



Groundbreaking Ceremony for Bois d'Arc Lake



Wylie Water Treatment Plant Expansion



NORTH
TEXAS
MUNICIPAL
WATER
DISTRICT

2018 - 2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended: September 30, 2019



Wilson Creek Regional Wastewater Treatment Plant Expansion



Morrow Renewable High BTU Gas Plant at 121 RDF

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**NORTH TEXAS MUNICIPAL WATER DISTRICT
WYLIE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED
SEPTEMBER 30, 2019**

**AS PREPARED BY THE
NTMWD ACCOUNTING DEPARTMENT**

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TABLE OF CONTENTS

NORTH TEXAS MUNICIPAL WATER DISTRICT

INTRODUCTORY SECTION (UNAUDITED)

North Texas Municipal Water District Board of Directors	i
Organizational Structure	ii
Letter of Transmittal	iii
The North Texas Municipal Water District Operating System	viii

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Statement of Net Position	11
Statement of Revenues, Expenses and Changes in Net Position	15
Statement of Cash Flows	17
Notes to the Basic Financial Statements	19
Required Supplementary Information- Pension & OPEB Trend Information (Unaudited)	57
Sewer System Supplemental Schedules	62
Schedules of Net Position	64
Schedules of Revenues, Expenses and Changes in Net Position	80
Schedules of Cash Flows	88

STATISTICAL SECTION (UNAUDITED)

Schedule 1 — Net Position by Component	99
Schedule 2 — Changes in Net Position	100
Schedule 3 — Total Revenues by Source	101
Schedule 4 — Total Expenses by Function	102
Schedule 5 — Total Revenues by System	103
Schedule 6 — Total Expenses by System	104
Schedule 7 — Operating Revenues	105
Schedule 8 — Operating Expenses	106
Schedule 9 — Nonoperating Revenues and Expenses	107
Schedule 10 — Net Additions to Capital Assets Excluding Construction in Progress	108
Schedule 11 — Water Produced and Consumed, Wastewater Treated and Solid Waste Disposed	109
Schedule 12 — Historic Service Use	110
Schedule 13 — Number of Water, Wastewater and Solid Waste Customers	112
Schedule 14 — Water Rates	113
Schedule 15 — Largest Customers	114
Schedule 16 — Outstanding Debt by Type	115
Schedule 17 — Revenue Coverage	116
Schedule 18 — Demographic Statistics	117
Schedule 19 — Principal Employers	118
Schedule 20 — Number of Employees by Function	119
Schedule 21 — Miscellaneous Statistical Data	120
Schedule 22 — Operating and Capital Indicators	123
Schedule 23 — Insurance in Force	124

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INTRODUCTORY

SECTION (UNAUDITED)

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BOARD OF DIRECTORS

Don Gordon	President	Garland
Larry Parks	Vice President	Rockwall
Darrell Grooms	Secretary	Forney
Terry Sam Anderson		Mesquite
John Carr		Forney
George Crump		Farmersville
Phil Dyer		Plano
Joe Farmer		Allen
Marvin Fuller		Wylie
Bill Glass		Princeton
Rod Hogan		Plano
David Hollifield		Royse City
Chip Imrie		Rockwall
David Island		Princeton
Blair Johnson		Royse City
Joe Joplin		McKinney
James Kerr		Allen
Jack May		Garland
Charles McKissick		McKinney
John Murphy		Richardson
Brenda Jean Patrick		Mesquite
Richard Peasley		Frisco
Lynn Shuyler		Frisco
Keith Stephens		Wylie
John Sweeden		Richardson

Thomas W. Kula
Executive Director/General Manager

ORGANIZATIONAL STRUCTURE

Executive Director/General Manager	Thomas W. Kula
Deputy Director (Engineering & CIP)	Joe Stankiewicz
Assistant Deputy – CIP & Planning	R. J. Muraski
Assistant Deputy – Engineering	Cesar Baptista
Deputy Director (Operations & Maintenance)	Mike Rickman
Assistant Deputy – Maintenance	Dave Patton
Assistant Deputy – Solid Waste	Jeff Mayfield
Assistant Deputy – Wastewater	Jenna Covington
Assistant Deputy – Water	Billy George
Deputy Director (Administrative Services)	Rodney Rhoades
Assistant Deputy – Finance	Erik Felthous
Assistant Deputy – Human Resources & Administration	John Montgomery
Assistant Deputy – Technology & Support	Jim Shirley



Regional. Reliable. Everyday.

January 15, 2020

TO THE BOARD OF DIRECTORS OF THE NORTH TEXAS MUNICIPAL WATER DISTRICT

State law requires that the North Texas Municipal Water District (the "District") publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the North Texas Municipal Water District for the fiscal year ended September 30, 2019.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Weaver & Tidwell LLP, independent auditors. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District as of and for the fiscal year ended September 30, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded that the financial statements present fairly, in all material respects, the respective financial position of each major fund as of September 30, 2019, and the respective changes in financial position and respective cash flows, thereof for the year then ended in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Regional Service Through Unity...Meeting Our Region's Needs Today and Tomorrow

Profile of the District

The District, a conservation and reclamation district and political subdivision of the state of Texas created in 1951, provides treated water, wastewater, and solid waste service to over 1.7 million citizens living in north Texas. The District currently serves a 2,200 square-mile service area located in ten counties adjacent to the north and east boundaries of Dallas, Texas, and comprises all of the territory of its 13 member cities (Allen, Farmersville, Forney, Frisco, Garland, McKinney, Mesquite, Plano, Princeton, Richardson, Rockwall, Royse City and Wylie).

The District is governed by a 25-member Board of Directors. Each member city having a population of 5,000 or more is represented by two Directors and each member city having a population of less than 5,000 (Farmersville) is represented by one Director. Directors are appointed by the governing bodies of the respective member cities for two-year terms.

The annual budget serves as the basis for the District's financial planning and control. Budgetary controls are maintained to ensure the proper management of resources and are required pursuant to contracts for service. Although there are no legal requirements to include comparative budget-to-actual expense statements in this report, such information is provided to the Board of Directors on a monthly basis throughout the year.

Charges for services are based on budgeted operating expenses, including debt service requirements and capital expenditures but excluding depreciation and amortization. In the Wastewater, Sewer, Solid Waste and Interceptor Systems, charges for services are adjusted accordingly at the end of each year to a break-even basis. These year-end adjustments are recorded as amounts due to or due from the cities.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy. The District's cities continue to experience economic activity and residential growth. In the absence of outward migration of population and/or industry, the demands for basic services of water, wastewater and solid waste are not significantly affected by changes in the economy. The diversity and size of the District's service area tends to moderate changes in any particular area and future growth is anticipated that will require the development of additional raw water supplies and capital expenditures for system improvements in all areas of service.

Long-term financial planning. The District maintains 10-Year Water Rate Projections for the Water System and 10-Year Cost Projections for the Solid Waste, Wastewater and Interceptor Systems that are updated annually. The objective of these projections is to provide sufficient resources to fund needed capital projects, cover operations and maintenance expenses, manage debt incurred from bond sales, and to notify the member cities of projected future cost changes.

The August 2019 Water System rate projection includes funding for capital projects to operate, maintain and expand the Regional Water System over the next twenty year period. In May 2018, construction began on Bois d'Arc Lake to provide water needed to serve a growing population of 1.7 million north Texans. The Texas Water Development Board has approved \$1.6 billion for the project through the State Water Implementation Fund for Texas (SWIFT) program, which is anticipated to save NTMWD and its cities over \$230 million. The projection assumes that the District will finance \$1.6 billion of capital projects between FY2020 and 2029 for several projects including the Bois d' Arc Creek Lake and Leonard Water Treatment Plant phases I, II and III. Also, between FY 2030 and 2040, it is assumed the District will finance approximately \$777 million of capital projects for additional system improvements including funds for the development of a Sulphur River Basin Water Supply Project.

The August 2019 water rate projections indicate that at least a \$1.51 per 1,000 gallons rate adjustment may be required to fund future expenditures over the next ten-year period. Should projected expenditures increase or decrease significantly or should the development of expected projects be accelerated or rescheduled, the water rate will be adjusted accordingly.

The August 2019 Regional Wastewater System (RWWS), Upper East Fork Interceptor System (UEFIS) and 21 Sewer Systems' cost projections includes funding for the District's rapidly growing region. The District's Wastewater systems consists of more than 250 miles of large diameter pipelines, 25 lift stations and 13 wastewater treatment plants. These facilities convey and treat approximately 150+ million gallons of wastewater daily. The Regional Wastewater Systems (RWWS) consists of four regional plants, which provide wholesale wastewater services for twelve member cities. The RWWS cost projection includes funding for approximately \$800 million of capital projects over the next ten years, which includes the addition of another regional plant, Sister Grove Regional Water Resource Recovery Facility (RWRRF). Construction of the new regional plant is scheduled in 2020 and expansion of the plant is scheduled in 2023. The District anticipates to finance the Sister Grove RWRRF project utilizing the Texas Water Development Board's Clean Water State Revolving Fund, which is anticipated to save the District and its cities approximately \$100 million. Over the next five years, other major projects in the RWWS include the Rowlett Creek Regional Wastewater Treatment Plant (RWWT) Peak Flow Management Project scheduled for 2020 and 2023, South Mesquite RWWT Expansion to 41 mgd in 2023 and improvements to the Wilson Creek RWWT and South Mesquite RWWT in 2024. The Upper East Fork Interceptor System (UEFIS) is responsible for the conveyance of wastewater for 18 member cities and 4 customer cities. The UEFIS cost projection includes funding for approximately \$400 million of capital projects over the next ten years, which includes the McKinney-Prosper Transfer Sewer phases I, II and III, North McKinney Parallel Interceptor in 2020, Sloan Creek Lift Station and Force Main in 2020, North McKinney Lift Station improvements in 2021, Preston Road Lift Station Expansion to 40 mgd in 2022 and Princeton Lift Station Expansion to 25 mgd in 2023.

Short and long-term needs. As a result of the increased water needs of all Metroplex water providers, partnerships have been developed to meet the many challenges that lie ahead. Through these partnerships, the District is actively pursuing many options for the development of additional supplies to meet short-term and long-term needs.

To meet short-term needs, the District:

- Was successful in receiving a 3-year temporary over drafting permit of Lavon Lake from the Texas Commission on Environmental Quality in 2018. The 3-year temporary water right was granted in July 2018.
- The District contracted with the Trinity River Authority to purchase up to 50,060 acre-feet per year of reuse water to be withdrawn out of the Trinity River by the Main Stem Pump Station.

To meet longer-term needs, the District is:

- Constructing the Bois d' Arc Lake, which is projected to supply 108 mgd and is on track to be online in 2022. The District was issued a Water Right from the Texas Commission on Environmental Quality in June 2015. A U.S. Army Corps of Engineer's Clean Water Act Section 404 permit application was received in February 2018.
- Pursuing the development of water supplies in the Sulphur River Basin in partnership with the Sulphur River Basin Authority, Tarrant Regional Water District, City of Irving, City of Dallas, and the Upper Trinity Regional Water District. The first phase of this project is expected to be online in 2050.
- Seeking approval of water rights applications from the Oklahoma Water Resources Board for the right to use water from the State of Oklahoma from the Kiamichi and Muddy Boggy River Basins. The applications are on hold and are currently pending.
- Additional reductions in demands through water conservation savings.
- Blending additional Lake Texoma water with new, non-brackish water supplies, such as Bois d'Arc Lake.
- Additional water reuse of water discharged into the Lavon Lake watershed as well as expanded wetlands reuse.

- Evaluating the following projects that were included as Alternative Water Management Strategies:
 - Toledo Bend Alternative
 - Lake O' the Pines
 - Lake Texoma with desalination rather than blending
 - Groundwater
 - George Parkhouse Reservoir (North)
 - George Parkhouse Reservoir (South)
 - Marvin Nichols Reservoir Alternative
 - Aquifer Storage and Recovery

The District Staff remains confident that sufficient raw water supplies can be developed through the innovative and diligent efforts of the District's Board of Directors and Staff. Through the partnerships now being developed, new supplies can be delivered at the lowest possible cost to the District's Members and Customers.

Awards and Acknowledgements

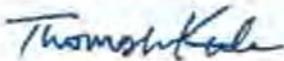
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Texas Municipal Water District for its Consolidated Annual Financial Report (CAFR) for the fiscal year ended September 30, 2018. This was the twenty-ninth consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the current CAFR 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.

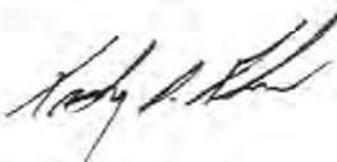
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the accounting and finance departments. We would like to express our appreciation to all members of the organization who assisted and contributed to the preparation of this report. In particular, our appreciation is extended to Teresa Wigington, Accounting Manager, Holly Matthews, Assistant Accounting Manager, and Tammy Turner, Financial Reporting Accountant, who worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report.

Our appreciation is also extended to the President and members of the Board of Directors for providing their continued support to maintain the highest standards of professionalism in the management of the District's finances.

Respectfully Submitted,



Thomas W. Kula
Executive Director/General Manager



Rodney D. Rhoades
Deputy Director of Administrative Services

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**North Texas Municipal
Water District**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO

WATER

OUR TEAM PRODUCES SAFE DRINKING WATER FOR MORE THAN 1.7 MILLION NORTH TEXANS.

Supplying water to our region is how NTMWD got its start. Leaders from 10 North Texas cities realized the need and benefit of pooling their resources to provide essential water to a fast growing and semi-arid region.

It takes a team of professionals with a vast range of expertise to run a large wholesale water system. Thanks to the hard work of those on our water team, we deliver safe and reliable drinking water to nearly 80 communities across 2,200 square miles.

NTMWD employees work around the clock to manage plants, pump stations and pipelines. Hundreds of water samples are collected each day and tested in our state-certified laboratory to ensure water quality. We are proud that the water we produce not only meets all regulatory and health standards, but that our water system also consistently earns the "Superior" rating from Texas Commission on Environmental Quality (TCEQ).

NTMWD's service area is expected to double to 3.7 million people by 2050. To provide for this growth we are also:

- Expanding our Wylie Water Treatment Plant and completing the Trinity River Main Stem Pump Station and Pipeline.
- Constructing Bois d'Arc Lake in Fannin County.
- Constructing our 7th water treatment plant in Leonard, TX.
- Pursuing various other innovative sources, water savings and strategic partnerships.

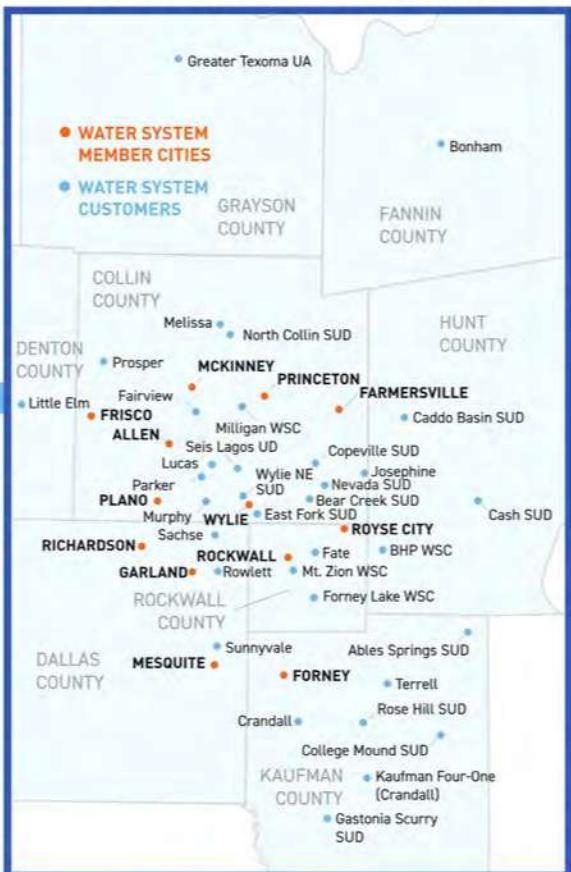


COMMUNITIES SERVED

495.5
EMPLOYEES
supporting water
operations

 **575+**
Miles of water
transmission lines

6 
Water treatment
PLANTS



Up to
21.4 BILLION
Gallons of water
re-used
this year



On average, around
92.7 BILLION
Gallons of **treated water**
delivered this year

\$774
MILLION
In water system
construction
contracts



Annual Water Use
82% Member
Cities
18% Customers

THE PEOPLE BEHIND WATER



KEVIN COOPER AND FRED MCCASLAND

As Safety Coordinator in our Technical Services Division, Kevin (left) makes regular visits to various operations staff to ensure safe protocols are in use. Fred, Water Plant Operator (right), works with numerous departments to implement processes and procedures to continue efficient operations around the clock.

ROBERT DEFOREST (opposite page)

Robert is a Lead Water Plant Operator who works at our Wylie Water Treatment Plant complex, checks all the systems every four hours during each shift including pulling water samples from the ozone contactor to check levels.



QUICK FACTS

5 Water Sources:
Lavon Lake, Chapman Lake,
Lake Texoma, Lake Fork, Lake
Tawakoni, Lake Bonham, East
Fork Wetland

Recipients:
80 member and customer
communities/cities



BOIS
D'ARC
LAKE

WATER FOR OUR FUTURE

Adding new water sources is a critical priority to the District to ensure reliable service in the future. In May 2018, we broke ground on Bois d'Arc Lake, the first major reservoir in Texas in nearly 30 years, and a key resource to meet the needs of our growing region.

The reservoir, water treatment plant and associated projects are budgeted at \$1.6 billion. To date, the Texas Water Development Board has approved \$1.477 billion in low interest financing through the State Water Implementation Fund for Texas (SWIFT) program, which is expected to save NTMWD and those we serve over \$230 million in financing costs.

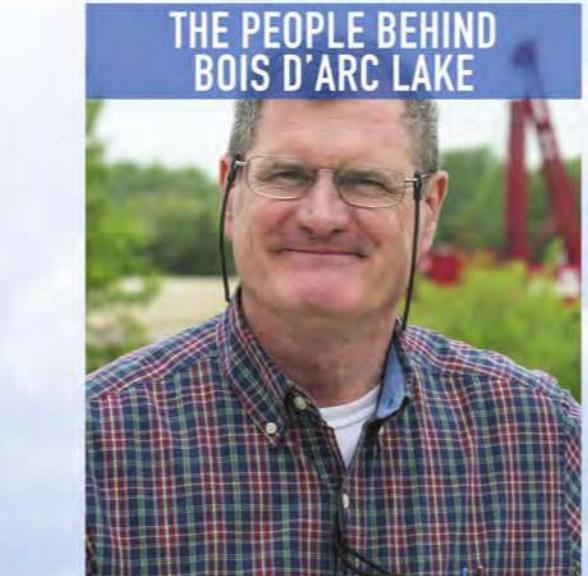
A team comprised of NTMWD employees and contractors have been advancing the project, which remains on schedule. Around 500 crew members are currently involved in the construction. By the end of Fiscal Year 2019, 42% of the entire project had been completed.



Key accomplishments included:

- Clearing 90% of the reservoir footprint.
- Completing just under 40% of the dam, reservoir project.
- Constructing nearly half of the FM 897 bridge and completing 40% of all work on county roads.
- Creating emergent wetlands, performing stream restoration and planting over 1.6 million trees.
- Finishing about 30% of major facilities at the Leonard Water Treatment Plant.
- Began installing raw water pipeline in July 2019, completing 3.14 miles of the 35-mile-long project in the first four months.

NTMWD launched BoisdArcLake.org and a monthly e-newsletter to provide regular and updated information on the project.



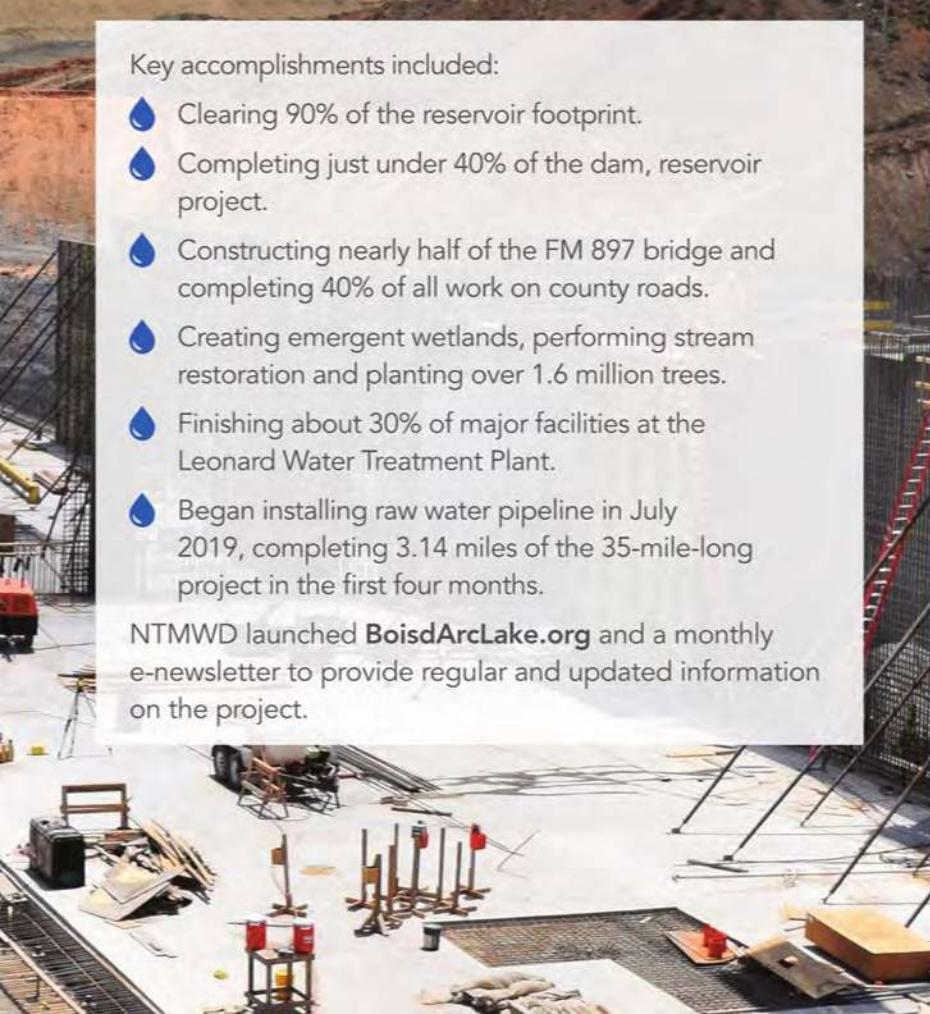
STEVE LONG

Steve Long, Reservoir Project Manager, has been with the District for 29 years and has worked on the Bois d'Arc Lake project since 2015. Steve is responsible for tracking the overall program cost and schedule which entails coordinating with numerous construction contractors to ensure we stay on schedule for completion.

QUICK FACTS

In addition to the reservoir, other project components include:

- A raw water pump station and 35-mile raw water pipeline.
- Leonard Water Treatment Plant (initially able to treat 70 MGD).
- Treated water pump station and 25-mile treated water pipeline.
- 1.3-mile bridge (6,900 feet) plus state and county road improvements.
- Environmental mitigation including 17,000+ acres of mitigation, planting 5 million trees and improving 70+ miles of stream.
- Lake Operations Center, maintenance facilities and recreational boat ramps.



CONSERVATION AND REUSE

Water conservation and reuse remain key components of the District's water resource planning despite the wetter than normal conditions over the past few years. Nearly one-quarter of the water needed to meet the region's future demands will come from conservation and reuse.

Fifteen years ago, the District championed the first

state-wide water awareness program in Texas, which helped reduce annual water use by an estimated 12–15%, saving about 200–400 million gallons of water per day during peak summer months. The District continues this commitment today with multiple education campaigns and by implementing innovative processes for conservation and reuse.



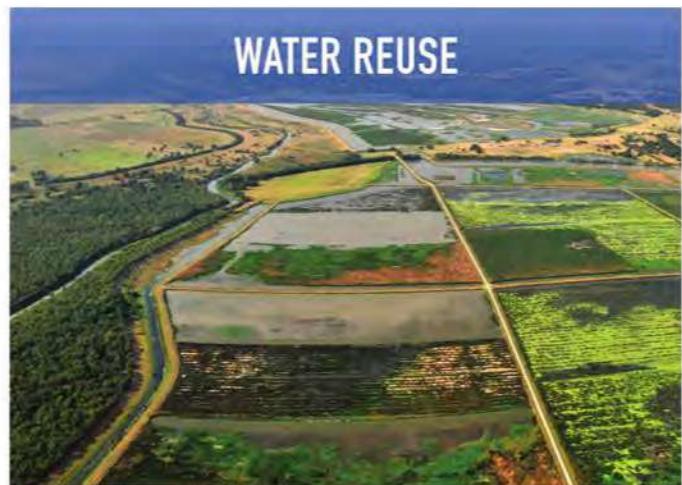
The District teamed up with two neighboring water agencies, Dallas Water Utilities and Tarrant Regional Water District, to launch a public education and conservation campaign for the region. The campaign focuses on Texas traditions to instill a sense of pride in our water to help "Keep Texas Water On Tap."



Through a collaboration with Texas A&M AgriLife Extension Service, the District delivers recommendations to subscribers to help reduce waste from overwatering lawns and landscapes. This irrigation tool regularly notifies homeowners "when to water and when to wait."



Water4Otter centers on the next generation of water users. Otis the Otter and his friends visit local classrooms and community events to encourage our youth to increase the conversation of water with family members, change wasteful water-use habits, and protect the water that we and area wildlife rely on every day.



The award-winning East Fork Water Reuse Project is the largest man-made wetland used for water supply in the U.S. Water from the Trinity River is diverted to the wetland, where it is filtered through aquatic plants and sunlight before being pumped to Lavon Lake for future treatment and use. In the middle of the wetland, the John Bunker Sands Wetland Center provides education and research opportunities.

SAFE WATER – IT'S PERSONAL

Many members of our team live in the communities we serve, which means the water we treat is the same water our families use on a daily basis. We take very seriously our mission of providing safe, high quality and dependable water, as well as wastewater and solid waste services. For six decades, our water has met or surpassed Safe Drinking Water Standards established by the U.S. Environmental Protection Agency (EPA) as well as regulations set by the TCEQ.

WATER TREATMENT

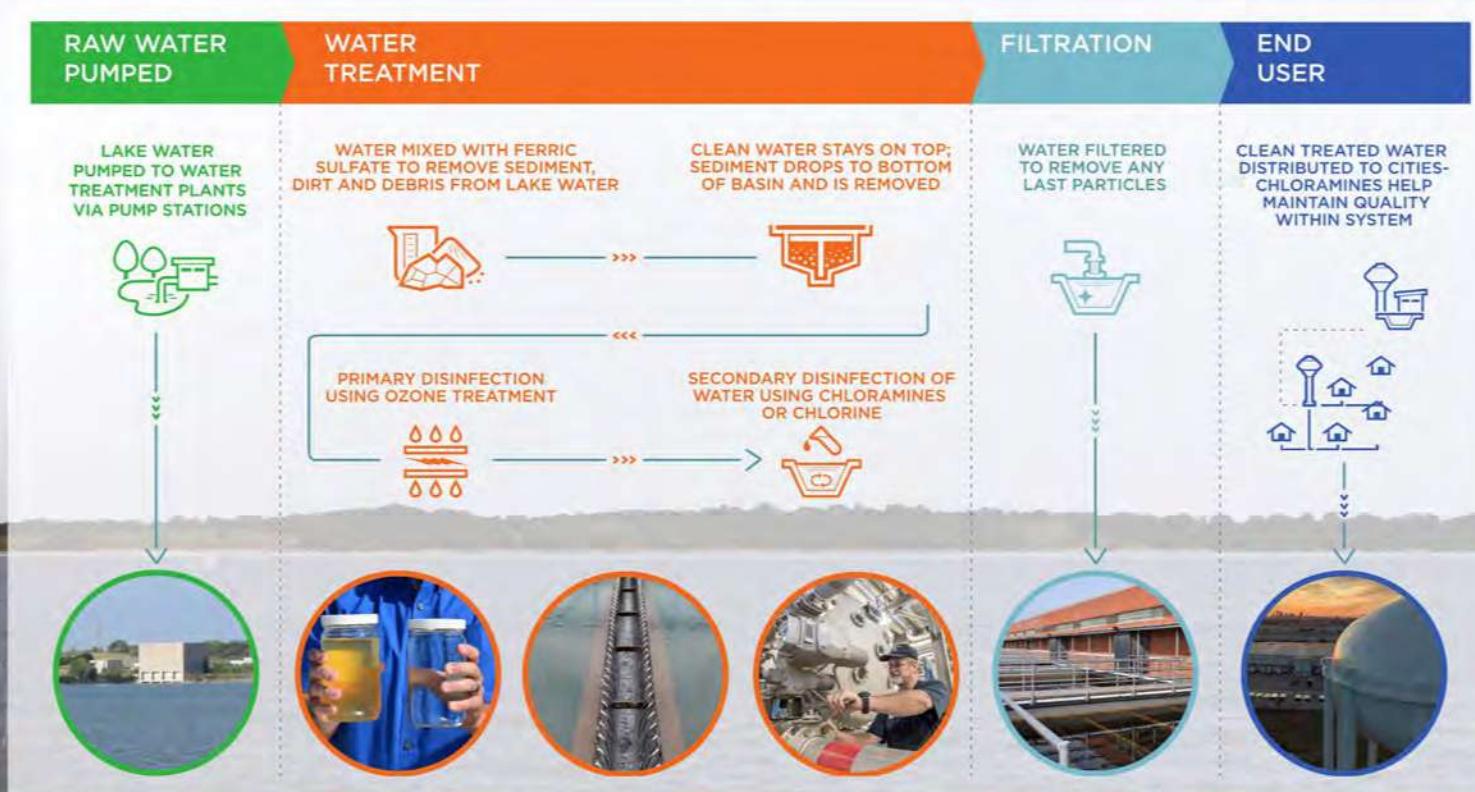
NTMWD uses some of the best water treatment processes available to make sure our water is safe from contaminants. We use a multi-step process that treats the water at a plant (using ozone), and then adds disinfectant to maintain water quality over the long distances through pipes to homes and businesses. Both steps are needed to keep tap water free of harmful microorganisms, such as parasites and viruses.

Together, our four water treatment plants in Wylie are among the largest, fully-ozonated water treatment facilities in the world.



DOMINIQUE EADES

As Senior Lab Technician for our Environmental Services Lab, Dominique analyzes hundreds of samples daily to ensure they meet federal and state drinking water standards.



