



NORTH
TEXAS
MUNICIPAL
WATER
DISTRICT

2020-2021 Annual Comprehensive Financial Report



WATER
SERVICES



WASTEWATER
SERVICES



SOLID WASTE
SERVICES



Rowlett Creek Regional
Wastewater Treatment Plant



Wylie Water Treatment
Plant Complex



Trinity River Main Stem
Pump Station

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

**FISCAL YEAR ENDED
SEPTEMBER 30, 2021**

**AS PREPARED BY THE
NTMWD ACCOUNTING DEPARTMENT**

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INTRODUCTORY

SECTION (UNAUDITED)

**BOARD OF DIRECTORS
AS OF SEPTEMBER 30, 2021**

Phil Dyer	President	Plano
Jack May	Vice President	Garland
Richard Peasley	Secretary	Frisco
Joe Farmer		Allen
James Kerr		Allen
George Crump		Farmersville
Kalen Boren		Forney
John Carr		Forney
Lynn Shuyler		Frisco
Don Gordon		Garland
Robert Appolito		McKinney
Geralyn Kever		McKinney
Terry Sam Anderson		Mesquite
Brenda Jean Patrick		Mesquite
Ron Kelley		Plano
Marlo Obera		Princeton
VACANT		Princeton
John Murphy		Richardson
John Sweeden		Richardson
Chip Imrie		Rockwall
Larry Parks		Rockwall
David Hollifield		Royse City
Blair Johnson		Royse City
Marvin Fuller		Wylie
Keith Stephens		Wylie

Jennafer P. Covington
Executive Director/General Manager

**ORGANIZATIONAL STRUCTURE
AS OF SEPTEMBER 30, 2021**

Executive Director/General Manager	Jennafer P. Covington
Deputy Director (Engineering & CIP)	Cesar Baptista
Assistant Deputy – CIP & Planning	R. J. Muraski
Assistant Deputy – Engineering	Mark Simon
Deputy Director (Water & Wastewater)	Billy George
Assistant Deputy – Water Treatment & Conveyance	VACANT
Assistant Deputy – Water Resources	Galen Roberts
Assistant Deputy – Wastewater	VACANT
Deputy Director (Administrative Services)	VACANT
Assistant Deputy – Finance	Erik Felthous
Assistant Deputy – Human Resources & Administration	VACANT
Deputy Director (Solid Waste & Integrated Services)	Jeff Mayfield
Assistant Deputy – Maintenance	Dave Patton
Assistant Deputy – Solid Waste	Michael Friesen



Regional. Reliable. Everyday.

January 20, 2022

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

Per the Texas Administrative Code, the North Texas Municipal Water District (the "District") is required to 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 Annual Comprehensive Financial Report of the North Texas Municipal Water District for the fiscal year ended September 30, 2021.

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 Crowe 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, 2021, 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, 2021, 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.

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 2 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 recover from the effects of the COVID-19 pandemic. As of August 2021, DFW employment is now just 0.6 percent below the pre-pandemic high from February 2020 and the unemployment rate is back below 5.0 percent for the first time in the last year and a half. The Dallas Fed's business cycle index, which is a broad measure of economic activity, is now 3.1% above pre-pandemic levels. Housing continues to be strong with near record existing home sales. New home sales are also strong with the DFW Metroplex being one of the busiest markets in single-family construction among large U.S. metros. It is expected that the region will continue to see long-term increases in 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.

Budgeting. Each year the District sets forth budget guidance, which serves to guide the District as they prepare the operating budgets.

The budget guidance included the following:

- Continue to provide essential services to our growing region in the most efficient manner possible
- Limit travel and in person conferences, especially during the pandemic
- Limit staff increases to new facilities only
- Repurpose existing vacancies where possible to critically needed positions in an effort to limit the growth in headcount
- Minimal funding for escrow and contingency funds with an effort to grow funds over time
- Other considerations where possible

Long-term financial planning. The District's planning incorporates both an annual budgeting process and a long-term forecast. The annual budgeting process is based on yearly budget guidance and training that sets forth the priorities for a given year. The following financial controls are maintained as part of the budgeting process:

- Insurance coverages are reviewed to ensure that policy limits are adequate and in compliance with revenue bond covenants
- Fund balances are maintained in accordance with the Fund Balance Policy
- Expenses are reviewed to ensure they are reasonable and fall within the budget guidance
- Employ a variable rate reduction methodology that systematically reduces Regional Water System variable rate expenses based on historical actuals
- Debt Service transfers are calculated based on existing and projected debt service as well as adequate funds to maintain required debt service reserves.
- All purchases are sourced in accordance with the District's purchasing policies

In order to provide a long-term view of the District's finances, the District maintains Strategic Financial Plans (SFPs) for all Operating Systems. These plans are updated annually and incorporate the following assumptions:

- Current year budgets plus standard cost escalations for future years
- Forecasted tonnage / flow estimates
- Escrow funding / use of escrow proceeds to smooth annual cost increases / defray major expenses
- Capital Improvement Projects plus standard cost escalations for future years
 - Funding Sources (Cash or Debt)
- Bonds are sold as 20- or 30-year debt to finance long-term capital projects only
- Fund balances are maintained in accordance with the Fund Balance Policy

The objective of long-term planning 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 April 2021 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 2 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 \$2.9 billion of capital projects between FY2022 and 2031 for several projects including the expansions to Leonard Water Treatment Plant. Also, between FY 2032 and 2041, it is assumed the District will finance approximately \$779.3 million of capital projects for additional system improvements including expanding the Leonard Water Treatment Plant.

The April 2021 water rate projections indicate that at least a \$1.65 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 April 2021 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 thirteen member cities. In April 2020, NTMWD received the wastewater permit from the Texas Commission on Environmental Quality (TCEQ) for the Sister Grove Regional Water Resource Recovery Facility (RWRRF) and

construction began July 2020. On February 27, 2020, the Texas Water Development Board (TWDB) approved \$459 million in low-interest state funding through the TWDB Clean Water State Revolving Fund (CWSRF) for phases I and II construction of the new facility. Financing from the CWSRF program is expected to save \$200 million in interest costs for this project. The RWWS cost projection includes funding for approximately \$582 million of capital projects over the next ten years, which includes the expansion of Sister Grove Regional Water Resource Recovery Facility (RWRRF) in 2023. Over the next five years, other major projects in the RWWS include the Rowlett Creek Regional Wastewater Treatment Plant (RWWTP) Peak Flow Management Project, South Mesquite RWWTP Expansion to 41 MGD and improvements to the Wilson Creek RWWTP and South Mesquite RWWTP. 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 \$504 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 and Force Main, Sloan Creek Lift Station and Force Main, North McKinney Lift Station improvements, Preston Road Lift Station Expansion to 40 MGD and Princeton Lift Station Expansion to 25 MGD.

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 and the District received a new 3-year temporary overdraft permit in May 2021.
- 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 long-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 the Sulphur Basin Supplies Strategy 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 provide 78 MGD and is currently scheduled to be online in 2060.
- Evaluating the feasibility of acquiring water for the Toledo Bend Reservoir that could potentially supply water to the District beginning in 2070
- 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.
- Evaluating the following projects that were included as Alternative Water Management Strategies:
 - Toledo Bend – Phase 2
 - Lake O' the Pines
 - Lake Texoma with desalination rather than blending
 - Freestone/Anderson County Groundwater
 - George Parkhouse Reservoir (North)
 - George Parkhouse Reservoir (South)
 - Marvin Nichols Reservoir

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2020. This was the thirty-first 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 ACFR. 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 ACFR 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 Government Finance Officers Association (GFOA) awarded the Distinguished Budget Presentation Award to the North Texas Municipal Water District for its Budget for the fiscal year beginning October 1, 2020. This was the second consecutive year the District has received this prestigious award. In order to earn the Distinguished Budget Presentation Award, the District published a budget document that met program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

The Distinguished Budget Presentation is valid for a period of one year only. We believe that the current budget continues to meet the Distinguished Budget Program's requirements and we are submitting it to the GFOA to determine its eligibility for another award.

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 Holly Matthews, Accounting Manager, Eric Clein, 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,



JENNAFER P. COVINGTON
Executive Director/General Manager



ERIK FELTHOUS
Assistant Deputy - Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

North Texas Municipal Water District

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

RISING TO THE CHALLENGE: A MESSAGE FROM OUR EXECUTIVE DIRECTOR

As we look back on another year of accomplishments and challenges, the North Texas Municipal Water District remains focused on our core vision of regional service through unity. Our team of dedicated professionals continued to provide the critical water, wastewater and solid waste services our Member Cities and Customers depend upon throughout the ongoing COVID-19 pandemic, a disruptive winter storm in February, and increasing population. We also reached some major milestones in key projects necessary for the future of those we serve.

As we look back on another year of accomplishments and challenges, the North Texas Municipal Water District remains focused on our core vision of regional service through unity. Our team of dedicated professionals continued to provide the critical water, wastewater and solid waste services our Member Cities and Customers depend upon throughout the ongoing COVID-19 pandemic, a disruptive winter storm in February, and increasing population. We also reached some major milestones in key projects necessary for the future of those we serve. In May 2021, I was honored to be selected and appointed by the NTMWD Board of Directors as the District's Executive Director and General Manager. I am grateful for the hard work done by our staff to serve a fast-growing population which now reaches two million for water, 1.4 million for wastewater and 900,000 for solid waste.

During the unprecedented Winter Storm Uri that nearly immobilized the entire state of Texas, NTMWD staff put service before self to make sure essential equipment continued to operate so our communities would not be without water or wastewater services. There were numerous teams across all our divisions who worked long hours under extremely difficult and sometimes dangerous conditions. We had crews thawing frozen pipes and equipment during subzero temperatures, delivering fuel for emergency generators at water and wastewater pump stations, plants and key facilities across the NTMWD system, and maintaining testing operations to ensure that safe, clean, treated drinking water was being delivered to Member Cities and Customers.

Those efforts were achieved as the ongoing COVID-19 pandemic continued to necessitate specific health and safety protocols to keep our employees safe and prevent any disruption in essential services.

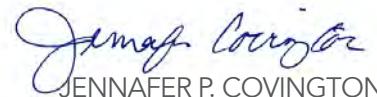


When the crippling winter weather event brought much of the region to a freezing halt in mid-February, NTMWD staff pulled together and worked to maintain essential services.

About two months after the winter storm, the District celebrated a major milestone for Bois d'Arc Lake – we began impounding, or capturing, water in the 16,641- acre lake footprint. Bois d'Arc Lake is the first major reservoir in Texas in over 30 years and necessary to prepare for the future growth of our service area which is expected to nearly double by 2050. After years of planning and permitting, we are now nearing the conclusion of the construction phase for the Bois d'Arc Lake project including the lake dam, raw water pump station and pipelines, Leonard water treatment plant and treated water pipeline system, and lake operations center. We remain on schedule to begin delivering treated drinking water in 2022 to help meet the District's water needs until about 2040.

