water Revenue Refunding Bonds Series 2016A	47,690,000		4,010,000	43,680,000
Water Revenue Refunding Bonds Series 2017	51,900,000		1,900,000	50,000,000
Water Revenue Refunding Bonds Series 2020	126,495,000		52,960,000	73,535,000
Water Revenue Refunding Bonds Series 2020B	358,770,000		183,615,000	175,155,000
Water Revenue Refunding Bonds Series 2020C	30,450,000		3,700,000	26,750,000
Water Revenue Bonds Series 2022	45,905,000		725,000	45,180,000
Water Revenue Refunding Bonds Series 2024		288,885,000		288,885,000
	<u>1,017,310,000</u>	<u>288,885,000</u>	<u>270,250,000</u>	<u>1,035,945,000</u>
<u>TRWD Contract Revenue Bonds (City of Dallas Water Utilities Project)</u>				
Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2014	4,720,000		4,720,000	—
Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2015	114,460,000		3,870,000	110,590,000
Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2021A	229,815,000		5,410,000	224,405,000
Contract Revenue Refunding Bonds (City of Dallas Water Utilities Project) Series 2021B	285,145,000		7,350,000	277,795,000
Contract Revenue Bonds (City of Dallas Water Utilities Project) Series 2022	255,000,000		5,820,000	249,180,000
	<u>889,140,000</u>	<u>—</u>	<u>27,170,000</u>	<u>861,970,000</u>
	<u>\$1,906,450,000</u>	<u>\$ 288,885,000</u>	<u>\$ 297,420,000</u>	<u>\$1,897,915,000</u>
Add premium (net of accumulated amortization)				53,931,244
Total Business-type activities				<u>\$1,951,846,244</u>

TARRANT REGIONAL WATER DISTRICT

**GOVERNMENTAL FUNDS DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2024
(UNAUDITED)**

TARRANT REGIONAL WATER DISTRICT BONDS

AS OF SEPTEMBER 30, 2024

YR	2024 - Unlimited Tax			Total Governmental Bonds			
	Princ.	Int.	Total	Princ.	Int.	Total	
2025	\$	\$ 2,034	\$ 2,034	\$	\$ 2,034	\$ 2,034	
2026		130	2,086	130	2,086	2,216	
2027		135	2,080	135	2,080	2,215	
2028		145	2,073	145	2,073	2,218	
2029		150	2,066	150	2,066	2,216	
2030		160	2,058	160	2,058	2,218	
2031		165	2,050	165	2,050	2,215	
2032		175	2,042	175	2,042	2,217	
2033		185	2,033	185	2,033	2,218	
2034		190	2,024	190	2,024	2,214	
2035		1,400	2,014	1,400	2,014	3,414	
2036		1,470	1,944	1,470	1,944	3,414	
2037		1,545	1,871	1,545	1,871	3,416	
2038		1,625	1,794	1,625	1,794	3,419	
2039		1,705	1,712	1,705	1,712	3,417	
2040		1,790	1,627	1,790	1,627	3,417	
2041		1,880	1,538	1,880	1,538	3,418	
2042		1,975	1,444	1,975	1,444	3,419	
2043		2,050	1,365	2,050	1,365	3,415	
2044		2,135	1,283	2,135	1,283	3,418	
2045		2,220	1,197	2,220	1,197	3,417	
2046		2,310	1,108	2,310	1,108	3,418	
2047		2,400	1,016	2,400	1,016	3,416	
2048		2,495	920	2,495	920	3,415	
2049		2,595	820	2,595	820	3,415	
2050		2,700	716	2,700	716	3,416	
2051		2,810	608	2,810	608	3,418	
2052		2,920	496	2,920	496	3,416	
2053		3,035	379	3,035	379	3,414	
2054		3,160	258	3,160	258	3,418	
2055		3,285	131	3,285	131	3,416	
	\$	48,940	\$ 44,787	\$ 93,727	\$ 48,940	\$ 44,787	\$ 93,727

TARRANT REGIONAL WATER DISTRICT

ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2024 (UNAUDITED)