PLANNING FOR THE FUTURE

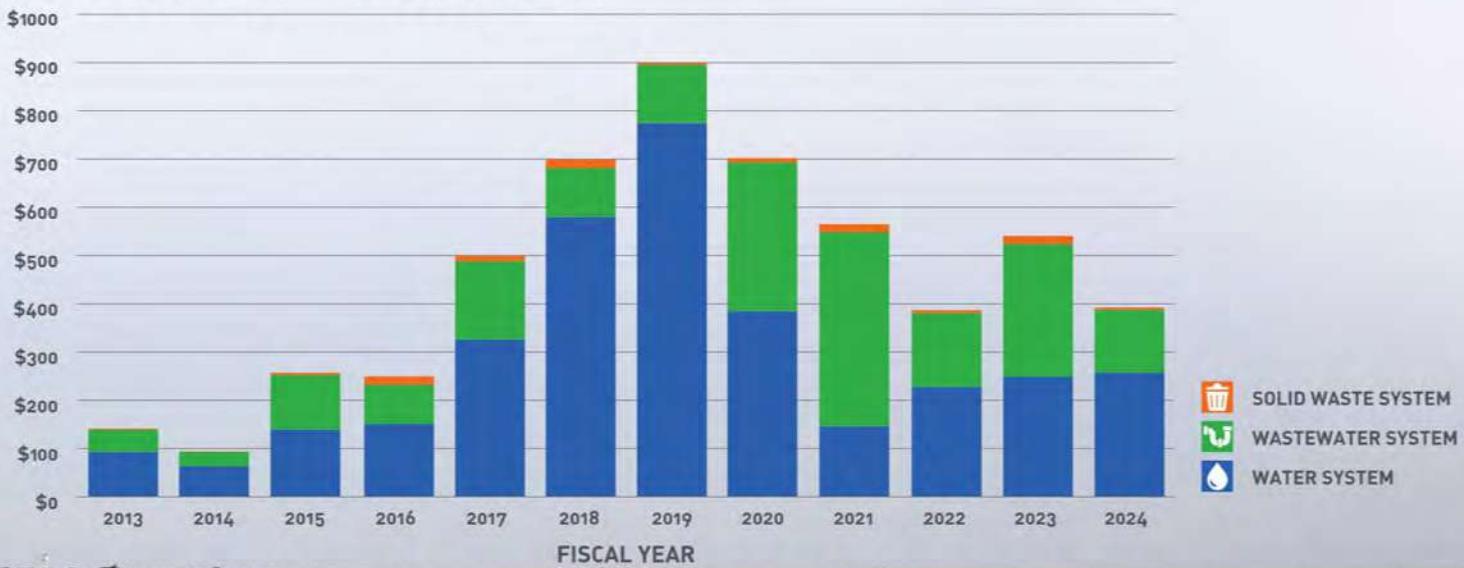
We must plan for and build the necessary water, wastewater and solid waste infrastructure for our growing communities to continue to thrive. In 1956, our first year of service, NTMWD provided water to 32,000 people. Today, we provide water services to 1.7 million people, and projections show that number increasing to 3.7 million by the year 2050. And it's not just water. NTMWD also provides vital wastewater and solid waste services to the growing population of North Texans.

At the close of 2019 fiscal year, NTMWD was actively working 78 projects (valued over \$1M) requiring an investment of more than \$2 billion, our highest level in the 60-year history of the District.

Replacing, maintaining, addressing regulatory changes, and expanding our water, wastewater and solid waste systems are the key drivers in determining our annual budget. As major projects are completed, we are forecasting a reduced capital improvement program in the coming years.

ALL SYSTEM CIP PROJECTS

Fiscal Year 2013 – Fiscal Year 2024



THE PEOPLE BEHIND PLANNING & ENGINEERING



SHELA CHOWDHURY

As a Professional Engineer, some of Shela's key responsibilities include managing project teams to develop the regional sewer system collection models and wastewater treatment plant master plans.



THE FABRIC OF NORTH TEXAS

The District's 10 original Member Cities – Farmersville, Forney, Garland, McKinney, Mesquite, Princeton, Plano, Rockwall, Royse City and Wylie – came together in 1951 with a common need for water. Richardson, Allen and Frisco joined later. The diversity of these cities makes

up the fabric of North Texas. From national centers of business and commerce, to areas with thriving art, food and music scenes, the personality of each city shines through and makes our region a great place for millions to live and work.



NTMWD SERVICE AREA AND MEMBER CITIES

Regional. Reliable. Everyday.



WASTEWATER

OUR WASTEWATER TEAM PROTECTS THE HEALTH AND ENVIRONMENT OF 24 NORTH TEXAS COMMUNITIES.

Our wastewater conveyance and treatment facilities provide the equally important other half of the District's water equation. Once the water we produce is used in homes and businesses, it must be transported back to a treatment plant where it is cleaned prior to release. This ensures that the water released into our waterways is safe for public health and the environment. Without proper wastewater treatment, our region could not safely sustain the growth and economic prosperity we enjoy today.

The steady increase of businesses and residents moving into the area requires a robust, expandable system that can convey and treat more wastewater as needed. The EPA estimates each American produces up to 100 gallons of wastewater per day by cleaning dishes, washing laundry, taking showers, and going to the restroom.

Our wastewater team operates and maintains a system that includes hundreds of miles of pipeline, pumps and the latest in treatment technology. These facilities can convey and treat approximately 150+ million gallons of wastewater daily.

After wastewater is treated, our team also tests it according to 18 parameters and reports about 2,500 samples to TCEQ each month. The cleaned water meets or surpasses regulatory requirements and is released back into our waterways to blend with larger water supply sources for irrigation and other downstream uses.



COMMUNITIES SERVED

222
WASTEWATER
EMPLOYEES

\$112
MILLION
In regional
wastewater,
conveyance & sewer
system construction
contracts



47.2
BILLION
Gallons of wastewater
treated this year



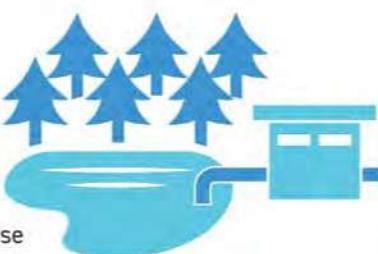
224+
MILES

large-diameter
wastewater
pipelines

150+ MGD
(MILLION GALLONS/DAY)
average annual
wastewater
treatment capacity

13
WASTEWATER
treatment plants

709
MILLION
Gallons treated
in wetland for reuse



21.4 BILLION
Gallons treated
wastewater
returned to Lavor
Lake for reuse

Our team is working to expand as well as maintain our system. This past year we have:

- Issued \$119.1 million of revenue bonds to fund various system improvements.
- Completed the expansion of Sabine Creek WWTP to support growth of Royse City and Fate.
- Continued work on expansion of Wilson Creek Wastewater Treatment Plant from 56 million gallons per day (MGD) to 64 MGD.
- Continued expanding the peak flow capacity of our Rowlett Creek plant from 60 MGD to 77.5 MGD.
- Continued permitting on Sister Grove Water Resource Recovery Facility to serve growing communities in northern Collin County.



SHANE SPAZIANI

Team members like Shane Spaziani make sure that NTMWD's wastewater processes continue to run smoothly. Shane checks and maintains treatment equipment at our Panther Creek Wastewater Treatment Plant, including the sedimentation tanks that allow heavy particles to settle as water continues through the treatment process.

JONATHAN COTTON (opposite page)

Jonathan Cotton is a Wastewater Operator. As part of the secondary treatment for wastewater, he checks the sedimentation basin to ensure proper settling of particles and pump operations.

QUICK FACTS

Current Wastewater Operations:
Overall system is at 70% of total capacity with some plants regularly operating beyond normal flows during storm events.

Recipients:

1 million residents in 13 Member Cities and 11 other customer communities.

SOLID WASTE

OUR TEAM MEMBERS PROVIDE CRITICAL WASTE DISPOSAL SERVICES THAT KEEP OUR COMMUNITIES SAFE AND CLEAN.

Our solid waste team provides a service that is as important as any at NTMWD ensuring clean communities and protecting water quality and the environment. Our crews properly dispose of nearly a million tons of waste every year through our regional solid waste system.

Our five Member Cities in Collin and Dallas Counties collect and deliver solid waste from homes and businesses to one of our three transfer stations or the landfill. From the transfer stations, the waste is loaded into larger NTMWD trucks for transport to our 121 Regional Disposal Facility (landfill) in Melissa.

This feat requires the dedication of over 100 professionals who either drive 18-wheel transfer trucks, run the transfer stations or operate 60-ton landfill compactors. They also monitor our landfills and work with external agencies to recycle or compost as much material as possible. Our team takes pride in completing all these vital services in full compliance with state and federal regulations.

In addition, we are always looking for new ways to improve. Over the past several years, our solid waste team has:

-  Implemented processes that decrease vehicle emissions and save money during waste transit.
-  Partnered with City of Plano on a composting program that helps divert about 50,000 tons of yard waste from the landfill.
-  Partnered with Morrow Renewables on a state-of-the-art facility that captures landfill gas (methane and carbon dioxide) and converts it to clean, renewable natural gas. The sales of the natural gas helps offset the cost of the landfill and reduces CO₂ emissions.



COMMUNITIES SERVED

108
SOLID WASTE
EMPLOYEES

4 Regional Citizen
CONVENIENCE CENTERS



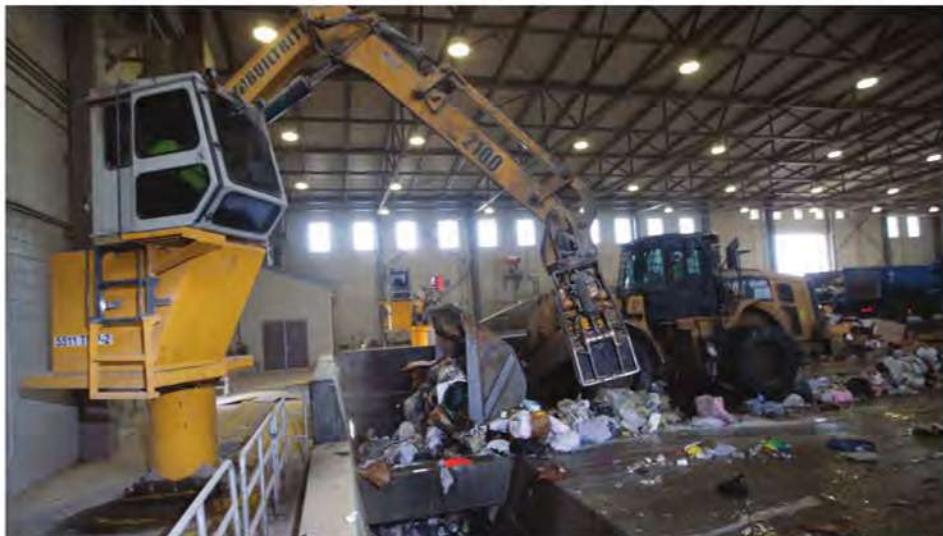
Around
50,000
tons of yard &
organic waste
composted
annually



3,800
tons of solid waste
disposed per day
at 121 Regional
Disposal Facility

Around
1+ million
TONS
of solid waste
disposed this year

3 Transfer stations
permitted to process up to
3,295 TONS
of solid waste per day



QUICK FACTS



CHRIS GERNER

Chris Gerner is a Transport Driver for the Lookout Transfer Station, and drives approximately 50,000 miles every year in his 18-wheel tractor trailer to transport solid waste from our transfer stations to the 121 Regional Disposal Facility. By consolidating solid waste into a larger vehicle, Chris reduces the number of vehicles on roads, lowering traffic congestion, fuel costs, and air pollution.

JEFF BOND (opposite page)

As Fleet Manager for all NTMWD vehicles and associated equipment, Jeff is responsible for the repair and maintenance program of the District's solid waste program, along with purchasing and replacing equipment. Jeff ensures that all vehicles are safe to operate and ready for use.

Current landfill expected to meet the solid waste needs of our region for the next 38 years

Recipients:

Almost 1 million residents in 5 Member Cities served: Allen, Frisco, McKinney, Plano and Richardson

INVESTING FOR TODAY AND TOMORROW

NTMWD remains in a sound financial condition and meets the Board's goal of fulfilling its contractual obligation with participating cities while protecting the environment.

In FY2019, the District maintained our existing systems while investing in capital programs needed to serve our growing region.

Key investments in 2018–2019 budget included:

- Issuance of approximately \$739.22 million of revenue bonds to fund the District's capital programs.
- Construction of the 70 million gallons per day (MGD) Leonard Water Treatment Plant Site and Terminal Storage Reservoir, Riverby Mitigation site, Bois d'Arc Lake Raw Water Pipeline and Treated Water Pipeline from Leonard WTP to McKinney No. 4.
- Construction of various expansion and improvement projects in the Regional Wastewater System, Upper East Fork Interceptor System and Sewer System.

Also in FY2019, the District began using a new budget methodology that takes into account recent trends in water use and NTMWD's refined execution of its large capital program.

Leonard Water Treatment Plant: Built on a 1,000-acre site, this water treatment plant will initially treat up to 70 MGD.

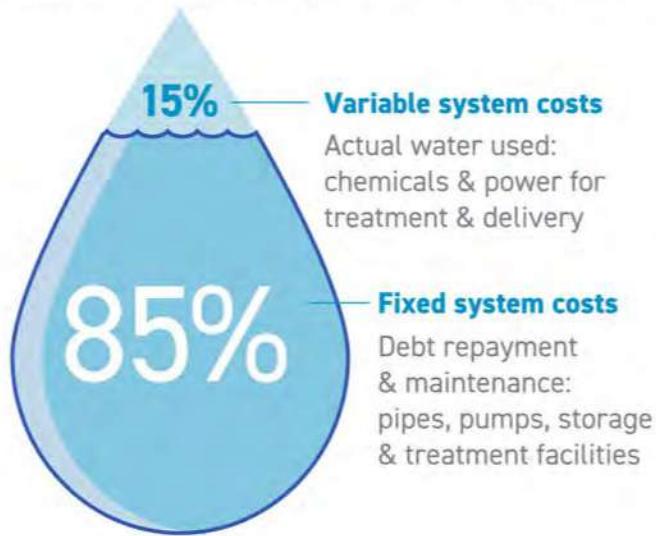


McKinney Lift Station Improvements: New 62 MGD wastewater lift station and force main to serve the growth of Anna, Fairview, McKinney, Melissa, Princeton and Prosper.



QUICK FACTS

Water Rates Fund #MoreThanWater



Texoma Pipeline Improvements: A new section of 96-inch pipe enables ongoing access to the pipeline for periodic insertion of condition assessment equipment, or for needed repair activities.



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FINANCIAL SECTION

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Independent Auditor's Report

Members of the Board of Directors
North Texas Municipal Water District
City of Wylie, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the North Texas Municipal Water District (the District), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the North Texas Municipal Water District as of September 30, 2019, and the respective changes in financial position, and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress for the District's Retirement Plan and Other Postemployment Benefits Plan on pages 5-9 and 57-60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Texas Municipal Water District's basic financial statements. The Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Sewer System Supplemental Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Sewer System Supplemental Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Members of the Board of Directors
North Texas Municipal Water District

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 15, 2020, on our consideration of the North Texas Municipal Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering North Texas Municipal Water District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 15, 2020

FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management's Discussion and Analysis (Unaudited)

As management of the North Texas Municipal Water District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District as of and for the fiscal year ended September 30, 2019.

Financial Highlights

- Total assets at the end of the year were approximately \$5.5 billion and exceeded liabilities by approximately \$1.62 billion.
- The District's total net position increased by approximately \$167 million, or 12 percent.
- During the year, the District's operating revenues increased by approximately \$33 million, or 7 percent, and operating expenses increased by approximately \$25 million, or 9 percent.
- Construction of the Bois d'Arc Lake, Leonard Water Treatment Plant, Trinity River Main Stem Raw Water Pipeline & Pump Station, Wilson Creek WWTP expansion, and the Princeton Lift Station improvements led the way in capital expenditures totaling over \$229 million.
- The District issued \$739 million in revenue bonds for various projects and to refinance outstanding debt to take advantage of favorable interest rates.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements which are comprised of fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Financial Statements. The financial statements are designed to provide readers with an overview of the District's finances, in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the District's net position 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. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The *Statement of Cash Flows* presents cash receipts, cash payments, and net changes in cash resulting from operating activities, capital and related financing activities, and investing activities for the year presented.

Enterprise Funds. 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 District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are categorized as enterprise funds. The District reports five major enterprise funds: Water, Regional Wastewater, Sewer, Solid Waste and Interceptor.

The basic enterprise fund financial statements can be found on pages 11 through 18 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found starting on page 19 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplemental information can be found beginning on page 57 of this report.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,619,182,701 at the close of the most recent fiscal year.

North Texas Municipal Water District's Net Position

	As of September 30		Increase/ (Decrease)	Percent Change
	2019	2018		
ASSETS:				
Current and other assets	\$ 1,854,877,412	\$ 1,649,032,100	\$ 205,845,312	12.5%
Capital assets-net	3,610,359,013	3,063,400,855	546,958,158	17.9
Total assets	5,465,236,425	4,712,432,955	752,803,470	16.0
Total deferred outflows of resources	53,805,680	45,391,397	8,414,283	18.5
Total assets and deferred outflows of resources	5,519,042,105	4,757,824,352	761,217,753	16.0
LIABILITIES:				
Current and other liabilities	332,396,256	244,472,173	87,924,083	36.0
Long-term liabilities outstanding	3,554,695,900	3,049,411,954	505,283,946	16.6
Total liabilities	3,887,092,156	3,293,884,127	593,208,029	18.0
Total deferred inflows of resources	12,767,248	12,049,045	718,203	6.0
Total liabilities and deferred inflows of resources	3,899,859,404	3,305,933,172	593,926,232	18.0
NET POSITION				
Net investment in capital assets	1,206,866,459	1,077,370,618	129,495,841	12.0
Restricted	221,897,098	192,006,392	29,890,706	15.6
Unrestricted	190,419,144	182,514,170	7,904,974	4.3
Total net position	\$ 1,619,182,701	\$ 1,451,891,180	\$ 167,291,521	11.5%

The largest portion of the District's net position (75 percent) reflects its investment in capital assets (e.g., land, reservoir facilities, water treatment facilities and wastewater disposal facilities) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its member and customer cities; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves are not intended to be used to liquidate these liabilities.

An additional portion of the District's net position (13 percent) represents resources that are subject to external restrictions on how they may be used. The District's restricted net position consist primarily of the reserve funds required by bond resolutions.

The remaining balance of the District's net position represents unrestricted net position (12 percent) and may be used to meet the District's ongoing obligations. The overall increase in net position of \$167,291,521, or 11.5%, during the current fiscal year indicates an improved financial position.

While the Statement of Net Position provides the components of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at year-end, the Statement of Revenues, Expenses and Changes in Net Position provides information on the source of the change during the year. The primary sources of the increase in net position of \$167,291,521 were operating income of \$227,410,122 offset by interest expense of \$116,746,379.

North Texas Municipal Water District's Changes in Net Position

	Year Ended September 30		Increase (Decrease)	Percent Change
	2019	2018		
Operating Revenues:				
Water sales	\$ 335,832,842	\$ 316,133,827	\$ 19,699,015	6.2%
Wastewater service fees	143,817,640	131,381,838	12,435,802	9.5
Solid waste service fees	34,242,029	34,592,091	(350,062)	(1.0)
Other operating revenues	2,999,773	2,102,235	897,538	42.7
Total Operating Revenues	516,892,284	484,209,991	32,682,293	6.7
Operating Expenses:				
Personnel	86,314,412	74,999,711	11,314,701	15.1
Operating Supplies:				
Chemicals	38,265,482	32,842,288	5,423,194	16.5
Other supplies	18,640,608	15,218,144	3,422,464	22.5
Operating Services:				
Electric power	18,042,370	20,981,185	(2,938,815)	(14.0)
Wholesale water purchases	5,389,177	2,998,624	2,390,553	79.7
Other services	52,740,515	49,974,608	2,765,907	5.5
Depreciation and amortization	70,089,598	67,658,103	2,431,495	3.6
Total Operating Expenses	289,482,162	264,672,663	24,809,499	9.4
Operating Income	227,410,122	219,537,328	7,872,794	3.6
Nonoperating Revenues (Expenses):				
Investment Income	52,093,577	20,129,032	31,964,545	158.8
Miscellaneous Revenue (Expense)	(105,153)	52,378	(157,531)	(300.8)
Grant Income	1,610	-	1,610	(100.0)
Federal Program Revenues	3,905,636	3,934,848	(29,212)	(0.7)
Gain on Sale of Capital Assets	732,108	11,377,911	(10,645,803)	(93.6)
Contribution to Fannin County Electric Cooperative	-	(47,343,891)	47,343,891	100.0
Interest Expense	(116,746,379)	(90,004,570)	(26,741,809)	29.7
Net Nonoperating Expense	(60,118,601)	(101,854,292)	41,735,691	(41.0)
Change in Net Position	167,291,521	117,683,036	49,608,485	42.2
Net Position, Beginning of Year	1,451,891,180	1,334,208,144	117,683,036	8.8
Net Position, End of Year	\$ 1,619,182,701	\$ 1,451,891,180	\$ 167,291,521	11.5%

Total operating revenues for the District for the years ended September 30, 2019 and 2018 were \$516,892,284 and \$484,209,991, respectively. The \$32,682,293 increase in total operating revenues was primarily due to a 5% increase in the member cities water rate and a 9% increase in wastewater service fees to fund capital projects and operating costs.

Total operating expenses for the District for the years ended September 30, 2019 and 2018 were \$289,482,162 and \$264,672,663, respectively. Several key factors account for the \$24,809,499 increase in total operating expenses, including increased staffing levels (a total increase of 33 employees across all funds) and salary adjustments resulting in increased personnel expenses of approximately \$11.3 million. The increase in operating supplies was primarily driven by the overall increase in chemical expenses of \$5.4 million. Operating services increased \$2.2 million primarily as a result of increased wholesale water purchases for reuse water withdrawn out of the Trinity River by the Main Stem Pump Station and increased special studies and reports. Depreciation expense increased over \$2.4 million.

The \$41.7 million change in net nonoperating expense is primarily due to a \$32.0 million increase in investment income offset by an additional \$26.7 million in interest expense, as well as the fiscal year 2018 \$47.3 million contribution resulting from electric power agreements with Fannin County Electric Cooperative related to the construction of the Bois d'Arc Lake.

Capital Assets and Debt Administration**Capital Assets**

The District's capital assets as of September 30, 2019, amounted to \$3,610,359,013 (net of accumulated depreciation). These capital assets include land and land improvements, reservoir facilities, water treatment and transmission facilities, wastewater treatment and disposal facilities, buildings and other equipment and water rights. The total increase in the District's investment in capital assets for the current year was 17.9%.

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

- Development of the Bois d'Arc Lake continued totalling more than \$368 million in construction in progress additions.
- Water Treatment Plant improvements totalling more than \$48.8 million.
- South Mesquite Wastewater Treatment Plant SCADA Improvements totalling more than \$3.5 million.
- Landfill site facilities development including the 121 Regional Disposal Facility Excavation and further expansion totalled more than \$10.5 million.

**North Texas Municipal Water District's Capital Assets
(net of accumulated depreciation)**

	As of September 30		Increase (Decrease)	Percent Change
	2019	2018		
Land	\$ 76,280,557	\$ 73,801,998	\$ 2,478,559	3.4%
Easements	62,468,212	62,549,675	(81,463)	-0.1%
Land improvements	7,790,580	2,984,287	4,806,293	161.1%
Water treatment, storage and transmission facilities	1,222,470,041	1,206,967,782	15,502,259	1.3%
Wastewater treatment and disposal facilities	480,379,072	492,555,069	(12,175,997)	-2.5%
Solid waste transfer and disposal facilities	51,248,153	45,734,440	5,513,713	12.1%
Reservoir facilities and water rights	265,766,950	273,306,305	(7,539,355)	-2.8%
Buildings	57,992,616	58,559,325	(566,709)	-1.0%
Automobiles and trucks	2,667,898	3,549,349	(881,451)	-24.8%
Office furniture and fixtures	431,510	502,638	(71,128)	-14.2%
Other equipment	39,672,178	28,254,392	11,417,786	40.4%
Construction in progress	1,343,191,246	814,635,595	528,555,651	64.9%
Total	\$ 3,610,359,013	\$ 3,063,400,855	\$ 546,958,158	17.9%

Additional information on the District's capital assets can be found in Note 4 of this report.

Debt Administration

At the end of the current fiscal year, the District had total outstanding debt of \$3,445,445,306. Of this amount 75% is reflected in the Water System and 10% is reflected in the Regional Wastewater System.

North Texas Municipal Water District's Outstanding Debt

	As of September 30		Increase (Decrease)	Percent Change
	2019	2018		
U. S. government contracts payable	\$ 26,550,306	\$ 28,097,923	\$ (1,547,617)	-5.5%
Revenue bonds	3,418,895,000	2,910,360,000	508,535,000	17.5%
Total	\$ 3,445,445,306	\$ 2,938,457,923	\$ 506,987,383	17.3%

During the current fiscal year, the District refinanced a portion of the existing debt in order to take advantage of favorable interest rates. The result is expected to decrease future debt service payments by \$18,194,964 in the Water System.

The District's revenue bonds have been rated as follows:

	Moody's	S & P
Water System	Aa2	AAA
Wastewater System	Aa2	AAA
Solid Waste System	Aa2	AA
Interceptor System	Aa1	AAA

Additional information on the District's long -term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

The Annual Budget outlines the District's plans to continue to provide high quality, cost-effective service to its member and customer cities. As a result of the continued growth in the District's service area, the need for the development of raw water resources and capital expenditures to fund system expansions and improvements continues to increase. Such growth has been considered in developing the District's budget for the 2020 fiscal year.

The 2020 Water System budget provides funding for debt service for \$101 million of SWIFT funds for the continued development of the Bois D'Arc Lake and construction of the Leonard Water Treatment Plant 70 MGD site. In order to fund these debt service requirements and the additional operations and maintenance costs, the budget requires a \$.07 per 1,000 gallons rate adjustment. Additional rate adjustments can be expected in the future as the District continues to develop raw water supplies and operational costs continue to increase.

Requests for Information

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the office of the Accounting Manager, P.O. Box 2408, Wylie, Texas 75098.

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

September 30, 2019

	Water System	Regional Wastewater System
ASSETS		
CURRENT ASSETS:		
Unrestricted assets:		
Cash and cash equivalents	\$ 42,685,455	\$ 8,838,136
Investments	152,996,119	-
Accounts receivable	27,206,443	1,510,724
Contracts receivable	26,400	-
Due from other funds	421,622	47,297
Prepaid expenses	3,134,504	512,931
Unbilled receivables	164,574	1,225,286
Total unrestricted assets	226,635,117	12,134,374
Restricted assets:		
Cash and cash equivalents	691,366,115	51,486,734
Investments	518,171,460	95,155,149
Interest receivable	2,118,026	303,147
Due from other funds	138,833	-
Unbilled receivables	-	-
Total restricted assets	1,211,794,434	146,945,030
TOTAL CURRENT ASSETS	1,438,429,551	159,079,404
LONG-TERM ASSETS:		
Nondepreciable:		
Land	62,435,172	1,739,328
Easements	47,000,297	-
Construction-in-progress	983,163,463	190,422,660
Total nondepreciable assets	1,092,598,932	192,161,988
Depreciable:		
Land improvements	3,712,838	1,321,303
Water treatment, storage, and transmission facilities	1,582,646,459	-
Wastewater treatment and disposal facilities	-	301,772,756
Solid waste transfer and disposal facilities	-	-
Reservoir facilities and water rights	376,541,067	-
Buildings	28,540,437	2,913,614
Automobiles and trucks	7,377,489	1,447,573
Office furniture and fixtures	961,571	101,610
Other equipment	32,049,966	12,649,915
Total depreciable assets	2,031,829,827	320,206,771
Less accumulated depreciation	(520,825,192)	(123,284,841)
Net capital assets	2,603,603,567	389,083,918
TOTAL LONG-TERM ASSETS	2,603,603,567	389,083,918
TOTAL ASSETS	4,042,033,118	548,163,322
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred loss on refunding	18,506,212	2,693,793
Deferred pension outflow	15,348,207	4,124,149
Deferred OPEB outflow	758,674	171,580
TOTAL DEFERRED OUTFLOWS OF RESOURCES	34,613,093	6,989,522
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,076,646,211	\$ 555,152,844

See notes to the basic financial statements.

Sewer System	Solid Waste System	Interceptor System	Total Enterprise Funds
\$ 7,171,545	\$ 6,876,722	\$ 8,894,745	\$ 74,466,603
-	5,997,662	-	158,993,781
779,807	248,743	267,679	30,013,396
-	-	-	26,400
55,835	347,598	73	872,425
328,947	269,189	47,308	4,292,879
439,473	838,268	139,238	2,806,839
8,775,607	14,578,182	9,349,043	271,472,323
24,621,172	17,690,966	43,533,980	828,698,967
30,425,518	4,307,657	97,531,433	745,591,217
79,126	14,000	267,332	2,781,631
-	-	-	138,833
-	6,194,441	-	6,194,441
55,125,816	28,207,064	141,332,745	1,583,405,089
63,901,423	42,785,246	150,681,788	1,854,877,412
436,498	11,669,559	-	76,280,557
4,105,802	-	11,362,113	62,468,212
84,420,773	2,611,451	82,572,899	1,343,191,246
88,963,073	14,281,010	93,935,012	1,481,940,015
417,138	7,926,835	-	13,378,114
32,095,652	-	-	1,614,742,111
159,760,830	-	255,598,589	717,132,175
-	88,794,147	-	88,794,147
-	-	-	376,541,067
187,506	42,384,573	-	74,026,130
601,640	4,122,753	450,791	14,000,246
-	-	-	1,063,181
4,086,004	27,498,590	6,050,344	82,334,819
197,148,770	170,726,898	262,099,724	2,982,011,990
(70,552,438)	(67,959,912)	(70,970,609)	(853,592,992)
215,559,405	117,047,996	285,064,127	3,610,359,013
215,559,405	117,047,996	285,064,127	3,610,359,013
279,460,828	159,833,242	435,745,915	5,465,236,425
1,851,442	1,778,192	2,306,061	27,135,700
1,609,753	3,928,343	473,736	25,484,188
85,606	139,914	30,018	1,185,792
3,546,801	5,846,449	2,809,815	53,805,680
\$ 283,007,629	\$ 165,679,691	\$ 438,555,730	\$ 5,519,042,105

(Continued)

STATEMENT OF NET POSITION

September 30, 2019

	Water System	Regional Wastewater System
LIABILITIES		
CURRENT LIABILITIES:		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 23,011,378	\$ 3,595,508
Due to other funds	100,359	417,019
Customers' advance payments	-	3,642,839
Accrued interest payable on U.S. government contracts	701,635	-
Current portion of U.S. government contracts	1,597,613	-
Total payable from unrestricted assets	25,410,985	7,655,366
Payable from restricted assets:		
Accounts payable and accrued liabilities	88,649,589	14,850,368
Due to other funds	50,292	33,238
Accrued landfill closure and post-closure care cost	-	-
Accrued interest payable on revenue bonds	7,869,432	4,924,686
Current portion of revenue bonds	85,955,000	14,690,000
Total payable from restricted assets	182,524,313	34,498,292
TOTAL CURRENT LIABILITIES	207,935,298	42,153,658
LONG-TERM LIABILITIES:		
Accrued landfill closure costs	-	-
Accrued vacation—less current portion	1,357,078	329,759
Accrued sick—less current portion	2,125,918	650,394
Net pension liability	21,776,387	6,133,298
Net OPEB liability	2,324,053	553,412
Deferred compensation	255,000	-
Long-term debt—less current portion	2,633,106,361	367,403,506
TOTAL LONG-TERM LIABILITIES	2,660,944,797	375,070,369
TOTAL LIABILITIES	2,868,880,095	417,224,027
DEFERRED INFLOWS OF RESOURCES:		
Deferred pension inflow	5,795,611	1,554,146
Deferred OPEB inflow	1,845,951	422,184
Deferred insurance proceeds	426,426	-
TOTAL DEFERRED INFLOWS OF RESOURCES	8,067,988	1,976,330
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,876,948,083	419,200,357
NET POSITION:		
Net investment in capital assets	868,154,047	111,999,738
Restricted for debt service	150,564,821	24,821,251
Unrestricted	180,979,260	(868,502)
TOTAL NET POSITION	\$ 1,199,698,128	\$ 135,952,487

See notes to the basic financial statements.