Another major milestone for NTMWD was the beginning of construction for the Sister Grove Regional Water Resource Recovery Facility. This new facility will serve some of the fastest growing cities in the northern part of our regional wastewater system. Located on a 1,000-acre site east of McKinney, the Sister Grove plant is expected to meet anticipated demands as soon as 2024. We have been able to navigate these project needs and unforeseen challenges while finding ways to minimize financial impacts to the communities we serve. By keeping the wholesale water rate flat for FY21 and again for FY22, we continue to meet our commitment and obligations to protect public health and the environment at a reasonable cost across all systems.

I am confident in the District's ability to meet our responsibilities and continue providing safe, reliable water, wastewater and solid waste services for the millions of North Texans counting on us today and in the future.



JENNIFER P. COVINGTON

Executive Director and General Manager

WATER

NTMWD PRODUCES SAFE DRINKING WATER FOR MORE THAN 2 MILLION NORTH TEXANS.

It takes a dedicated team of essential workers to manage a vast, complex water system that spans over 2,200 square miles across 10 counties. Thanks to the hard work of those on the water team, the availability of safe, reliable water enabled up to 80 North Texas communities to continue to better fight the public health crisis everyone faced with the COVID-19 pandemic.

NTMWD employees work around the clock to manage plants, pump stations and pipelines. Hundreds of samples are collected each day to ensure water quality which is also monitored in NTMWD's state-certified laboratory. The District is proud that the water we produce meets or surpasses federal and state regulatory and health standards. The NTMWD water system consistently earns the "Superior" rating from Texas Commission on Environmental Quality (TCEQ).

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

- Expanding the Wylie Water Treatment Plant
- Diverting up to 91 MGD through Trinity River Main Stem Pump Station and Pipeline to East Fork Wetland
- Constructing Bois d'Arc Lake in Fannin County
- Constructing a 7th water treatment plant in Leonard, TX
- Pursuing various other innovative water sources, water savings and strategic partnerships



PROJECT HIGHLIGHT

Water Conveyance System Water Quality

Improvements: Implementation of operational changes to delivery point level management during lower summer demand periods has resulted in a significant reduction of field staff labor hours and total gallons of water discharged during water quality flushing efforts. Recently installed water quality testing stations in strategic locations throughout the water conveyance system have proven effective in collection of critical water quality data and supporting preemptive response to water quality maintenance activities in the water conveyance system. Blow Off Valve (BOV) upgrades/improvements in multiple locations in the water conveyance system provides field staff easier access and facilitates more efficient and safe flushing practices.

QUICK FACTS:

5 Major Water Sources:

Lavon Lake, Chapman Lake, Lake Texoma, Lake Tawakoni, East Fork Water Reuse Project

Recipients:

Up to 80 member and customer communities/cities



FY21 FAST FACTS

WATER SERVICES

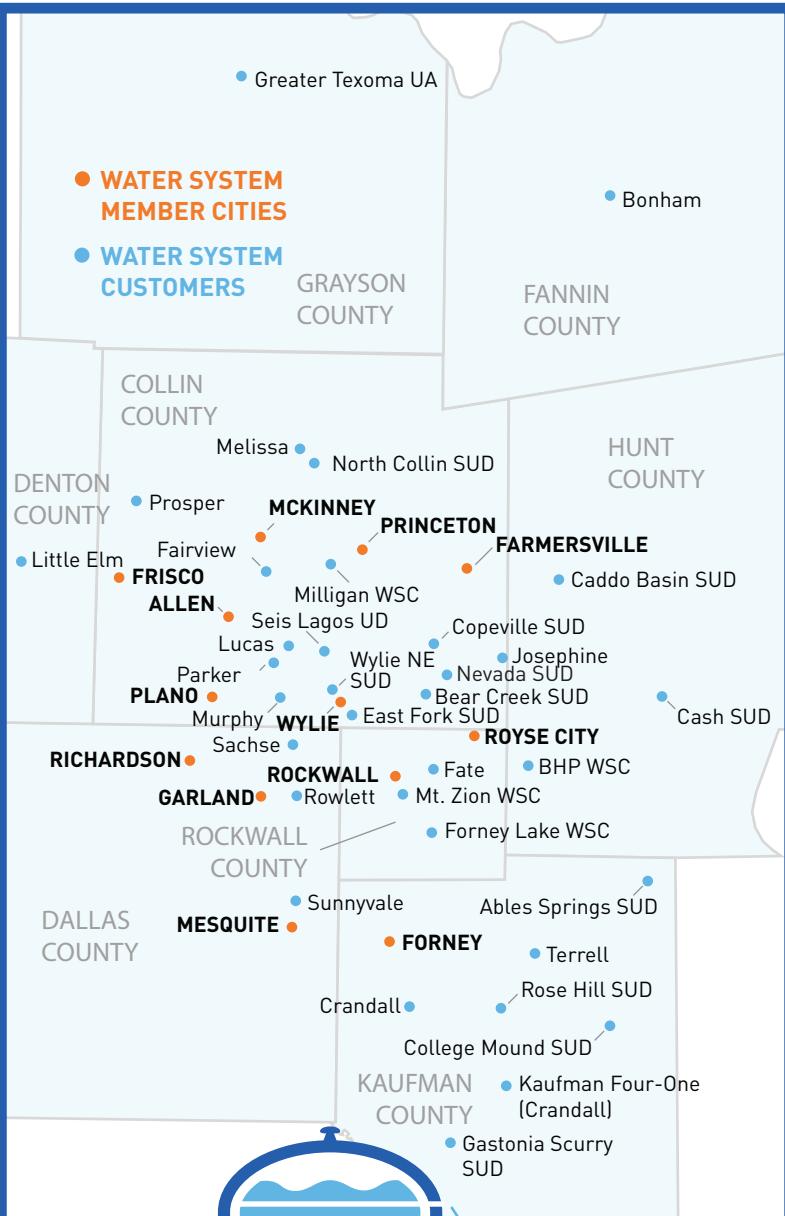
COMMUNITIES SERVED

127
EMPLOYEES

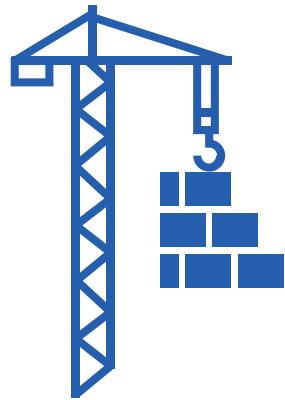
 **610+**
Miles of water
transmission lines

6 
Water treatment
PLANTS

Typically
32 BILLION
Gallons of water
re-used
annually

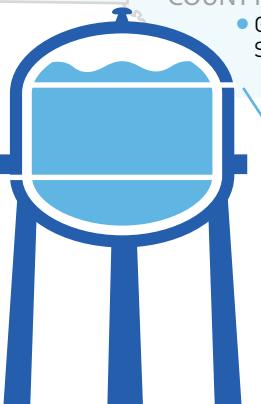


\$306
MILLION
In water system
construction
contracts



Average Annual
Water Use
82% Member
Cities
18% Customers

FY21 Annual Minimum
121 BILLION
Gallons of **treated water**





BOIS D'ARC LAKE WATER FOR THE FUTURE

Work continued at a steady pace to advance Bois d'Arc Lake construction onward and upward. The first major lake to be built in Texas in 30 years, Bois d'Arc is essential to meeting the region's water needs through 2040. Thanks to successful precautions against COVID-19, this key water source is still on schedule, and nearly 70% of all work on both the lake and its related infrastructure (including engineering, design and construction) is finished.

In addition to delivering essential water to a growing region, the lake construction also provides an economic boost for North Texans during an unusual economic year. The project offers consistent jobs during a critical time and gives local professionals the unique experience of working on one of the country's largest environmental restoration projects in their own backyard. Bois d'Arc Lake construction alone employed around 1,000 workers during the peak of activity this summer.

Visit BoisdArcLake.org for more information.

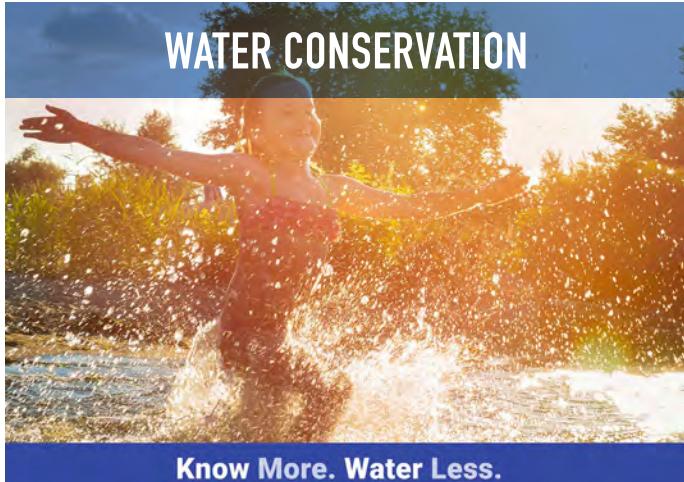
2021 Accomplishments:

- 💧 The embankment, soil cement steps and spillway construction on the dam are complete. Work continues on the fencing, roadways, power and communications connection and revegetation.
- 💧 FM 897 bridge and all county roads are open to traffic.
- 💧 The three public boat ramps and their parking areas near the Lake Operations Center were completed but not yet open to the public. The Lake Operations Center was substantially completed, and the operations looked forward to move-in by end of 2021.
- 💧 Restored and improved nearby wetlands, streams and forest. Periodic stream monitoring took place twice this year, and crews will plant the last trees over the winter to fill gaps in areas previously planted.
- 💧 Advanced the construction of buildings at Leonard Water Treatment Plant and began installation and testing of the treatment components.
- 💧 The raw water pipeline was completed, and 75% of the treated water pipeline was installed.



STEWARDSHIP

NTMWD works hard to be good stewards of the natural resources under our management. Water conservation and reuse remains a key part of the District's overall strategy and helps ensure that there will be an adequate water supply for the future. Environmental stewardship also helps to reuse water and power operations.



A new strategy to enhance and engage audiences with the "Know More. Water Less." campaign resulted in monthly social website traffic increasing by 232%. The Water4Otter program was reimaged with online lessons and digital activity book for traditional and home school educators to use for remote learning. Awareness of our water quality, treatment and conservation practices reached new audiences through an ongoing quarterly webinar series partnership with Texan by Nature.



Like all of Texas, the District was seriously impacted by Winter Storm Uri in February 2021. However, significant blocks of wholesale power had been fixed months before that lessened the financial damage by roughly \$20 million. The District is also lowering future energy costs by \$14 million over the next 15 years through an agreement with Direct Energy Business to purchase power from a new solar plant near Laredo, and that facility is now operational.



Watershed protection is vital to safeguard the quality of source water before treatment and distribution. In 2021, the District collaborated with local governments, farmers, ranchers, business owners and others from the Bois d'Arc Lake watershed to develop the Bois d'Arc Lake Watershed Protection Plan. The Plan identifies potential sources of water pollution and offers non-regulatory measures to protect and improve water quality in Bois d'Arc Lake and its tributaries. Implementation of the Plan is expected in 2022.