TARRANT REGIONAL WATER DISTRICT BONDS

AS OF SEPTEMBER 30, 2024

YR	2015 - Refunding Bonds			2015A - Revenue Bonds			2016 - Revenue Bonds			2016A - Refunding		
	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total
2025	\$ 12,945	\$ 3,262	\$ 16,207	\$ 8,390	\$ 6,793	\$ 15,183	\$ 730	\$ 809	\$ 1,539	\$ 4,215	\$ 2,079	\$ 6,294
2026	13,610	2,598	16,208	8,575	6,635	15,210	755	772	1,527	7,590	1,784	9,374
2027	14,305	1,900	16,205	8,780	6,454	15,234	775	734	1,509	7,980	1,394	9,374
2028	15,040	1,167	16,207	9,000	6,252	15,252	800	699	1,499	8,390	985	9,375
2029	15,810	395	16,205	9,245	6,028	15,273	825	666	1,491	8,820	555	9,375
2030				9,500	5,785	15,285	850	632	1,482	3,160	255	3,415
2031				9,775	5,525	15,300	875	598	1,473		176	176
2032				10,065	5,249	15,314	905	562	1,467	3,525	88	3,613
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												
2054												
	\$ 71,710	\$ 9,322	\$ 81,032	\$ 237,630	\$ 84,893	\$ 322,523	\$ 23,420	\$ 9,723	\$ 33,143	\$ 43,680	\$ 7,316	\$ 50,996

(Continued)

TARRANT REGIONAL WATER DISTRICT

ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2024 (UNAUDITED)

TARRANT REGIONAL WATER DISTRICT BONDS

AS OF SEPTEMBER 30, 2024

YR	2017 - Refunding			2020 - Refunding			2020B - Refunding			2020C - Refunding		
	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total
2025	\$ 3,085	\$ 2,137	\$ 5,222	\$ 1,075	\$ 2,140	\$ 3,215	\$	\$ 5,108	\$ 5,108	\$ 3,890	\$ 1,129	\$ 5,019
2026		2,060	2,060	1,095	2,121	3,216		5,108	5,108	4,085	970	5,055
2027		2,060	2,060	415	2,107	2,522		5,108	5,108	4,310	780	5,090
2028	100	2,057	2,157		2,102	2,102		5,108	5,108	4,565	558	5,123
2029		2,055	2,055		2,102	2,102		5,108	5,108	4,825	324	5,149
2030	840	2,034	2,874		2,102	2,102		5,108	5,108	5,075	102	5,177
2031	3,910	1,934	5,844		2,102	2,102		5,108	5,108			
2032	825	1,840	2,665		2,102	2,102		5,108	5,108			
2033	4,350	1,736	6,086		2,102	2,102		5,108	5,108			
2034	4,555	1,558	6,113		2,102	2,102		5,108	5,108			
2035	4,765	1,372	6,137		2,102	2,102		5,108	5,108			
2036	4,985	1,177	6,162		2,102	2,102		5,108	5,108			
2037	5,215	973	6,188	8,520	1,992	10,512	11,480	4,960	16,440			
2038	5,480	731	6,211		1,881	1,881	11,785	4,658	16,443			
2039	5,785	450	6,235		1,881	1,881	9,000	4,378	13,378			
2040	6,105	152	6,257		1,881	1,881	12,450	4,078	16,528			
2041				4,390	1,816	6,206	12,810	3,715	16,525			
2042				4,520	1,685	6,205	13,195	3,331	16,526			
2043				4,655	1,549	6,204	13,595	2,929	16,524			
2044				4,800	1,410	6,210	14,010	2,515	16,525			
2045				4,940	1,266	6,206	14,435	2,088	16,523			
2046				5,090	1,116	6,206	14,880	1,649	16,529			
2047				5,250	958	6,208	15,360	1,195	16,555			
2048				5,410	795	6,205	15,830	727	16,557			
2049				5,580	628	6,208	16,325	245	16,570			
2050				5,750	455	6,205						
2051				5,930	277	6,207						
2052				6,115	94	6,209						
2053												
2054												
	\$ 50,000	\$ 24,326	\$ 74,326	\$ 73,535	\$ 44,970	\$ 118,505	\$ 175,155	\$ 97,764	\$ 272,919	\$ 26,750	\$ 3,863	\$ 30,613

(Continued)

TARRANT REGIONAL WATER DISTRICT

ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2024 (UNAUDITED)