Sewer System	Solid Waste System	Interceptor System	Total Enterprise Funds
\$ 3,980,012	\$ 2,539,287	\$ 2,674,607	\$ 35,800,792
240,302	15,782	67,263	840,725
1,396,893	1,887,351	2,440,907	9,367,990
-	-	-	701,635
-	-	-	1,597,613
<u>5,617,207</u>	<u>4,442,420</u>	<u>5,182,777</u>	<u>48,308,755</u>
7,264,560	11,391,599	7,679,794	129,835,910
49,697	4,209	33,097	170,533
-	5,113,521	-	5,113,521
2,294,617	180,307	3,488,495	18,757,537
12,720,000	3,010,000	13,835,000	130,210,000
22,328,874	19,699,636	25,036,386	284,087,501
27,946,081	24,142,056	30,219,163	332,396,256
-	1,080,920	-	1,080,920
173,281	276,934	42,453	2,179,505
142,376	682,296	90,242	3,691,226
2,409,473	5,360,004	756,102	36,435,264
264,899	451,031	89,027	3,682,422
-	-	-	255,000
<u>170,469,297</u>	<u>53,161,534</u>	<u>283,230,865</u>	<u>3,507,371,563</u>
<u>173,459,326</u>	<u>61,012,719</u>	<u>284,208,689</u>	<u>3,554,695,900</u>
<u>201,405,407</u>	<u>85,154,775</u>	<u>314,427,852</u>	<u>3,887,092,156</u>
561,459	1,402,701	140,039	9,453,956
210,338	339,212	69,181	2,886,866
-	-	-	426,426
771,797	1,741,913	209,220	12,767,248
202,177,204	86,896,688	314,637,072	3,899,859,404
56,648,258	68,448,580	101,615,836	1,206,866,459
23,048,596	4,642,583	18,819,847	221,897,098
1,133,571	5,691,840	3,482,975	190,419,144
<u>\$ 80,830,425</u>	<u>\$ 78,783,003</u>	<u>\$ 123,918,658</u>	<u>\$ 1,619,182,701</u>

(Concluded)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2019

	Water System	Regional Wastewater System
OPERATING REVENUES:		
Water sales	\$ 335,832,842	\$ -
Wastewater service fees	-	69,241,179
Solid waste service fees	-	-
Other operating revenues	424,588	111,868
Total operating revenues	336,257,430	69,353,047
OPERATING EXPENSES:		
Personnel	53,127,261	13,356,973
Operating Supplies:		
Chemicals	29,811,353	4,787,513
Other supplies	7,835,776	4,557,435
Operating Services:		
Electric power	12,166,720	2,793,273
Wholesale water purchases	5,389,177	-
Other services	12,143,755	15,474,701
Depreciation	44,872,277	8,467,260
Total operating expenses	165,346,319	49,437,155
OPERATING INCOME		
	170,911,111	19,915,892
NONOPERATING REVENUES (EXPENSES):		
Investment income	42,049,143	4,466,035
Miscellaneous revenue (expense)	(105,153)	-
Grant income	1,610	-
Federal program revenues	3,905,636	-
Gain (loss) on sale of capital assets	524,997	69,549
Interest expense	(89,499,811)	(12,012,120)
Total nonoperating revenues (expenses)	(43,123,578)	(7,476,536)
CHANGE IN NET POSITION		
NET POSITION AT OCTOBER 1, 2018	1,071,910,595	123,513,131
NET POSITION AT SEPTEMBER 30, 2019	\$ 1,199,698,128	\$ 135,952,487

See notes to the basic financial statements.

Sewer System	Solid Waste System	Interceptor System	Total Enterprise Funds
\$ -	\$ -	\$ -	\$ 335,832,842
40,649,496	-	33,926,965	143,817,640
-	34,242,029	-	34,242,029
444,348	1,930,886	88,083	2,999,773
41,093,844	36,172,915	34,015,048	516,892,284
 6,304,152	 11,480,590	 2,045,436	 86,314,412
1,610,572	91,446	1,964,598	38,265,482
1,691,541	3,785,545	770,311	18,640,608
1,753,965	131,202	1,197,210	18,042,370
-	-	-	5,389,177
8,874,625	10,165,500	6,081,934	52,740,515
5,532,510	4,553,797	6,663,754	70,089,598
25,767,365	30,208,080	18,723,243	289,482,162
15,326,479	5,964,835	15,291,805	227,410,122
 1,496,997	 924,623	 3,156,779	 52,093,577
-	-	-	(105,153)
-	-	-	1,610
-	-	-	3,905,636
1,711	128,820	7,031	732,108
(5,451,529)	(1,985,317)	(7,797,602)	(116,746,379)
(3,952,821)	(931,874)	(4,633,792)	(60,118,601)
11,373,658	5,032,961	10,658,013	167,291,521
 69,456,767	 73,750,042	 113,260,645	 1,451,891,180
 \$ 80,830,425	 \$ 78,783,003	 \$ 123,918,658	 \$ 1,619,182,701

STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2019

	Water System	Regional Wastewater System
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 348,687,357	\$ 69,351,450
Cash received from other funds	11,794,605	554,904
Cash received from (paid to) others	3,204,880	85,624
Cash paid to suppliers for goods and services	(105,604,204)	(23,713,276)
Cash paid for employee services	(35,560,273)	(8,652,158)
Cash paid to other funds	(70,637)	(8,905,301)
Net cash provided by operating activities	<u>222,451,728</u>	<u>28,721,243</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the issuance of bonds	532,151,507	45,160,128
Cash paid for capital assets	(420,831,139)	(72,678,353)
Contribution to Fannin County Electric Cooperative	-	-
Interest paid on long-term debt	(96,909,581)	(13,740,050)
Interest paid on U.S. government contracts	(910,984)	-
Principal payments on long-term debt	(79,700,000)	(13,590,000)
Payments on U.S. government contracts	(1,547,616)	-
Payments for bond issue costs	(278,893)	(806,660)
Federal Program Revenues	3,905,636	-
Net cash provided by (used for) capital and related financing activities	<u>(64,119,460)</u>	<u>(55,654,935)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale and maturity of investments	835,882,880	118,802,782
Purchases of investments	(1,006,135,087)	(99,612,663)
Interest received	37,843,481	3,917,864
Net cash provided by (used for) investing activities	<u>(132,408,726)</u>	<u>23,107,983</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	25,923,542	(3,825,709)
CASH AND CASH EQUIVALENTS—Beginning of year	708,128,028	64,150,579
CASH AND CASH EQUIVALENTS—End of year	\$ 734,051,570	\$ 60,324,870
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION		
Unrestricted cash and cash equivalents	\$ 42,685,455	\$ 8,838,136
Restricted cash and cash equivalents	691,366,115	51,486,734
	<u>\$ 734,051,570</u>	<u>\$ 60,324,870</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 170,911,111	\$ 19,915,892
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	44,872,277	8,467,260
Change in operating assets and liabilities:		
Accounts receivable and unbilled receivable	1,617,569	(363,083)
Prepaid expenses	(43,951)	(64,263)
Net pension liability	1,630,081	423,392
Net OPEB liability	324,724	71,972
Due to/from other funds	(42,253)	153,178
Accounts payable, accrued liabilities, and developers' deposits	2,646,611	(714,457)
Accrued vacation and accrued sick	585,151	235,330
Landfill liability	(49,592)	596,022
Customers' advance payments	51,540,617	8,805,351
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 222,451,728</u>	<u>\$ 28,721,243</u>
NONCASH TRANSACTION DISCLOSURES		
Change in landfill liability	\$ -	\$ -
Amortization of bond-related items	(9,960,488)	(2,072,599)
Change in fair value of investments	(3,153,345)	(608,829)
Change in actuarial value of net pension liability	(1,630,081)	(423,392)
Refunding bonds issued	89,095,000	-
Refunding proceeds deposited in escrow	-	-

See notes to the basic financial statements

Sewer System	Solid Waste System	Interceptor System	Total Enterprise Funds
\$ 39,333,179	\$ 31,560,456	\$ 35,816,974	\$ 524,749,416
15,993	4,077,528		16,443,030
583,475	1,210,026	159	5,084,164
(11,662,025)	(16,593,483)	(9,170,664)	(166,743,652)
(4,080,138)	(7,509,948)	(1,363,172)	(57,165,689)
(4,383,796)	(1,560,710)	(1,522,582)	(16,443,026)
19,806,688	11,183,869	23,760,715	305,924,243
 30,010,667	 (144,596)	 52,634,287	 659,811,993
(6,933,722)	(13,211,600)	(36,884,810)	(550,539,624)
 (6,532,583)	 (2,295,106)	 (10,165,048)	 (129,642,368)
 (12,885,000)	 (11,855,000)	 (12,330,000)	 (130,360,000)
 (724,133)	 (11,300)	 (370,734)	 (1,547,616)
 2,935,229	 (27,517,602)	 (7,116,305)	 (2,191,720)
 12,326,081	 7,435,997	 100,591,754	 3,905,636
(27,018,652)	(10,702,595)	(103,955,885)	(1,247,424,882)
1,098,736	981,278	2,910,941	46,752,300
(13,593,835)	(2,285,320)	(453,190)	(125,633,088)
 9,148,082	 (18,619,053)	 16,191,220	 28,818,082
 22,644,635	 43,186,741	 36,237,505	 874,347,488
\$ 31,792,717	\$ 24,567,688	\$ 52,428,725	\$ 903,165,570
 \$ 7,171,545	 \$ 6,876,722	 \$ 8,894,745	 \$ 74,466,603
\$ 24,621,172	\$ 17,690,966	\$ 43,533,980	\$ 828,698,967
\$ 31,792,717	\$ 24,567,688	\$ 52,428,725	\$ 903,165,570
 \$ 15,326,479	 \$ 5,964,835	 \$ 15,291,805	 \$ 227,410,122
 5,532,510	 4,553,797	 6,663,754	 70,089,598
 (49,108)	 170,992	 435,009	 1,811,379
 (61,721)	 (26,341)	 82,359	 (113,917)
 182,076	 414,072	 64,960	 2,714,581
 37,057	 56,953	 11,829	 502,535
 79,023	 (44,516)	 51,502	 196,934
 (191,797)	 (761,820)	 (282,510)	 696,027
 65,322	 22,197	 27,430	 935,430
 -	 298,166	 -	 298,166
 (1,113,153)	 535,534	 1,414,577	 1,383,388
 4,480,209	 5,219,034	 8,468,910	 78,514,121
\$ 19,806,688	\$ 11,183,869	\$ 23,760,715	\$ 305,924,243
 \$ -	 298,166	 -	 298,166
 (1,237,735)	 (327,472)	 (2,467,591)	 (16,065,885)
 (338,019)	 (82,823)	 356,826	 (3,826,190)
 (182,076)	 (414,072)	 (64,960)	 (2,714,581)
 -	 -	 -	 89,095,000

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Reporting Entity**

The North Texas Municipal Water District (the District) is a conservation and reclamation district and political subdivision of the State of Texas, created and functioning under Article XVI, Section 59, of the Texas Constitution, pursuant to Chapter 62, Acts of 1951, 52nd Legislature of Texas, Regular Session, as amended (the Act). The District was created for the purpose of providing a source of water supply for municipal, domestic and industrial use and for the treatment, processing and transportation of such water to its 13 member cities (as defined below) and other customers located in North Central Texas. Under the State of Texas Constitution and the Statutes, the District has broad powers to effect flood control and the conservation and use, for all beneficial purposes, of storm and floodwaters and unappropriated flow waters and, as a necessary aid to these purposes, the specific authority to construct, own and operate water supply, treatment, and distribution facilities and sewage gathering, transmission and disposal facilities and to collect, transport, treat, dispose of and control all municipal, domestic, industrial, or communal waste, whether in fluid, solid, or composite state.

The District comprises all of the territory of its member cities: Allen, Farmersville, Forney, Frisco, Garland, McKinney, Mesquite, Plano, Princeton, Richardson, Rockwall, Royse City, and Wylie (the member cities). The District's Administrative Office is located at 501 E. Brown Street, Wylie, Texas. The District is governed by a 25-member Board of Directors. Each member city having a population of 5,000 or more is represented by two members on the Board of Directors. A member city with a population of less than 5,000 (Farmersville) is represented by one member on the Board of Directors. Members of the Board of Directors are appointed by the governing bodies of the respective member cities for two-year terms.

Measurement Focus

The accompanying basic financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. The District's operating revenues are derived from charges to users, primarily for the sale and treatment of water and wastewater. The District constructs facilities to provide services to others, which are financed in part by the issuance of its revenue bonds. Users, primarily member cities, generally contract to pay amounts equal to the District's operating and maintenance expenses, debt service requirements and any other obligations payable from the revenues of the District. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Basis of Accounting and Financial Presentation

The District presents its financial statements in accordance with GASB Statement 34 guidance for governments engaged in business type activities. Accordingly, the basic financial statements and Required Supplementary Information (RSI) of the District consist of MD&A, Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, Notes to the Financial Statements, and Trend Information for the Retirement and Other Post-Employment Benefits Plan.

The District presents its activities in five major funds: Water System, Regional Wastewater System, Sewer System, Solid Waste System and Upper East Fork Interceptor System.

Funds

The Water Fund owns and operates a wholesale water treatment and transmission system consisting of raw water facilities, water treatment works and water transmission facilities and provides treated water to municipalities, water supply corporations, and individual customers. The Regional Wastewater, Sewer, and Interceptor Funds own and operate wastewater treatment and disposal systems consisting of facilities to receive, treat and dispose of wastewater. The Solid Waste Fund owns and operates landfill sites and solid waste transfer stations.

Revenues

Charges for treated water are based upon the current budgeted expenditure requirements (including debt service payments and excluding charges for depreciation and amortization) and amounts designated by the Board of Directors for capital improvements. Charges for wastewater and solid waste disposal are based upon the current budgeted expenditure requirements (including debt service payments and excluding charges for depreciation and amortization) and are adjusted for the difference between budgeted and actual expenditures for the same period. The District derives approximately 68% of its revenues from the Cities of Frisco, Garland, McKinney, Mesquite, Plano, and Richardson. Such revenues derived directly from the respective systems are defined by the District as operating revenues. All other revenues not directly related to the operations of the systems are reported as non-operating revenues. Revenues are shown net of rebates and/or excess billings.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenses

Direct charges attributable to the operations of the District's systems, including depreciation and amortization, are reported as operating expenses. Interest expense and other similar charges not directly related to the systems' operations are reported as non-operating expenses.

Cash and Cash Equivalents

All highly liquid investments (including restricted assets) with original maturities of three months or less when purchased are considered to be cash equivalents.

Deposits

The District's collateral agreement requires that all deposits be fully collateralized by government securities or Texas municipal bonds rated A or better that have a market value exceeding the total amount of cash and investments held at all times.

Investments

All of the District's investments are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Fair values are determined based on quoted market prices. Investments in U.S. government securities are guaranteed or insured by the U.S. government.

Accounts Receivable

Management considers accounts receivable to be fully collectible as of September 30, 2019; accordingly, no allowance for doubtful accounts is deemed necessary. As of September 30, 2019, member cities Allen, Garland, McKinney, Mesquite, Plano, Richardson, Rockwall, and Royse City accounted for approximately 72% of total accounts receivable.

Material and Supplies Inventory

Inventory of supplies and parts is maintained at different warehouses for use in the operation and is recorded as an expense when consumed or placed in service. Inventory is valued based on first-in-first-out methodology.

Capital Assets

All purchased capital assets are stated at historical cost unless they are determined to be impaired based on GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. Donated capital assets are reported at acquisition value based on GASB Statement No. 72, *Fair Value Measurement and Application*.

Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized.

According to the District's capitalization policy, assets capitalized have an original cost of \$5,000 or more and two or more years of estimated useful life. Depreciation is calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Water treatment, storage and transmission facilities	40 to 75 years
Wastewater treatment and disposal facilities	30 to 50 years
Solid waste transfer and disposal facilities	40 years
Land improvements	20 years
Water rights	50 years
Reservoir facilities	50 years
Buildings	10 to 40 years
Automobiles and trucks	5 years
Office furniture and fixtures	7 to 10 years
Other equipment	5 to 20 years

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Capitalized Interest**

The District early implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which states that in financial statements prepared using the economic resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expense in the period in which the cost is incurred. Such interest cost should not be capitalized as part of the historical cost of a capital asset.

Compensated Absences

Employees are allowed to accumulate vacation within certain limitations. Payment for accrued vacation (within limits) upon termination is subject to the employee leaving in good standing. Payment for accrued sick leave (within limits) is paid upon retirement. At September 30, 2019, a liability of \$4,359,845 for unused vacation and \$6,070,046 for unused sick leave has been accrued. The short-term portion is included in "accounts payable and accrued liabilities" in the accompanying Statement of Net Position.

A summary of changes in accrued vacation and sick leave for the year ended September 30, 2019 is as follows:

	Beginning Liability	Additions	Reductions	Ending Liability	Amount due within one year
Vacation	\$ 3,902,455	\$ 664,723	\$ 207,333	\$ 4,359,845	\$ 2,180,340
Sick	5,457,115	934,443	321,512	6,070,046	2,378,820

Net Position

Net position is reported as (1) net investment in capital assets; (2) restricted for debt service and; (3) unrestricted. When both restricted and unrestricted net position are available for use, it is the District's policy to use restricted net position first, then unrestricted net position.

Budgets and Budgetary Accounting

The District is not required under its enabling act to adopt a budget; therefore, comparative statements of actual expenses compared to budget expenses are not included.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Investments are reported at fair value.

Subsequent Events

The District has evaluated all events or transactions that occurred after September 30, 2019 up through January 15, 2020, the date the financial statements were available to be issued. During this period, the following subsequent events required disclosure:

The District issued \$101,345,000 of Series 2019, Regional Water System (SWIFT) Revenue Bonds on November 7, 2019, \$137,470,000 of Series 2019A, Regional Water System Revenue Bonds on November 7, 2019, and \$9,400,000 of Series 2019, Buffalo Creek Wastewater Interceptor System Contract Revenue Refunding and Improvement Bonds on October 30, 2019.

NOTE 2. RESTRICTED ASSETS

Restricted assets represent amounts reserved for:

- *Construction Funds*—Construction of facilities, restricted by purpose of the debt issuance.
- *Interest and Redemption (Sinking) Funds*—Current interest and principal of bonded indebtedness.
- *Reserve Funds*—Payment of final serial maturity on bonded indebtedness or payment of interest and principal of bonded indebtedness when and to the extent the amount in the interest and redemption (sinking) fund is insufficient.
- *Contingency Funds* – unexpected or extraordinary expenses for which funds are not otherwise available or for debt service to the extent of interest and redemption (sinking) fund deficiencies as required by bond covenants.
- *Reserve for Maintenance* – Escrow for future maintenance expenses.

NOTE 2. RESTRICTED ASSETS (CONTINUED)

The cash and cash equivalents, investments, and interest receivable components of each fund represented by restricted assets are as follows:

Fund	Cash and Cash Equivalents	Investments	Interest Receivable
Water:			
Construction Fund	\$ 647,487,957	\$ 379,851,790	\$ 1,710,947
Interest and Redemption Fund	17,168,230	1,190,257	15,145
Reserve Fund	2,539,273	137,129,413	391,934
Contingency Fund	23,902,427	-	-
Reserve for Maintenance Fund	268,228	-	-
	<u>691,366,115</u>	<u>518,171,460</u>	<u>2,118,026</u>
Regional Wastewater:			
Construction Fund	39,955,459	74,963,300	246,492
Interest and Redemption Fund	8,650,292	1,595,025	20,295
Reserve Fund	847,139	18,596,824	36,360
Reserve for Maintenance Fund	2,033,844	-	-
	<u>51,486,734</u>	<u>95,155,149</u>	<u>303,147</u>
Sewer:			
Construction Fund	14,980,856	13,970,860	20,774
Interest and Redemption Fund	7,253,929	792,503	10,084
Reserve Fund	1,576,273	15,662,155	48,268
Reserve for Maintenance Fund	785,351	-	-
Reserve for Equipment Replacement	24,763	-	-
	<u>24,621,172</u>	<u>30,425,518</u>	<u>79,126</u>
Solid Waste:			
Construction Fund	6,328,108	1,000,380	768
Interest and Redemption Fund	456,926	-	-
Reserve Fund	1,045,454	3,307,277	13,232
Reserve for Maintenance Fund	1,249,640	-	-
Reserve for Equipment Replacement	8,610,838	-	-
	<u>17,690,966</u>	<u>4,307,657</u>	<u>14,000</u>
Interceptor:			
Construction Fund	34,507,356	82,875,039	209,433
Interest and Redemption Fund	6,936,249	2,333,425	29,690
Reserve Fund	657,801	12,322,969	28,209
Reserve for Maintenance Fund	1,432,574	-	-
	<u>43,533,980</u>	<u>97,531,433</u>	<u>267,332</u>
Total	<u>\$ 828,698,967</u>	<u>\$ 745,591,217</u>	<u>\$ 2,781,631</u>

Unbilled receivables of \$6,194,441 that are reflected as restricted assets in the Solid Waste System represent member cities' obligations for closure and postclosure costs related to solid waste landfills. Based on the contracts for services, member cities will be billed for the actual costs incurred to close the landfills.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

The District maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. This pooled cash is invested by the Investment Officer to enhance diversification and interest earnings. The pooled interest earned is allocated to the funds based on each fund's cash and investment balance at the end of each month.

A. Deposits

At September 30, 2019, the carrying amount of cash deposits was \$6,051,507 and total bank balance was \$18,711.185. During 2018-2019, the District's combined deposits were fully insured by federal depository insurance or collateralized with securities pledged to the District and held by the entity or its agent in the entity's name. At September 30, 2019, the District also held petty cash of \$2,000.

B. Investments

Legal provisions generally permit the District to invest in direct and indirect obligations of the United States of America or its agencies, certain certificates of deposit, repurchase agreements, public funds investment pools and mutual funds. During the year ended September 30, 2019, the District did not own any types of securities other than those permitted by statute.

The District invests in multiple Local Government Investment Pools (LGIP), including LOGIC, Texas CLASS, and TexPool. The District has an undivided beneficial interest in the pool of assets held by the related investment pools. These investments and deposits are fully insured by Federal depository insurance or collateralized by securities. The investment objectives of the pools are safety of principal, liquidity in accordance with the operating requirements of the Participants, and a competitive rate of return. Authorized investments include obligations of the United States of America or its agencies, direct obligations of the State of Texas or its agencies, certificates of deposit and repurchase agreements.

LOGIC

Hilltop Securities INC. (HTS) and J.P. Morgan Investment Management INC are the Co-Administrators of Texas Local Government Investment Cooperative (LOGIC) with HTS providing distribution, administration, Participant support, and marketing services while J.P. Morgan Investment Management provides investment management, custody, and fund accounting services. LOGIC was created as an investment pool for its Participants pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. LOGIC is organized and existing as a business trust under the laws of the State of Texas with all Participant funds and all investment assets held and managed in trust by a Board of Trustees for the benefit of the Participants. The Board of Trustees is LOGIC's governing body and is comprised of employees, officers or elected officials of Participant Government Entities or individuals who do not have a business relationship with the Pool and are qualified to advise it. A maximum of two advisory board members represent the Co-Administrators of the Pool. LOGIC uses amortized cost rather than the market value to report net position to compute share prices. Accordingly, the fair value of the position in LOGIC is the same as the net asset value of LOGIC shares.

Texas CLASS

Public Trust Advisors, LLC provides advisory services and administration and marketing services to Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS). The purpose of the Trust is to establish one or more investment funds through which a Participant may pool any of its funds or funds under its control in order to preserve principal, to maintain the liquidity of the Participant, and to maximize yield. These goals are in accordance with the Public Funds Investment Act, Section 2256.01, Texas Government Code, or other laws of the State of Texas, from time to time in effect, governing the investment of funds of a Participant or funds under its control. The Board of Trustees supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian and the Program Administrator. The Board is comprised of active members of the pool and elected by the Participants, guided by the Advisory Board. The Board is responsible for selecting the Administrator and Investment Advisors. Wells Fargo Bank Texas, NA serves as the Custodian for Texas CLASS.

TexPool

The Comptroller of Public Accounts (the "Comptroller") is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company (the "Trust Company"), which is authorized to operate TexPool. Federated Investors, Inc. ("Federated"), under an agreement with the Comptroller, acting on behalf of the Trust Company, provides administrative and investment services to TexPool. The Texas Local Government Investment Pools (the "TexPool Portfolios") have been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Comptroller maintains oversight of the services provided to the TexPool Portfolios by Federated. In addition,

the TexPool Advisory Board advises on the Investment Policies for the TexPool Portfolios. The Advisory Board is composed equally of participants in the TexPool Portfolios and other persons who do not have a business relationship with the TexPool Portfolios who are qualified to advise the TexPool Portfolios. TEXPOOL uses amortized cost rather than the market value to report net position to compute share prices. Accordingly, the fair value of the position in TEXPOOL is the same as the net asset value of TEXPOOL shares.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

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

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

The District has recurring fair value measurements as presented in the table below. The District's investment balances and weighted average maturity of such investments are as follows:

	September 30, 2019	Fair Value Measurements Using								
		Quoted Prices		in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)				
		in Active	Significant	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Percent Total Investments	Weighted Average Maturity (Days)			
		Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Percent Total Investments					
<i>Investments not Subject to Level Reporting:</i>										
Investment Pools*:										
LOGIC	\$ 399,890,499	\$ -	\$ -	\$ -	22.20%	49				
Texas CLASS	450,610,611	-	-	-	25.00%	50				
Texpool	46,610,953	-	-	-	2.59%	34				
<i>Investments by Fair Value Level:</i>										
U. S. Government Agency Securities:										
Federal Farm Credit Bank	25,003,490	-	25,003,490	-	1.39%	262				
Federal Home Loan Bank	236,456,148	-	236,456,148	-	13.12%	496				
Federal Home Loan Bank Discount Note	103,829,660	-	103,829,660	-	5.76%	31				
Federal Home Loan Mortgage Corp.	104,989,510	-	104,989,510	-	5.83%	1217				
Federal Home Loan Mortgage Corp. Discount Note	37,855,220	-	37,855,220	-	2.10%	73				
Fannie Mae	38,121,120	-	38,121,120	-	2.12%	683				
U. S. Treasury Note	358,329,850	358,329,850	-	-	19.89%	119				
Total Value	\$ 1,801,697,061	\$ 358,329,850	\$ 546,255,148	\$ -						
Portfolio Weighted Average Maturity										
							205			

*Investment Pools are exempt for level reporting.

U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

U.S. Treasury Notes classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, addresses common deposit and investment risks related to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Credit risk is the risk that a security issuer may default on an interest or principal payment. State law and the District's investment policy limits the District to investments in high quality rated instruments that have been evaluated by agencies such as Standard and Poor's or Moody's Investor Service.

Custodial credit risk is the risk that a depository financial institution will not be able to recover collateral securities that are in the possession of an outside party. The District monitors collateral balances at the bank to ensure they are backed by quality rated instruments.

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Concentration of credit risk is the risk associated with holding investments that are not pools and full faith credit securities in excess of 5% of the total portfolio. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. At September 30, 2019, investments other than external investment pools that represent 5% or more of the District's investments are as follows:

Issue	Investment Type	Reported Amount
FHLB Discount Note	Federal agency notes	\$ 103,829,660
FHLB	Federal agency notes	236,456,149
FHLMC	Federal agency notes	104,989,510
T-NOTE	T-Note	358,329,850

The District held a total of \$904,584,998 in securities that equated to 50.21% of the total investment portfolio.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. There is no formal policy relating to interest rate risk. However, the District manages its exposure to interest rate risk by investing in investment pools which purchase a combination of short term investments with an average maturity of less than 60 days, thus reducing the interest rate risk. The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. At September 30, 2019, \$222,000,568 of the District's portfolio had a weighted average maturity of greater than one year.

Foreign currency risk is the potential for loss due to fluctuations in exchange rates. The District is not exposed to foreign currency risk.

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments were stated at fair value using the aggregate method in all funds, resulting in the following investment income:

	Regional		Solid		Interceptor System	Total
	Water System	Wastewater System	Sewer System	Waste System		
Investment income:						
Interest	\$ 38,890,619	\$ 3,857,206	\$ 1,158,974	\$ 841,800	\$ 2,799,953	\$ 47,548,552
Net changes in the fair value of investments	3,158,524	608,829	338,023	82,823	356,826	4,545,025
Investment income:	\$ 42,049,143	\$ 4,466,035	\$ 1,496,997	\$ 924,623	\$ 3,156,779	\$ 52,093,577

In accordance with GASB Statement No. 31, the net changes in the fair value of investments take into account all changes in fair value (including purchases and sales) that occurred during the year. These portfolio value changes are unrealized unless sold.

FINANCIAL

NORTH TEXAS MUNICIPAL WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

C. Summary of Cash and Investments

	Water System	Regional Wastewater System		Sewer System	Solid Waste System	Interceptor System	Total
		Water System	Wastewater System				
Unrestricted:							
Cash and cash equivalents	\$ 42,685,455	\$ 8,838,136	\$ 7,171,545	\$ 6,876,722	\$ 8,894,745	\$ 74,466,603	
Investments	152,996,119	-	-	5,997,662	-	-	158,993,781
Total unrestricted	195,681,574	8,838,136	7,171,545	12,874,384	8,894,745	233,460,384	
Restricted:							
Cash and cash equivalents	691,366,115	51,486,734	24,621,172	17,690,966	43,533,980	828,698,967	
Investments	518,171,460	95,155,149	30,425,518	4,307,657	97,531,433	745,591,217	
Total restricted	1,209,537,575	146,641,883	55,046,690	21,998,623	141,065,413	1,574,290,184	
Total	\$ 1,405,219,149	\$ 155,480,019	\$ 62,218,235	\$ 34,873,007	\$ 149,960,158	\$ 1,807,750,568	

Amounts included in unrestricted cash and cash equivalents and investments are comprised of the following:

	Water System	Regional Wastewater System		Sewer System	Solid Waste System	Interceptor System	Total
		Water System	Wastewater System				
Unrestricted:							
Operating Funds	\$ 27,983,879	\$ 5,136,954	\$ 4,874,659	\$ 3,726,204	\$ 3,805,357	\$ 45,527,053	
Capital Improvement Funds	163,765,199	3,498,809	589,990	9,148,180	4,046,548	181,048,726	
Preventative Maintenance	-	202,373	1,706,896	-	1,042,840	2,952,109	
U.S. Government Notes	2,042,945	-	-	-	-	2,042,945	
Employee Insurance Funds	1,737,227	-	-	-	-	1,737,227	
Retiree Insurance Funds	152,324	-	-	-	-	152,324	
Total unrestricted	195,681,574	8,838,136	7,171,545	12,874,384	8,894,745	233,460,384	

Refer to Note 2 for a detail of restricted assets and Note 11 for commitments under construction contracts.