The District built and uses the nation's largest manmade wetland to filter treated wastewater for reuse. Once through the wetlands, the water is piped 44 miles north to Lavon Lake, where it is mixed and stored for future treatment. The East Fork Water Reuse Project accounts for approximately 130 billion gallons of water reused since its inception in 2009. The wetlands also serve as backdrop for the John Bunker Sands Wetland Center, which provides opportunities for school groups and the general public to explore the area's natural beauty and wildlife.

WASTEWATER

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

The critical services provided through the District's wastewater conveyance and treatment facilities protect human health, protect and enhance water quality and the environment, and support economic development. It was through the hard work of staff dedicated to proper wastewater management and treatment that the North Texas region made it through the global pandemic.

The District's 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 163+ million gallons of wastewater daily.

After wastewater is treated, the 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 local waterways to blend with larger water supply sources for irrigation and other downstream uses.

NTMWD continues working to expand as well as maintain our system. This past year we have:

W Rowlett Creek Regional Wastewater Treatment Plant Phase 1 Improvements to expand the peak flow of the plant from 60 MGD to 77.5 MGD neared completion. Substantial completion anticipated in January 2022.

W Construction began in Fall 2020 on Sister Grove Regional Water Resource Recovery Facility Phase 1 which will add 16 million gallons of capacity to the regional system and reached 15% completion by year's end. The plant is expected to be in service by December 2023.



PROJECT HIGHLIGHT

Sister Grove Regional Water Resource Recovery Facility: In March 2016, the NTMWD Board of Directors authorized the conceptual design and strategic development of a regional wastewater treatment plant that will meet the growing needs of our region through 2070.

The Texas Water Development Board (TWDB) approved low-interest state funding for Construction Phase I (16 MGD) & Phase II (32 MGD) through the TWDB Clean Water State Revolving Fund (CWSRF) Program in February 2020, estimated to save more than \$200 million in interest costs.

Texas Commission on Environmental Quality (TCEQ) granted Sister Grove RWRRF its wastewater permit in April of 2020 and construction began Fall of 2020.

QUICK FACTS:

Recipients:

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

Current Wastewater Operations: Overall system is at 74% of total capacity with some plants regularly operating beyond normal flows during storm events.



Regional. Reliable. Everyday.

FY21 FAST FACTS

WASTEWATER SERVICES

COMMUNITIES SERVED

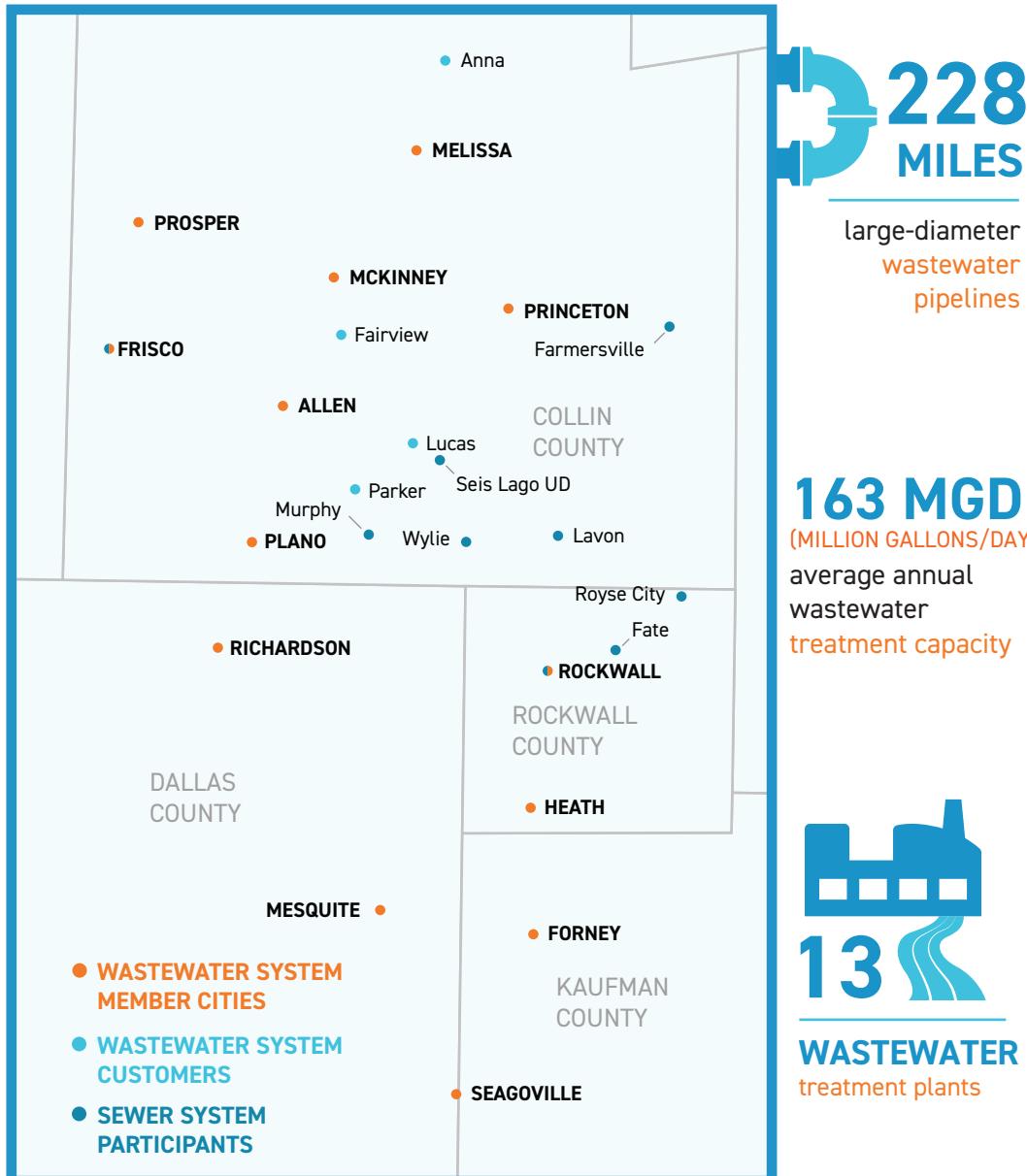
236
EMPLOYEES

\$413
MILLION

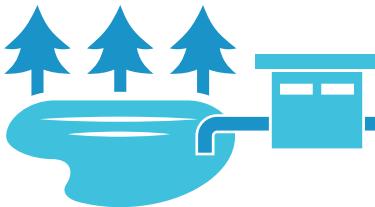
In regional wastewater, conveyance & sewer system **construction contracts**



44.3
BILLION
estimated gallons of wastewater flows



Around
15 BILLION
Gallons projected
to be treated through
wetland for reuse



Typically
20 BILLION
Gallons treated wastewater
returned to Lavon Lake
for reuse each year



SOLID WASTE

NTMWD TEAM MEMBERS PROVIDE CRITICAL WASTE DISPOSAL SERVICES THAT KEEP OUR COMMUNITIES SAFE AND CLEAN WHILE PROTECTING WATER QUALITY AND THE ENVIRONMENT.

The District properly and efficiently manages the transport and disposal of approximately one million tons of waste every year through our regional solid waste system.

The five Solid Waste Member Cities, plus other Collin County municipalities, rely on NTMWD to operate transfer station collection sites and a regional disposal facility for proper management of their waste.

This requires dedicated professionals that provide a friendly customer-focused interaction hundreds of times each day, drive 18-wheel transfer trucks, run the transfer stations and operate 60-ton landfill compactors. They also monitor the NTMWD landfills and work with external agencies to recycle or compost as much material as possible. This dedicated team completes all these vital services in full compliance with state and federal regulations.

Over the past several years, the 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 help offset the cost of the landfill and reduces CO2 emissions.



PROJECT HIGHLIGHT

Morrow Renewables High BTU Gas Plant: The renewable energy gas plant at our 121 Regional Disposal Facility provides NTMWD a royalty — over \$1 million in FY21 — on the gas produced and a share of the revenue generated which goes toward reducing landfill operation costs.

QUICK FACTS:

Current landfill expected to meet the solid waste needs of our region for the next 39 years

Solid Waste Communities Served: Allen, Frisco, McKinney, Plano and Richardson

FY21 FAST FACTS

SOLID WASTE SERVICES

COMMUNITIES SERVED

113
EMPLOYEES

\$14
MILLION

In solid waste
construction contracts



4 Regional
Citizen
CONVENIENCE
CENTERS



Over
50,000

tons of yard &
organic waste
composted
annually



3,800

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

On average, around

1 million

TONS
of solid waste
disposed each year



 | **3** Transfer stations
permitted to process up to

3,295 TONS
of solid waste **per day**



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the business-type activities, each major fund and the aggregate remaining fund information for the North Texas Municipal Water District (the District), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 the business-type activities, each major fund, and the aggregate remaining fund information of the North Texas Municipal Water District, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 15 to the financial statements, during the year ended September 30, 2021, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Employer Contributions, Money-Weighted Rate of Return – Retirement Plan, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of NTMWD Contributions and Money-Weighted Rate of Return - OPEB*, on pages 5-9, 60, 61, 62, 63, 64 and 65, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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.

Supplementary 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 combining and individual fund financial statements and schedules and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and 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 combining and individual fund financial statements and 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2022 on our consideration of 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 the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe LLP". The "C" is large and stylized, the "L" is a vertical line, and the "P" is a simple block letter.

Crowe LLP

Dallas, Texas
January 20, 2022

FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (Unaudited)

As management of the North Texas Municipal Water District ("the 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, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished with our letter of transmittal, which can be found in the Introductory section of this report.

Financial Highlights

- Total assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the end of the fiscal by \$1.82 billion.
- The District's total net position increased by approximately \$75 million, or 4.3 percent.
- During the year, the District's total revenues decreased by approximately \$3.6 million, or .6 percent, and total expenses increased by approximately \$56 million, or 0.1 percent.
- Construction of the Bois d'Arc Lake, Leonard Water Treatment Plant (WTP), Sister Grove Wastewater Treatment Plant (WWTP) and various other WTP improvements led the way in capital expenditures totaling over \$406 million.
- The District issued \$259 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 is intended to serve as an introduction to the District's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to that of a private-sector business. The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources and liabilities, with the difference 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 Activities* 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 government-wide financial statements show the activities of the District that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The activities of the District include water services, wastewater treatment, and solid waste disposal. The government-wide financial statements can be found beginning on page 11.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the District can be divided into two categories: Proprietary Funds and Fiduciary Funds.

Proprietary Funds. The District maintains two different types of proprietary funds: enterprise funds and internal service funds. The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail.

Enterprise Funds. An enterprise fund is used to report the functions that are business-type activities. The District reports five major enterprise funds: Water, Regional Wastewater, Sewer, Solid Waste and Interceptor.