TARRANT REGIONAL WATER DISTRICT BONDS

AS OF SEPTEMBER 30, 2024

YR	2022 - Revenue Bonds			2024 - Refunding Bonds			Total Revenue Bonds		
	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total
2025	\$ 760	\$ 2,133	\$ 2,893	\$ 5,510	\$ 13,796	\$ 19,306	\$ 40,600	\$ 39,386	\$ 79,986
2026	800	2,094	2,894	5,805	13,513	19,318	42,315	37,655	79,970
2027	840	2,053	2,893	6,825	13,197	20,022	44,230	35,787	80,017
2028	885	2,010	2,895	7,355	12,843	20,198	46,135	33,781	79,916
2029	930	1,964	2,894	7,745	12,465	20,210	48,200	31,662	79,862
2030	980	1,917	2,897	25,670	11,630	37,300	46,075	29,565	75,640
2031	1,030	1,866	2,896	26,945	10,314	37,259	42,535	27,623	70,158
2032	1,080	1,814	2,894	27,620	8,950	36,570	44,020	25,713	69,733
2033	1,135	1,758	2,893	28,765	7,541	36,306	45,555	23,735	69,290
2034	1,195	1,700	2,895	29,960	6,072	36,032	47,360	21,700	69,060
2035	1,255	1,639	2,894	17,340	4,890	22,230	35,375	19,928	55,303
2036	1,320	1,574	2,894	18,170	4,002	22,172	36,885	18,412	55,297
2037	1,390	1,507	2,897	2,855	3,477	6,332	42,275	16,966	59,241
2038	1,460	1,435	2,895	3,000	3,330	6,330	34,965	15,686	50,651
2039	1,535	1,361	2,896	5,865	3,108	8,973	35,870	14,409	50,279
2040	1,615	1,282	2,897	3,320	2,879	6,199	37,640	13,068	50,708
2041	1,695	1,199	2,894	3,485	2,709	6,194	37,015	11,779	48,794
2042	1,785	1,112	2,897	3,665	2,530	6,195	38,300	10,521	48,821
2043	1,875	1,021	2,896	3,855	2,342	6,197	39,640	9,208	48,848
2044	1,970	925	2,895	4,050	2,144	6,194	41,030	7,848	48,878
2045	2,070	824	2,894	4,240	1,958	6,198	42,445	6,458	48,903
2046	2,180	717	2,897	4,410	1,785	6,195	28,105	5,293	33,398
2047	2,290	605	2,895	4,590	1,605	6,195	27,490	4,363	31,853
2048	2,405	488	2,893	4,780	1,418	6,198	28,425	3,428	31,853
2049	2,515	378	2,893	4,975	1,223	6,198	29,395	2,474	31,869
2050	2,620	275	2,895	5,175	1,020	6,195	13,545	1,750	15,295
2051	2,725	168	2,893	5,390	809	6,199	14,045	1,254	15,299
2052	2,840	57	2,897	5,610	589	6,199	14,565	740	15,305
2053				5,835	360	6,195	5,835	360	6,195
2054				6,075	122	6,197	6,075	122	6,197
	\$ 45,180	\$ 35,876	\$ 81,056	\$ 288,885	\$ 152,621	\$ 441,506	\$ 1,035,945	\$ 470,674	\$ 1,506,619

(Concluded)

TARRANT REGIONAL WATER DISTRICT

ENTERPRISE FUND DEBT SERVICE REQUIREMENTS TO MATURITY (IN THOUSANDS) 2024 (UNAUDITED)