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

At September 30, 2019, the District had the following deposits and investments:

	Credit Quality Ratings	Fair Value	Weighted Average Maturity
Unrestricted Cash and Investments			
Cash and cash equivalents:			
Deposits with a financial institution	Not Rated	\$ 6,051,412	n/a
Cash on hand	Not Rated	2,000	n/a
TexPool	AAAm	39,945,013	34 Days
Texas CLASS	AAAm	28,468,178	50 Days
Total cash and cash equivalents		<u>74,466,603</u>	
Investments—Securities of U.S. Government Agencies:			
Treasury Note - US Treasuries	N/A	89,881,413	102 Days
FFCB - Federal Farm Credit Bank	Aaa	9,002,520	102 Days
FHLB - Federal Home Loan Bank Agency Note	Aaa	54,125,208	301 Days
FHLB - Federal Home Loan Bank Discount Note	Aaa	2,996,070	25 Days
FHLMC - Federal Home Loan Mortgage Corp. Discount Note	Aaa	2,988,570	73 Days
Total Securities of U.S. Government Agencies		<u>158,993,781</u>	
Total Unrestricted Investments and Cash Equivalents		<u>233,460,384</u>	
Restricted Cash and Investments			
Cash and cash equivalents:			
Deposits with a financial institution	Not Rated	95	n/a
TexPool	AAAm	6,665,940	34 Days
LOGIC	AAAm	399,890,499	49 Days
Texas CLASS	AAAm	422,142,433	50 Days
Total cash and cash equivalents		<u>828,698,967</u>	
Investments—Securities of U.S. Government Agencies:			
Treasury Note - US Treasuries	N/A	268,448,437	125 Days
FFCB - Federal Farm Credit Bank	Aaa	16,000,970	352 Days
FNMA - Fannie Mae	Aaa	38,121,120	68 Days
FHLMC - Federal Home Loan Mortgage Corp. Agency Note	Aaa	104,989,510	1217 Days
FHLB - Federal Home Loan Bank Agency Note	Aaa	182,330,940	555 Days
FHLB - Federal Home Loan Bank Discount Note	Aaa	100,833,590	31 Days
FHLMC - Federal Home Loan Mortgage Corp. Discount Note	Aaa	34,866,650	73 Days
Total Securities of U.S. Government Agencies		<u>745,591,217</u>	
Total Restricted Investments and Cash Equivalents		<u>1,574,290,184</u>	
Total Cash and Investments		<u>\$ 1,807,750,568</u>	

FINANCIAL

NORTH TEXAS MUNICIPAL WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance at October 1, 2018	Additions and Transfers	Disposals and Transfers	Balance at September 30, 2019
Nondepreciable:				
Land	\$ 73,801,998	\$ 2,509,040	\$ 30,481	\$ 76,280,557
Easements	62,549,675	-	81,463	62,468,212
Construction in progress	814,635,595	615,121,918	86,566,267	1,343,191,246
Total nondepreciable assets	950,987,268	617,630,958	86,678,211	1,481,940,015
Depreciable:				
Land improvements	8,260,528	5,117,586	-	13,378,114
Water treatment, storage and transmission facilities	1,563,099,797	49,492,835	-	1,612,592,632
Wastewater treatment and disposal facilities	713,879,210	5,402,444	-	719,281,654
Solid waste transfer and disposal facilities	81,868,330	6,925,817	-	88,794,147
Reservoir facilities and water rights	376,541,067	-	-	376,541,067
Buildings	72,754,554	1,271,576	-	74,026,130
Automobiles and trucks	14,256,255	402,636	658,645	14,000,246
Office furniture and fixtures	1,063,181	-	-	1,063,181
Other equipment	66,103,931	17,599,468	1,368,580	82,334,819
Total depreciable assets	2,897,826,853	86,212,362	2,027,225	2,982,011,990
Less accumulated depreciation on:				
Land improvements	(5,276,241)	(311,293)	-	(5,587,534)
Water treatment, storage and transmission facilities	(356,132,015)	(33,990,576)	-	(390,122,591)
Wastewater treatment and disposal facilities	(221,324,141)	(17,578,441)	-	(238,902,582)
Solid waste transfer and disposal facilities	(36,133,890)	(1,412,104)	-	(37,545,994)
Reservoir facilities and water rights	(103,234,762)	(7,539,355)	-	(110,774,117)
Buildings	(14,195,229)	(1,838,285)	-	(16,033,514)
Automobiles and trucks	(10,706,906)	(1,284,087)	(658,645)	(11,332,348)
Office furniture and fixtures	(560,543)	(71,128)	-	(631,671)
Other equipment	(37,849,539)	(6,166,315)	(1,353,213)	(42,662,641)
Total accumulated depreciation	(785,413,266)	(70,191,586)	(2,011,858)	(853,592,992)
Total depreciable assets—net	2,112,413,587	16,020,776	15,367	2,128,418,998
TOTAL CAPITAL ASSETS—NET	\$ 3,063,400,855	\$ 633,651,734	\$ 86,693,578	\$ 3,610,359,013

NOTE 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At September 30, 2019, accounts payable and accrued liabilities consisted of the following:

	Water System	Regional Wastewater System	Sewer System	Solid Waste System	Interceptor System	Total
Payable to vendors/contractors	\$ 104,081,763	\$ 15,086,317	\$ 9,879,917	\$ 2,741,295	\$ 8,767,838	\$ 140,557,130
Insurance claims liability	1,756,382	-	-	-	-	1,756,382
Payable to cities	268,228	2,033,889	789,279	9,860,478	1,432,574	14,384,448
Compensated absences	3,109,871	652,738	247,525	487,726	61,300	4,559,160
Accrued payroll and related benefits	2,444,723	672,932	327,851	841,387	92,689	4,379,582
Total	\$ 111,660,967	\$ 18,445,876	\$ 11,244,572	\$ 13,930,886	\$ 10,354,401	\$ 165,636,702
Payable from unrestricted assets	\$ 23,011,378	\$ 3,595,508	\$ 3,980,012	\$ 2,539,287	\$ 2,674,607	\$ 35,800,792
Payable from restricted assets	88,649,589	14,850,368	7,264,560	11,391,599	7,679,794	129,835,910
Total	\$ 111,660,967	\$ 18,445,876	\$ 11,244,572	\$ 13,930,886	\$ 10,354,401	\$ 165,636,702

NOTE 6. INTERFUND BALANCES

At September 30, 2019 interfund balances consisted of the following:

	Due From Other Funds	Due to Other Funds
Water System	\$ 560,455	\$ 150,651
Regional Wastewater System	47,297	450,257
Sewer System	55,835	289,999
Solid Waste System	347,598	19,991
Interceptor System	73	100,360
Total	\$ 1,011,258	\$ 1,011,258

The above interfund balances are a result of routine administrative type transactions in the normal course of business and are expected to be repaid in less than one year.

FINANCIAL

NORTH TEXAS MUNICIPAL WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFERRED OUTFLOWS OF RESOURCES

At September 30, 2019 deferred outflows of resources consisted of the following:

	Balance at October 1, 2018	Additions	Deletions	Balance at September 30, 2019
Water System:				
Deferred loss on refunded debt	\$ 20,078,371	\$ -	\$ (1,572,159)	\$ 18,506,212
Deferred pension outflow	8,653,060	6,695,147	-	15,348,207
Deferred OPEB outflow	703,344	55,330	-	758,674
	<u>29,434,775</u>	<u>6,750,477</u>	<u>(1,572,159)</u>	<u>34,613,093</u>
Regional Wastewater:				
Deferred loss on refunded debt	3,084,805	-	(391,012)	2,693,793
Deferred pension outflow	2,385,187	1,738,962	-	4,124,149
Deferred OPEB outflow	159,316	12,264	-	171,580
	<u>5,629,308</u>	<u>1,751,226</u>	<u>(391,012)</u>	<u>6,989,522</u>
Sewer System:				
Deferred loss on refunded debt	2,141,968	-	(290,526)	1,851,442
Deferred pension outflow	861,923	747,830	-	1,609,753
Deferred OPEB outflow	79,290	6,316	-	85,606
	<u>3,083,181</u>	<u>754,146</u>	<u>(290,526)</u>	<u>3,546,801</u>
Solid Waste System:				
Deferred loss on refunded debt	2,051,781	-	(273,589)	1,778,192
Deferred pension outflow	2,227,648	1,700,695	-	3,928,343
Deferred OPEB outflow	130,210	9,704	-	139,914
	<u>4,409,639</u>	<u>1,710,399</u>	<u>(273,589)</u>	<u>5,846,449</u>
Interceptor System:				
Deferred loss on refunded debt	2,599,559	-	(293,498)	2,306,061
Deferred pension outflow	206,933	266,803	-	473,736
Deferred OPEB outflow	28,002	2,016	-	30,018
	<u>2,834,494</u>	<u>268,819</u>	<u>(293,498)</u>	<u>2,809,815</u>
Total	\$ 45,391,397	\$ 11,235,067	\$ (2,820,784)	\$ 53,805,680

NOTE 8. LONG -TERM DEBT

Long-term debt consists of the following at September 30, 2019:

	Original Borrowing	Balance at October 1, 2018	Issued	Retired or Refunded	Balance at September 30, 2019	Amounts due Within One Year
Water System:						
Water revenue bonds 03/19-09/48, .770-6.123%	\$ 3,496,508,000	\$ 2,127,350,000	\$ 620,080,000	\$ 180,025,000	\$ 2,567,405,000	\$ 85,955,000
U.S. govt contracts payable, 11/18-10/51, 3.225-3.253%	44,220,432	28,097,923	-	1,547,617	26,550,306	1,597,613
	<u>3,540,728,432</u>	<u>2,155,447,923</u>	<u>620,080,000</u>	<u>181,572,617</u>	<u>2,593,955,306</u>	<u>87,552,613</u>
Regional Wastewater:						
Wastewater revenue bonds, 12/18-06/49, 2.00-5.00%	476,485,000	324,520,000	41,450,000	13,590,000	352,380,000	14,690,000
Sewer System:						
Rockwall contract revenue bonds, 12/18-06/28, 5.375-5.75%	2,960,000	1,850,000	-	145,000	1,705,000	150,000
Mustang Creek Interceptor System revenue bonds, 12/18-06/48, 3.00- 6.00%	30,240,000	9,445,000	19,620,000	535,000	28,530,000	580,000
Rockwall-Heath contract revenue bonds 12/18-06/25, 4.00-4.25%	3,020,000	1,375,000	-	170,000	1,205,000	180,000
Terrell contract revenue bonds 12/18-06/35, 3.00-5.00%	10,465,000	9,240,000	-	395,000	8,845,000	415,000
Stewart Creek contract revenue bonds, 12/18-06/35, 1.580-5.00%	69,685,000	58,585,000	-	2,895,000	55,690,000	2,470,000
Little Elm contract revenue bonds, 12/18-06/23, 2.00%	3,555,000	1,895,000	-	355,000	1,540,000	365,000
Parker Creek Interceptor System, revenue bonds, 12/18-06/23, 5.125%	2,615,000	950,000	-	170,000	780,000	180,000
Sabine Creek Interceptor System revenue bonds, 12/18-6/23, 5.125%	2,115,000	770,000	-	140,000	630,000	145,000
Sabine Creek Wastewater System revenue bonds, 12/18-6/36, 2.00- 4.00%	16,905,000	13,625,000	-	1,035,000	12,590,000	1,060,000
Muddy Creek Wastewater System revenue bonds 12/18-06/38, 3.00- 5.00%	23,800,000	9,860,000	8,540,000	1,860,000	16,540,000	1,850,000

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG -TERM DEBT (CONTINUED)

	Original Borrowing	Balance at October 1, 2018	Issued	Retired or Refunded	Balance at September 30, 2019	Amounts due Within One Year
Sewer System (continued):						
Muddy Creek Interceptor revenue bonds 12/18-06/24, 3.00-4.00%	2,135,000	1,375,000	-	210,000	1,165,000	215,000
Buffalo Creek Interceptor revenue bonds 12/18-06/27, 4.05-5.00%	13,050,000	8,305,000	-	1,110,000	7,195,000	1,170,000
Rockwall Water Pumping Facilities bonds 12/18-06/26, 4.50-4.60%	2,145,000	1,115,000	-	115,000	1,000,000	125,000
Panther Creek Wastewater System bonds 12/18-06/29, 4.00-5.00%	51,200,000	28,530,000	-	2,695,000	25,835,000	2,715,000
Lower East Fork Interceptor bonds 12/18-06/26, 3.00-5.00%	10,745,000	8,860,000	-	945,000	7,915,000	985,000
Parker Creek Parallel Interceptor bonds 12/18-06/36, 2.00-3.00%	3,045,000	2,800,000	-	110,000	2,690,000	115,000
	247,680,000	158,580,000	28,160,000	12,885,000	173,855,000	12,720,000
Solid Waste System- revenue bonds, 03/19-09/37, 3.00-5.00%						
	79,705,000	64,045,000	-	11,855,000	52,190,000	3,010,000
Interceptor System - revenue bonds, 12/18-06/49, 3.00-6.25%						
	397,675,000	235,865,000	49,530,000	12,330,000	273,065,000	13,835,000
Total	\$ 4,742,273,432	\$ 2,938,457,923	\$ 739,220,000	\$ 232,232,617	\$ 3,445,445,306	\$ 131,807,613

Pledged Revenue

Throughout the years, the District has issued revenue bonds and US Government Notes with Pledged Revenues as collateral.

Pledged Revenues generally include gross revenues of the District's respective Systems, and includes specifically certain payments to be received by the District from the Systems' member cities and contracting parties. The Member Cities and contracting parties are obligated to make payments in amounts sufficient to pay the principal and interest of the debt, which were issued to provide funding for construction and capital improvement projects.

The total amount of the pledge is equal to the remaining outstanding debt service requirements for the District's bonds and notes.

For the year ending September 30, 2019, bond debt service of \$251,087,367 was secured by pledged revenues of \$247,024,252, bond subsidies of \$3,905,636 and interest earned on accounts restricted for debt service of \$157,479.

For the year ending September 30, 2019, debt service on government notes of \$2,458,601 was secured by pledged revenues of \$2,458,601.

NOTE 8. LONG -TERM DEBT (CONTINUED)

In the Statement of Net Position, the long-term liabilities include premiums net of discounts of \$126,703,668 in the Water System, \$29,713,505 in the Regional Wastewater System, \$9,334,297 in the Sewer System, \$3,981,534 in the Solid Waste System and \$24,000,866 in the Interceptor System.

Other long term debt activity for the year ended September 30, 2019, was as follows:

	Balance at October 1, 2018		Additions	Deletions	Balance at September 30, 2019	
Water System:						
Premiums	\$ 126,118,700	\$ 12,166,886	\$ (11,581,918)		126,703,668	
	126,118,700	12,166,886	(11,581,918)		126,703,668	
Regional Wastewater:						
Premiums	29,273,648	2,903,468	(2,463,611)		29,713,505	
	29,273,648	2,903,468	(2,463,611)		29,713,505	
Sewer System:						
Premiums	9,751,994	1,126,534	(1,530,945)		9,347,583	
Discounts	(15,969)	-	2,683		(13,286)	
	9,736,025	1,126,534	(1,528,262)		9,334,297	
Solid Waste System:						
Premiums	4,686,112	-	(704,578)		3,981,534	
	4,686,112	-	(704,578)		3,981,534	
Interceptor System:						
Premiums	24,028,402	2,733,553	(2,761,089)		24,000,866	
	24,028,402	2,733,553	(2,761,089)		24,000,866	
Total	\$ 193,842,887	\$ 18,930,441	\$ (19,039,458)		\$ 193,733,870	

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG -TERM DEBT (CONTINUED)

Revenue bonds outstanding at September 30, 2019, are secured as follows:

- *Water Revenue Bonds* — Assignment of the gross revenues to be derived from the operation of the District's Water System.
- *Regional Wastewater Revenue Bonds* — Assignment of the gross revenues to be derived from the operation of the District's Regional Wastewater System and payments made to the District from the Cities of Plano, Mesquite, McKinney, Forney, Allen, Frisco, Princeton, Prosper, Rockwall, Seagoville and Heath, Texas.
- *Rockwall Contract Revenue Bonds* — Assignment of the gross revenues to be derived from the operation of the District's sewage disposal system serving the City of Rockwall, Texas.
- *Stewart Creek Contract Revenue Bonds* — Assignment of the gross revenues to be derived from the operation of the Stewart Creek Wastewater System and payments made to the District by the City of Frisco, Texas.
- *Little Elm Contract Revenue Bonds* — Payments made to the District by the Town of Little Elm, Texas.
- *Parker Creek Interceptor System* — Assignment of the gross revenues to be derived from the operation of the Parker Creek Interceptor System and payments made to the District by the Cities of Fate and Royse City, Texas.
- *Sabine Creek Interceptor System* — Assignment of the gross revenues to be derived from the operation of the Sabine Creek Interceptor System and payments made to the District by the City of Royse City, Texas.
- *Sabine Creek Wastewater System* — Assignment of the gross revenues to be derived from the operation of the Sabine Creek Wastewater System and payments made to the District by the City of Fate and the City of Royse City, Texas.
- *Muddy Creek Wastewater System* — Assignment of the gross revenues to be derived from the operation of the Muddy Creek Wastewater System and payments made to the District by the Cities of Murphy and Wylie, Texas.
- *Muddy Creek Interceptor System* — Assignment of the gross revenues to be derived from the operation of the Muddy Creek Interceptor System and payments made to the District by the Cities of Murphy and Wylie, Texas.
- *Buffalo Creek Interceptor System* — Assignment of the gross revenues to be derived from the operation of the Buffalo Creek Interceptor System and payments made to the District by the Cities of Forney, Heath and Rockwall, Texas.
- *Rockwall/Heath Water Storage Facilities* — Payments to be made to the District by the Cities of Rockwall and Heath, Texas.
- *Terrell Water Transmission Facilities* — Payments to be made to the District by the City of Terrell, Texas.
- *Rockwall Water Pumping Facilities* — Payments to be made to the District by the City of Rockwall, Texas.
- *Panther Creek Wastewater System* — Assignment of the gross revenues to be derived from the operation of the Panther Creek Wastewater System and payments made to the District by the City of Frisco, Texas.
- *Lower East Fork Interceptor System* — Assignment of the gross revenues to be derived from the operation of the District's Lower East Fork Interceptor System and payments made to the District by the Cities of Mesquite and Seagoville, Texas.
- *Parker Creek Parallel Wastewater Interceptor System* — Assignment of the gross revenues to be derived from the operation of the Parker Creek Interceptor System and payments made to the District by the City of Fate, Texas.
- *Mustang Creek Interceptor* — Payments to be made to the District by the City of Forney, Texas.
- *Solid Waste Revenue Bonds* — Assignment of the gross revenues to be derived from the operation of the District's Solid Waste System.
- *Interceptor Revenue Bonds* — Assignment of the gross revenues to be derived from the operation of the District's Upper East Fork Interceptor System.

NOTE 8. LONG -TERM DEBT (CONTINUED)

Interest and redemption (sinking) funds, reserve funds and contingency funds have been established, as required, in accordance with bond resolutions. Funds may be placed in secured time deposits or invested in direct obligations of, or obligations guaranteed by, the U.S. government. Interest earned is retained in the applicable funds or transferred to meet debt service requirements in accordance with bond resolutions.

The Water Fund's long-term debt payable to the U.S. government is pursuant to contracts covering the Chapman and Lavon Reservoirs.

Premiums and discounts on bonds are amortized over the life of the debt using the effective interest method.

During the year, the District issued revenue bonds in the amounts of \$530,985,000 in the Water System primarily for the improvement of the District's Water system, including costs related to Bois D'Arc Lake Reservoir, the Leonard Water Treatment Plant, and associated pipelines, \$41,450,000 in the Wastewater System for the construction and inspection of the Floyd Branch RWWTP Optimization Process improvements, design of the Regional Water Resource Facility, construction of the Wilson Creek Maintenance Facility, Solids Operations Facility, other system improvements, \$49,530,000 in the Interceptor System primarily for the construction and inspection of the Plano Spring Creek Force Main Parallel, Plano Spring Creek Lift Station No. 2 improvements, Wilson creek Station improvements, and other system improvements, \$28,160,000 in the Sewer System primarily for the acquisition and construction of an Aeration Basin, Odor Control, Backup Power for Muddy Creek WWTP and for the acquisition, construction and improvement of the Mustang Creek WW Interceptor System, Lift Station, and other system improvements.

During the year, the District issued revenue refunding bonds in the amounts of \$89,095,000 in the Water System to refund a portion of the District's outstanding debt. As a result of the current refunding, the District decreased its aggregate debt service payment to maturity by \$18,194,964 and realized an economic gain (difference between the present value of debt service payments of the old debt and the new debt) of \$14,352,739.

During the year, the District had a cash defeasance of the Regional Solid Waste Disposal system Refunding Bond Series 2010 in the amount of \$8,915,000.

At September 30, 2019, defeased bonds outstanding totaled \$2,415,000.

For current and advance refunding resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. At September 30, 2019, the amount of the unamortized deferred amount on refundings is \$27,135,700.

FINANCIAL

NORTH TEXAS MUNICIPAL WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG -TERM DEBT (CONTINUED)

Annual requirements to retire revenue bonds outstanding, including interest, are:

	Water System			Regional Wastewater System		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 85,955,000	\$ 94,453,759	\$ 180,408,759	\$ 14,690,000	\$ 14,769,541	\$ 29,459,541
2021	87,930,000	91,427,438	179,357,438	15,320,000	14,095,275	29,415,275
2022	88,065,000	88,245,070	176,310,070	15,985,000	13,374,625	29,359,625
2023	92,065,000	85,034,314	177,099,314	12,960,000	12,634,225	25,594,225
2024	95,370,000	81,600,470	176,970,470	13,540,000	12,023,625	25,563,625
2025-2029	500,685,000	353,791,531	854,476,531	70,590,000	50,383,700	120,973,700
2030-2034	539,035,000	253,603,805	792,638,805	51,345,000	36,547,544	87,892,544
2035-2039	436,505,000	156,856,003	593,361,003	53,490,000	26,035,825	79,525,825
2040-2044	390,370,000	82,871,585	473,241,585	66,595,000	14,516,919	81,111,919
2045-2049	251,425,000	18,238,576	269,663,576	37,865,000	2,716,625	40,581,625
	<u>\$ 2,567,405,000</u>	<u>\$ 1,306,122,551</u>	<u>\$ 3,873,527,551</u>	<u>\$ 352,380,000</u>	<u>\$ 197,097,904</u>	<u>\$ 549,477,904</u>
Sewer System			Solid Waste System			
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 12,720,000	\$ 6,883,848	\$ 19,603,848	\$ 3,010,000	\$ 2,163,681	\$ 5,173,681
2021	13,265,000	6,398,001	19,663,001	3,135,000	2,020,881	5,155,881
2022	13,835,000	5,806,565	19,641,565	3,275,000	1,872,131	5,147,131
2023	14,460,000	5,185,458	19,645,458	3,460,000	1,716,681	5,176,681
2024	12,385,000	4,534,348	16,919,348	3,615,000	1,552,281	5,167,281
2025-2029	45,570,000	15,709,059	61,279,059	17,215,000	5,003,156	22,218,156
2030-2034	35,830,000	8,429,950	44,259,950	12,415,000	2,194,850	14,609,850
2035-2039	15,785,000	2,812,794	18,597,794	6,065,000	346,531	6,411,531
2040-2044	6,085,000	1,229,213	7,314,213	-	-	-
2045-2049	3,920,000	336,319	4,256,319	-	-	-
	<u>\$ 173,855,000</u>	<u>\$ 57,325,555</u>	<u>\$ 231,180,555</u>	<u>\$ 52,190,000</u>	<u>\$ 16,870,192</u>	<u>\$ 69,060,192</u>

NOTE 8. LONG -TERM DEBT (CONTINUED)

	Interceptor System			Total All Systems		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 13,835,000	\$ 10,882,298	\$ 24,717,298	\$ 130,210,000	\$ 129,153,127	\$ 259,363,127
2021	14,020,000	10,622,311	24,642,311	133,670,000	124,563,906	258,233,906
2022	14,645,000	9,936,886	24,581,886	135,805,000	119,235,277	255,040,277
2023	15,330,000	9,220,961	24,550,961	138,275,000	113,791,639	252,066,639
2024	16,095,000	8,491,711	24,586,711	141,005,000	108,202,435	249,207,435
2025-2029	78,840,000	31,176,206	110,016,206	712,900,000	456,063,652	1,168,963,652
2030-2034	58,260,000	15,926,369	74,186,369	696,885,000	316,702,518	1,013,587,518
2035-2039	32,210,000	6,950,861	39,160,861	544,055,000	193,002,014	737,057,014
2040-2044	15,250,000	3,595,350	18,845,350	478,300,000	102,213,067	580,513,067
2045-2049	14,580,000	1,233,600	15,813,600	307,790,000	22,525,120	330,315,120
	<u>\$ 273,065,000</u>	<u>\$ 108,036,553</u>	<u>\$ 381,101,553</u>	<u>\$ 3,418,895,000</u>	<u>\$ 1,685,452,755</u>	<u>\$ 5,104,347,755</u>

Annual requirements to amortize contracts payable, including interest, are:

	Water System		
	Principal	Interest	Total
2020	\$ 1,597,613	\$ 860,987	\$ 2,458,600
2021	1,649,224	809,377	2,458,601
2022	1,702,502	756,098	2,458,600
2023	1,757,501	701,099	2,458,600
2024	1,814,277	644,323	2,458,600
2025-2029	4,737,610	2,508,776	7,246,386
2030-2034	2,304,670	2,016,731	4,321,401
2035-2039	2,704,719	1,616,682	4,321,401
2040-2044	3,174,209	1,147,192	4,321,401
2045-2049	3,725,194	596,207	4,321,401
2050-2051	1,382,787	67,833	1,450,620
	<u>\$ 26,550,306</u>	<u>\$ 11,725,305</u>	<u>\$ 38,275,611</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFERRED INFLOWS OF RESOURCES

At September 30, 2019, deferred inflows of resources consisted of the following:

	Balance at October 1, 2018	Additions	Deletions	Balance at September 30, 2019
Water System:				
Deferred pension inflow	\$ 5,939,588	\$ -	\$ (143,977)	\$ 5,795,611
Deferred OPEB inflow	1,039,482	806,469	-	1,845,951
Deferred insurance proceeds	716,542	-	(290,116)	426,426
	<u>7,695,612</u>	<u>806,469</u>	<u>(434,093)</u>	<u>8,067,988</u>
Regional Wastewater:				
Deferred pension inflow	1,591,541	-	(37,395)	1,554,146
Deferred OPEB inflow	243,435	178,749	-	422,184
	<u>1,834,976</u>	<u>178,749</u>	<u>(37,395)</u>	<u>1,976,330</u>
Sewer System:				
Deferred pension inflow	577,540	-	(16,081)	561,459
Deferred OPEB inflow	118,303	92,035	-	210,338
	<u>695,843</u>	<u>92,035</u>	<u>(16,081)</u>	<u>771,797</u>
Solid Waste System:				
Deferred pension inflow	1,439,271	-	(36,570)	1,402,701
Deferred OPEB inflow	197,765	141,447	-	339,212
	<u>1,637,036</u>	<u>141,447</u>	<u>(36,570)</u>	<u>1,741,913</u>
Interceptor System:				
Deferred pension inflow	145,776	-	(5,737)	140,039
Deferred OPEB inflow	39,802	29,379	-	69,181
	<u>185,578</u>	<u>29,379</u>	<u>(5,737)</u>	<u>209,220</u>
Total	<u>\$ 12,049,045</u>	<u>\$ 1,248,079</u>	<u>\$ (529,876)</u>	<u>\$ 12,767,248</u>

The Water Fund has an additional deferred inflow that represents an acquisition of net position that applies to a future period. The \$426,426 represents the unspent portion of the advance funds the District received from the insurance company for the hail damage repairs during the 2016 fiscal year.

NOTE 10. RETIREMENT PLAN**Plan Description**

The District provides a Retirement Plan for Employees of North Texas Municipal Water District (the Plan), a single employer defined benefit pension plan, for all of its eligible full-time employees through an AETNA Life Insurance Company group pension defined benefit fund contract. The Plan is administered by the District's Executive Director/General Manager. The Plan does not issue separate financial statements. An employee will become a participant in the Plan on the first day of the month which coincides with or next follows the attainment of age 21 and the completion of two years of eligibility service.

Benefits Provided

Benefits are established and may be amended by the District's Board of Directors. Benefits provided by the Plan include retirement, disability and preretirement death benefits. The benefit formula provides for a 10-year certain and continuous annuity. Preretirement death benefits are provided as a lump sum equal to the greater of the present value of the accrued benefit or current vested wages. The benefit at retirement is calculated as follows:

- *Normal Retirement (age 65)* — 3% of career compensation plus 1% of all yearly compensation in excess of covered compensation for each year.
- *Early Retirement (over age 55 with at least 20 years of service)* — The annual accrued benefit equals the accrued benefit based on service to the early retirement date, reduced by 5% for each year a member retires before the normal retirement date. There is no reduction in benefits for a member who retires whose age plus years of service total at least 85 (80 effective January 1, 2018).
- *Late Retirement (after normal retirement date)* — The benefit accrued to the late retirement date.
- *Disability (certified to be permanently and totally disabled on or after May 1, 1990)* — 60% of final average monthly compensation reduced by 64% of Social Security disability.

Employees Covered by Benefit Terms

As of January 1, 2019, the participants comprised the following:

Active participants	715
Terminated vested participants	100
Disabled Participants	7
Retired participants	146
Beneficiaries	14
Total number of participants	982

The Plan's assets are invested in pooled mutual and commingled funds and are stated at fair value as determined by the Plan's custodian.

Contributions

The District's annual minimum contribution is actuarially calculated based on the amount required to prevent the unfunded liability from increasing. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the actuarial accrued liability as set forth below. The unfunded actuarial accrued liability is amortized over a closed period of 30 years beginning January 1, 2014.

Effective January 1, 2018, employees who enter service on or after January 1, 2018 shall make mandatory contributions to the Plan at the rate of 5% of annual earnings and subject to 3.5% plan interest rate credits per year.

For the plan years ended December 31, 2018, 2017, and 2016, the District made contributions of \$6,450,000, \$6,765,000, and \$5,957,000, respectively which represent 15.72%, 20.14%, and 18.75%, respectively of annual covered payroll. These contributions were based on actuarially determined contribution requirements through an actuarial valuation performed at January 1, 2019, 2018, and 2017.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions

Valuation date	January 1, 2018	January 1, 2019
Measurement date	December 31, 2017	December 31, 2018
Actuarial cost method	Entry Age Normal	Entry Age Normal
Inflation	2.25%	2.00%
Salary increases including inflation	4.00%	4.00%
Mortality	SOA RP-2014 adjusted to 2006 mortality tables (blue collar) and MP 2017 mortality improvement scales	SOA RP-2014 adjusted to 2006 mortality tables (blue collar) and MP 2018 mortality improvement scales

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Discount Rate

	December 31, 2017	December 31, 2018
Discount rate	8.00%	8.00%
Long-term expected rate of return, net of investment expense	8.00%	8.00%

Long-Term Expected Rate of Return

Asset Class	Index	Target Allocation*	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAML 3-Mon Tbill	1.00%	0.39%	0.39%
US Short Bonds	Barclays 1-3 Yr Gvt/Credit	4.00%	1.62%	1.58%
US Long Bonds	Barclays LT Gvt/Credit	5.00%	3.01%	2.61%
US Credit Bonds	Barclays Credit	4.00%	3.09%	2.91%
US Large Caps	S&P 500	21.00%	4.72%	3.62%
US Small Caps	Russell 2000	32.00%	5.92%	4.11%
US Large Growth	Russell 1000 Growth	11.00%	5.39%	3.91%
US Large Value	Russell 1000 Value	11.00%	4.65%	3.57%
US Mid Cap Growth	Russell MidCap Growth	11.00%	6.04%	3.86%
Assumed Inflation - Mean			2.30%	2.30%
Assumed Inflation - Standard Deviation			1.66%	1.66%
Portfolio Real Mean Return			5.01%	3.96%
Portfolio Nominal Mean Return			7.33%	6.35%
Portfolio Standard Deviation				14.73%
Long-Term Expected Rate of Return				8.00%

* As outlined in the Plan's investment policy dated December 31, 2015

NOTE 10. RETIREMENT PLAN (CONTINUED)

Sensitivity Analysis

The following presents the net pension liability of the NTMWD, calculated using the discount rate of 8.00%, as well as what the NTMWD's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.00%) or 1 percentage point higher (9.00%) than the current rate.