Internal Service Funds. Internal service funds are used to accumulate and allocate costs internally amongst the District's various systems. The District uses internal service funds to account for its administrative support services, maintenance services, technical services, inspectors revenue, information technology support services, and insurance benefits to District employees, participating dependents, and eligible retirees.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 13 through 20 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. The District's pension and OPEB trust are reported under the fiduciary funds. Since the resources of these funds are not available to support the District's own programs, they are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 21 through 22 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 23 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 60 of this report.

Government-Wide Financial Analysis

As noted earlier, net position over time may serve 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 \$1,824,586,802 at the close of the most recent fiscal year.

North Texas Municipal Water District's Net Position

	As of September 30			Percent Change
	2021	2020	Increase/(Decrease)	
ASSETS:				
Current and other assets	\$ 1,774,175,026	\$ 2,103,338,340	\$ (329,163,314)	-15.6%
Capital assets-net	4,649,149,347	4,159,809,086	489,340,261	11.8%
Total assets	6,423,324,373	6,263,147,426	160,176,947	2.6%
Total deferred outflows of resources	45,910,969	40,844,050	5,066,919	12.4%
Total assets and deferred outflows of resources	6,469,235,342	6,303,991,476	165,243,866	2.6%
LIABILITIES:				
Long-term liabilities outstanding	4,436,020,821	4,344,326,278	91,694,543	2.1%
Current and other liabilities	197,682,901	196,644,970	1,037,931	0.5%
Total liabilities	4,633,703,722	4,540,971,248	92,732,474	2.0%
Total deferred inflows of resources	10,944,818	13,212,800	(2,267,982)	-17.2%
Total liabilities and deferred inflows of resources	4,644,648,540	4,554,184,048	90,464,492	2.0%
NET POSITION:				
Net investment in capital assets	1,430,006,844	1,309,031,458	120,975,386	9.2%
Restricted	231,587,717	242,546,402	(10,958,685)	-4.5%
Unrestricted	162,992,241	198,229,568	(35,237,327)	-17.8%
Total net position	\$ 1,824,586,802	\$ 1,749,807,428	\$ 74,779,374	4.3%

The largest portion of the District's net position (78 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 consists primarily of the reserve funds required by bond resolutions.

The remaining balance of the District's net position represents unrestricted net position (9 percent) and may be used to meet the District's ongoing obligations. The overall increase in net position of \$74,779,374, or 4.3 percent, 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.

North Texas Municipal Water District's Changes in Net Position

	Year Ended September 30		Increase (Decrease)	Percent Change
	2021	2020		
Program Revenues:				
Charges for services	\$ 565,674,044	\$ 540,819,200	\$ 24,854,844	4.6%
Operating grants and contributions	38,115	2,051,367	(2,013,252)	-98.1%
General Revenues:				
Investment earnings	1,928,909	29,796,188	(27,867,279)	-93.5%
Gain on sale of assets	1,472,901	86,414	1,386,487	1,604.5
Total Revenues	569,113,969	572,753,169	(3,639,200)	-0.6%
Expenses:				
Water services	313,608,462	269,764,802	43,843,660	16.3%
Wastewater services	143,982,196	134,593,630	9,388,566	7.0%
Solid waste services	36,743,937	33,574,095	3,169,842	9.4%
Total Expenses	494,334,595	437,932,527	56,402,068	12.9%
Change in Net Position	74,779,374	134,820,642	(60,041,268)	-44.5%
Net Position - Beginning	1,749,807,428	1,619,182,701	130,624,727	8.1%
Correction of an error	-	(4,195,915)	4,195,915	N/A
Net Position - Beginning (As restated)	1,749,807,428	1,614,986,786	134,820,642	8.35%
Net Position - Ending	\$ 1,824,586,802	\$ 1,749,807,428	\$ 74,779,374	4.3%

Total revenues for the District for the years ended September 30, 2021 and 2020 were \$569,113,969 and \$572,753,169, respectively. The \$3,639,200 decrease in total revenues was primarily due to a significant decrease in investment earnings as a result of lower amounts invested and lower yields. This decrease was offset by increased charges for services, including an increase in service fees and miscellaneous revenues.

Total expenses for the District for the years ended September 30, 2021 and 2020 were \$494,334,595 and \$437,932,527, respectively. Several key factors account for the \$56,402,068 increase in total expenses, primarily the increase in electric power during the fiscal year. Like all of Texas, the District was seriously impacted by Winter Storm Uri in February 2021. However, significant blocks of wholesale power had been fixed months before that lessened the financial damage by roughly \$20 million. The District is also lowering future energy costs by \$14 million over the next 15 years through an agreement with Direct Energy Business to purchase power from a new solar plant near Laredo, and that facility is now operational. Additional increases can be attributed to an increase in operating supplies primarily driven by the overall increase in chemical expenses of \$6.9 million, overall increases in supplies and services due to higher inflation and an increase in depreciation expense of over \$3.8 million.

The District's revenues are derived from charges to Member Cities and Customers, primarily for the sale and treatment of water and wastewater. Member Cities and Customers 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. In the Regional Wastewater System, Sewer System, Solid Waste System and Interceptor System, the charges for services are adjusted accordingly at the end of each year to a break-even basis. In the Water System, variable costs related to water utilized below the annual minimums are rebated to the Member Cities. Any Water System excess or shortage of revenue is transferred to or from the Water System Operating Fund, Rate Stabilization or Contingency Fund Balance.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Capital Assets and Debt Administration

Capital Assets

The District's capital assets as of September 30, 2021, amounted to \$4,649,149,347 (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 11.8%.

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

- Completion of the Water Operations Center totaling approximately \$60.5 million;
- Water Treatment Plant (WTP) improvements, including SCADA improvements at WTP III, filter improvements to WTP II, III and IV, and improvements to the Wylie WTP power and chemical systems, the cost of these additions was almost \$36 million;
- Completion of the South Mesquite Wastewater Treatment Plant Filter Improvements totaling approximately \$12 million;
- Improvements to McKinney Lift Stations, Transfer Stations, Interceptors and Force Mains; the cost of additions to construction-in-progress totalled more than \$13.6 million;
- Sister Grove WWTP and Plant Site development totalling more than \$49 million;
- Construction of the treated water pipeline from Leonard WTP to McKinney No. 4, Leonard Water Treatment Plant and Leonard WTP HSPS; the cost of additions to construction-in-progress during the fiscal year was approximately \$154 million;
- Lower Bois D'Arc Creek (LBCR) raw water pipeline, LBCR raw water pump station, LBCR reservoir and dam, archaeological survey, LBCR boat ramps, LBCR Fannin County road and bridge improvements, and mitigation property; the cost of additions to construction-in-progress during the fiscal year was approximately \$171 million;
- Capitalized improvements of Upper East Fork Lift Stations and Interceptor Lines, including Princeton, Beck Branch, White Rock and Preston Road facilities totaling approximately \$30 million.

Additional information on the District's construction commitments can be found in Note 11 of this report.

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

	As of September 30			
	2021	2020	Increase (Decrease)	Percent Change
Land	\$ 82,113,487	\$ 79,235,448	\$ 2,878,039	3.6%
Easements	68,763,285	68,316,906	446,379	0.7%
Land improvements	10,650,680	9,614,912	1,035,768	10.8%
Water treatment, storage and transmission facilities	1,273,769,915	1,268,068,624	5,701,291	0.4%
Wastewater treatment and disposal facilities	575,754,043	546,199,923	29,554,120	5.4%
Solid waste transfer and disposal facilities	49,436,123	50,561,817	(1,125,694)	-2.2%
Reservoir facilities and water rights	253,395,926	260,996,703	(7,600,777)	-2.9%
Buildings	71,902,621	59,058,616	12,844,005	21.7%
Automobiles and trucks	4,988,792	2,755,771	2,233,021	81.0%
Office furniture and fixtures	290,172	360,383	(70,211)	-19.5%
Other equipment	39,318,313	39,417,394	(99,081)	-0.3%
Construction in progress	2,218,765,990	1,775,222,589	443,543,401	25.0%
Total	<u>\$ 4,649,149,347</u>	<u>\$ 4,159,809,086</u>	<u>\$ 489,340,261</u>	<u>11.8%</u>

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 \$4,171,300,000. Of this amount 64% is reflected in the Water System and 21% is reflected in the Regional Wastewater System.

North Texas Municipal Water District's Outstanding Debt

	As of September 30		Increase (Decrease)	Percent Change
	2021	2020		
U. S. government contracts payable	\$ -	\$ 24,952,694	\$ (24,952,694)	-100.0%
Revenue bonds	4,171,300,000	4,076,170,000	95,130,000	2.3%
Total	<u>\$ 4,171,300,000</u>	<u>\$ 4,101,122,694</u>	<u>\$ 70,177,306</u>	<u>1.7%</u>

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 \$4,761,497 in the Water System.

The District's revenue bonds have been rated as follows for both FY21 and FY20:

	Moody' s	S & P
Water System	Aa1	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 provide high quality, cost-effective service to its member and customer cities. The District's cities continue to recover from the effects of the COVID-19 pandemic. As of August 2021, DFW employment is now just 0.6 percent below the pre-pandemic high from February 2020 and the unemployment rate is back below 5.0 percent for the first time in the last year and a half. Housing continues to be strong with near record existing home sales. New home sales are also strong with the DFW Metroplex being one of the busiest markets in single-family construction among large U.S. metros.

In addition to the ongoing COVID-19 pandemic, the State of Texas endured a record breaking winter storm in February 2021 which brought bitterly cold temperatures and wreaked havoc on the State's electric grid. The issues with the electric grid created pricing dislocation in the electric power market and caused the District to incur abnormally large power bills. In order to offset some of the costs and limit impacts to Member Cities and Customers, some operating systems utilized maintenance reserves and a select few borrowed funds from the Regional Water System Contingency Fund. This impact will be felt for several years as reserves are replenished and borrowed funds are repaid. The winter storm revealed some additional needs for backup power generation that will be addressed with upcoming projects. FY 2021 also brought larger than expected price increases to chemicals and higher inflation expectations, both of which are increasing costs in FY 2022. Despite these challenges the District remains in a sound financial condition. The Board's goal of meeting the contractual obligation of the participating cities within state and federal laws while protecting the environment continues to be accomplished with reasonable cost in all systems.

While the rebound in the economy has been strong, there are lingering supply chain issues and inflation expectations that could slow the recovery. The District made efforts to limit budget increases for FY 2022 and was able to keep the Water System Rate flat for the third year in a row at \$2.99 per 1,000 gallons.