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

AS OF SEPTEMBER 30, 2024

YR	Dallas 2015 - Series 2015			Dallas 2021A - Series			Dallas 2021B - Series			Dallas 2022 - Series			Total Contract Revenue Bonds		
	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total	Princ.	Int.	Total
2025	\$ 3,945	\$ 3,194	\$ 7,139	\$ 5,630	\$ 5,377	\$ 11,007	\$ 12,330	\$ 5,084	\$ 17,414	\$ 5,935	\$ 9,458	\$ 15,393	\$ 27,840	\$ 23,113	\$ 50,953
2026	4,020	3,125	7,145	5,855	5,152	11,007	12,365	5,004	17,369	6,065	9,291	15,356	28,305	22,572	50,877
2027	4,115	3,045	7,160	6,085	4,918	11,003	12,515	4,911	17,426	6,190	9,118	15,308	28,905	21,992	50,897
2028	4,215	2,955	7,170	6,330	4,674	11,004	12,735	4,779	17,514	6,325	8,939	15,264	29,605	21,347	50,952
2029	4,325	2,856	7,181	6,585	4,421	11,006	12,985	4,633	17,618	6,465	8,755	15,220	30,360	20,665	51,025
2030	4,440	2,746	7,186	6,850	4,158	11,008	13,220	4,445	17,665	6,610	8,564	15,174	31,120	19,913	51,033
2031	4,565	2,628	7,193	7,120	3,884	11,004	13,470	4,240	17,710	6,765	8,365	15,130	31,920	19,117	51,037
2032	4,695	2,503	7,198	7,405	3,599	11,004	13,725	4,031	17,756	6,925	8,157	15,082	32,750	18,290	51,040
2033	4,835	2,371	7,206	7,555	3,451	11,006	13,940	3,811	17,751	7,090	7,942	15,032	33,420	17,575	50,995
2034	4,980	2,233	7,213	7,705	3,300	11,005	14,235	3,574	17,809	7,290	7,710	15,000	34,210	16,817	51,027
2035	5,130	2,090	7,220	7,860	3,146	11,006	14,545	3,318	17,863	7,505	7,459	14,964	35,040	16,013	51,053
2036	5,290	1,940	7,230	8,015	2,988	11,003	14,885	3,035	17,920	7,740	7,192	14,932	35,930	15,155	51,085
2037	5,460	1,776	7,236	8,175	2,828	11,003	15,240	2,737	17,977	7,985	6,893	14,878	36,860	14,234	51,094
2038	5,630	1,606	7,236	8,340	2,665	11,005	15,630	2,409	18,039	8,255	6,580	14,835	37,855	13,260	51,115
2039	5,815	1,431	7,246	8,505	2,498	11,003	15,975	2,058	18,033	8,540	6,254	14,794	38,835	12,241	51,076
2040	6,000	1,249	7,249	8,680	2,328	11,008	16,325	1,690	18,015	8,840	5,913	14,753	39,845	11,180	51,025
2041	6,200	1,062	7,262	8,850	2,154	11,004	16,705	1,298	18,003	9,145	5,556	14,701	40,900	10,070	50,970
2042	6,405	864	7,269	9,030	1,977	11,007	17,085	906	17,991	9,465	5,183	14,648	41,985	8,930	50,915
2043	6,615	659	7,274	9,210	1,797	11,007	9,820	487	10,307	9,795	4,792	14,587	35,440	7,735	43,175
2044	6,840	447	7,287	9,395	1,612	11,007	10,065	247	10,312	10,160	4,392	14,552	36,460	6,698	43,158
2045	7,070	226	7,296	9,580	1,424	11,004				10,535	3,977	14,512	27,185	5,627	32,812
2046				9,770	1,233	11,003				10,930	3,548	14,478	20,700	4,781	25,481
2047				9,970	1,037	11,007				11,335	3,102	14,437	21,305	4,139	25,444
2048				10,165	838	11,003				11,755	2,639	14,394	21,920	3,477	25,397
2049				10,370	635	11,005				12,190	2,149	14,339	22,560	2,784	25,344
2050				10,580	427	11,007				12,640	1,641	14,281	23,220	2,068	25,288
2051				10,790	217	11,007				13,110	1,114	14,224	23,900	1,331	25,231
2052										13,595	566	14,161	13,595	566	14,161
	\$ 110,590	\$ 41,006	\$ 151,596	\$ 224,405	\$ 72,738	\$ 297,143	\$ 277,795	\$ 62,697	\$ 340,492	\$ 249,180	\$ 165,249	\$ 414,429	\$ 861,970	\$ 341,690	\$ 1,203,660

TARRANT REGIONAL WATER DISTRICT

**SCHEDULE OF INSURANCE
AS OF SEPTEMBER 30, 2024 (UNAUDITED)**

Insurer (4)	Policy Period	Type of Coverage
Hartford Insurance Co. (1)	01/15/23-until cancelled	Director Bond
TWCA Risk Management Fund (2)	07/01/24–07/01/25	Crime
	07/01/24–07/01/25	Fleet Policy
	07/01/24–07/01/25	Property Insurance
	07/01/24–07/01/25	Workers’ Compensation
	07/01/24–07/01/25	General Liability
	07/01/24–07/01/25	Errors and Omissions Liability
Blue Cross Blue Shield of Texas (3)	01/01/24–12/31/24	Insured with Stop Loss Coverage
QBE	01/01/24–12/31/24	Provides plan sponsor (the District) stop loss coverage for participant medical claims over \$100,000
King Insurance Partners, LLC	12/16/23 - 12/16/24	Aviation/Helicopter
Global Aerospace, Inc.	4/5/24 - 4/5/25	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 This is a pool through the Texas Water Conservation Association Risk Management Fund administered by Sedgwick.
- 3 The District is self-insured in relation to Health Insurance.
- 4 All premiums have been paid in full.

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