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Total pension liability	\$ 133,331,972	\$ 116,921,100	\$ 103,382,226
Fiduciary net position	80,485,836	80,485,836	80,485,836
Net pension liability	52,846,136	36,435,264	22,896,390

Pension Expense

For the year ended September 30, 2019, the District recognized pension expense of \$8,964,581 of which \$5,383,158 was allocated to the Water System, \$1,398,193 was allocated to the Wastewater System, \$601,286 was allocated to the Sewer System, \$1,367,424 was allocated to the Solid Waste System, and \$214,520 was allocated to the Interceptor System. The breakdown of the components of pension expense are as follows:

Pension Expense	October 1, 2017 to September 30, 2018	October 1, 2018 to September 30, 2019
Service cost	\$ 2,897,116	\$ 3,428,327
Interest on total pension liability	8,582,317	9,450,734
Effect of plan changes	(842,623)	-
Administrative expenses	-	-
Member contributions	-	(97,590)
Expected investment income (net of expense)	(5,793,926)	(6,781,263)
Recognition of deferred inflows/outflows of resources	600,582	1,644,208
Recognition of economic/demographic gains or losses	(1,322,756)	(1,727,834)
Recognition of assumptions changes or inputs	628,835	3,047,999
Recognition of investment gains or losses		
Pension expense	\$ 4,749,545	\$ 8,964,581

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLAN (CONTINUED)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (1,515,132)	\$ 13,382,000
Changes of assumptions	(7,938,824)	-
Net difference between projected and actual earnings	-	8,552,184
Contributions made subsequent to measurement date	-	3,550,004
Total	\$ (9,453,956)	\$ 25,484,188

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year Ended September 30	Amount
2020	\$ 3,524,823
2021	2,251,030
2022	2,282,568
2023	2,953,680
2024	625,935
Thereafter	842,192
	\$ 12,480,228

Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of September 30, 2018	\$ 106,101,709	\$ 83,770,223	\$ 22,331,486
Changes for the year:			
Service cost	3,428,327		3,428,327
Interest on total pension liability	9,450,734		9,450,734
Effect of plan changes	-		-
Effect of economic/demographic gains or losses	5,496,264		5,496,264
Effect of assumptions changes or inputs	(3,038,517)		(3,038,517)
Benefit payments	(4,517,417)	(4,517,417)	-
Employer contributions		6,450,000	(6,450,000)
Member contributions		97,590	(97,590)
Net investment income		(5,314,560)	5,314,560
Administrative expenses		-	-
Balances as of September 30, 2019	\$ 116,921,100	\$ 80,485,836	\$ 36,435,264

NOTE 10. RETIREMENT PLAN (CONTINUED)**Net Pension Liability - continued**

	December 31, 2017	December 31, 2018
Total pension liability	\$ 106,101,709	\$ 116,921,100
Fiduciary net position	83,770,223	80,485,836
Net pension liability	22,331,486	36,435,264
Fiduciary net position as a % of total pension liability	78.95%	68.84%
Covered payroll	33,587,415	41,021,844
Net pension liability as a % of covered payroll	66.49%	88.82%

The District's total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions described above. There have been no significant changes between the valuation date and the fiscal year end. Any significant changes during this period must be reflected as prescribed by GASB 67 and 68.

The plan has not had a formal actuarial experience study performed.

Pension plan fiduciary net position

	December 31, 2017	December 31, 2018
Assets		
Cash and cash equivalents	\$ 578,390	\$ 798,902
Receivables and prepaid expenses	-	-
Investments:		
Fixed income	10,949,158	10,872,839
Stocks	72,242,675	68,814,095
Total investments	83,191,833	79,686,934
Total assets	83,770,223	80,485,836
Liabilities		
Total liabilities	-	-
Net position restricted for pensions	\$ 83,770,223	\$ 80,485,836

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLAN (CONTINUED)

Investment gains/losses are recognized in pension expense over a period of five years; economic/demographic gains/losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Original Amount	Date Established	Original Recognition Period*	Amount Recognized in Pension Expense for FYE 9/30/2019	Amount Recognized in Pension Expense through 9/30/2019	Balance of Deferred Inflows as of 9/30/2019	Balance of Deferred Outflows as of 9/30/2019
Economic/ demographic (gains) or losses	\$ 5,496,264	9/30/2019	7.5	\$ 732,732	\$ 732,732	\$ -	\$ 4,763,532
	6,366,137	9/30/2018	7.6	837,650	1,675,300	-	4,690,837
	(2,503,263)	9/30/2017	7.6	(329,377)	(988,131)	(1,515,132)	-
	8,442,147	9/30/2016	7.5	1,128,629	4,514,516	-	3,927,631
	(4,870,706)	9/30/2015	4.7	(725,426)	(4,870,706)	-	-
Total				1,644,208	1,063,711	(1,515,132)	13,382,000
Assumption changes or inputs	(3,038,517)	9/30/2019	7.5	(405,078)	(405,078)	(2,633,439)	-
	(1,928,083)	9/30/2018	7.6	(253,695)	(507,390)	(1,420,693)	-
	(1,115,300)	9/30/2017	7.6	(146,750)	(440,250)	(675,050)	-
	(6,898,886)	9/30/2016	7.5	(922,311)	(3,689,244)	(3,209,642)	-
	Total			(1,727,834)	(5,041,962)	(7,938,824)	-
Investment (gains) or losses	12,095,823	9/30/2019	5.0	2,419,165	2,419,165	-	9,676,658
	(3,891,989)	9/30/2018	5.0	(778,398)	(1,556,796)	(2,335,193)	-
	(157,685)	9/30/2017	5.0	(31,537)	(94,611)	(63,074)	-
	6,368,973	9/30/2016	5.0	1,273,795	5,095,180	-	1,273,793
	824,874	9/30/2015	5.0	164,974	824,874	-	-
Total				3,047,999	6,687,812	(2,398,267)	10,950,451
Total for economic/demographic gains or losses and assumption changes or inputs						(9,453,956)	13,382,000
Net deferred (inflows)/outflows for investment gains or losses						-	8,552,184
Total deferred (inflows)/outflows						(9,453,956)	21,934,184
Total net deferrals						-	12,480,228

In addition to this retirement plan, the District provides health and dental care benefits for certain retirees and their spouses up to age 65. The District pays 100 percent of the health and dental care premiums for participants currently eligible for benefits.

For the year ended September 30, 2019, the District contributed \$1,275,000, related to these benefits, of which \$767,995 was allocated to the Water System, \$194,235 was allocated to the Wastewater System, \$87,275 was allocated to the Sewer System, \$193,470 was allocated to the Solid Waste System, and \$32,025 was allocated to the Interceptor System. See Note 14 for additional disclosure information related to the District's post-employment benefits.

NOTE 11. COMMITMENTS AND CONTINGENCIES**Commitments**

Remaining commitments under construction contracts as of September 30, 2019 were as follows:

Payable from:		Capital Improvement Funds	Restricted Bond Funds	Total Commitments
Regional Water System	\$ 107,431,553	\$ 887,804,773	\$ 995,236,326	
Regional Wastewater System	1,589,042	98,581,936	100,170,978	
Regional Sewer System	4,102,942	21,865,592	25,968,534	
Regional Solid Waste System	378,693	5,169,999	5,548,692	
Upper East Fork Interceptor System	978,442	66,093,498	67,071,940	
	\$ 114,480,672	\$ 1,079,515,798	\$ 1,193,996,471	

Contingencies

The District is involved in threatened litigation and lawsuits arising in the ordinary course of business, including claims involving contract disputes. In the opinion of the District's management, potential liability in these matters will not have a material impact on the financial statements as of September 30, 2019.

NOTE 12. CLOSURE AND POSTCLOSURE CARE COSTS

State and Federal laws and regulations require the District to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the District accrues a portion of these estimated closure and postclosure care costs in each period based on landfill capacity used as of each balance sheet date. At September 30, 2019, a liability of \$6,194,441 for landfill closure and postclosure care costs has been accrued in the Solid Waste System Fund in the accompanying statement of net position.

Beginning Liability	Additions	Reductions	Ending Liability
\$ 5,896,275	\$ 298,166	-	\$ 6,194,441

The \$6,194,441 reported as landfill closure and postclosure care liability at September 30, 2019, includes \$215,179 for Transfer Stations, \$1,539,942 for the Maxwell Creek Landfill, \$2,870,453 for the McKinney Landfill and \$1,568,867 for the 121 Regional Disposal Facility, which represents the cumulative amount reported to date based on the use of 15% of the estimated capacity of the 121 Regional Disposal Facility. The Maxwell Creek Landfill was closed during 2006 and the McKinney Landfill was closed during 2009. The District will recognize the remaining cost of closure and postclosure care of \$8,939,284 for the 121 Regional Disposal Facility as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care at September 30, 2019. Based upon the current utilization of capacity, the remaining expected life of the 121 Regional Disposal Facility is estimated to be 83 years. Actual costs may be higher due to inflation, changes in technology, or changes in laws or regulations.

The District is required to provide financial assurance for closure and postclosure care to the State of Texas. In accordance with current regulations, a local government may demonstrate financial assurance for closure and postclosure care, or corrective action by satisfying certain requirements. Management of the District believes they have satisfied such requirements.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased for fire and extended coverage for the buildings, plants, structures and contents with a \$25,000 deductible per occurrence. Commercial insurance is also provided under a commercial floater policy, which covers the heavy off-road equipment with a \$10,000 deductible per occurrence. The District is a member of a public entity risk pool operating as a common risk management and insurance program for a number of water districts and river authorities within the State of Texas. Coverage provided by the pool consists of workers' compensation, general liability, automobile liability, directors' and officers' liability, and automobile physical damage. Annual premiums are paid to the pool. The pool is self-sustaining through member premiums and the purchase of reinsurance through commercial companies. The amount of settlements did not exceed insurance coverage for the last three fiscal years.

The District maintains a self-insurance program for the employee group medical program. A third-party administrator is utilized to provide claims administration and payment of claims. Insurance is purchased to provide specific stop loss and aggregate stop loss protection.

The liability for insurance claims is based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities are based upon the insurance company's figures for the District's liability for termination claims upon the termination of the policy year and the stop loss premium for any claims above the District's liability. Additionally, the liability for unpaid claims includes the effects of specific incremental claims, adjustment expenses, and if probable and material, salvage, and subrogation. The liability is reported with accounts payable and accrued liabilities in the statement of net position. Changes in the employees' health claims liability amount in fiscal September 30, 2019 and 2018 were:

Fiscal Year	Liability Beginning of Year	Claims		Current Year	Liability End of Year
		Incurred and Change in Estimates	Claim Payments		
2018	\$ 1,764,616	\$ 11,419,840	\$ 11,336,818	\$ 1,847,638	
2019	1,847,638	13,054,407	13,145,663	\$ 1,756,382	

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS**Plan Description and Benefits Provided**

The District's defined benefit other postemployment benefits (OPEB) plan provides OPEB in the form of health and dental insurance benefits for certain retirees and their spouses up to age 65 through a single-employer defined medical plan. These benefits are funded 100 percent by the District for the currently eligible retirees and their spouses. A third-party administrator is utilized to provide claims administration and payment of claims. Insurance is purchased to provide specific stop loss and aggregate stop loss protection.

The District does not issue separate audited financial statements for its plan.

Employees Covered by Benefit Terms

As of September 30, 2019, the participants comprised the following:

Actives	705
Retirees	38
Beneficiaries	-
Spouses of Retirees	21
Total number of participants	764

Contributions

The District's funding policy is established and may be amended by the District's Board of Directors. The District has established an irrevocable trust fund to accumulate assets for payment of future OPEB benefits. The District pre-funds benefits through contributions to the trust. The current funding policy is to contribute at least the Actuarially Determined Contribution as calculated by the actuary. The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a closed 20 year period beginning October 1, 2017.

OPEB Plan Fiduciary Net Position

	September 30, 2018	September 30, 2019
Assets		
Cash and cash equivalents	\$ 158,824	-
Receivables and prepaid expenses	-	-
Investments:		
Fixed income	2,222,180	2,033,868
Stocks	4,175,627	4,869,514
Real estate	324,034	-
Alternative investments	1,112,322	1,316,447
Total investments	7,834,163	8,219,829
Total assets	7,992,987	8,219,829
Liabilities		
Total liabilities	-	-
Net position restricted for OPEB	\$ 7,992,987	\$ 8,219,829

NOTES TO FINANCIAL STATEMENTS

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liability

The District's total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and then was projected to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 75.

Actuarial Methods and Assumptions

The total OPEB liability in the September 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Salary increases including inflation	3.00%
Long-Term Expected Rate of Return	7.50%
Healthcare Cost Trend Rates (Medical)	4.8% for 2019, gradually increasing to an ultimate rate of 5.0% between 2033 and 2041 and gradually decreasing to 3.9% in 2075.
Healthcare Cost Trend Rates (Dental)	4.1% for 2019, gradually increasing until 2027 to a rate of 5.0% through 2036 and increasing to 5.1% through 2041 and gradually decreasing to 3.9% in 2075.

Mortality rates (pre-retirement) were based on the RP-2014 Blue Collar Mortality Table for healthy employees projected backward to 2006 with Mortality Improvement Scale MP-2014 and then forward with Mortality Improvement Scale MP-2018 on a generational basis. Mortality rates (post-retirement) were based on the RP-2000 Blue Collar Mortality Table for healthy annuitants projected with Mortality Improvement Scale MP-2018 on a generational basis.

The plan has not had a formal actuarial experience study performed.

Long-Term Expected Rate of Return

The assumption for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2019.

Asset Class	Index	Target Allocation*	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Core Fixed Income	Barclays Aggregate	15.00%	1.83%	1.73%
US High Yield Bonds	BAML High Yield	5.00%	4.00%	3.54%
Global Bonds	Citi WGBI	5.00%	0.48%	0.22%
US Large Caps	S&P 500	10.00%	4.44%	3.33%
US Equity Market	Russell 3000	15.00%	4.71%	3.52%
US Small Caps	Russell 2000	6.00%	5.76%	3.91%
US Mid Caps	Russell MidCap	3.00%	4.81%	3.38%
Foreign Developed Equity	MSCI EAFE NR	10.00%	6.06%	4.55%
Emerging Markets Equity	MSCI EM NR	15.00%	8.23%	5.43%

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**Long-Term Expected Rate of Return - continued**

Asset Class	Index	Target Allocation*	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Strategic Global Convertibles	HFRI FOF Strategic	5.00%	2.98%	2.50%
Income Opportunity	HFRI Event-Driven	6.00%	3.59%	3.23%
Assumed Inflation - Mean			2.30%	2.30%
Assumed Inflation - Standard Deviation			1.85%	1.85%
Portfolio Real Mean Return			4.54%	3.87%
Portfolio Nominal Mean Return			6.75%	6.15%
Portfolio Standard Deviation				11.61%
Long-Term Expected Rate of Return				7.50%

Discount Rate

The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient.

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of September 30, 2018	\$ 12,335,323	\$ 7,992,987	\$ 4,342,336
Changes for the year:			
Service cost	373,671		373,671
Interest on total OPEB liability	953,174		953,174
Effect of plan changes	-		-
Effect of economic/demographic gains or losses	(1,676,805)		(1,676,805)
Effect of assumptions changes or inputs	(83,112)		(83,112)
Benefit payments	-		-
Employer contributions	-		-
Member contributions	-		-
Net investment income		226,842	(226,842)
Administrative expenses		-	-
Balances as of September 30, 2019	\$ 11,902,251	\$ 8,219,829	\$ 3,682,422

NOTES TO FINANCIAL STATEMENTS

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity Analysis

The following presents the net OPEB liability of the District, calculated using the discount rate of 7.5%, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Total OPEB liability	\$ 12,885,761	\$ 11,902,251	\$ 11,036,295
Fiduciary net position	8,219,829	8,219,829	8,219,829
Net OPEB liability	4,665,932	3,682,422	2,816,466

The following presents the net OPEB liability of the District, calculated using the current healthcare cost trend rate of 4.8%, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower (3.8%) or 1 percentage point higher (5.8%) than the current healthcare cost trend rate.

	1% Decrease 3.8%	Current Trend Rate 4.8%	1% Increase 5.8%
Total OPEB liability	\$ 10,944,996	\$ 11,902,251	\$ 13,014,948
Fiduciary net position	8,219,829	8,219,829	8,219,829
Net OPEB liability	2,725,167	3,682,422	4,795,119

OPEB Expense

For the year ended September 30, 2019, the District recognized OPEB expense of \$502,535. The breakdown of the components of OPEB expense are as follows:

OPEB Expense	October 1, 2017 to September 30,	October 1, 2018 to September 30,	2019
	2018	2019	
Service cost	\$ 406,197	\$ 373,671	
Interest on total OPEB liability	831,865	953,174	
Effect of plan changes	-	-	
Administrative expenses	-	-	
Member contributions	-	-	
Expected investment income (net of expense)	(540,785)	(599,474)	
Recognition of deferred inflows/outflows of resources			
Recognition of economic/demographic gains or losses	(19,331)	(221,356)	
Recognition of assumptions changes or inputs	(29,899)	(69,912)	
Recognition of investment gains or losses	(8,094)	66,432	
OPEB expense	\$ 639,953	\$ 502,535	

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**Deferred Outflows/Inflows of Resources Related to OPEB**

At September 30, 2019, the District reported deferred inflows and outflows of resources from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (2,322,056)	\$ 811,071
Changes of assumptions	(564,810)	70,340
Net difference between projected and actual earnings	-	304,381
Total	\$ (2,886,866)	\$ 1,185,792

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

Year Ended December 31	Amount
2020	\$ (224,836)
2021	(224,834)
2022	(194,281)
2023	(216,740)
2024	(291,268)
Thereafter	(549,115)
	\$ (1,701,074)

Note that additional future deferred inflows and outflows of resources may impact these numbers.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Schedule of Deferred Inflows and Outflows of Resources Related to OPEB

Investment gains/losses are recognized in OPEB expense over a period of five years; economic/demographic gains/losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB were recognized in OPEB expense as follows:

	Original Amount	Date Established	Original Recognition Period*	Amount Recognized in Expense for FYE 9/30/2019	Amount Recognized in Expense through 9/30/2019	Balance of Deferred Inflows 9/30/2019	Balance of Deferred Outflows 9/30/2019
Economic/demographic	\$ (1,676,805)	9/30/2019	8.3	\$ (202,025)	\$ (202,025)	\$ (1,474,780)	\$ -
demographic	1,046,165	9/30/2018	8.9	117,547	235,094	-	\$ 811,071
(gains) or losses	(1,257,910)	9/30/2017	9.2	(136,878)	(410,634)	(847,276)	-
		Total		(221,356)	(377,565)	(2,322,056)	811,071
Assumption	(83,112)	9/30/2019	8.3	(10,013)	(10,013)	(73,099)	-
changes or	(634,235)	9/30/2018	8.9	(71,262)	(142,524)	(491,711)	-
inputs	104,429	9/30/2017	9.2	11,363	34,089	-	70,340
		Total		(69,912)	(118,448)	(564,810)	70,340
Investment	372,632	9/30/2019	5.0	74,526	74,526	-	298,106
(gains) or	112,301	9/30/2018	5.0	22,460	44,920	-	67,381
losses	(152,768)	9/30/2017	5.0	(30,554)	(91,662)	(61,106)	-
		Total		66,432	27,784	(61,106)	365,487
Total for economic/demographic gains or losses and assumption changes or inputs						(2,886,866)	881,411
Net deferred (inflows)/outflows for investment gains or losses						-	304,381
Total deferred (inflows)/outflows						(2,886,866)	1,185,792
Total net deferrals						(1,701,074)	

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FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION

PENSION & OPEB TREND INFORMATION (UNAUDITED)

North Texas Municipal Employee Retirement System
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Fiscal Years
(Dollar amounts in 1,000s)

	Year Ended									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Pension Liability										
Service cost	\$ 3,428	\$ 2,897	\$ 2,517	\$ 3,058	\$ 2,166	\$ 2,005	N/A	N/A	N/A	N/A
Interest on total pension liability	9,451	8,582	7,643	6,614	6,387	5,854	N/A	N/A	N/A	N/A
Effect of plan changes	-	(843)	-	-	-	N/A	N/A	N/A	N/A	N/A
Effect of economic/ demographic gains or (losses)	5,496	6,366	(2,503)	8,442	(4,871)	1,527	N/A	N/A	N/A	N/A
Effect of assumptions changes or inputs	(3,039)	(1,928)	(1,115)	(6,899)	-	154	N/A	N/A	N/A	N/A
Benefit payments	(4,517)	(3,507)	(3,092)	(2,617)	(2,055)	(1,700)	N/A	N/A	N/A	N/A
Net change in total pension liability	10,819	11,568	3,450	8,599	1,627	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	106,102	94,534	91,085	82,486	80,859	73,020	55,436	47,048	39,331	34,596
Total pension liability, ending (a)	116,921	106,102	94,534	91,085	82,486	80,859	73,020	55,436	47,048	39,331
Fiduciary Net Position										
Employer contributions	\$ 6,450	\$ 6,765	\$ 5,957	\$ 4,999	\$ 5,595	\$ 4,945	N/A	N/A	N/A	N/A
Member contributions	98	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	(5,315)	9,686	5,284	(1,337)	3,689	7,436	N/A	N/A	N/A	N/A
Benefit payments	(4,517)	(3,507)	(3,092)	(2,617)	(2,055)	(1,700)	N/A	N/A	N/A	N/A
Administrative expenses	-	-	-	(195)	(180)	(159)	N/A	N/A	N/A	N/A
Net change in fiduciary net position	(3,284)	12,944	8,149	850	7,049	10,522	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	83,770	70,827	62,678	61,828	54,779	44,257	35,949	32,430	27,146	19,735
Fiduciary net position, ending (b)	80,486	83,770	70,827	62,678	61,828	54,779	44,257	35,949	32,430	27,146
Net pension liability, ending = (a) - (b)	36,435	22,331	23,708	28,407	20,658	26,081	28,763	19,487	14,618	12,185
Fiduciary net position as a % of total pension liability	68.84%	78.95%	74.92%	68.81%	74.96%	67.75%	60.61%	64.85%	68.93%	69.02%
Covered payroll	\$ 41,022	\$ 33,587	\$ 31,778	\$ 30,085	\$ 26,655	\$ 25,929	\$ 24,859	\$ 24,256	\$ 23,572	\$ 22,514
Net pension liability as a % of covered payroll	88.82%	66.49%	74.60%	94.42%	77.50%	100.58%	115.70%	80.34%	62.02%	54.12%

Notes to Schedule:

Changes of assumptions. The mortality assumptions were updated from Projection Scale MP-2016 to Projection Scale MP-2017. Data prior to 2014 is not available. Additional years' information will be displayed as it becomes available.

NOTE: The District implemented GASB Statement No. 68 in FY 2015. Information in this table has been determined as of the measurement date (December 31) of the net pension liability and will ultimately contain information for ten years.

North Texas Municipal Employee Retirement System

Schedule of Employer Contributions

Last 10 Fiscal Years

(Dollar amounts in 1,000s)

	Fiscal Year Ending September 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially Determined Contribution	\$ 5,195	\$ 5,213	\$ 5,034	\$ 4,600	\$ 4,386	\$ 4,504	\$ 4,555	\$ 3,841	\$ 3,291	\$ 3,333
Actual Employer Contribution	6,450	6,765	5,957	4,999	5,595	4,945	5,022	3,925	3,345	3,351
Contribution Deficiency (Excess)	(1,255)	(1,552)	(923)	(399)	(1,209)	(441)	(467)	(84)	(54)	(18)
Covered Payroll*	\$ 47,598	\$ 33,587	\$ 31,778	\$ 30,085	\$ 26,655	\$ 25,929	\$ 24,859	\$ 24,256	\$ 23,572	\$ 22,514
Contributions as a % of Covered Payroll	13.55%	20.14%	18.75%	16.62%	20.99%	19.07%	20.20%	16.18%	14.19%	14.89%

* Covered payroll for 2019 is for the fiscal year period ending September 30. Covered payroll for 2010-2018 is for the fiscal year period ending December 31 within each year.

North Texas Municipal Employee Other Postemployment Benefits Plan
Schedule of Changes in Net OPEB Liability and Related Ratios
Last 10 Fiscal Years
(Dollar amounts in 1,000s)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total OPEB Liability										
Service cost	\$ 374	\$ 406	\$ 432	N/A						
Interest on total OPEB liability	953	832	826	N/A						
Changes on benefit terms	-	-	-	N/A						
Effect of economic/ demographic gains or (losses)	(1,677)	1,046	(1,258)	N/A						
Effect of assumptions changes or inputs	(83)	(634)	104	N/A						
Benefit payments	-	-	0	N/A						
Net change in total OPEB liability	(433)	1,650	104	N/A						
Total OPEB liability, beginning	12,335	10,685	10,581	N/A						
Total OPEB liability, ending (a)	11,902	12,335	10,685	N/A						
Fiduciary Net Position										
Employer contributions	-	696	600	N/A						
Net investment income	227	428	600	N/A						
Benefit payments	-	-	-	N/A						
Administrative expenses	-	-	-	N/A						
Net change in fiduciary net position	227	1,124	1,200	N/A						
Fiduciary net position, beginning	7,993	6,869	5,669	N/A						
Fiduciary net position, ending (b)	8,220	7,993	6,869	N/A						
Net OPEB liability, ending = (a) - (b)	3,682	4,342	3,816	N/A						
Fiduciary net position as a % of total OPEB liability	69.06%	64.80%	64.28%	N/A						
Covered payroll (as reported with pension data)	\$ 47,598	\$ 33,587	\$ 31,778	N/A						
Net OPEB liability as a % of covered payroll	7.74%	12.93%	12.01%	N/A						

Notes to Schedule:

Changes of benefit terms. There were no substantial changes to benefits between 2018 and 2019.

Changes of assumptions. The mortality table was updated to reflect the MP-2018 improvement scale (from MP-2017).

Data prior to 2017 is not available. Additional years' information will be displayed as it becomes available.

North Texas Municipal Employee Other Postemployment Benefits Plan

Schedule of NTMWD Contributions

Last 10 Fiscal Years
(Dollar amounts in 1,000s)

	Fiscal Year Ending September 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially Determined Contribution	\$ 864	\$ 832	\$ 669	N/A						
Actual Employer Contribution	-	696	600	N/A						
Contribution Deficiency (Excess)	864	137	69	N/A						
Covered Payroll	\$ 47,598	\$ 33,587	\$ 31,778	N/A						
Contributions as a % of Covered Payroll	0.00%	2.07%	1.89%	N/A						

Notes to Schedule:

Valuation Timing	Actuarial valuations for funding purposes are performed annually as of October 1.
Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Asset Valuation Method	Market Value
Inflation	2.30%
Salary Increases	3.00%
Discount Rate	7.50%
Healthcare Cost Trend Rates (Medical)	4.8% for 2019, gradually increasing to an ultimate rate of 5.0% between 2033 and 2041 and gradually decreasing to 3.9% in 2075.
Healthcare Cost Trend Rates (Dental)	4.1% for 2019, gradually increasing until 2027 to 5.0% through 2036 and increasing to 5.1% through 2041 and gradually decreasing to 3.9% in 2075.
Retirement age	Participants are assumed to retire at the earlier of their Normal Retirement Age or the eligibility for unreduced early retirement benefit under the Retirement Plan.
Mortality	Adjusted RPH-2014 Blue Collar with MP-2018 Projection

2017 and 2018 payroll as reported with pension data. 2019 payroll shows fiscal year ending September 30, 2019 reported with OPEB data. Data prior to 2017 is not available. Additional years' information will be displayed as it becomes available.

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FINANCIAL SECTION

SEWER SYSTEM
SUPPLEMENTAL SCHEDULES

SEWER SYSTEM SUPPLEMENTAL SCHEDULE OF NET POSITION September 30, 2019

	Little Elm Water Transmission Facilities	Plano Water Transmission Facilities
ASSETS		
CURRENT ASSETS:		
Unrestricted assets:		
Cash and cash equivalents	\$ 7,671	\$ 21,363
Accounts receivable	-	1,002
Due from other funds	-	-
Prepaid expenses	-	-
Unbilled receivable	-	-
Total unrestricted assets	7,671	22,365
Restricted assets:		
Cash and cash equivalents	183,570	73,258
Investments	411,071	-
Interest and accounts receivable	3,848	-
Total restricted assets	598,489	73,258
TOTAL CURRENT ASSETS	606,160	95,623
LONG-TERM ASSETS:		
Nondepreciable:		
Land	-	-
Easements	1,148,575	-
Construction-in-progress	-	-
Total nondepreciable assets	1,148,575	-
Depreciable:		
Land improvements	-	-
Water treatment, storage, and transmission facilities	4,140,773	9,233,771
Wastewater treatment and disposal facilities	-	-
Buildings	-	-
Automobiles and trucks	-	-
Other equipment	-	-
Total depreciable assets	4,140,773	9,233,771
Less accumulated depreciation	(1,233,605)	(4,392,262)
Net capital assets	4,055,743	4,841,509
TOTAL LONG-TERM ASSETS	4,055,743	4,841,509
TOTAL ASSETS	4,661,903	4,937,132
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred loss on refunding	54,626	-
Deferred pension outflow	-	-
Deferred OPEB outflow	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	54,626	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,716,529	\$ 4,937,132

See notes to the basic financial statements.

Kaufman 4-1 Water Distribution Facilities	Rockwall-Heath Water Storage Facilities	Terrell Water Transmission Facilities	Rockwall Water Pump Station Facilities	Wylie WWTP	South Rockwall (Buffalo Creek) WWTP
\$ 447	\$ 154	\$ 479	\$ 117	\$ 14,529	\$ 1,004,183
6,667	-	-	-	-	-
17,000	-	-	-	-	-
140	-	-	-	3,061	24,954
-	-	-	-	839	20,633
24,254	154	479	117	18,429	1,049,770
61,125	79,012	252,867	60,397	24,763	128,566
-	235,040	758,126	172,030	-	259,046
-	2,208	7,077	1,626	-	2,427
61,125	316,260	1,018,070	234,053	24,763	390,039
85,379	316,414	1,018,549	234,170	43,192	1,439,809
-	-	-	-	-	60,724
-	-	-	-	-	243,045
-	-	-	-	-	303,769
-	2,600,259	12,039,133	1,932,237	2,149,479	-
-	-	-	-	-	8,214,580
-	-	-	-	2,272	79,843
-	-	-	-	53,402	284,437
-	2,600,259	12,039,133	1,932,237	2,205,153	8,578,860
-	(637,063)	(3,511,414)	(579,676)	(2,190,324)	(5,881,432)
-	1,963,196	8,527,719	1,352,561	14,829	3,001,197
-	1,963,196	8,527,719	1,352,561	14,829	3,001,197
85,379	2,279,610	9,546,268	1,586,731	58,021	4,441,006
-	-	115,794	-	-	-
-	-	-	-	2,299	75,005
-	-	-	-	120	3,118
-	-	115,794	-	2,419	78,123
\$ 85,379	\$ 2,279,610	\$ 9,662,062	\$ 1,586,731	\$ 60,440	\$ 4,519,129

(Continued)

SEWER SYSTEM SUPPLEMENTAL SCHEDULE OF NET POSITION September 30, 2019

	North Rockwall (Squabble Creek) WWTP	Panther Creek WWTP
ASSETS		
CURRENT ASSETS:		
Unrestricted assets:		
Cash and cash equivalents	\$ (32,553)	\$ 1,115,398
Accounts receivable	84,423	-
Due from other funds	-	46
Prepaid expenses	22,281	105,841
Unbilled receivable	11,504	136,261
Total unrestricted assets	85,655	1,357,546
Restricted assets:		
Cash and cash equivalents	4,398	2,431,439
Investments	-	2,236,803
Interest and accounts receivable	-	546
Total restricted assets	4,398	4,668,788
TOTAL CURRENT ASSETS	90,053	6,026,334
LONG-TERM ASSETS:		
Nondepreciable:		
Land	-	-
Easements	-	19,042
Construction-in-progress	-	78,874
Total nondepreciable assets	-	97,916
Depreciable:		
Land improvements	-	-
Water treatment, storage, and transmission facilities	-	-
Wastewater treatment and disposal facilities	1,576,460	51,847,370
Buildings	-	-
Automobiles and trucks	48,173	79,825
Other equipment	95,575	770,306
Total depreciable assets	1,720,208	52,697,501
Less accumulated depreciation	(1,331,830)	(13,221,157)
Net capital assets	388,378	39,574,260
TOTAL LONG-TERM ASSETS	388,378	39,574,260
TOTAL ASSETS	478,431	45,600,594
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred loss on refunding	-	974,374
Deferred pension outflow	38,916	439,867
Deferred OPEB outflow	1,777	23,492
TOTAL DEFERRED OUTFLOWS OF RESOURCES	40,693	1,437,733
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 519,124	\$ 47,038,327

See notes to the basic financial statements.