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, 2021

	Business-Type Activities
ASSETS	
Cash and cash equivalents	\$ 126,751,230
Investments	105,713,529
Accounts receivable	19,715,396
Contracts receivable	30,000
Prepaid expenses	6,951,403
Unbilled receivables	7,529,230
Restricted assets:	
Cash and cash equivalents	964,526,923
Investments	534,699,197
Interest receivable	1,451,292
Unbilled receivables	6,806,826
Capital assets not being depreciated	2,369,642,762
Capital assets net of accumulated depreciation	2,279,506,585
TOTAL ASSETS	<u>6,423,324,373</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred loss on refunding	22,455,784
Deferred pension outflow	17,704,820
Deferred OPEB outflow	5,750,365
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>45,910,969</u>
LIABILITIES	
Accounts payable and accrued liabilities	163,073,866
Customers' advance payments	9,606,007
Accrued interest payable on revenue bonds	19,586,750
Accrued landfill closure and post-closure care cost	5,416,278
Noncurrent liabilities:	
Due within one year: Revenue bonds	148,675,000
Due in more than one year:	
Accrued landfill closure costs	1,390,548
Compensated absences	6,367,431
Deferred compensation	195,000
Net pension liability	45,746,071
Net OPEB liability	9,330,513
Revenue bonds	4,224,316,258
TOTAL LIABILITIES	<u>4,633,703,722</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred pension inflow	7,693,360
Deferred OPEB inflow	3,251,458
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>10,944,818</u>
NET POSITION:	
Net investment in capital assets	1,430,006,844
Restricted for debt service	231,587,717
Unrestricted	162,992,241
TOTAL NET POSITION	<u>\$ 1,824,586,802</u>

See notes to the basic financial statements.

STATEMENT OF ACTIVITIES - BUSINESS-TYPE ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Capital Grants and Contributions	
Water services	\$ 313,608,462	\$ 366,516,440	\$ 38,115	\$ 52,946,093
Wastewater services	143,982,196	160,928,866	-	16,946,670
Solid waste services	36,743,937	38,228,738	-	1,484,801
	<u>\$ 494,334,595</u>	<u>\$ 565,674,044</u>	<u>\$ 38,115</u>	<u>\$ 71,377,564</u>
General Revenues:				
Investment earnings				1,928,909
Gain on sale of assets				1,472,901
Total general revenues				<u>3,401,810</u>
Change in Net Position				
				74,779,374
Net Position - Beginning				
				1,749,807,428
Net Position - Ending				
				<u>\$ 1,824,586,802</u>

See notes to the basic financial statements.

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Water System	Regional Wastewater System
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 86,667,241	\$ 7,314,282
Investments	100,673,529	-
Accounts receivable	14,678,208	2,352,537
Contracts receivable	-	-
Due from other funds	417,255	34,333
Prepaid expenses	4,104,600	953,253
Unbilled receivables	71,900	1,236,842
Total current unrestricted assets	206,612,733	11,891,247
Restricted assets:		
Cash and cash equivalents	15,936,714	12,770,794
Interest receivable	684,354	473,935
Due from other funds	11,875	-
Unbilled receivables	-	-
Total current restricted assets	16,632,943	13,244,729
TOTAL CURRENT ASSETS	223,245,676	25,135,976
NONCURRENT ASSETS:		
Restricted assets:		
Cash and cash equivalents	340,720,799	427,490,478
Investments	295,024,744	105,881,343
Total noncurrent restricted assets	635,745,543	533,371,821
Capital assets:		
Land	66,159,821	1,739,328
Easements	52,944,313	-
Construction-in-progress	1,725,743,242	271,610,141
Land improvements	3,235,778	1,321,303
Water treatment, storage, and transmission facilities	1,706,467,950	-
Wastewater treatment and disposal facilities	-	375,195,142
Solid waste transfer and disposal facilities	-	-
Reservoir facilities and water rights	379,356,242	-
Buildings	16,329,882	3,563,518
Automobiles and trucks	1,402,076	1,964,843
Office furniture and fixtures	42,008	101,610
Other equipment	24,743,916	15,256,097
Less: accumulated depreciation	(595,663,240)	(141,809,375)
Net capital assets	3,380,761,988	528,942,607
TOTAL NONCURRENT ASSETS	4,016,507,531	1,062,314,428
TOTAL ASSETS	4,239,753,207	1,087,450,404
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred loss on refunding	16,298,714	1,911,770
Deferred pension outflow	2,568,036	2,896,167
Deferred OPEB outflow	756,786	819,535
TOTAL DEFERRED OUTFLOWS OF RESOURCES	19,623,536	5,627,472
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,259,376,743	\$ 1,093,077,876

See notes to the basic financial statements.

Sewer System	Solid Waste System	Interceptor System	Total Enterprise Funds	Internal Service Fund
\$ 9,486,881	\$ 6,530,902	\$ 8,164,602	\$ 118,163,908	\$ 8,587,322
-	5,040,000	-	105,713,529	-
1,052,427	241,049	493,034	18,817,255	898,141
-	-	-	-	30,000
214,465	387,875	140,747	1,194,675	983,985
473,332	401,741	125,227	6,058,153	893,250
508,083	1,042,242	162,342	3,021,409	4,507,821
<u>11,735,188</u>	<u>13,643,809</u>	<u>9,085,952</u>	<u>252,968,929</u>	<u>15,900,519</u>
7,331,789	539,369	9,177,714	45,756,380	-
60,393	6,688	225,922	1,451,292	-
10,000	78,000	1,500,000	1,599,875	-
-	6,806,826	-	6,806,826	-
<u>7,402,182</u>	<u>7,430,883</u>	<u>10,903,636</u>	<u>55,614,373</u>	<u>-</u>
<u>19,137,370</u>	<u>21,074,692</u>	<u>19,989,588</u>	<u>308,583,302</u>	<u>15,900,519</u>
38,839,952	14,928,642	96,790,672	918,770,543	-
24,931,628	3,572,509	105,288,973	534,699,197	-
<u>63,771,580</u>	<u>18,501,151</u>	<u>202,079,645</u>	<u>1,453,469,740</u>	<u>-</u>
436,498	13,693,717	84,123	82,113,487	-
4,105,801	-	11,713,171	68,763,285	-
105,271,660	2,011,348	114,129,599	2,218,765,990	-
417,138	10,655,049	-	15,629,268	1,867,583
29,946,174	-	-	1,736,414,124	-
178,027,384	-	297,699,167	850,921,693	-
-	89,429,156	-	89,429,156	-
-	-	-	379,356,242	-
187,506	43,757,730	169,211	64,007,847	27,744,320
691,971	4,386,978	645,179	9,091,047	8,182,415
-	-	-	143,618	919,564
5,094,217	33,358,170	6,332,956	84,785,356	11,223,806
(80,188,004)	(75,512,412)	(84,854,626)	(978,027,657)	(22,181,797)
<u>243,990,345</u>	<u>121,779,736</u>	<u>345,918,780</u>	<u>4,621,393,456</u>	<u>27,755,891</u>
<u>307,761,925</u>	<u>140,280,887</u>	<u>547,998,425</u>	<u>6,074,863,196</u>	<u>27,755,891</u>
<u>326,899,295</u>	<u>161,355,579</u>	<u>567,988,013</u>	<u>6,383,446,498</u>	<u>43,656,410</u>
1,295,221	1,231,013	1,719,066	22,455,784	-
1,058,721	2,723,894	267,770	9,514,588	8,190,232
429,210	642,395	149,698	2,797,624	2,952,741
2,783,152	4,597,302	2,136,534	34,767,996	11,142,973
<u>\$ 329,682,447</u>	<u>\$ 165,952,881</u>	<u>\$ 570,124,547</u>	<u>\$ 6,418,214,494</u>	<u>\$ 54,799,383</u>

(Continued)

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Water System	Regional Wastewater System
LIABILITIES		
CURRENT LIABILITIES:		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 19,715,037	\$ 3,829,486
Due to other funds	397,389	398,666
Customers' advance payments	21,021	3,075,235
Total payable from unrestricted assets	20,133,447	7,303,387
Payable from restricted assets:		
Accounts payable and accrued liabilities	73,155,321	18,932,917
Due to other funds	561,120	59,053
Accrued landfill closure and post-closure care cost	-	-
Accrued interest payable on revenue bonds	7,881,200	5,193,166
Current portion of revenue bonds	94,220,000	22,260,000
Total payable from restricted assets	175,817,641	46,445,136
TOTAL CURRENT LIABILITIES	195,951,088	53,748,523
NONCURRENT LIABILITIES:		
Accrued landfill closure costs	-	-
Accrued vacation—less current portion	419,926	372,440
Accrued sick—less current portion	508,534	614,920
Net pension liability	8,108,818	7,281,355
Net OPEB liability	1,207,301	1,355,173
Deferred compensation	-	-
Long-term debt—less current portion	2,699,470,369	881,687,228
TOTAL NONCURRENT LIABILITIES	2,709,714,948	891,311,116
TOTAL LIABILITIES	2,905,666,036	945,059,639
DEFERRED INFLOWS OF RESOURCES:		
Deferred pension inflow	856,918	1,317,620
Deferred OPEB inflow	416,480	473,922
TOTAL DEFERRED INFLOWS OF RESOURCES	1,273,398	1,791,542
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,906,939,434	946,851,181
NET POSITION:		
Net investment in capital assets	1,034,887,969	105,423,049
Restricted for debt service	139,262,623	43,915,514
Unrestricted	178,286,717	(3,111,868)
TOTAL NET POSITION	\$ 1,352,437,309	\$ 146,226,695

See notes to the basic financial statements.

Sewer System	Solid Waste System	Interceptor System	Total Enterprise Funds	Internal Service Fund
\$ 5,593,936	\$ 3,160,792	\$ 1,863,180	\$ 34,162,431	\$ 9,877,958
509,500	107,649	1,682,803	3,096,007	6,742
3,136,251	1,900,006	1,473,494	9,606,007	-
<u>9,239,687</u>	<u>5,168,447</u>	<u>5,019,477</u>	<u>46,864,445</u>	<u>9,884,700</u>
6,554,042	14,763,878	5,627,319	119,033,477	-
34,506	-	21,107	675,786	-
-	5,416,278	-	5,416,278	-
2,447,911	156,011	3,908,462	19,586,750	-
14,275,000	3,275,000	14,645,000	148,675,000	-
<u>23,311,459</u>	<u>23,611,167</u>	<u>24,201,888</u>	<u>293,387,291</u>	<u>-</u>
<u>32,551,146</u>	<u>28,779,614</u>	<u>29,221,365</u>	<u>340,251,736</u>	<u>9,884,700</u>
-	1,390,548	-	1,390,548	-
158,211	287,998	82,114	1,320,689	1,399,645
196,378	578,650	36,537	1,935,019	1,712,078
2,955,017	6,280,941	933,057	25,559,188	20,186,883
690,097	1,072,791	237,095	4,562,457	4,768,056
-	-	-	-	195,000
<u>199,876,006</u>	<u>45,788,630</u>	<u>397,494,025</u>	<u>4,224,316,258</u>	<u>-</u>
<u>203,875,709</u>	<u>55,399,558</u>	<u>398,782,828</u>	<u>4,259,084,159</u>	<u>28,261,662</u>
<u>236,426,855</u>	<u>84,179,172</u>	<u>428,004,193</u>	<u>4,599,335,895</u>	<u>38,146,362</u>
451,414	1,197,103	102,373	3,925,428	3,767,932
238,182	379,382	78,451	1,586,417	1,665,041
689,596	1,576,485	180,824	5,511,845	5,432,973
<u>237,116,451</u>	<u>85,755,657</u>	<u>428,185,017</u>	<u>4,604,847,740</u>	<u>43,579,335</u>
72,079,386	74,173,463	115,687,086	1,402,250,953	27,755,891
21,192,477	3,978,975	23,238,128	231,587,717	-
(705,867)	2,044,786	3,014,316	179,528,084	(16,535,843)
<u>\$ 92,565,996</u>	<u>\$ 80,197,224</u>	<u>\$ 141,939,530</u>	<u>\$ 1,813,366,754</u>	<u>\$ 11,220,048</u>