Sabine Creek WWTP	Stewart Creek WWTP	Muddy Creek WWTP	Seis Lagos WWTP	Royse City WWTP	Farmersville WWTP
\$ 139,761	\$ 1,278,241	\$ 277,219	\$ 52,777	\$ 3,806	\$ 16,784
-	-	91,934	-	-	25
-	43	100	121	-	14,700
8,956	63,662	42,171	2,224	178	5,709
21,197	67,493	75,124	6,770	839	14,128
<u>169,914</u>	<u>1,409,439</u>	<u>486,548</u>	<u>61,892</u>	<u>4,823</u>	<u>51,346</u>
731,139	6,032,196	3,539,054	15,385	10,450	20,768
952,657	4,663,030	6,229,725	-	-	-
8,931	7,981	25,435	-	-	-
1,692,727	10,703,207	9,794,214	15,385	10,450	20,768
<u>1,862,641</u>	<u>12,112,646</u>	<u>10,280,762</u>	<u>77,277</u>	<u>15,273</u>	<u>72,114</u>
375,774	-	9,421	-	-	-
10,966,778	67,031,808	1,608,897	-	-	-
<u>11,342,552</u>	<u>67,031,808</u>	<u>1,618,318</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	417,138	-	-	-
7,803,905	6,896,733	28,265,887	-	-	-
-	9,698	161,583	-	-	16,225
62,277	76,461	58,728	31,600	2,272	40,336
468,651	581,130	1,109,324	38,124	7,324	427,118
8,334,833	7,564,022	30,012,660	69,724	9,596	483,679
(3,185,138)	(4,362,936)	(12,320,962)	(49,817)	(8,540)	(432,252)
16,492,247	70,232,894	19,310,016	19,907	1,056	51,427
16,492,247	70,232,894	19,310,016	19,907	1,056	51,427
18,354,888	82,345,540	29,590,778	97,184	16,329	123,541
88,540	-	213,661	-	-	-
50,412	240,385	463,689	17,420	2,286	25,360
3,024	14,527	23,290	949	120	1,753
141,976	254,912	700,640	18,369	2,406	27,113
<u>\$ 18,496,864</u>	<u>\$ 82,600,452</u>	<u>\$ 30,291,418</u>	<u>\$ 115,553</u>	<u>\$ 18,735</u>	<u>\$ 150,654</u>

(Continued)

SEWER SYSTEM SUPPLEMENTAL SCHEDULE OF NET POSITION September 30, 2019

		Frisco		
		Cottonwood	Lavon	
		Creek WWTP	WWTP	
ASSETS				
CURRENT ASSETS:				
Unrestricted assets:				
Cash and cash equivalents		\$ 23,809	\$ 78,952	
Accounts receivable		-	-	
Due from other funds		-	-	
Prepaid expenses		-	3,697	
Unbilled receivable		-	8,574	
Total unrestricted assets		23,809	91,223	
Restricted assets:				
Cash and cash equivalents		14,689	8,795	
Investments		-	-	
Interest and accounts receivable		-	-	
Total restricted assets		14,689	8,795	
TOTAL CURRENT ASSETS		38,498	100,018	
LONG-TERM ASSETS:				
Nondepreciable:				
Land		-	-	
Easements		-	-	
Construction-in-progress		-	-	
Total nondepreciable assets		-	-	
Depreciable:				
Land improvements		-	-	
Water treatment, storage, and transmission facilities		-	-	
Wastewater treatment and disposal facilities		-	-	
Buildings		-	-	
Automobiles and trucks		-	32,585	
Other equipment		-	42,862	
Total depreciable assets		-	75,447	
Less accumulated depreciation		-	(46,583)	
Net capital assets		-	28,864	
TOTAL LONG-TERM ASSETS		-	28,864	
TOTAL ASSETS		38,498	128,882	
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred loss on refunding		-	-	
Deferred pension outflow		-	17,491	
Deferred OPEB outflow		1,053	1,171	
TOTAL DEFERRED OUTFLOWS OF RESOURCES		1,053	18,662	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		\$ 39,551	\$ 147,544	

See notes to the basic financial statements.

Forney Interceptor	Lower East Fork Interceptor	Muddy Creek Interceptor	Parker Creek Interceptor	Sabine Creek Interceptor	Buffalo Creek Interceptor
\$ 178,397	\$ 405,533	\$ 225,679	\$ 230,826	\$ 126,506	\$ 444,118
-	-	-	102,101	340,971	152,684
8,555	6,242	4,412	126	-	15,561
186,952	411,775	230,091	333,053	467,477	612,363
18,157	477,032	113,540	662,701	68,929	2,309,071
-	1,345,214	270,394	233,704	188,989	1,607,039
-	1,276	417	311	242	7,751
18,157	1,823,522	384,351	896,716	258,160	3,923,861
205,109	2,235,297	614,442	1,229,769	725,637	4,536,224
48,877	193,687	49,232	104,204	70,341	1,253,590
-	-	-	(681,891)	(340,972)	1,000,308
48,877	193,687	49,232	(577,687)	(270,631)	2,253,898
-	-	-	-	-	-
1,856,524	15,137,967	3,411,082	2,465,983	1,697,813	18,008,418
-	-	-	-	-	-
189,025	-	-	-	-	-
2,045,549	15,137,967	3,411,082	2,465,983	1,697,813	18,008,418
(1,431,046)	(3,406,015)	(1,517,384)	(624,716)	(407,478)	(7,684,664)
663,380	11,925,639	1,942,930	1,263,580	1,019,704	12,577,652
663,380	11,925,639	1,942,930	1,263,580	1,019,704	12,577,652
868,489	14,160,936	2,557,372	2,493,349	1,745,341	17,113,876
-	141,334	(7,504)	-	-	270,617
2,890	2,886	-	-	-	2,888
20	19	-	-	-	23
2,910	144,239	(7,504)	-	-	273,528
\$ 871,399	\$ 14,305,175	\$ 2,549,868	\$ 2,493,349	\$ 1,745,341	\$ 17,387,404

(Continued)

SEWER SYSTEM SUPPLEMENTAL SCHEDULE OF NET POSITION September 30, 2019

	McKinney Interceptor	Mustang Creek Interceptor
ASSETS		
CURRENT ASSETS:		
Unrestricted assets:		
Cash and cash equivalents	\$ 207,310	\$ 723,538
Accounts receivable	-	-
Due from other funds	-	-
Prepaid expenses	-	1,770
Unbilled receivable	-	-
Total unrestricted assets	207,310	725,308
Restricted assets:		
Cash and cash equivalents	15,423	6,970,369
Investments	-	10,655,606
Interest and accounts receivable	-	7,100
Total restricted assets	15,423	17,633,075
TOTAL CURRENT ASSETS	222,733	18,358,383
LONG-TERM ASSETS:		
Nondepreciable:		
Land	-	-
Easements	16,150	915,950
Construction-in-progress	-	4,756,971
Total nondepreciable assets	16,150	5,672,921
Depreciable:		
Land improvements	-	-
Water treatment, storage, and transmission facilities	-	-
Wastewater treatment and disposal facilities	1,551,439	8,567,121
Buildings	-	-
Automobiles and trucks	-	-
Other equipment	-	-
Total depreciable assets	1,551,439	8,567,121
Less accumulated depreciation	(1,226,369)	(699,631)
Net capital assets	341,220	13,540,411
TOTAL LONG-TERM ASSETS	341,220	13,540,411
TOTAL ASSETS	563,953	31,898,794
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred loss on refunding	-	-
Deferred pension outflow	-	-
Deferred OPEB outflow	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 563,953	\$ 31,898,794

See notes to the basic financial statements.

Parker Creek Parallel WW Interceptor	Small Plants Clearing	Dewatering Operations	Wastewater Pretreatment Program	Total Sewer System
\$ 19,316	\$ 410,922	\$ -	\$ 196,263	\$ 7,171,545
-	-	-	-	779,807
-	23,748	-	77	55,835
82	-	-	9,325	328,947
-	-	-	76,111	439,473
19,398	434,670	-	281,776	8,775,607
314,079	-	-	-	24,621,172
207,044	-	-	-	30,425,518
1,950	-	-	-	79,126
523,073	-	-	-	55,125,816
542,471	434,670	-	281,776	63,901,423
-	-	-	-	436,498
33,688	-	-	-	4,105,802
-	-	-	-	84,420,773
33,688	-	-	-	88,963,073
-	-	-	-	417,138
-	-	-	-	32,095,652
2,459,548	-	-	-	159,760,830
-	-	-	-	187,506
-	-	-	87,268	601,640
-	-	-	18,726	4,086,004
2,459,548	-	-	105,994	197,148,770
(100,512)	-	-	(69,632)	(70,552,438)
2,392,724	-	-	36,362	215,559,405
2,392,724	-	-	36,362	215,559,405
2,935,195	434,670	-	318,138	279,460,828
-	-	-	-	1,851,442
-	-	-	227,959	1,609,753
-	-	-	11,150	85,606
-	-	-	239,109	3,546,801
\$ 2,935,195	\$ 434,670	\$ -	\$ 557,247	\$ 283,007,629

(Continued)

SEWER SYSTEM SUPPLEMENTAL SCHEDULE OF NET POSITION September 30, 2019

	Little Elm Water Transmission Facilities	Plano Water Transmission Facilities
LIABILITIES		
CURRENT LIABILITIES:		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 3,422	\$ 3,857
Due to other funds	-	-
Customers' advance payments	4,249	18,508
Total payable from unrestricted assets	7,671	22,365
Payable from restricted assets:		
Accounts payable and accrued liabilities	48,625	76,258
Due to other funds	-	-
Accrued interest payable on revenue bonds	10,267	-
Current portion of revenue bonds	365,000	-
Total payable from restricted assets	423,892	76,258
TOTAL CURRENT LIABILITIES	431,563	98,623
LONG-TERM LIABILITIES:		
Accrued vacation—less current portion	-	-
Accrued sick—less current portion	-	-
Net pension liability	-	-
Net OPEB liability	-	-
Long-term debt—less current portion	1,182,672	-
TOTAL LONG-TERM LIABILITIES	1,182,672	-
TOTAL LIABILITIES	1,614,235	98,623
DEFERRED INFLOWS OF RESOURCES:		
Deferred pension inflow	-	-
Deferred OPEB inflow	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,614,235	98,623
NET POSITION:		
Net investment in capital assets	2,562,697	4,838,509
Restricted for debt service	539,597	-
Unrestricted	-	-
TOTAL NET POSITION	\$ 3,102,294	\$ 4,838,509

Kaufman 4-1	Rockwall-Heath	Terrell	Rockwall	South Rockwall	
Water	Water	Water	Water	(Buffalo Creek)	
Distribution	Storage	Transmission	Pump	Wylie	WWTP
Facilities	Facilities	Facilities	Station Facilities	WWTP	WWTP
\$ 16,385	\$ -	\$ -	\$ -	\$ 4,542	\$ 514,988
7,869	-	-	-	235	26,054
-	154	479	117	13,227	498,110
24,254	154	479	117	18,004	1,039,152
44,125	-	-	-	24,762	42,179
17,000	-	-	-	-	-
-	16,661	106,427	15,132	-	32,421
-	180,000	415,000	125,000	-	150,000
61,125	196,661	521,427	140,132	24,762	224,600
85,379	196,815	521,906	140,249	42,766	1,263,752
-	-	-	-	340	8,468
-	-	-	-	86	2,151
-	-	-	-	3,183	104,162
-	-	-	-	368	11,735
-	1,025,000	8,660,996	878,666	-	1,541,713
-	1,025,000	8,660,996	878,666	3,977	1,668,229
85,379	1,221,815	9,182,902	1,018,915	46,743	2,931,981
-	-	-	-	810	26,828
-	-	-	-	298	8,236
-	-	-	-	1,108	35,064
85,379	1,221,815	9,182,902	1,018,915	47,851	2,967,045
-	758,196	(432,483)	348,895	14,830	1,309,484
-	299,599	911,643	218,921	-	315,439
-	-	-	-	(2,241)	(72,839)
\$ -	\$ 1,057,795	\$ 479,160	\$ 567,816	\$ 12,589	\$ 1,552,084

(Continued)

SEWER SYSTEM SUPPLEMENTAL SCHEDULE OF NET POSITION September 30, 2019

	North Rockwall (Squabble Creek) WWTP	Panther Creek WWTP
LIABILITIES		
CURRENT LIABILITIES:		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 56,818	\$ 664,469
Due to other funds	22,893	53,201
Customers' advance payments	-	95
	 Total payable from unrestricted assets	 79,711
		 717,765
Payable from restricted assets:		
Accounts payable and accrued liabilities	4,398	27,464
Due to other funds	-	-
Accrued interest payable on revenue bonds	-	423,100
Current portion of revenue bonds	-	2,715,000
	 Total payable from restricted assets	 4,398
		 3,165,564
TOTAL CURRENT LIABILITIES	84,109	3,883,329
LONG-TERM LIABILITIES:		
Accrued vacation—less current portion	4,741	47,917
Accrued sick—less current portion	1,204	57,495
Net pension liability	54,094	614,243
Net OPEB liability	6,116	74,305
Long-term debt—less current portion	-	25,815,123
TOTAL LONG-TERM LIABILITIES	66,155	26,609,083
TOTAL LIABILITIES	150,264	30,492,412
DEFERRED INFLOWS OF RESOURCES:		
Deferred pension inflow	13,994	140,867
Deferred OPEB inflow	4,473	56,660
TOTAL DEFERRED INFLOWS OF RESOURCES	18,467	197,527
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	168,731	30,689,939
NET POSITION:		
Net investment in capital assets	388,378	12,018,511
Restricted for debt service	-	4,218,224
Unrestricted	(37,985)	111,653
TOTAL NET POSITION	\$ 350,393	\$ 16,348,388

	Sabine Creek WWTP	Stewart Creek WWTP	Muddy Creek WWTP	Seis Lagos WWTP	Royse City WWTP	Farmersville WWTP
\$	90,117	\$ 410,051	\$ 276,383	\$ 46,793	\$ 1,626	\$ 35,732
	25,238	20,294	37,017	5,651	235	8,818
	43,941	817	121,466	6,052	2,537	-
	<u>159,296</u>	<u>431,162</u>	<u>434,866</u>	<u>58,496</u>	<u>4,398</u>	<u>44,550</u>
	52,958	3,222,043	530,960	15,385	10,449	6,068
	-	7,869	2,324	-	-	14,700
	132,892	734,112	199,716	-	-	-
	1,060,000	2,470,000	1,850,000	-	-	-
	<u>1,245,850</u>	<u>6,434,024</u>	<u>2,583,000</u>	<u>15,385</u>	<u>10,449</u>	<u>20,768</u>
	1,405,146	6,865,186	3,017,866	73,881	14,847	65,318
	8,468	37,474	30,095	2,708	340	5,420
	2,151	15,803	20,131	688	86	1,376
	69,667	369,104	673,727	24,027	3,179	35,129
	7,867	37,773	73,575	3,260	370	4,236
	<u>11,887,907</u>	<u>56,679,226</u>	<u>15,273,732</u>	<u>-</u>	<u>-</u>	<u>-</u>
	11,976,060	57,139,380	16,071,260	30,683	3,975	46,161
	<u>13,381,206</u>	<u>64,004,566</u>	<u>19,089,126</u>	<u>104,564</u>	<u>18,822</u>	<u>111,479</u>
	17,455	77,861	162,971	5,806	802	8,727
	6,976	37,825	57,451	2,465	297	4,165
	24,431	115,686	220,422	8,271	1,099	12,892
	<u>13,405,637</u>	<u>64,120,252</u>	<u>19,309,548</u>	<u>112,835</u>	<u>19,921</u>	<u>124,371</u>
	3,796,313	11,877,489	9,509,315	19,907	1,057	51,427
	1,343,444	5,945,362	1,910,299	-	-	-
	(48,530)	657,349	(437,744)	(17,189)	(2,243)	(25,144)
\$	<u>5,091,227</u>	<u>\$ 18,480,200</u>	<u>\$ 10,981,870</u>	<u>\$ 2,718</u>	<u>\$ (1,186)</u>	<u>\$ 26,283</u>

(Continued)

SEWER SYSTEM SUPPLEMENTAL SCHEDULE OF NET POSITION September 30, 2019

	Frisco	Cottonwood Creek WWTP	Lavon WWTP
LIABILITIES			
CURRENT LIABILITIES:			
Payable from unrestricted assets:			
Accounts payable and accrued liabilities	\$ 23,212	\$ 32,567	
Due to other funds	-	11,706	
Customers' advance payments	597		42,704
Total payable from unrestricted assets	23,809		86,977
Payable from restricted assets:			
Accounts payable and accrued liabilities	14,689		8,795
Due to other funds	-		-
Accrued interest payable on revenue bonds	-		-
Current portion of revenue bonds	-		-
Total payable from restricted assets	14,689		8,795
TOTAL CURRENT LIABILITIES	38,498		95,772
LONG-TERM LIABILITIES:			
Accrued vacation—less current portion	-		3,387
Accrued sick—less current portion	-		860
Net pension liability	-		24,124
Net OPEB liability	4,451		3,227
Long-term debt—less current portion	-		-
TOTAL LONG-TERM LIABILITIES	4,451		31,598
TOTAL LIABILITIES	42,949		127,370
DEFERRED INFLOWS OF RESOURCES:			
Deferred pension inflow	-		5,804
Deferred OPEB inflow	1,663		2,808
TOTAL DEFERRED INFLOWS OF RESOURCES	1,663		8,612
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	44,612		135,982
NET POSITION:			
Net investment in capital assets	-		28,864
Restricted for debt service	-		-
Unrestricted	(5,061)		(17,302)
TOTAL NET POSITION	\$ (5,061)		\$ 11,562

Forney Interceptor	Lower East Fork Interceptor	Muddy Creek Interceptor	Parker Creek Interceptor	Sabine Creek Interceptor	Buffalo Creek Interceptor
\$ 150,584	\$ 319,702	\$ 200,034	\$ 198,185	\$ 113,693	\$ 309,308
2,968	3,883	-	-	-	12,517
33,378	88,190	30,057	32,769	12,790	300,038
186,930	411,775	230,091	230,954	126,483	621,863
18,179	25,190	23,516	4,180	5,429	2,286,706
-	107,467	12,400	13,325	10,763	110,203
-	985,000	215,000	180,000	145,000	1,170,000
18,179	1,117,657	250,916	197,505	161,192	3,566,909
205,109	1,529,432	481,007	428,459	287,675	4,188,772
-	-	-	-	-	-
7,035	7,010	-	-	-	7,028
822	799	-	-	-	934
-	7,518,172	983,580	600,000	485,000	6,302,896
7,857	7,525,981	983,580	600,000	485,000	6,310,858
212,966	9,055,413	1,464,587	1,028,459	772,675	10,499,630
2,274	2,278	-	-	-	2,274
267	260	-	-	-	304
2,541	2,538	-	-	-	2,578
215,507	9,057,951	1,464,587	1,028,459	772,675	10,502,208
663,358	3,563,801	736,846	1,063,932	389,681	4,426,781
-	1,690,865	348,435	298,766	241,991	2,475,544
(7,466)	(7,442)	-	102,192	340,994	(17,129)
\$ 655,892	\$ 5,247,224	\$ 1,085,281	\$ 1,464,890	\$ 972,666	\$ 6,885,196

(Continued).

SEWER SYSTEM SUPPLEMENTAL SCHEDULE OF NET POSITION September 30, 2019

LIABILITIES	Mustang		
	McKinney	Creek	Interceptor
CURRENT LIABILITIES:			
Payable from unrestricted assets:			
Accounts payable and accrued liabilities	\$ 196,424	\$ 180,431	
Due to other funds	-	-	
Customers' advance payments	10,847	15,588	
Total payable from unrestricted assets	207,271	196,019	
Payable from restricted assets:			
Accounts payable and accrued liabilities	15,462	726,725	
Due to other funds	-	7,804	
Accrued interest payable on revenue bonds	-	347,179	
Current portion of revenue bonds	-	580,000	
Total payable from restricted assets	15,462	1,661,708	
TOTAL CURRENT LIABILITIES	222,733	1,857,727	
LONG-TERM LIABILITIES:			
Accrued vacation—less current portion	-	-	
Accrued sick—less current portion	-	-	
Net pension liability	-	-	
Net OPEB liability	-	-	
Long-term debt—less current portion	-	29,023,428	
TOTAL LONG-TERM LIABILITIES	-	29,023,428	
TOTAL LIABILITIES	222,733	30,881,155	
DEFERRED INFLOWS OF RESOURCES:			
Deferred pension inflow	-	-	
Deferred OPEB inflow	-	-	
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	222,733	30,881,155	
NET POSITION:			
Net investment in capital assets	341,181	(1,557,732)	
Restricted for debt service	-	2,046,082	
Unrestricted	39	529,289	
TOTAL NET POSITION	\$ 341,220	\$ 1,017,639	

Parker Creek	Parallel WW	Small Plants	Dewatering	Wastewater Pretreatment	Total Sewer System
Interceptor	Clearing	Operations	Program		
\$ 11,053	\$ 13,691	\$ 1,656	-\$	\$ 105,945	\$ 3,980,012
-	-	-	-	67	240,302
8,686	-	-	-	111,497	1,396,893
<u>19,739</u>	<u>15,347</u>	<u>-</u>	<u>-</u>	<u>217,509</u>	<u>5,617,207</u>
30,015	-	-	-	-	7,264,560
-	-	-	-	-	49,697
22,552	-	-	-	-	2,294,617
115,000	-	-	-	-	12,720,000
167,567	-	-	-	-	22,328,874
<u>187,306</u>	<u>15,347</u>	<u>-</u>	<u>-</u>	<u>217,509</u>	<u>27,946,081</u>
-	-	-	-	23,923	173,281
-	-	-	-	40,345	142,376
-	-	-	-	413,761	2,409,473
-	-	-	-	35,061	264,899
2,611,186	-	-	-	-	170,469,297
2,611,186	-	-	-	513,090	173,459,326
<u>2,798,492</u>	<u>15,347</u>	<u>-</u>	<u>-</u>	<u>730,599</u>	<u>201,405,407</u>
-	-	-	-	92,708	561,459
-	-	-	-	26,190	210,338
-	-	-	-	118,898	771,797
<u>2,798,492</u>	<u>15,347</u>	<u>-</u>	<u>-</u>	<u>849,497</u>	<u>202,177,204</u>
(107,341)	-	-	-	36,362	56,648,258
244,385	-	-	-	-	23,048,596
(341)	419,323	-	-	(328,612)	1,133,571
<u>\$ 136,703</u>	<u>\$ 419,323</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (292,250)</u>	<u>\$ 80,830,425</u>
(Concluded)					

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2019**

	Little Elm Water Transmission Facilities	Plano Water Transmission Facilities
OPERATING REVENUES:		
Wastewater service fees	\$ 386,400	\$ (3,426)
Other operating revenues	-	-
Total operating revenues	386,400	(3,426)
OPERATING EXPENSES:		
Personnel	-	-
Operating Supplies:		
Chemicals	-	-
Other supplies	-	-
Operating Services:		
Electric power	-	-
Other services	9,228	11,082
Depreciation	103,519	231,467
Total operating expenses	112,747	242,549
OPERATING INCOME (LOSS)	273,653	(245,975)
NONOPERATING REVENUES (EXPENSES):		
Investment income	20,815	426
Gain (loss) on sale of capital assets	-	-
Interest expense	(45,465)	-
Total nonoperating revenues (expenses)	(24,650)	426
CHANGE IN NET POSITION	249,003	(245,549)
NET POSITION AT OCTOBER 1, 2018	2,853,291	5,084,058
NET POSITION AT SEPTEMBER 30, 2019	\$ 3,102,294	\$ 4,838,509

See notes to the basic financial statements.

Kaufman 4-1	Rockwall-Heath	Terrell	Rockwall		South Rockwall
Water Distribution Facilities	Water Storage Facilities	Water Transmission Facilities	Water Pump Station Facilities	Wylie WWTP	(Buffalo Creek) WWTP
\$ 69,099	\$ 223,482	\$ 708,066	\$ 166,003	\$ 30,525	\$ 1,273,229
11	-	-	-	57	24,584
69,110	223,482	708,066	166,003	30,582	1,297,813
				9,660	246,559
				313	66,200
16,132	-	-	-	1,197	100,701
35,242	-	-	-	554	144,471
17,918	4,896	9,194	4,906	19,544	495,112
-	52,006	300,979	48,306	23,270	203,022
69,292	56,902	310,173	53,212	54,538	1,256,065
(182)	166,580	397,893	112,791	(23,956)	41,748
182	11,554	36,879	8,293	222	29,310
-	-	-	-	165	165
-	(54,516)	(311,098)	(47,869)	-	(105,141)
182	(42,962)	(274,219)	(39,576)	387	(75,666)
-	123,618	123,674	73,215	(23,569)	(33,918)
-	934,177	355,486	494,601	36,158	1,586,002
\$ -	\$ 1,057,795	\$ 479,160	\$ 567,816	\$ 12,589	\$ 1,552,084

(Continued)

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2019**

	North Rockwall (Squabble Creek) WWTP	Panther Creek WWTP
OPERATING REVENUES:		
Wastewater service fees	\$ 591,385	\$ 8,837,378
Other operating revenues	6,087	23,744
Total operating revenues	597,472	8,861,122
OPERATING EXPENSES:		
Personnel	136,409	1,632,264
Operating Supplies:		
Chemicals	54,935	625,533
Other supplies	148,795	352,860
Operating Services:		
Electric power	42,185	489,194
Other services	219,304	1,498,200
Depreciation	49,693	1,379,990
Total operating expenses	651,321	5,978,041
OPERATING INCOME (LOSS)	(53,849)	2,883,081
NONOPERATING REVENUES (EXPENSES):		
Investment income	2,018	195,172
Gain (loss) on sale of capital assets	721	-
Interest expense	-	(897,093)
Total nonoperating revenues (expenses)	2,739	(701,921)
CHANGE IN NET POSITION		
NET POSITION AT OCTOBER 1, 2018	(51,110)	2,181,160
NET POSITION AT SEPTEMBER 30, 2019	401,503	14,167,228
	\$ 350,393	\$ 16,348,388

See notes to the basic financial statements.

	Sabine Creek WWTP	Stewart Creek WWTP	Muddy Creek WWTP	Seis Lagos WWTP	Royse City WWTP	Farmersville WWTP
\$	2,480,246	\$ 9,331,506	\$ 6,560,840	\$ 192,600	\$ 15,548	\$ 374,021
	6,849	18,708	354,515	1,062	47	1,953
	2,487,095	9,350,214	6,915,355	193,662	15,595	375,974
	236,391	1,355,982	1,667,876	77,669	9,625	150,682
	27,359	396,554	183,332	3,558	-	11,449
	138,315	384,643	329,481	32,261	1,146	57,410
	189,700	374,806	276,298	14,671	99	40,959
	418,225	947,942	2,095,853	70,362	5,133	128,282
	296,947	298,139	1,054,049	6,386	473	10,459
	1,306,937	3,758,066	5,606,889	204,907	16,476	399,241
	1,180,158	5,592,148	1,308,466	(11,245)	(881)	(23,267)
	75,534	391,781	191,370	2,234	106	2,183
	165	-	-	165	-	165
	(394,775)	(1,908,580)	(395,069)	-	-	-
	(319,076)	(1,516,799)	(203,699)	2,399	106	2,348
	861,082	4,075,349	1,104,767	(8,846)	(775)	(20,919)
	4,230,145	14,404,851	9,877,103	11,564	(411)	47,202
\$	5,091,227	\$ 18,480,200	\$ 10,981,870	\$ 2,718	\$ (1,186)	\$ 26,283

(Continued)

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2019**

	Frisco		Lavon
	Cottonwood		WWTP
OPERATING REVENUES:			
Wastewater service fees	\$ (597)	\$ 247,414	
Other operating revenues	375	1,752	
Total operating revenues	(222)	249,166	
OPERATING EXPENSES:			
Personnel	-	95,092	
Operating Supplies:			
Chemicals	(886)	2,364	
Other supplies	-	40,815	
Operating Services:			
Electric power	(319)	-	
Other services	1,543	116,034	
Depreciation	-	9,159	
Total operating expenses	338	263,464	
OPERATING INCOME (LOSS)	(560)	(14,298)	
NONOPERATING REVENUES (EXPENSES):			
Investment income	560	2,389	
Gain (loss) on sale of capital assets	-	165	
Interest expense	-	-	
Total nonoperating revenues (expenses)	560	2,554	
CHANGE IN NET POSITION			
NET POSITION AT OCTOBER 1, 2018	(5,061)	23,306	
NET POSITION AT SEPTEMBER 30, 2019	\$ (5,061)	\$ 11,562	

See notes to the basic financial statements.

Forney Interceptor	Lower East Fork Interceptor	Muddy Creek Interceptor	Parker Creek Interceptor	Sabine Creek Interceptor	Buffalo Creek Interceptor
\$ 451,743 743	\$ 1,751,610 618	\$ 469,484 382	\$ 445,701 26	\$ 309,295 -	\$ 2,873,892 453
452,486	1,752,228	469,866	445,727	309,295	2,874,345
104,476 3,629	37,982 13,045	43,628 176	6,134	- 153	53,775 27,214
45,982 299,771 63,426 517,284 (64,798)	41,905 429,662 302,760 825,354 926,874	245 178,358 111,943 334,350 135,516	258 224,332 49,320 280,044 165,683	- 134,187 33,956 168,296 140,999	57,409 395,068 610,271 1,143,737 1,730,608
2,354 - - 2,354 (62,444) 718,336 \$ 655,892	82,418 (217,473) (135,055) 791,819 125,075 960,206 \$ 5,247,224	16,550 (26,991) (10,441) (10,441) 134,535 1,330,355 1,085,281	14,635 (45,783) (31,148) (31,148) 115,619 857,047 1,464,890	11,691 (37,071) (25,380) (25,380) 5,351,507 972,666	117,375 (314,294) (196,919) 1,533,689 \$ 6,885,196

(Continued)

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2019**

	McKinney Interceptor	Mustang Creek Interceptor
OPERATING REVENUES:		
Wastewater service fees	\$ 194,341	\$ 1,661,652
Other operating revenues	137	-
Total operating revenues	194,478	1,661,652
OPERATING EXPENSES:		
Personnel	-	-
Operating Supplies:		
Chemicals	-	-
Other supplies	-	1,500
Operating Services:		
Electric power	306	-
Other services	195,724	669,659
Depreciation	54,941	171,343
Total operating expenses	250,971	842,502
OPERATING INCOME (LOSS)	(56,493)	819,150
NONOPERATING REVENUES (EXPENSES):		
Investment income	699	258,351
Gain (loss) on sale of capital assets	-	-
Interest expense	-	(584,984)
Total nonoperating revenues (expenses)	699	(326,633)
CHANGE IN NET POSITION	(55,794)	492,517
NET POSITION AT OCTOBER 1, 2018	397,014	525,122
NET POSITION AT SEPTEMBER 30, 2019	\$ 341,220	\$ 1,017,639

See notes to the basic financial statements.

Parker Creek	Parallel WW	Small Plants	Dewatering	Wastewater	Total
Interceptor	Interceptor	Clearing	Operations	Pretreatment	Sewer
				Program	System
\$ 115,053	\$ -	\$ -	\$ -	\$ 893,006	\$ 40,649,496
				2,245	444,348
115,053				895,251	41,093,844
				685,943	6,304,152
					1,610,572
				35,934	1,691,541
					1,753,965
49,343		19,152		206,611	8,874,625
49,232				17,454	5,532,510
98,575		19,152		945,942	25,767,365
16,478		(19,152)		(50,691)	15,326,479
16,659		404		4,833	1,496,997
					1,711
(65,327)					(5,451,529)
(48,668)		404		4,833	(3,952,821)
(32,190)		(18,748)		(45,858)	11,373,658
168,893	419,323	18,748		(246,392)	69,456,767
\$ 136,703	\$ 419,323	\$ -	\$ -	\$ (292,250)	\$ 80,830,425

(Concluded)

SEWER SYSTEM

NORTH TEXAS MUNICIPAL WATER DISTRICT

SEWER SYSTEM SUPPLEMENTAL SCHEDULES OF CASH FLOWS YEAR ENDED SEPTEMBER 30, 2019

	Little Elm Water Transmission Facilities	Plano Water Transmission Facilities
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 390,650	\$ 660
Cash received from other funds	-	-
Cash received from (paid to) others	-	-
Cash paid to suppliers for goods and services	(9,953)	-
Cash paid for employee services	-	-
Cash paid to other funds	(435)	-
Net cash provided by (used for) operating activities	<u>380,262</u>	<u>660</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the issuance of bonds	-	-
Cash paid for capital assets	5,000	-
Interest paid on long-term debt	(37,900)	-
Principal payments on long-term debt	(355,000)	-
Payments for bond issue costs	-	-
Net cash provided by (used for) capital and related financing activities	<u>(387,900)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale and maturity of investments	378,158	-
Purchases of investments	(389,867)	-
Interest received	14,804	2,276
Net cash provided by (used for) investing activities	<u>3,095</u>	<u>2,276</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(4,543)</u>	<u>2,936</u>
CASH AND CASH EQUIVALENTS—Beginning of year	195,784	91,685
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 191,241</u>	<u>\$ 94,621</u>
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION		
Unrestricted cash and cash equivalents	\$ 7,671	\$ 21,363
Restricted cash and cash equivalents	<u>183,570</u>	<u>73,258</u>
	<u>\$ 191,241</u>	<u>\$ 94,621</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 273,653	\$ (245,975)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	103,519	231,467
Change in operating assets and liabilities:		
Accounts receivable and deferred billings	(1,161)	(1,002)
Prepaid expenses	-	-
Net pension liability	-	-
Net OPEB liability	-	-
Due to/from other funds	-	-
Accounts payable, accrued liabilities, and developers' deposits	1	-
Accrued vacation and Accrued sick	-	-
Customers' advance payments	4,250	16,170
Total adjustments	<u>106,609</u>	<u>246,635</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 380,262</u>	<u>\$ 660</u>
NONCASH TRANSACTION DISCLOSURES		
Amortization of bond-related items	9,931	-
Change in fair value of investments	(7,674)	-
Change in actuarial value of net pension liability	-	-
Refunding bonds issued	-	-
Refunding proceeds deposited in escrow	-	-

Kaufman 4-1 Water Distribution Facilities	Rockwall Heath Water Storage Facilities	Terrell Water Transmission Facilities	Rockwall Water Pump Station Facilities	Wylie WWTP	South Rockwall (Buffalo Creek) WWTP
\$ 71,268	\$ 223,438	\$ 708,722	\$ 165,981	\$ 38,192	\$ 1,476,819
-	-	-	-	-	-
(32,603)	(5,242)	(6,553)	(5,130)	(16,060)	(533,046)
(21,619)	(385)	(4,680)	(395)	(6,221)	(155,136)
17,046	217,811	697,489	160,456	7,261	526,423
-	-	-	-	-	-
(12,000)	-	-	-	165	(22,412)
-	(56,782)	(335,082)	(50,570)	-	(105,056)
-	(170,000)	(395,000)	(115,000)	-	(145,000)
-	(12,000)	(226,782)	(730,082)	165	(272,468)
-	-	-	-	-	-
-	199,048	582,365	144,303	-	194,118
-	(214,435)	(591,681)	(166,564)	-	(203,561)
1,608	7,628	23,504	5,612	825	29,623
1,608	(7,759)	14,188	(16,649)	825	20,180
6,654	(16,730)	(18,405)	(21,763)	8,251	274,135
54,918	95,896	271,751	82,277	31,041	858,614
\$ 61,572	\$ 79,166	\$ 253,346	\$ 60,514	\$ 39,292	\$ 1,132,749
\$ 447	\$ 154	\$ 479	\$ 117	\$ 14,529	\$ 1,004,183
61,125	79,012	252,867	60,397	24,763	128,566
\$ 61,572	\$ 79,166	\$ 253,346	\$ 60,514	\$ 39,292	\$ 1,132,749
\$ (182)	\$ 166,580	\$ 397,893	\$ 112,791	\$ (23,956)	\$ 41,748
-	52,006	300,979	48,306	23,270	203,022
2,168	(730)	(1,865)	(617)	86	801
(15)	-	-	-	(368)	(1,708)
-	-	-	-	249	7,982
-	-	-	-	53	1,317
7,753	-	-	-	(612)	(6,528)
14,134	(2)	3	(3)	621	76,645
-	-	-	-	24	400
(6,812)	(43)	479	(21)	7,894	202,744
17,228	51,231	299,596	47,665	31,217	484,675
\$ 17,046	\$ 217,811	\$ 697,489	\$ 160,456	\$ 7,261	\$ 526,423
-	-	(18,716)	(977)	-	2,683
-	(4,222)	(14,385)	(2,880)	-	(4,797)
-	-	-	-	(249)	(7,982)

(Continued)

SEWER SYSTEM SUPPLEMENTAL SCHEDULES OF CASH FLOWS YEAR ENDED SEPTEMBER 30, 2019

	North Rockwall (Squabble Creek) WWTP	Panther Creek WWTP
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 489,115	\$ 8,272,630
Cash received from other funds		-
Cash received from (paid to) others	1	11,326
Cash paid to suppliers for goods and services	(329,220)	(2,181,846)
Cash paid for employee services	(87,021)	(1,029,332)
Cash paid to other funds	(161,599)	(1,025,624)
Net cash provided by (used for) operating activities	<u>(88,724)</u>	<u>4,047,154</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the issuance of bonds	-	(18,870)
Cash paid for capital assets	(5,208)	(104,255)
Interest paid on long-term debt	-	(1,394,500)
Principal payments on long-term debt	-	(2,695,000)
Payments for bond issue costs	-	18,870
Net cash provided by (used for) capital and related financing activities	<u>(5,208)</u>	<u>(4,193,755)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale and maturity of investments	-	3,535,063
Purchases of investments	-	(2,408,300)
Interest received	2,126	137,872
Net cash provided by (used for) investing activities	<u>2,126</u>	<u>1,264,635</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(91,806)	1,118,034
CASH AND CASH EQUIVALENTS—Beginning of year	63,651	2,428,803
CASH AND CASH EQUIVALENTS—End of year	\$ (28,155)	\$ 3,546,837
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION		
Unrestricted cash and cash equivalents	\$ (32,553)	\$ 1,115,398
Restricted cash and cash equivalents	4,398	2,431,439
	<u>\$ (28,155)</u>	<u>\$ 3,546,837</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ (53,849)	\$ 2,883,081
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	49,693	1,379,990
Change in operating assets and liabilities:		
Accounts receivable and deferred billings	(79,827)	15,129
Prepaid expenses	(956)	(24,454)
Net pension liability	4,119	52,500
Net OPEB liability	738	9,619
Due to/from other funds	6,901	20,530
Accounts payable, accrued liabilities, and developers' deposits	3,827	213,085
Accrued vacation and Accrued sick	55	24,619
Customers' advance payments	(19,425)	(526,945)
Total adjustments	(34,875)	1,164,073
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (88,724)	\$ 4,047,154
NONCASH TRANSACTION DISCLOSURES		
Amortization of bond-related items	-	(455,674)
Change in fair value of investments	-	(63,183)
Change in actuarial value of net pension liability	(4,119)	(52,500)
Refunding bonds issued	-	-
Refunding proceeds deposited in escrow	-	-

	Sabine Creek WWTP	Stewart Creek WWTP	Muddy Creek WWTP	Seis Lagos WWTP	Royse City WWTP	Farmersville WWTP
\$	2,433,705	\$ 8,440,125	\$ 6,363,311	\$ 182,526	\$ 14,355	\$ 343,146
	4,577	6,879	11	11,176	-	-
	(567,966)	(1,691,700)	(2,633,358)	(87,831)	(8,177)	(182,531)
	(155,184)	(898,280)	(1,100,676)	(49,526)	(6,198)	(98,815)
	(298,519)	(700,997)	(1,009,492)	(70,179)	(1,625)	(110,660)
	1,416,613	5,156,027	1,619,796	(13,834)	(1,645)	(48,860)
			9,010,396			
	(1,088,162)	(1,438,486)	(1,024,567)	1,115	-	165
	(427,876)	(2,329,304)	(423,949)	-	-	-
	(1,035,000)	(2,895,000)	(1,860,000)	-	-	-
			(206,270)	-	-	-
	(2,551,038)	(6,662,790)	5,495,610	1,115	-	165
	1,034,700	1,599,823	1,411,708	-	-	-
	(1,088,764)	(2,018,434)	(6,122,295)	-	-	-
	61,108	295,449	137,230	2,596	360	2,688
	7,044	(123,162)	(4,573,357)	2,596	360	2,688
	(1,127,381)	(1,629,925)	2,542,049	(10,123)	(1,285)	(46,007)
	1,998,281	8,940,362	1,274,224	78,285	15,541	83,559
\$	870,900	\$ 7,310,437	\$ 3,816,273	\$ 68,162	\$ 14,256	\$ 37,552
\$	139,761	\$ 1,278,241	\$ 277,219	\$ 52,777	\$ 3,806	\$ 16,784
	731,139	6,032,196	3,539,054	15,385	10,450	20,768
\$	870,900	\$ 7,310,437	\$ 3,816,273	\$ 68,162	\$ 14,256	\$ 37,552
\$	1,180,158	\$ 5,592,148	\$ 1,308,466	\$ (11,245)	\$ (881)	\$ (23,267)
	296,947	298,139	1,054,049	6,386	473	10,459
	72,436	(14,587)	(112,201)	478	89	6,253
	(1,482)	(13,912)	(23)	(376)	(43)	(867)
	5,552	29,700	50,814	2,004	249	2,824
	1,317	7,834	9,993	421	53	842
	(7,639)	(605)	778	(4,148)	(612)	(19,890)
	(15,879)	116,456	(611,513)	2,915	286	3,904
	400	20,907	24,155	273	24	906
	(115,197)	(880,053)	(104,722)	(10,542)	(1,283)	(30,024)
	236,455	(436,121)	311,330	(2,589)	(764)	(25,593)
\$	1,416,613	\$ 5,156,027	\$ 1,619,796	\$ (13,834)	\$ (1,645)	\$ (48,860)
	(23,367)	(378,400)	(102,779)	-	-	-
	(17,271)	(100,326)	(26,834)	-	-	-
	(5,552)	(29,700)	(50,814)	(2,004)	(249)	(2,824)
	-	-	-	-	-	-
	-	-	-	-	-	-

(Continued)

SEWER SYSTEM SUPPLEMENTAL SCHEDULES OF CASH FLOWS YEAR ENDED SEPTEMBER 30, 2019

	Frisco Cottonwood Creek WWTP	Lavon WWTP
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ -	\$ 266,772
Cash received from other funds	-	4,817
Cash received from (paid to) others	(3,415)	2
Cash paid to suppliers for goods and services	-	(92,433)
Cash paid for employee services	-	(62,023)
Cash paid to other funds	(1,977)	(90,992)
Net cash provided by (used for) operating activities	<u>(5,392)</u>	<u>26,143</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the issuance of bonds	-	4,165
Cash paid for capital assets	-	-
Interest paid on long-term debt	-	-
Principal payments on long-term debt	-	-
Payments for bond issue costs	-	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>4,165</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale and maturity of investments	-	-
Purchases of investments	-	-
Interest received	916	2,654
Net cash provided by (used for) investing activities	<u>916</u>	<u>2,654</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,476)	32,962
CASH AND CASH EQUIVALENTS—Beginning of year	42,974	54,785
CASH AND CASH EQUIVALENTS—End of year	\$ 38,498	\$ 87,747
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION		
Unrestricted cash and cash equivalents	\$ 23,809	\$ 78,952
Restricted cash and cash equivalents	14,689	8,795
	<u>\$ 38,498</u>	<u>\$ 87,747</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ (560)	\$ (14,298)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	-	9,159
Change in operating assets and liabilities:		
Accounts receivable and deferred billings	-	537
Prepaid expenses	-	(722)
Net pension liability	-	2,022
Net OPEB liability	-	527
Due to/from other funds	(560)	385
Accounts payable, accrued liabilities, and developers' deposits	(4,869)	9,122
Accrued vacation and Accrued sick	-	321
Customers' advance payments	597	19,090
Total adjustments	(4,832)	40,441
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (5,392)	\$ 26,143
NONCASH TRANSACTION DISCLOSURES		
Amortization of bond-related items	-	-
Change in fair value of investments	-	-
Change in actuarial value of net pension liability	-	(2,022)
Refunding bonds issued	-	-
Refunding proceeds deposited in escrow	-	-

Forney Interceptor	Lower East Fork Interceptor	Muddy Creek Interceptor	Parker Creek Interceptor	Sabine Creek Interceptor	Buffalo Creek Interceptor
\$ 475,379	\$ 1,785,780	\$ 499,473	\$ 477,522	\$ 321,210	\$ 2,942,893
-	-	-	4	-	560,650
(265,394)	(238,623)	(54,496)	(16,275)	(12,932)	(179,698)
(92,622)	(139,193)	(19,819)	(31,725)	(8,976)	(128,123)
<u>117,363</u>	<u>1,407,964</u>	<u>425,158</u>	<u>429,526</u>	<u>299,302</u>	<u>3,195,722</u>
					9,500
			572,122	-	(657,868)
	(369,650)	(43,500)	(48,688)	(39,462)	(380,558)
	(945,000)	(210,000)	(170,000)	(140,000)	(1,110,000)
					(9,500)
	(1,314,650)	(253,500)	353,434	(179,462)	(2,148,426)
	506,757	109,302	79,488	69,552	765,121
	(515,795)	(126,307)	(90,493)	(76,054)	(1,321,339)
4,015	54,336	13,255	11,711	8,321	101,345
<u>4,015</u>	<u>45,298</u>	<u>(3,750)</u>	<u>706</u>	<u>1,819</u>	<u>(454,873)</u>
121,378	138,612	167,908	783,666	121,659	592,423
75,176	743,953	171,311	109,861	73,776	2,160,766
<u>\$ 196,554</u>	<u>\$ 882,565</u>	<u>\$ 339,219</u>	<u>\$ 893,527</u>	<u>\$ 195,435</u>	<u>\$ 2,753,189</u>
\$ 178,397	\$ 405,533	\$ 225,679	\$ 230,826	\$ 126,506	\$ 444,118
18,157	477,032	113,540	662,701	68,929	2,309,071
<u>\$ 196,554</u>	<u>\$ 882,565</u>	<u>\$ 339,219</u>	<u>\$ 893,527</u>	<u>\$ 195,435</u>	<u>\$ 2,753,189</u>
\$ (64,798)	\$ 926,874	\$ 135,516	\$ 165,683	\$ 140,999	\$ 1,730,608
63,426	302,760	111,943	49,320	33,956	610,271
(8,203)	(113)	4,167	(116)	(68)	46,780
	(136)	(4,412)	13	-	(4,644)
1,099	2,746	-	(172)	-	10,696
93,017	141,823	147,887	182,977	112,500	680,294
32,822	34,010	30,057	31,821	11,915	121,717
182,161	481,090	289,642	263,843	158,303	1,465,114
<u>\$ 117,363</u>	<u>\$ 1,407,964</u>	<u>\$ 425,158</u>	<u>\$ 429,526</u>	<u>\$ 299,302</u>	<u>\$ 3,195,722</u>
	(136,428)	(14,409)	-	-	(49,614)
	(33,158)	(6,532)	(5,529)	(4,737)	(25,943)

(Continued)

SEWER SYSTEM SUPPLEMENTAL SCHEDULES OF CASH FLOWS YEAR ENDED SEPTEMBER 30, 2019

	McKinney Interceptor	Mustang Creek Interceptor
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 202,893	\$ 1,672,994
Cash received from other funds	-	-
Cash received from (paid to) others	8	-
Cash paid to suppliers for goods and services	(181)	(2,207,342)
Cash paid for employee services	-	-
Cash paid to other funds	(620)	(10,757)
Net cash provided by (used for) operating activities	<u>202,100</u>	<u>(545,105)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the issuance of bonds	-	21,009,641
Cash paid for capital assets	-	(3,193,496)
Interest paid on long-term debt	-	(419,850)
Principal payments on long-term debt	-	(535,000)
Payments for bond issue costs	-	(527,233)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>16,334,062</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale and maturity of investments	-	1,507,626
Purchases of investments	-	(11,468,439)
Interest received	3,115	154,911
Net cash provided by (used for) investing activities	<u>3,115</u>	<u>(9,805,902)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	205,215	5,983,055
CASH AND CASH EQUIVALENTS—Beginning of year	17,518	1,710,852
CASH AND CASH EQUIVALENTS—End of year	\$ 222,733	\$ 7,693,907
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION		
Unrestricted cash and cash equivalents	\$ 207,310	\$ 723,538
Restricted cash and cash equivalents	15,423	6,970,369
	<u>\$ 222,733</u>	<u>\$ 7,693,907</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ (56,493)	\$ 819,150
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	54,941	171,343
Change in operating assets and liabilities:		
Accounts receivable and deferred billings	-	(3,071)
Prepaid expenses	-	177
Net pension liability	-	-
Net OPEB liability	-	-
Due to/from other funds	(130)	7,805
Accounts payable, accrued liabilities, and developers' deposits	194,377	(1,551,851)
Accrued vacation and Accrued sick	-	-
Customers' advance payments	9,405	11,342
Total adjustments	<u>258,593</u>	<u>(1,364,255)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 202,100	\$ (545,105)
NONCASH TRANSACTION DISCLOSURES		
Amortization of bond-related items	-	(66,189)
Change in fair value of investments	-	(16,707)
Change in actuarial value of net pension liability	-	-
Refunding bonds issued	-	-
Refunding proceeds deposited in escrow	-	-

Parker Creek Parallel WW Interceptor	Small Plants Clearing	Dewatering Operations	Wastewater Pretreatment Program	Total Sewer System
\$ 121,151	\$ -	\$ -	\$ 952,469	\$ 39,333,179
-	-	-	-	15,993
(36,496)	49,328	(19,152)	(293,700)	583,475
-	2,934	-	(434,660)	(4,080,138)
(5,845)	(4,371)	-	(171,702)	(4,383,796)
<u>78,810</u>	<u>47,891</u>	<u>(19,152)</u>	<u>52,423</u>	<u>19,806,688</u>
30,000	-	-	-	30,010,667
(69,856)	-	-	-	(6,933,722)
(110,000)	-	-	-	(6,532,583)
-	-	-	-	(12,885,000)
(149,856)	-	-	-	(724,133)
<u>2,935,229</u>				
208,949	-	-	-	12,326,081
(216,324)	-	-	-	(27,018,652)
13,611	-	404	4,833	1,098,736
6,236	-	404	4,833	(13,593,835)
(64,810)	47,891	(18,748)	57,256	9,148,082
<u>398,205</u>	<u>363,031</u>	<u>18,748</u>	<u>139,007</u>	<u>22,644,635</u>
<u>\$ 333,395</u>	<u>\$ 410,922</u>	<u>\$ 0</u>	<u>\$ 196,263</u>	<u>\$ 31,792,717</u>
\$ 19,316	\$ 410,922	\$ -	\$ 196,263	\$ 7,171,545
314,079	-	-	-	24,621,172
<u>\$ 333,395</u>	<u>\$ 410,922</u>	<u>\$ -</u>	<u>\$ 196,263</u>	<u>\$ 31,792,717</u>
\$ 16,478	\$ -	\$ (19,152)	\$ (50,691)	\$ 15,326,479
49,232	-	-	17,454	5,532,510
(606)	-	-	17,932	(49,108)
(9)	-	-	419	(61,721)
-	-	-	24,061	182,076
-	-	-	4,343	37,057
-	61,568	-	(342)	79,023
7,643	(13,677)	-	4,480	(191,797)
-	-	-	(6,762)	65,322
6,072	-	-	41,529	(1,113,153)
62,332	47,891	-	103,114	4,480,209
<u>\$ 78,810</u>	<u>\$ 47,891</u>	<u>\$ (19,152)</u>	<u>\$ 52,423</u>	<u>\$ 19,806,688</u>
(3,796)	-	-	-	(1,237,735)
(3,841)	-	-	-	(338,019)
-	-	(24,061)	-	(182,076)
-	-	-	-	-
-	-	-	-	-

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STATISTICAL

SECTION (UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

This part of the North Texas Municipal Water District's comprehensive annual financial report 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. This information has not been audited by the independent auditor.

Financial Trends	99
Schedule 1 — Net Position by Component	
Schedule 2 — Changes in Net Position	
Schedule 3 — Total Revenues by Source	
Schedule 4 — Total Expenses by Function	
Schedule 5 — Total Revenues by System	
Schedule 6 — Total Expenses by System	
Schedule 7 — Operating Revenues	
Schedule 8 — Operating Expenses	
Schedule 9 — Nonoperating Revenues and Expenses	
Revenue Capacity	108
Schedule 10 — Net Additions to Capital Assets Excluding Construction in Progress	
Schedule 11 — Water Produced and Consumed, Wastewater Treated and Solid Waste Disposed	
Schedule 12 — Historic Service Use	
Schedule 13 — Number of Water, Wastewater and Solid Waste Customers	
Schedule 14 — Water Rates	
Schedule 15 — Largest Customers	
Debt Capacity	115
Schedule 16 — Outstanding Debt by Type	
Schedule 17 — Revenue Coverage	
Economic and Demographic Information	117
Schedule 18 — Demographic Statistics	
Schedule 19 — Principal Employers	
Schedule 20 — Number of Employees by Function	
Operating Information	120
Schedule 21 — Miscellaneous Statistical Data	
Schedule 22 — Operating and Capital Indicators	
Schedule 23 — Insurance in Force	

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

SCHEDULE - 1
NET POSITION BY COMPONENT (UNAUDITED)
LAST TEN FISCAL YEARS

	2010	2011	2012
Net investment in capital assets	\$ 642,592,189	\$ 655,040,848	\$ 687,317,597
Restricted for debt service	98,617,167	102,802,273	129,622,913
Unrestricted	86,328,779	108,197,769	102,807,227
Total	\$ 827,538,135	\$ 866,040,890	\$ 919,747,737
	2013	2014	2015
Net investment in capital assets	\$ 747,192,747	\$ 794,854,341	\$ 864,338,873
Restricted for debt service	134,554,194	138,297,302	142,275,759
Unrestricted	83,782,522	89,311,734	77,655,896
Total	\$ 965,529,463	\$ 1,022,463,377	\$ 1,084,270,528
	2016	2017	2018
Net investment in capital assets	\$ 942,119,408	\$ 1,055,668,099	\$ 1,077,370,618
Restricted for debt service	141,312,557	147,826,838	192,006,392
Unrestricted	126,729,695	130,713,207	182,514,170
Total	\$ 1,210,161,660	\$ 1,334,208,144	\$ 1,451,891,180
	2019		
Net investment in capital assets	\$ 1,206,866,459		
Restricted for debt service	221,897,098		
Unrestricted	190,419,144		
Total	\$ 1,619,182,701		

Source: Statement of Net Position for the NTMWD

SCHEDULE - 2
CHANGES IN NET POSITION (UNAUDITED)
LAST TEN FISCAL YEARS

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Nonoperating Revenues / (Expenses)	Change in Net Position	Prior Period Adjustment
2010	\$ 230,990,723	\$ 169,457,931	\$ 61,532,792	\$ (31,244,507)	\$ 30,288,285	\$ (3,584,643)
2011	247,247,717	168,185,081	79,062,636	(40,559,881)	38,502,755	-
2012	266,482,345	172,604,883	93,877,462	(40,170,615)	53,706,847	-
2013	294,318,335	185,544,056	108,774,279	(49,877,698)	58,896,581	(13,114,855)
2014	310,571,544	206,640,634	103,930,910	(46,996,996)	56,933,914	-
2015	338,513,458	208,587,026	129,926,432	(43,095,097)	86,831,335	(25,024,184)
2016	398,068,222	224,688,538	173,379,684	(47,488,552)	125,891,132	-
2017	439,923,445	253,691,088	186,232,357	(57,091,638)	129,140,719	(5,094,235)
2018	484,209,991	264,672,663	219,537,328	(101,854,292)	117,683,036	-
2019	516,892,284	289,482,162	227,410,122	(60,118,601)	167,291,521	-

Source: Statement of Revenues, Expenses and Changes in Net Position for the NTMWD

NORTH TEXAS MUNICIPAL WATER DISTRICT
SCHEDULE 3
TOTAL REVENUES BY SOURCE (UNAUDITED)
LAST TEN FISCAL YEARS

Fiscal Year	Wastewater		Solid Waste		Investment Income	(1) Miscellaneous	Total
	Water Sales	Service Fees	Service Fees				
2010	\$ 129,079,671	\$ 77,238,181	\$ 23,154,120	\$ 1,626,312	\$ 5,966,568	\$ 237,064,852	
2011	148,712,453	73,550,031	23,526,336	2,039,519	6,734,417	254,562,756	
2012	161,588,387	78,762,862	24,257,060	1,864,517	9,411,393	275,884,219	
2013	184,641,152	83,357,407	24,553,966	1,261,442	6,686,736	300,500,703	
2014	197,954,585	86,758,613	23,460,042	842,516	9,471,508	318,487,264	
2015	215,871,181	93,754,382	27,603,397	2,034,940	5,685,793	344,949,693	
2016	252,591,522	113,132,055	30,760,383	3,059,347	6,465,868	406,009,175	
2017	282,595,391	120,803,096	34,206,532	7,981,554	6,576,178	452,162,751	
2018	316,133,827	131,381,838	34,592,091	20,129,032	17,500,389	519,737,177	
2019	335,832,842	143,817,640	34,242,029	52,093,577	7,639,127	573,625,215	

Source: Statement of Revenues, Expenses and Changes in Net Position for the NTMWD

(1) Miscellaneous revenues includes federal grant program revenues and other operating and nonoperating revenue.