Adjustment to reflect the consolidation of Internal
Service fund activities related to the Enterprise Funds
Net Position of Business-Type Activities

11,220,048
\$ 1,824,586,802

(Concluded)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Water System	Regional Wastewater System
OPERATING REVENUES:		
Water sales	\$ 358,703,567	\$ -
Wastewater service fees	-	79,376,481
Solid waste service fees	-	-
Intragovernmental	-	-
Insurance premiums	-	-
Other operating revenues	7,256,984	182,335
Total operating revenues	365,960,551	79,558,816
OPERATING EXPENSES:		
Personnel	15,691,579	15,632,551
Claims Paid	-	-
Administrative Charges	-	-
Operating Supplies:		
Chemicals	38,540,590	3,401,672
Other supplies	3,613,915	3,555,950
Operating Services:		
Electric power	34,585,683	8,638,559
Wholesale water purchases	4,951,155	-
Other services	82,025,078	19,030,072
Depreciation	46,770,158	10,516,818
Total operating expenses	226,178,158	60,775,622
OPERATING INCOME	139,782,393	18,783,194
NONOPERATING REVENUES (EXPENSES):		
Investment income	1,135,264	538,352
Miscellaneous revenue (expense)	555,889	-
Grant income	38,115	-
Gain (loss) on sale of capital assets	996,632	107,310
Interest expense	(83,227,439)	(13,273,911)
Total nonoperating revenues (expenses)	(80,501,539)	(12,628,249)
Income (loss) before contributions and transfers	59,280,854	6,154,945
CHANGE IN NET POSITION	59,280,854	6,154,945
NET POSITION AT OCTOBER 1, 2020	1,293,156,455	140,071,750
NET POSITION AT SEPTEMBER 30, 2021	\$ 1,352,437,309	\$ 146,226,695

See notes to the basic financial statements.

Sewer System	Solid Waste System	Interceptor System	Total Enterprise Funds	Internal Service Fund
\$ -	\$ -	\$ -	\$ 358,703,567	\$ -
42,435,896	-	38,445,302	160,257,679	-
-	35,456,934	-	35,456,934	-
-	-	-	-	60,788,742
-	-	-	-	18,014,760
453,456	2,771,804	35,396	10,699,975	81,175
42,889,352	38,228,738	38,480,698	565,118,155	78,884,677
7,765,708	13,422,030	2,551,236	55,063,104	50,555,271
-	-	-	-	14,404,878
-	-	-	-	1,809,862
1,908,655	64,937	3,073,745	46,989,599	-
1,490,163	4,016,841	574,081	13,250,950	5,573,677
2,800,171	205,523	2,918,714	49,148,650	141,740
-	-	-	4,951,155	-
10,703,535	11,149,127	5,413,547	128,321,359	9,993,560
6,073,501	5,813,675	6,996,148	76,170,300	2,597,343
30,741,733	34,672,133	21,527,471	373,895,117	85,076,331
12,147,619	3,556,605	16,953,227	191,223,038	(6,191,654)
73,254	19,499	155,825	1,922,194	6,715
-	-	-	555,889	3,945
-	-	-	38,115	-
(423)	292,375	-	1,395,894	77,007
(6,239,262)	(1,816,359)	(9,694,798)	(114,251,769)	-
(6,166,431)	(1,504,485)	(9,538,973)	(110,339,677)	87,667
5,981,188	2,052,120	7,414,254	80,883,361	(6,103,987)
5,981,188	2,052,120	7,414,254	80,883,361	(6,103,987)
86,584,808	78,145,104	134,525,276		17,324,035
\$ 92,565,996	\$ 80,197,224	\$ 141,939,530		\$ 11,220,048

Adjustment for the net effect of the current year activity between

the Internal Service Funds and the Enterprise Funds (6,103,987)

Change in Net Position of Business-Type Activities \$ 74,779,374

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Water System	Regional Wastewater System
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 382,537,640	\$ 77,740,635
Cash received from other funds	-	432,318
Cash received from (paid to) others	310,375	2,505
Cash paid to suppliers for goods and services	(123,180,687)	(29,267,043)
Cash paid for employee services	(11,202,163)	(9,327,148)
Cash paid to other funds	(37,714,979)	(11,057,624)
Net cash provided by operating activities	<u>210,750,186</u>	<u>28,523,643</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the issuance of bonds	40,004,631	65,195,801
Cash paid for capital assets	(402,142,239)	(92,687,592)
Interest paid on long-term debt	(94,918,004)	(15,185,619)
Interest paid on U.S. government contracts	(809,376)	-
Principal payments on long-term debt	(92,675,000)	(18,940,000)
Payments on U.S. government contracts	(1,649,225)	-
Payments for bond issue costs	(724,077)	(1,563,307)
Grant income	38,115	-
Net cash provided by (used for) capital and related financing activities	<u>(552,875,175)</u>	<u>(63,180,717)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale and maturity of investments	366,186,990	18,537,891
Purchases of investments	(340,030,089)	(96,593,851)
Interest received	3,639,154	1,162,647
Net cash provided by (used for) investing activities	<u>29,796,055</u>	<u>(76,893,313)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(312,328,934)	(111,550,387)
CASH AND CASH EQUIVALENTS—Beginning of year	755,653,688	559,125,941
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 443,324,754</u>	<u>\$ 447,575,554</u>
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION		
Unrestricted cash and cash equivalents	\$ 86,667,241	\$ 7,314,282
Restricted cash and cash equivalents	356,657,513	440,261,272
	<u>\$ 443,324,754</u>	<u>\$ 447,575,554</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 139,782,393	\$ 18,783,194
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	46,770,158	10,516,818
Change in operating assets and liabilities:		
Accounts receivable and unbilled receivable	18,360,393	(1,238,230)
Prepaid expenses	(1,010,522)	(200,586)
Pension related deferred outflows of resources	(644,581)	(405,129)
OPEB related deferred outflows of resources	(552,000)	(587,591)
Net pension liability	4,277,106	2,688,226
Pension related deferred inflows of resources	(503,709)	8,764
OPEB related deferred inflows of resources	8,234	(316,590)
Net OPEB liability	680,265	724,126
Due to/from other funds	254,365	(61,862)
Accounts payable, accrued liabilities, and developers' deposits	3,469,255	(868,744)
Accrued vacation and accrued sick	(143,493)	83,153
Landfill liability	-	-
Customers' advance payments	2,322	(601,906)
	<u>70,967,793</u>	<u>9,740,449</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 210,750,186</u>	<u>\$ 28,523,643</u>
NONCASH TRANSACTION DISCLOSURES		
Change in landfill liability	\$ -	\$ -
Gain (loss) on disposal of capital assets	75,196	-
Amortization of bond-related items	(12,059,969)	(2,107,336)
Change in fair value of investments	2,770,275	348,290
Change in liabilities related to capital assets	(30,556,092)	(8,828,505)
Change in actuarial value of net pension liability	(4,277,106)	(2,688,226)
Refunding bonds issued	40,470,000	-
Refunding proceeds deposited in escrow	38,460,000	-

See notes to the basic financial statements

Sewer System	Solid Waste System	Interceptor System	Total Enterprise Funds	Internal Service Fund
\$ 41,449,151	\$ 32,430,456	\$ 39,083,261	\$ 573,241,143	\$ -
- 3,861	\$ 3,540,357	\$ 34,627	\$ 4,007,302	\$ 58,972,376
(12,056,296)	\$ 2,165,139	\$ 81	\$ 2,481,961	\$ 3,379,423
(4,679,333)	(16,599,089)	(9,593,930)	(190,697,045)	(27,665,873)
(6,133,268)	(8,146,319)	(1,629,992)	(34,984,955)	(31,716,278)
	(2,424,981)	(3,025,258)	(60,356,110)	(79,961)
<u>18,584,115</u>	<u>10,965,563</u>	<u>24,868,789</u>	<u>293,692,296</u>	<u>2,889,687</u>
 43,416,488	 (14,965)	 87,306,086	 235,908,041	 -
(22,965,454)	(4,553,285)	(41,829,852)	(564,178,422)	(2,354,538)
(7,259,603)	(2,020,882)	(12,296,546)	(131,680,654)	-
-	-	-	(809,376)	-
(13,690,000)	(3,135,000)	(14,020,000)	(142,460,000)	-
-	-	-	(1,649,225)	-
(1,044,136)	14,965	(1,410,815)	(4,727,370)	-
-	-	-	38,115	-
<u>(1,542,705)</u>	<u>(9,709,167)</u>	<u>17,748,873</u>	<u>(609,558,891)</u>	<u>(2,354,538)</u>
 17,680,186	 5,839,237	 55,717,380	 463,961,684	 -
(23,817,112)	(8,053,062)	(100,365,075)	(568,859,189)	-
158,931	45,169	748,383	5,754,284	10,660
<u>(5,977,995)</u>	<u>(2,168,656)</u>	<u>(43,899,312)</u>	<u>(99,143,221)</u>	<u>10,660</u>
 11,063,415	 (912,260)	 (1,281,650)	 (415,009,816)	 545,809
 44,595,207	 22,911,173	 115,414,638	 1,497,700,647	 8,041,513
<u>\$ 55,658,622</u>	<u>\$ 21,998,913</u>	<u>\$ 114,132,988</u>	<u>\$ 1,082,690,831</u>	<u>\$ 8,587,322</u>
 \$ 9,486,881	 \$ 6,530,902	 \$ 8,164,602	 \$ 118,163,908	 \$ 8,587,322
<u>\$ 46,171,741</u>	<u>\$ 15,468,011</u>	<u>\$ 105,968,386</u>	<u>\$ 964,526,923</u>	<u>\$ -</u>
<u>\$ 55,658,622</u>	<u>\$ 21,998,913</u>	<u>\$ 114,132,988</u>	<u>\$ 1,082,690,831</u>	<u>\$ 8,587,322</u>
 \$ 12,147,619	 \$ 3,556,605	 \$ 16,953,227	 \$ 191,223,038	 \$ (6,191,654)
 6,073,501	 5,813,675	 6,996,148	 76,170,300	 2,597,343
 (874,913)	 (219,112)	 288,860	 16,316,998	 850,810
 (97,954)	 (57,143)	 (26,503)	 (1,392,708)	 (108,441)
 (187,130)	 (361,332)	 (65,209)	 (1,663,381)	 (1,261,125)
 (311,007)	 (455,599)	 (108,941)	 (2,015,138)	 (2,124,021)
 1,241,698	 2,397,610	 432,698	 11,037,338	 8,368,180
 (146,233)	 (282,363)	 (50,961)	 (974,502)	 (985,510)
 4,638	 6,795	 1,625	 (295,298)	 31,680
 383,275	 561,464	 134,256	 2,483,386	 2,617,570
 57,840	 (87,819)	 (2,338)	 160,186	 (167,413)
 363,339	 97,821	 (217,817)	 2,843,854	 (1,222,741)
 11,928	 (69,065)	 (3,089)	 (120,566)	 485,009
 -	 222,480	 -	 222,480	 -
 (82,486)	 (158,454)	 536,833	 (303,691)	 -
 6,436,496	 7,408,958	 7,915,562	 102,469,258	 9,081,341
<u>\$ 18,584,115</u>	<u>\$ 10,965,563</u>	<u>\$ 24,868,789</u>	<u>\$ 293,692,296</u>	<u>\$ 2,889,687</u>
 \$ -	 \$ 222,480	 \$ -	 \$ 222,480	 \$ -
 3,695	 3,847	 -	 82,738	 -
 (1,201,267)	 (192,127)	 (2,449,450)	 (18,010,149)	 -
 121,560	 30,822	 348,216	 3,619,163	 -
 (1,387,881)	 (66,926)	 (2,367,240)	 (43,206,644)	 -
 (1,241,698)	 (2,397,610)	 (432,698)	 (11,037,338)	 (8,368,180)
 -	 -	 -	 40,470,000	 -
 -	 -	 -	 38,460,000	 -