SCHEDULE 4
TOTAL EXPENSES BY FUNCTION (UNAUDITED)
LAST TEN FISCAL YEARS

Fiscal Year	Operating and Maintenance Expenses						Total
	Interest Expense	Depreciation	Amortization	Miscellaneous			
2010	\$ 130,142,166	\$ 36,311,906	\$ 38,315,439	\$ 1,000,326	\$ 1,006,730	\$ 206,776,567	
2011	127,804,481	47,874,920	39,262,832	1,117,768	-	216,060,001	
2012	129,796,674	49,572,489	41,661,976	1,146,233	-	222,177,372	
2013	140,151,618	56,060,066	45,392,438	-	-	241,604,122	
2014	157,424,943	53,416,490	49,215,691	-	1,496,226	261,553,350	
2015	158,078,403	49,531,332	50,508,623	-	-	258,118,358	
2016	171,021,459	54,997,252	54,099,332	-	-	280,118,043	
2017	190,104,395	68,257,962	63,586,693	-	1,072,982	323,022,032	
2018	197,014,560	90,004,570	67,658,103	-	47,376,908	402,054,141	
2019	219,392,564	116,746,379	70,089,598	-	105,153	406,333,694	

Source: Statement of Revenues, Expenses and Changes in Net Position for the NTMWD

SCHEDULE 5
TOTAL REVENUES BY SYSTEM (UNAUDITED)
LAST TEN FISCAL YEARS

Year	Water System	Regional Wastewater System	Sewer System	Solid Waste System	Interceptor System	Total
2010	\$ 134,628,838	\$ 38,459,665	\$ 20,417,285	\$ 23,982,504	\$ 19,576,560	237,064,852
2011	155,773,667	38,475,101	18,866,637	24,196,146	17,251,205	254,562,756
2012	170,969,532	37,966,678	23,759,739	25,089,308	18,098,962	275,884,219
2013	189,952,267	41,092,579	25,238,821	25,893,780	18,323,256	300,500,703
2014	205,567,790	43,985,499	24,534,984	25,009,414	19,389,577	318,487,264
2015	221,944,473	45,406,393	27,623,302	28,193,176	21,782,349	344,949,693
2016	258,967,069	55,054,270	34,653,940	32,223,631	25,110,265	406,009,175
2017	292,601,342	59,123,075	35,907,347	35,340,336	29,190,651	452,162,751
2018	334,990,069	67,068,949	36,349,062	46,792,834	34,536,263	519,737,177
2019	382,738,816	73,888,631	42,592,552	37,226,358	37,178,858	573,625,215

Source: Statement of Revenues, Expenses and Changes in Net Position for the NTMWD

SCHEDULE 6
TOTAL EXPENSES BY SYSTEM (UNAUDITED)
LAST TEN FISCAL YEARS

Fiscal Year	Water System	Regional Wastewater System	Sewer System	Solid Waste System	Interceptor System	Total
2010	\$ 122,239,215	\$ 32,413,410	\$ 20,568,052	\$ 20,826,161	\$ 10,729,729	\$ 206,776,567
2011	131,111,892	32,066,017	20,190,437	21,740,087	10,951,568	216,060,001
2012	134,466,963	31,584,482	21,232,537	22,384,482	12,508,908	222,177,372
2013	145,776,078	36,087,104	21,926,891	23,261,880	14,552,169	241,604,122
2014	161,004,668	40,719,243	22,049,092	22,730,220	15,050,127	261,553,350
2015	153,916,103	41,678,405	22,319,175	23,317,420	16,887,255	258,118,358
2016	159,971,880	48,772,951	26,235,649	26,015,728	19,121,835	280,118,043
2017	194,027,288	52,302,307	27,167,227	26,479,241	23,045,969	323,022,032
2018	262,230,765	57,337,579	27,793,605	29,508,245	25,183,947	402,054,141
2019	254,951,283	61,449,275	31,218,894	32,193,397	26,520,845	406,333,694

Source: Statement of Revenues, Expenses and Changes in Net Position for the NTMWD

SCHEDULE - 7
OPERATING REVENUES (UNAUDITED)
LAST TEN FISCAL YEARS

Fiscal Year	Water Sales	Wastewater Service Fees	Solid Waste Service Fees	Other Operating Revenues	Total
2010	\$ 129,079,671	\$ 77,238,181	\$ 23,154,120	\$ 1,518,751	230,990,723
2011	148,712,453	73,550,031	23,526,336	1,458,897	247,247,717
2012	161,588,387	78,762,862	24,257,060	1,874,036	266,482,345
2013	184,641,152	83,357,407	24,553,966	1,765,810	294,318,335
2014	197,954,585	86,758,613	23,460,042	2,398,304	310,571,544
2015	215,871,181	93,754,382	27,603,397	1,284,498	338,513,458
2016	252,591,522	113,132,055	30,760,383	1,584,262	398,068,222
2017	282,595,391	120,803,096	34,206,532	2,318,426	439,923,445
2018	316,133,827	131,381,838	34,592,091	2,102,235	484,209,991
2019	335,832,842	143,817,640	34,242,029	2,999,773	516,892,284

Source: Statement of Revenues, Expenses and Changes in Net Position for the NTMWD

SCHEDULE - 8
OPERATING EXPENSES (UNAUDITED)
LAST TEN FISCAL YEARS

Fiscal Year	Personnel	Electric Power	Chemicals	Operating Supplies and Services	Depreciation and Amortization	Total
2010	\$ 43,373,126	\$ 31,396,882	\$ 26,431,408	\$ 28,940,750	\$ 39,315,765	\$ 169,457,931
2011	44,509,650	29,454,026	22,741,133	31,099,672	40,380,600	168,185,081
2012	46,772,079	24,705,243	23,490,278	34,829,074	42,808,209	172,604,883
2013	48,000,657	28,667,812	23,398,387	40,084,762	45,392,438	185,544,056
2014	53,252,470	26,628,105	24,178,928	53,365,440	49,215,691	206,640,634
2015	53,098,135	23,997,861	25,325,219	55,657,188	50,508,623	208,587,026
2016	65,389,176	19,187,942	28,283,012	57,729,076	54,099,332	224,688,538
2017	70,226,647	19,894,130	27,629,538	72,354,080	63,586,693	253,691,088
2018	74,999,711	20,981,185	32,842,288	68,191,376	67,658,103	264,672,663
2019	86,314,412	18,042,370	38,265,482	76,770,300	70,089,598	289,482,162

Source: Statement of Revenues, Expenses and Changes in Net Position for the NTMWD

SCHEDULE - 9
NONOPERATING REVENUES AND EXPENSES (UNAUDITED)
LAST TEN FISCAL YEARS

Fiscal Year	Investment Income		Miscellaneous Revenue		Gain (Loss) on Sale of Capital Assets		Interest Expense	Contributions	Total
2010	\$ 1,626,312	\$ 4,395,324	\$ (954,237)	\$ (36,311,906)	\$ -	\$ (31,244,507)			
2011	2,039,519	5,275,520	-	(47,874,920)	-	(40,559,881)			
2012	1,864,517	7,372,696	164,661	(49,572,489)	-	(40,170,615)			
2013	1,261,442	4,740,486	180,440	(56,060,066)	-	(49,877,698)			
2014	842,516	6,748,435	(1,171,457)	(53,416,490)	-	(46,996,996)			
2015	2,034,940	4,401,295	-	(49,531,332)	-	(43,095,097)			
2016	3,059,347	3,573,729	875,624	(54,997,252)	-	(47,488,552)			
2017	7,981,554	2,910,296	274,474	(68,257,962)	-	(57,091,638)			
2018	20,129,032	3,987,226	11,377,911	(90,004,570)	(47,343,891)	(101,854,292)			
2019	52,093,577	3,907,246	732,108	(116,746,379)	-	(60,013,448)			

Source: Statement of Revenues, Expenses and Changes in Net Position for the NTMWD

SCHEDULE 10

NET ADDITIONS TO CAPITAL ASSETS EXCLUDING CONSTRUCTION IN PROGRESS (UNAUDITED)
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Water System	Regional Wastewater System	Sewer System	Solid Waste System	Interceptor System	Total
2010	\$ 59,428,177	\$ 787,189	\$ 904,541	\$ 4,048,279	\$ 2,739,993	\$ 67,908,179
2011	37,945,874	3,504,095	23,018,671	4,503,898	30,415,197	99,387,735
2012	97,175,728	900,820	610,798	1,708,150	17,550,394	117,945,890
2013	103,316,959	90,768,086	320,947	5,979,869	30,382,947	230,768,808
2014	25,269,744	7,857,071	(2,207,403)	1,450,082	2,557,388	34,926,882
2015	31,937,890	10,403,531	9,796,189	6,712,023	16,248,750	75,098,383
2016	398,312,927	11,077,703	721,164	4,078,101	29,053,254	443,243,149
2017	216,005,065	12,546,239	2,741,961	21,919,663	13,117,830	266,330,758
2018	57,840,911	4,140,754	990,455	16,333,754	12,822,617	92,128,491
2019	64,289,910	5,479,971	549,488	15,261,193	1,001,671	86,582,233

Source: Based on information provided in the schedule of capital assets in Note 4.

SCHEDULE - 11

WATER PRODUCED AND CONSUMED, WASTEWATER TREATED AND SOLID WASTE DISPOSED
(UNAUDITED)

LAST TEN YEARS

Water Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water Unbilled	Percent Unbilled	Water Rates (per 1,000 gallons)		
					Members	Customer	
2010	90,683,355,747	88,163,732,000	2,519,623,747	2.8%	\$ 1.25	\$ 1.30	
2011	104,965,486,000	102,097,794,000	2,867,692,000	2.7%	\$ 1.37	\$ 1.42	
2012	98,209,915,613	96,846,812,000	1,363,103,613	1.4%	\$ 1.49	\$ 1.54	
2013	98,031,722,000	93,366,805,000	4,664,917,000	4.8%	\$ 1.70	\$ 1.75	
2014	88,512,901,000	83,633,749,000	4,879,152,000	5.5%	\$ 1.87	\$ 1.92	
2015	83,288,227,957	80,027,915,000	3,260,312,957	3.9%	\$ 2.06	\$ 2.11	
2016	100,282,548,000	97,345,239,000	2,937,309,000	2.9%	\$ 2.29	\$ 2.34	
2017	97,942,133,000	95,123,951,000	2,818,182,000	2.9%	\$ 2.53	\$ 2.58	
2018	106,625,709,000	103,273,501,000	3,352,208,000	3.1%	\$ 2.78	\$ 2.83	
2019	95,027,289,000	92,691,956,000	2,335,333,000	2.5%	\$ 2.92	\$ 2.97	

Note: Water production and consumption is based on the NTMWD Water Year (August 1 through July 31).

Fiscal Year	Gallons of Wastewater Treated	Tons of Solid Waste Disposed
2010	36,263,799,000	743,171
2011	30,875,376,000	751,787
2012	32,789,293,000	722,813
2013	32,919,670,000	786,441
2014	32,546,937,000	835,224
2015	39,364,325,000	877,072
2016	42,949,703,000	950,220
2017	37,569,619,000	1,009,236
2018	40,299,162,000	985,521
2019	47,223,091,000	1,010,166

Source: Based on information provided in the NTMWD Operations Report.

Note: Wastewater treated and solid waste disposed is based on the NTMWD Fiscal Year (October 1 through September 30).

SCHEDULE 12
HISTORIC SERVICE USE (UNAUDITED)
LAST TEN YEARS

	2009-2010	2010-2011	2011-2012	2012-2013
WATER CONSUMPTION				
(GALLONS IN THOUSANDS):				
Member cities	74,574,835	85,966,816	81,019,601	78,407,137
Customer cities	13,583,041	16,126,637	15,822,993	14,956,602
Individual meters	5,856	4,341	4,218	3,066
Total	88,163,732	102,097,794	96,846,812	93,366,805
Total rainfall (in inches)	41.45	31.18	35.16	29.2
WASTEWATER VOLUME				
TREATED (GALLONS IN THOUSANDS):				
Regional system	29,189,205	24,721,535	26,347,832	26,734,851
Small plant system	7,074,594	6,153,841	6,441,461	6,184,819
Total	36,263,799	30,875,376	32,789,293	32,919,670
SOLID WASTE VOLUME				
(IN TONS):				
Transfer stations	473,322	471,825	459,167	475,072
Landfill	269,849	279,962	263,646	311,369
Total	743,171	751,787	722,813	786,441

Source: Based on information provided in NTMWD Operations Report.

Note: Data for water consumption is based on the NTMWD water year (August 1 through July 31). Data for wastewater volume treated and solid waste volume is reported on the NTMWD fiscal year (October 1 through September 30).

2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
69,155,408	66,632,698	80,685,320	78,723,004	84,799,369	76,329,794
14,475,125	13,390,178	16,655,941	16,398,007	18,471,203	16,359,329
3,216	5,039	3,978	2,940	2,929	2,833
<u>83,633,749</u>	<u>80,027,915</u>	<u>97,345,239</u>	<u>95,123,951</u>	<u>103,273,501</u>	<u>92,691,956</u>
<u>29.08</u>	<u>44.54</u>	<u>53.71</u>	<u>32.33</u>	<u>45.76</u>	<u>61.34</u>
26,468,520	32,164,465	34,983,736	30,525,105	32,790,044	38,584,105
6,078,417	7,199,860	7,965,967	7,044,514	7,509,118	8,638,986
<u>32,546,937</u>	<u>39,364,325</u>	<u>42,949,703</u>	<u>37,569,619</u>	<u>40,299,162</u>	<u>47,223,091</u>
495,756	533,545	566,601	586,098	598,793	610,732
339,468	343,527	383,619	423,138	386,728	399,434
<u>835,224</u>	<u>877,072</u>	<u>950,220</u>	<u>1,009,236</u>	<u>985,521</u>	<u>1,010,166</u>

NORTH TEXAS MUNICIPAL WATER DISTRICT

SCHEDULE - 13

NUMBER OF WATER, WASTEWATER AND SOLID WASTE CUSTOMERS (UNAUDITED)

LAST TEN FISCAL YEARS

Fiscal Year	Water			Wastewater Member Cities	Solid Waste Member Cities
	Member Cities	Customer Cities	Total Cities		
2010	13	32	45	12	5
2011	13	32	45	12	5
2012	13	32	45	12	5
2013	13	33	46	12	5
2014	13	33	46	12	5
2015	13	33	46	12	5
2016	13	34 (1)	47	12	5
2017	13	34	47	12	5
2018	13	34	47	12	5
2019	13	34	47	13 (2)	5

Source: Based on information provided in the NTMWD Operations Report.

(1) BHPWSC became a direct customer of NTMWD in April 2016. BHPWSC had previously received service from NTMWD as a customer of the City of Royse City.

(2) The City of Melissa became a Wastewater Member City of NTMWD in April 2019.

SCHEDULE - 14
WATER RATES (UNAUDITED)
LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Water Rates (per 1,000 gallons)										
Member Cities	\$ 1.25	\$ 1.37	\$ 1.49	\$ 1.70	\$ 1.87	\$ 2.06	\$ 2.29	\$ 2.53	\$ 2.78	\$ 2.92
Customer Cities	\$ 1.30	\$ 1.42	\$ 1.54	\$ 1.75	\$ 1.92	\$ 2.11	\$ 2.34	\$ 2.58	\$ 2.83	\$ 2.97

Source: Based on information provided in the NTMWD Budget Resolution.

SCHEDULE - 15
LARGEST CUSTOMERS (UNAUDITED)
CURRENT AND TEN YEARS AGO

Customer	Fiscal Year 2009					
	Water Sales		Wastewater Service Fees		Solid Waste Service Fees	
	Amount	%	Amount	%	Amount	%
Frisco	\$ 10,682,861	8.75%	\$ 8,543,911	11.58%	\$ 2,791,269	12.60%
Garland	15,599,285	12.76%	-	0.00%	-	0.00%
McKinney	11,083,824	9.08%	11,402,530	15.45%	4,300,695	19.42%
Mesquite	9,465,578	7.75%	5,949,194	8.06%	-	0.00%
Plano	29,472,088	24.13%	22,531,004	30.52%	6,968,969	31.47%
Richardson	11,538,592	9.45%	4,419,412	5.99%	3,566,375	16.10%
Subtotal	87,842,228	71.92%	52,846,051	71.60%	17,627,308	79.59%
Other Customers	34,293,209	28.08%	20,977,744	28.40%	4,519,555	20.41%
Grand Total	\$ 122,135,437	100.00%	\$ 73,823,795	100.00%	\$ 22,146,863	100.00%
Customer	Fiscal Year 2019					
	Water Sales		Wastewater Service Fees		Solid Waste Service Fees	
	Amount	%	Amount	%	Amount	%
Frisco	\$ 31,661,765	9.43%	\$ 22,968,055	15.97%	\$ 4,175,333	12.19%
Garland	38,752,328	11.54%	-	0.00%	-	0.00%
McKinney	34,430,205	10.25%	19,819,559	13.78%	5,386,994	15.73%
Mesquite	22,948,396	6.83%	11,383,280	7.92%	-	0.00%
Plano	74,701,835	22.24%	32,027,437	22.27%	8,444,388	24.66%
Richardson	30,820,711	9.18%	12,124,166	8.43%	3,829,721	11.18%
Subtotal	233,315,240	69.47%	98,322,497	68.37%	21,836,436	63.76%
Other Customers	102,517,602	30.53%	45,495,143	31.63%	12,405,593	36.24%
Grand Total	\$ 335,832,842	100.00%	\$ 143,817,640	100.00%	\$ 34,242,029	100.00%

Source: Based on information provided in the NTMWD Operations Report.

SCHEDULE - 16
OUTSTANDING DEBT BY TYPE (UNAUDITED)
LAST TEN FISCAL YEARS

Fiscal Year	Revenue Bonds ⁽¹⁾	U.S. Government Notes	Capital Leases	Total	District Population	Per Capita Debt
2010	\$ 1,201,211,843	\$ 75,497,946	\$ -	\$ 1,276,709,789	786,250	1,624
2011	1,296,431,816	37,656,812	-	1,334,088,628	791,470	1,686
2012	1,693,890,969	36,417,993	-	1,730,308,962	834,642	2,073
2013	1,649,854,821	35,139,154	-	1,684,993,975	854,778	1,971
2014	1,675,033,880	33,819,003	-	1,708,852,883	885,241	1,930
2015	1,821,632,620	32,456,205	-	1,854,088,825	914,127	2,028
2016	1,906,989,880	31,049,381	-	1,938,039,261	939,585	2,063
2017	2,231,875,720	29,597,110	-	2,261,472,830	969,603	2,332
2018	3,104,202,887	28,097,923	-	3,132,300,810	1,005,146 (2)	n/a
2019	3,612,628,870	26,550,306	-	3,639,179,176	n/a (2)	n/a

Source: Notes to the Basic Financial Statements for the North Texas Municipal Water District.

Note: The District provides service to portions of Collin, Hunt, Rockwall, Dallas, Kaufman, Ellis, Rains, Fannin, Grayson, and Denton Counties. The majority of the District's population served resides in Collin County. Therefore, this schedule reflects data for Collin County only.

(1) Presented net of original issuance discounts and premiums

(2) The District was unable to obtain the 2018 Per Capita Debt and the 2019 District Population and Per Capita Debt information at the time of publication of this report.

SCHEDULE - 17
REVENUE COVERAGE (UNAUDITED)
LAST TEN FISCAL YEARS

Fiscal Year	Total Revenues	Less: Operating Expenses (excluding depreciation)	Net Available Revenues	Debt Service			Coverage Ratio
				Principal	Adjustment {b}	Interest Paid	
2010	\$ 237,064,852	\$ 130,142,166	\$ 106,922,686	\$ 46,021,961	\$ -	\$ 56,034,581	1.05
2011	254,562,756	127,804,481	126,758,275	83,806,133	(36,641,083)	61,388,483	1.17
2012	275,884,219	129,796,674	146,087,545	49,873,819	-	61,388,483	1.31
2013	300,500,703	140,151,618	160,349,085	62,918,838	-	79,055,732	1.13
2014	318,487,264	157,424,943	161,062,321	63,480,151	-	71,448,310	1.19
2015	344,949,693	158,078,403	186,871,290	72,317,798	-	74,903,222	1.27
2016	406,009,175	170,589,206	235,419,969	79,006,824	-	80,521,078	1.48
2017	452,162,751	190,104,395	262,058,356	91,572,271	-	87,754,800	1.46
2018	519,737,177	197,014,560	322,722,617	98,764,187	-	103,020,601	1.60
2019	573,625,215	219,497,717	354,127,498	131,907,616	-	130,553,352	1.35

Source: Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows for the NTMWD

Note: The District currently does not maintain any debt covenants requiring a coverage ratio of greater than 1.00.

{a) Amount represents operating revenue plus nonoperating revenues, excluding interest expense and loss on disposal of capital assets.
{b) Advance payment of debt.

SCHEDULE - 18

DEMOGRAPHIC STATISTICS (UNAUDITED)

LAST TEN
CALENDAR
YEARS

Calendar Year	District Population	Personal Income (thousand dollars)	Per Capita Personal Income	Unemployment Rate
2009	764,500	\$ 28,476,127	\$ 37,248	6.9%
2010	786,250	29,648,689	37,709	7.3%
2011	791,470	30,214,869	38,176	7.3%
2012	834,642	30,941,848	37,072	4.5%
2013	854,778	32,401,215	37,906	5.2%
2014	885,241	34,148,172	38,575	5.5%
2015	914,127	36,154,637	39,551	3.7%
2016	939,585	38,686,473	41,174	3.7%
2017	969,603	41,933,391	43,248	3.6%
2018	1,005,146	41,933,391 (1)	43,248 (1)	3.6%

Source: Years 2008 - 2011 were based on information provided by North Central Texas Council of Governments. Years 2012 - 2017 were based on information provided by the U.S. Census Bureau.

Note: The District provides service to portions of Collin, Hunt, Rockwall, Dallas, Kaufman, Ellis, Rains, Fannin, Grayson, and Denton Counties. The majority of the District's population served resides in Collin County. Therefore, this schedule reflects data for Collin County only.

SCHEDULE - 19
PRINCIPAL EMPLOYERS (UNAUDITED)
PREVIOUS YEAR and TEN YEARS AGO

Employer	2018	
	Employees	Percentage of Total
Bank of America Home Loans-Corporate Dr.	10,347	1.99%
HP Enterprise Svc	10,000	1.19%
State Farm Insurance Corporate Office	8,700	0.93%
JP Morgan Chase & Co.	6,000	0.80%
Liberty Mutual Insurance	4,100	0.80%
Toyota of America	4,000	0.76%
JC Penney (Corporate HQ)	3,800	0.73%
Capital One	3,683	0.70%
University of Texas at Dallas	3,500	0.62%
Raytheon	3,200	0.60%
Total	57,330	9.12%
Total Employed in the County	509,347	

Employer	2008	
	Employees	Percentage of Total
EDS	5,000	1.27%
Countrywide Home Loans	4,860	1.49%
JC Penney	4,850	1.27%
Perot Systems	2,732	0.80%
Raytheon	2,500	0.66%
Alcatel	2,280	0.72%
AT&T Inc.	2,140	0.62%
University of Texas at Dallas	2,064	0.60%
CHC Acquisition Corp	2,000	1.79%
Dr. Pepper/Seven-up Corp	1,700	0.56%
Total	30,126	9.78%

Source: Years 2008 and 2018 are based on information provided by North Central Texas Council of Governments and Collin County; however, the District was unable to obtain this information for 2019 at the time of publication of this report.

Note: The District provides service to portions of Collin, Hunt, Rockwall, Dallas, Kaufman, Ellis, Rains, Fannin, Grayson, and Denton Counties. The majority of the District's population served resides in Collin County. Therefore, this schedule reflects data for Collin County only.

SCHEDULE - 20
NUMBER OF EMPLOYEES BY FUNCTION (UNAUDITED)
LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Water:										
General	18.0	29.0	29.0	31.0	31.0	30.0	8.0	11.0	11.0	11.0
Public Information	2.0	2.0	2.0	2.0	2.0	3.0	2.0	3.0	3.0	4.0
Information Technology							20.4	24.0	24.0	18.0
Administration	23.0	21.0	21.0	21.0	25.0	28.0	36.0	38.0	39.0	47.0
Plant Operations	45.0	47.0	66.0	78.0	64.0	66.0	77.0	79.0	80.0	85.0
Tawakoni Raw Water Pump St	5.0	10.0	11.0	11.0	11.0	11.0	12.0	12.0	12.0	12.0
East Fork Raw Water Supply	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Bonham Water Treatment	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Facilities Service	40.5	40.5	43.5	46.5	48.5	55.0	61.0	61.0	60.5	61.5
Technical Service	56.5	55.5	56.5	58.5	80.5	85.0	91.0	92.0	91.5	101.5
Laboratory	25.3	25.3	25.3	27.3	27.3	26.9	27.8	26.0	27.0	29.0
Engineering	40.0	40.0	43.0	44.0	50.0	62.0	74.0	77.0	82.0	87.0
Environmental Service	5.7	7.7	7.7	7.7	9.2	11.4	11.0	11.5	10.5	11.5
Permitting							4.2	4.0	3.0	2.0
Regulatory Compliance							3.3	4.0	3.0	3.0
Safety								5.0	5.0	5.0
Total	279.0	296.0	323.0	345.0	366.5	396.3	445.7	460.5	469.5	495.5
Wastewater:										
Wilson Creek WWTP	52.8	52.8	55.8	55.8	56.1	56.4	58.8	59.0	59.0	62.0
Floyd Branch WWTP	6.3	6.3	6.3	6.3	6.4	6.5	7.5	8.0	8.0	7.0
Rowlett Creek WWTP	21.8	21.8	21.8	21.8	23.1	23.4	25.5	26.5	26.5	26.5
Mesquite WWTP	29.8	29.8	32.8	32.8	34.1	35.4	34.1	34.0	35.0	35.0
Panther Creek WWTP	6.1	12.1	12.1	12.1	12.1	12.6	17.8	17.8	17.8	17.8
Muddy Creek WWTP	12.1	12.1	12.1	12.1	12.1	12.1	18.4	18.9	18.9	19.4
Stewart Creek WWTP	6.1	6.1	6.1	6.1	6.1	6.6	10.6	11.5	18.5	18.5
Seagoville WWTP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Small WWTPs	5.5	5.5	5.5	5.5	5.5	7.5	7.0	9.0	9.0	9.5
Pretreatment	5.0	5.0	5.0	5.0	5.5	6.7	6.8	7.5	7.5	7.5
Dewatering	2.0	2.0	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0
Forney Interceptor								0.1	0.0	0.0
Lower East Fork Interceptor								0.1	0.0	0.0
Buffalo Creek Interceptor								0.1	0.0	0.0
Upper East Fork Interceptor	6.9	6.9	7.9	8.9	8.9	11.9	19.9	19.1	19.3	19.3
Total	154.0	160.0	167.0	168.0	171.6	178.7	206.3	211.5	219.5	222.5
Solid Waste:										
Transfer Station	52.8	50.8	48.8	47.8	47.3	46.3	46.4	47.0	50.0	54.0
Landfills	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Disposal Facility	37.8	39.3	40.3	39.3	36.8	32.8	33.9	34.7	34.7	34.7
Fleet Maintenance Shop	13.0	13.0	12.0	12.0	15.0	16.0	18.7	19.4	19.4	19.4
Total	106	103.0	101.0	99.0	99.0	95.0	99.0	101.0	104.0	108.0
Total Employees	539.0	559.0	591.0	612.0	637.0	670.0	751.0	773.0	793.0	826.0

Source: Based on information provided in the NTMWD Annual Budget.

SCHEDULE - 21 MISCELLANEOUS STATISTICAL DATA (UNAUDITED) YEAR ENDED SEPTEMBER 30, 2019

Authority created under Chapter 62, Acts of 1951, 52nd Legislature of Texas, Regular Session

Year of creation	1951
Domicile	Wylie, Texas
District population	1 700 000
District service area	2,200 square miles
Water Treatment Plant	420 acres
Rain received at Lavon Lake during fiscal year	58.52
Total employees	826

REGIONAL WATER SYSTEM

RAW WATER SUPPLY—SAFE YIELD:

Lavon Lake	102.6	MGD
Lake Texoma	82.8	
Jim Chapman Lake	44.6	
Lake Bonham	4.8	
Lake Tawakoni	45.7	
Wilson Creek Reuse	44.0	
East Fork Raw Water Supply	27.0	
Lake Ray Hubbard Pass Through	18.8	
Total	370.3	MGD

WATER TREATMENT PLANTS:

Wylie—WTP I	70.0	MGD
Wylie—WTP II	280.0	
Wylie—WTP III	280.0	
Wylie—WTP IV	140.0	
Bonham WTP	6.6	
Tawakoni WTP	30.0	
Total	806.6	MGD

TRANSMISSION PIPELINES:

12" to 24" diameter	116.0	Miles
30" to 54" diameter	174.0	
60" to 96" diameter	286.0	
Total	576.0	Miles

RAW WATER PUMP STATIONS:

Lake Lavon—3 sites:		
Total water pumps	17	
Total raw water pumping capacity	940.0	MGD
Lake Texoma—1 site:		
Total water pumps	4	
Total raw water pumping capacity	125.0	MGD

Jim Chapman Lake—1 site:			
Total water pumps	3		
Total raw water pumping capacity	165.0	MGD	
East Fork Raw Water Supply—2 sites:			
Total water pumps	8		
Total raw water pumping capacity	270.0	MGD	
Lake Tawakoni—2 sites:			
Total water pumps	7	MGD	
Total raw water pumping capacity	168.0		
Wylie Water Plant - Treated Water Pump Stations	7		
Wylie Water Plant - Treated Water Pumping Capacity	953.5	MGD	
TREATED WATER STORAGE RESERVOIRS:			
NTMWD Treatment plant storage	42.0	Million gallons	
NTMWD Transmission system storage	368.0		
	410.0	Million gallons	
TOTAL CITY DELIVERY POINTS	82		

WASTEWATER SYSTEM**REGIONAL SYSTEM:**

Regional wastewater plants:			
Floyd Branch RWWTP	*	4.750	MGD
South Mesquite RWWTP	*	33.000	
Rowlett Creek RWWTP	*	24.000	
Wilson Creek RWWTP	*	56.000	

SEWER SYSTEM:

City:		Permitted Capacity	
Farmersville	Farmersville No. 1 Plant	0.225	a
	Farmersville No. 2 Plant	0.530	a
Frisco	Cottonwood Creek Plant	0.300	
	Panther Creek Plant	10.000	
	Stewart Creek West Plant	5.000	
Lavon	Bear Creek Plant	0.250	
Rockwall	North Rockwall Plant	1.200	
	South Rockwall Plant	2.250	
Royse City	Royse City Plant	0.500	b
Royse City and Fate	Sabine Creek Plant	3.000	
Seis Lagos MUD	Seis Lagos Plant	0.250	

STATISTICAL

NORTH TEXAS MUNICIPAL WATER DISTRICT

Wylie and Murphy	Muddy Creek Plant	10.000
Wylie	Wylie Plant	2.000
Total treatment capacity		<u>153.255</u>
		MGD
Total number of plants		17
Total number of plants in operation		13***
a) Operates as a single plant		
b) Not in operation		
* Number of plants owned by NTMWD		11
** Closed in September 2018		
*** Total number of plants in operation at September 30, 2019		

INTERCEPTOR SYSTEMS

	Pipeline Length	
Upper East Fork Interceptor System	162.95	Miles
Lakeside Interceptor (Rockwall)	4.34	
Muddy Creek Interceptor	4.16	
Forney Interceptor	7.27	
Sabine Creek Interceptor	3.16	
Parker Creek Interceptor	5.07	
Buffalo Creek Interceptor	16.28	
McKinney Interceptor System	3.11	
Mustang Creek Interceptor System	7.56	
Parker Creek Parallel Interceptor	1.5	
Lower East Fork Interceptor System	9.35	
Total	<u>224.75</u>	Miles

SOLID WASTE SYSTEM

	Permitted Capacity	
TRANSFER STATIONS (3):		
Lookout Drive Transfer Station	625	Tons/day
Parkway Transfer Station	770	
Custer Road Transfer Station	<u>1,900</u>	
Total transfer capacity	<u>3,295</u>	Tons/day

LANDFILLS (3):

121 Regional Disposal Facility		
Permit Boundary	673	Acres
Landfillable	433	Acres
Permitted Airspace	135	M yd ³
Maxwell Creek Landfill*		
Permit Boundary	193	Acres
Landfillable	139	Acres
Permitted Airspace	6	M yd ³
McKinney Landfill**		
Permit Boundary	162	Acres
Landfillable	94	Acres
Permitted Airspace	13	M yd ³

* Closed in 2006.

**Ceased waste acceptance on December 31, 2008 and closed in 2014

(Concluded)

SCHEDULE - 22
OPERATING AND CAPITAL INDICATORS
LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Water:										
Size of Service Area (square miles)	1,985	1,985	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Water Supply (MGD)	369	369	369	370	370	370	370	370	370	370
Treatment Capacity (MGD)	777	777	807	807	807	807	807	807	807	807
Miles of Transmission Pipelines	482	487	518	518	566	573	573	576	576	576
Water Storage Capacity (MG)	400	400	400	403	403	410	410	410	410	410
City Delivery Points	78	78	78	77	77	77	82	82	82	82
Total Rainfall (Inches)	41	31	35	29	29	45	54	32	46	59
Annual Consumption (BG)	88	102	97	93	84	80	97	95	103	93
Wastewater:										
Miles of Interceptor Lines	210	226	243	243	250	250	251	252	223	225
Number of Treatment Plants	18	18	18	17	17	17	17	17	17	17
Treatment Capacity (MGD)	132	137	145	152	152	152	152	152	152	153
Annual Volume Treated (BG)	36	31	33	33	33	39	43	38	40	47
Solid Waste:										
Number of Transfer Stations	3	3	3	3	3	3	3	3	3	3
Number of Landfills	3	3	3	3	3	3	3	3	3	3
Annual Volume (thousand tons)	743	752	723	786	835	877	950	1,009	986	1,010

Source: Based on information provided in NTMWD Operation Report.

STATISTICAL

NORTH TEXAS MUNICIPAL WATER DISTRICT

SCHEDULE 23 INSURANCE IN FORCE (UNAUDITED)

YEAR ENDED
SEPTEMBER
30, 2019

Carrier	Policy No	Coverage	Policy Limits	Term	Approximate Annual Premium
Texas Water Conservation Association Risk Management Fund	7	Workers' compensation	Statutory	7-01-19 to 7-01-20	\$ 661,588
Texas Water Conservation	7	General liability	\$10,000,000 per occurrence \$10,000,000 annual aggregate	7-01-19 to 7-01-20	\$ 190,125
Association Risk Management Fund					
Texas Water Conservation Association Risk Management Fund	7	Automobile liability	\$10,000,000 per occurrence \$10,000,000 annual aggregate	7-01-19 to 7-01-20	\$ 194,765
Association Risk Management Fund					
Texas Water Conservation Association Risk Management Fund	7	Directors' and officers' liability	\$10,000,000 per occurrence \$10,000,000 annual aggregate	7-01-19 to 7-01-20	\$ 110,675
Association Risk Management Fund					
Texas Water Conservation Association Risk Management Fund	7	Automobile physical damage	Actual cash value	7-01-19 to 7-01-20	\$ 206,879
USI Insurance Services	GS731	Fire and extended coverage	\$615,329,600 scheduled property	12-31-18 to 12-31-19	\$ 666,314
Chubb & Son Insurance	6615026	Commercial floater	\$28,354,585 scheduled & \$1,110,000 unscheduled property	5-01-19 to 5-01-20	\$ 69,712
USI Insurance Services	105874034	Fidelity bond	\$1,000,000 per occurrence	1-01-19 to 1-01-20	\$ 9,437
Anco Insurance B/CS	04TO000109220	Pollution storage tanks	\$1,000,000 per occurrence \$1,000,000 annual aggregate	12-01-18 to 12-01-19	\$ 500

Source: Based on information provided in NTMWD Insurance Policies.

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