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	Pension Trust Fund ⁽¹⁾	OPEB Trust Fund
ASSETS		
Cash and cash equivalents	\$ 3,943,173	\$ 41,211
Investments	105,835,888	10,444,057
TOTAL ASSETS	109,779,061	10,485,268
LIABILITIES		
Accrued expenses and benefits payable	-	-
TOTAL LIABILITIES	-	-
NET POSITION:		
Restricted for pensions	109,779,061	-
Restricted for postemployment benefits other than pensions	-	10,485,268
TOTAL NET POSITION	\$ 109,779,061	\$ 10,485,268

(1) Information presented for the Pension Trust Fund is as of December 31, 2020.

See notes to the basic financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	Pension Trust Fund ⁽¹⁾	OPEB Trust Fund
Additions:		
Contributions:		
Employer	\$ 8,108,000	\$ -
Member	577,140	-
Total contributions	8,685,140	-
Net investment income:		
Interest and dividends	2,365,142	170,576
Equity fund income, net	776,824	-
Net increase in fair value of investments	5,318,588	614,040
Less investment expenses:		
Direct investment expense	359,595	38,403
Total investment expenses	359,595	38,403
Net investment income	8,100,959	746,213
Other income	-	904,044
Total Additions	16,786,099	1,650,257
Deductions:		
Service benefits	4,894,124	-
Disability benefits	55,793	-
Death benefits	53,203	-
Refund of member contributions	53,761	-
Total Deductions	5,056,881	-
Net increase (decrease)	11,729,218	1,650,257
Net position		
Beginning of year	98,049,843	8,835,011
End of year	\$ 109,779,061	\$ 10,485,268

(1) Information presented for the Pension Trust Fund is as of December 31, 2020.

See notes to the basic financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the North Texas Municipal Water District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

Reporting Entity

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.

Basis of Presentation - Government-Wide and Fund Financial Statements

The government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present the business-type activities for the District as a whole. Internal service fund activity is eliminated to avoid duplicating revenues and expenses. In the government-wide Statement of Net Position, business-type activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District. Direct expenses are those that are specifically associated with a program or function and therefore, clearly identifiable to a particular function. Functional revenues include charges paid by the recipients for services offered by the function. Revenues that are not classified as program revenues, such as investment earnings, are presented as general revenues.

The fund financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses.

The District reports the following proprietary fund types:

Enterprise Funds. The District reports its activities in five major enterprise funds: Water System, Regional Wastewater System, Sewer System, Solid Waste System and Interceptor System.

The Water System 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 Systems own and operate wastewater treatment and disposal systems consisting of facilities to receive, treat and dispose of wastewater.

The Solid Waste System owns and operates landfill sites and solid waste transfer stations.

Internal Service Fund. This fund accounts for support services, as well as insurance benefits to District employees, participating dependents, and eligible retirees.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation - Government-Wide and Fund Financial Statements (continued)

Fiduciary funds are used to account for assets held on behalf of outside parties. The District reports the following fiduciary fund types:

Pension and Other Employee Benefit Trust Funds. These funds account for the operations of the retirement and other postemployment benefits. The Pension Trust is reported on a calendar year basis as of December 31, 2020 and the OPEB Trust is reported on a fiscal year basis, which reflects each of the trusts measurement dates respectively.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in business-type activities are eliminated in the business-type activities column.

Measurement Focus and Basis of Accounting

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 cities, primarily for the sale and treatment of water, wastewater and solid waste. 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.

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, except for investment pools, are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Investments in U.S. government securities are guaranteed or insured by the U.S. government. Investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost also in accordance with GASB Statement No. 72. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Accounts Receivable

Management considers accounts receivable to be fully collectible as of September 30, 2021; accordingly, no allowance for doubtful accounts is deemed necessary. As of September 30, 2021, member cities Allen, Garland, McKinney, Mesquite, Plano, Richardson, Rockwall, and Royse City accounted for approximately 65% 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*.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Capital Assets (continued)**

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

Deferred Inflow/Outflow of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category - 1) deferred charges on refunding, 2) deferred amounts related to pension and 3) deferred amounts related to OPEB. The deferred charges on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts for pension and OPEB relate to the differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The District reports deferred amounts related to pension and OPEB.

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. As of September 30, 2021, a liability of \$5,032,522 for unused vacation and \$4,934,555 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, 2021 is as follows:

	Beginning Liability	Additions	Reductions	Ending Liability	Amount due within one year
Vacation	\$ 5,122,771	\$ 882,367	\$ 972,616	\$ 5,032,522	\$ 2,312,188
Sick	6,139,877	478,049	1,683,371	4,934,555	1,287,458

Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 66% 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.

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 are reported as non-operating expenses.

Intragovernmental Transactions

Transactions that would be treated as revenue or expense if they involved organizations external to the District are similarly treated when involving funds of the District. Major transactions that fall into this category include payments for support services and payments in lieu of insurance premiums to the Internal Service Fund.

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 issued \$200,560,000 Water System Revenue Refunding Bonds, Series 2021A on December 2, 2021.

NOTE 2. RESTRICTED ASSETS

Restricted assets represent amounts reserved for:

- *Construction* — Construction of facilities, restricted by purpose of the debt issuance.
- *Interest and Redemption (Sinking)* — Current interest and principal of bonded indebtedness.
- *Reserve* — 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* — 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:

Funds	Cash and Cash Equivalents	Investments	Interest Receivable
Water:			
Construction	\$ 319,038,035	\$ 167,131,749	\$ 388,065
Interest and Sinking	15,936,714	-	-
Reserve	3,017,824	127,892,995	296,289
Contingency	18,213,717	-	-
Reserve for Maintenance	451,223	-	-
	<u>356,657,513</u>	<u>295,024,744</u>	<u>684,354</u>
Regional Wastewater:			
Construction	427,113,909	69,614,700	417,614
Interest and Sinking	12,770,794	-	-
Reserve	14,923	36,266,643	56,321
Reserve for Maintenance	361,646	-	-
	<u>440,261,272</u>	<u>105,881,343</u>	<u>473,935</u>
Sewer:			
Construction	37,654,127	9,070,052	38,290
Interest and Sinking	7,331,789	-	-
Reserve	424,918	15,861,576	22,103
Reserve for Maintenance	760,907	-	-
Reserve for Equipment Replacement	-	-	-
	<u>46,171,741</u>	<u>24,931,628</u>	<u>60,393</u>
Solid Waste:			
Construction	282,630	-	-
Interest and Sinking	539,369	-	-
Reserve	16,420	3,572,509	6,688
Reserve for Maintenance	1,207,988	-	-
Reserve for Equipment Replacement	13,421,604	-	-
	<u>15,468,011</u>	<u>3,572,509</u>	<u>6,688</u>
Interceptor:			
Construction	92,794,681	91,335,220	197,356
Interest and Sinking	9,177,714	-	-
Reserve	3,986,555	13,953,753	28,566
Reserve for Maintenance	9,436	-	-
	<u>105,968,386</u>	<u>105,288,973</u>	<u>225,922</u>
Total	<u>\$ 964,526,923</u>	<u>\$ 534,699,197</u>	<u>\$ 1,451,292</u>

Unbilled receivables of \$6,806,826 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, 2021, the carrying amount of cash deposits was \$6,317,629 and total bank balance was \$14,110,287. During 2020-2021, 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, 2021, the District also held petty cash of \$3,000.

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, 2021, 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, Texas CLASS Government and TexPool. The District has an undivided beneficial interest in the pool of assets held by the related investment pools. These underlying 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), which has two separate investment pools: Texas CLASS and Texas CLASS Government. 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.

NOTE 3. CASH AND INVESTMENTS (CONTINUED)**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, 2021	Fair Value Measurements Using		Percent Total Investments	Weighted Average Maturity (Days)			
		Significant	Other Observable Inputs (Level 2)					
<i>Investments not Subject to Level Reporting:</i>								
Investment Pools*:								
LOGIC	\$ 426,747,702	\$ -		24.73%	55			
Texas CLASS - CP	370,454,213	-		21.47%	53			
Texas CLASS - Government	85,650,524	-		4.96%	27			
Texpool	202,105,085	-		11.71%	37			
<i>Investments by Fair Value Level:</i>								
U. S. Government Agency Securities:								
Fannie Mae Note	16,078,080	16,078,080		0.93%	97			
Federal Home Loan Mortgage Corp. Note	116,668,810	116,668,810		6.76%	1,029			
Federal Home Loan Bank Note	93,067,545	93,067,545		5.39%	664			
Federal Farm Credit Bank Note	22,997,700	22,997,700		1.33%	350			
U. S. Treasury Note	391,600,591	391,600,591		22.70%	332			
<i>Total Value</i>	<u>\$ 1,725,370,250</u>	<u>\$ 640,412,726</u>						
Portfolio Weighted Average Maturity								
					217			

*Investment Pools are exempt for level reporting.

U.S. Government Agency Securities and *U.S. Treasury Notes* classified in Level 2 of the fair value hierarchy are valued using both active market prices observable for each identical or similar securities and other observable inputs provided by a reputable and independent source including but not limited to Bloomberg, the Wall Street Journal, Intercontinental Exchange (ICE), and the District's safekeeping agent. In the event the District has retained the services of a Registered Investment Advisor, the advisor shall also provide security pricing from ICE, Bloomberg or similarly recognized pricing services. Since the District does not have visibility to the market pricing all such securities are classified as Level 2.

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 specifies the following limitations on the amount that can be invested in any one instrument at the time of purchase.

Instrument	Limitations
U.S. TREASURY SECURITIES	100%
U.S. AGENCIES & INSTRUMENTALITIES	75%
U.S. AGENCY BULLET	75%
U.S. AGENCY CALLABLE	25%
CERTIFICATES OF DEPOSIT	40%
REPURCHASE AGREEMENTS	40%
MONEY MARKET MUTUAL FUNDS	25%
AUTHORIZED INVESTMENT POOLS	100%

At September 30, 2021, investments, other than external investment pools, that represent 5% or more of the District's investments are as follows:

Issue	Investment Type	Reported Amount	
FHLMC NOTE	Federal agency notes	\$ 116,668,810	
FHLB NOTE	Federal agency notes	93,067,545	
U.S. TREASURY NOTE	Treasury note	391,600,591	

The District held a total of \$640,412,726 in securities that equated to 37.11% 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, 2021, \$329,761,093 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:

	Water System	Regional Wastewater System	Sewer System	Solid Waste System	Interceptor System	Internal Service Funds	Total
Investment income:							
Interest	\$ 3,905,538	\$ 886,642	\$ 194,815	\$ 50,319	\$ 504,041	\$ 6,715	\$ 5,548,070
Net changes in the fair value of investments	(2,770,274)	(348,290)	(121,561)	(30,820)	(348,216)	-	(3,619,161)
Investment income:	<u>\$ 1,135,264</u>	<u>\$ 538,352</u>	<u>\$ 73,254</u>	<u>\$ 19,499</u>	<u>\$ 155,825</u>	<u>\$ 6,715</u>	<u>\$ 1,928,909</u>

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	Internal Service Funds	Total
Unrestricted:							
Cash and cash equivalents	\$ 86,667,241	\$ 7,314,282	\$ 9,486,881	\$ 6,530,902	\$ 8,164,602	\$ 8,587,322	\$ 126,751,230
Investments	100,673,529	-	-	5,040,000	-	-	105,713,529
Total unrestricted	<u>187,340,770</u>	<u>7,314,282</u>	<u>9,486,881</u>	<u>11,570,902</u>	<u>8,164,602</u>	<u>8,587,322</u>	<u>232,464,759</u>
Restricted-current:							
Cash and cash equivalents	15,936,714	12,770,794	7,331,789	539,369	9,177,714	-	45,756,380
Total restricted-current	<u>15,936,714</u>	<u>12,770,794</u>	<u>7,331,789</u>	<u>539,369</u>	<u>9,177,714</u>	<u>-</u>	<u>45,756,380</u>
Restricted -non-current:							
Cash and cash equivalents	340,720,799	427,490,478	38,839,952	14,928,642	96,790,672	-	918,770,543
Investments	295,024,744	105,881,343	24,931,628	3,572,509	105,288,973	-	534,699,197
Total restricted-non-current	<u>635,745,543</u>	<u>533,371,821</u>	<u>63,771,580</u>	<u>18,501,151</u>	<u>202,079,645</u>	<u>-</u>	<u>1,453,469,740</u>
Total Restricted	<u>651,682,257</u>	<u>546,142,615</u>	<u>71,103,369</u>	<u>19,040,520</u>	<u>211,257,359</u>	<u>-</u>	<u>1,499,226,120</u>
Total	<u>\$ 839,023,027</u>	<u>\$ 553,456,897</u>	<u>\$ 80,590,250</u>	<u>\$ 30,611,422</u>	<u>\$ 219,421,961</u>	<u>\$ 8,587,322</u>	<u>\$ 1,731,690,879</u>

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	Internal Service Funds	Total
Unrestricted:							
Operating Funds	\$ 43,082,768	\$ 3,257,558	\$ 4,164,716	\$ 3,972,044	\$ 3,435,363	\$ 2,781,476	\$ 60,693,925
Petty Cash	500	-	-	2,500	-	-	3,000
Capital Improvement Funds	139,803,856	3,600,500	2,062,674	7,596,358	3,809,806	-	156,873,194
Contingency Funds	-	-	-	-	-	1,951,596	1,951,596
Preventative Maintenance	-	456,224	3,259,491	-	919,433	-	4,635,148
Rate Stabilization Fund	4,453,646	-	-	-	-	-	4,453,646
Employee Insurance Funds	-	-	-	-	-	2,756,127	2,756,127
Retiree Insurance Funds	-	-	-	-	-	1,098,123	1,098,123
Total unrestricted	<u>\$ 187,340,770</u>	<u>\$ 7,314,282</u>	<u>\$ 9,486,881</u>	<u>\$ 11,570,902</u>	<u>\$ 8,164,602</u>	<u>\$ 8,587,322</u>	<u>\$ 232,464,759</u>

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, 2021, 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	\$ 6,317,041	N/A
Cash on hand	Not Rated	3,000	N/A
Texas CLASS - CP	AAAm	54,951,303	53 Days
Texas CLASS - Government	AAAm	11,040,390	27 Days
TexPool	AAAm	54,439,496	37 Days
Total cash and cash equivalents		<u>126,751,230</u>	
Investments—Securities of U.S. Government Agencies:			
Treasury Note - US Treasuries	Aaa	99,714,129	255 Days
FFCB - Federal Farm Credit Bank	Aaa	5,999,400	350 Days
Total Securities of U.S. Government Agencies		<u>105,713,529</u>	
Total Unrestricted Investments and Cash Equivalents		<u>232,464,759</u>	
Restricted Cash and Investments			
Cash and cash equivalents:			
Deposits with a financial institution	Not Rated	588	N/A
LOGIC	AAAm	426,747,702	55 Days
Texas CLASS - CP	AAAm	315,502,910	53 Days
Texas CLASS - Government	AAAm	74,610,134	27
TexPool	AAAm	147,665,589	37 Days
Total cash and cash equivalents		<u>964,526,923</u>	
Investments—Securities of U.S. Government Agencies:			
Treasury Note - US Treasuries	Aaa	291,886,462	358 Days
FFCB - Federal Farm Credit Bank	Aaa	16,998,300	350 Days
FHLB - Federal Home Loan Bank	Aaa	93,067,545	664 Days
FHLMC - Federal Home Loan Mortgage Corp.	Aaa	116,668,810	1029 Days
FNMA - Fannie Mae	Aaa	16,078,080	97 Days
Total Securities of U.S. Government Agencies		<u>534,699,197</u>	
Total Restricted Investments and Cash Equivalents		<u>1,499,226,120</u>	
Total Cash and Investments		<u>\$ 1,731,690,879</u>	

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

D. Pension and OPEB Trust Fund Cash, Cash Equivalents, and Investments

GASB 84 establishes criteria for identifying fiduciary activities of all state and local governments. The balance per bank of cash on deposit in the Pension Trust Fund and the carrying value was \$54,633 as of December 31, 2020. The balance per bank of cash on deposit in the OPEB Trust Fund and the carrying value was \$41,211 as of September 30, 2021. Additional cash in the amount of \$1,919,698 was held by Aetna as of December 31, 2020 to cover the monthly benefit payments. See below for the detail of investments held.

The assets of the District's Employee Benefit Pension Plan are administered by the North Texas Municipal Water District Finance Committee of the Board of Directors. The District has contracted with Westwood Trust, Commonwealth Financial, and Aetna as ancillary trustees and custodians for the District's investments and those investments are respectively held by each of these trustees and custodians.

The District has contracted with Westwood Trust for trust administration, and the District's OPEB Plan investments are held in the Investment Trust by its trustee and custodian Westwood Trust (the "Trustee").

Investments	Pension Trust Fund ⁽¹⁾	OPEB Trust Fund	Quoted Prices in Active Markets for Identical Assets (Level 1)	
Money Market Funds				
Fidelity Government Money Market Capital Reserves	\$ 29,474	\$ -		N/A
Equity Funds				
American Capital Income Builder	24,948,493	-	24,948,493	
American Income Fund of America	28,105,019	-	28,105,019	
Largecap Value Equity - EB	5,489,999	1,086,028	6,576,027	
Johcm International Select I	1,657,293	317,228	1,974,521	
Baron Emerging Markets Fund Insititutional Shares	3,912,978	705,172	4,618,150	
Allcap Growth Equity - EB	10,880,672	1,107,351	11,988,023	
iShares Core Msci Emerging Markets ETF	1,651,753	-	1,651,753	
iShares Russell 1000 Value Index Fund	-	616,806	616,806	
Smidcap Value Equity - EB	2,759,781	522,102	3,281,883	
Small cap Value Equity - EB	3,299,255	616,904	3,916,159	
Vanguard FTSE Developed Markets Index Fund ETF Shares	3,254,846	623,753	3,878,599	
Fixed Income Funds				
Core Investment Grade Bond - EB	8,182,878	1,542,716	9,725,594	
Westwood High Income Fund Instl	2,726,203	513,760	3,239,963	
Specialty Funds				
Westwood Total Return Fund Instl	3,825,855	1,056,668	4,882,523	
Westwood Alternative Income Fund Ultra	3,805,211	1,002,465	4,807,676	
Income Opportunity - EB	3,275,020	733,104	4,008,124	
<i>Total Investments and Cash Equivalents</i>	<i>\$ 107,804,730</i>	<i>\$ 10,444,057</i>	<i>\$ 114,211,189</i>	

(1) Information presented for the Pension Trust Fund is as of December 31, 2020.

The Pension Trust Fund is invested in a Money Market Fund (Fidelity Government Money Market Capital Reserves) which is valued at Net Asset Value and is therefore excluded from leveling above. See discussion earlier in this note regarding inputs for each level.

Neither the Pension Trust Fund or OPEB Trust Fund have unfunded commitments and therefore may redeem investments at any time to pay for benefits.

NOTE 4. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance at October 1, 2020	Additions and Transfers	Disposals and Transfers	Balance at September 30, 2021
Nondepreciable:				
Land	\$ 79,235,448	\$ 2,953,235	\$ 75,196	\$ 82,113,487
Easements	68,316,906	446,379	-	68,763,285
Construction in progress	1,775,222,589	562,731,155	119,187,754	2,218,765,990
Total nondepreciable assets	1,922,774,943	566,130,769	119,262,950	2,369,642,762
Depreciable:				
Land improvements	15,759,260	1,737,591	-	17,496,851
Water treatment, storage and transmission facilities	1,693,932,937	42,481,187	-	1,736,414,124
Wastewater treatment and disposal facilities	803,457,232	49,613,941	2,149,480	850,921,693
Solid waste transfer and disposal facilities	88,974,219	454,937	-	89,429,156
Reservoir facilities and water rights	379,356,242	-	-	379,356,242
Buildings	76,960,054	14,792,113	-	91,752,167
Automobiles and trucks	15,019,752	3,844,783	1,591,073	17,273,462
Office furniture and fixtures	1,063,181	1	-	1,063,182
Other equipment	89,127,414	8,328,377	1,446,629	96,009,162
Total depreciable assets	3,163,650,291	121,252,930	5,187,182	3,279,716,039
Less accumulated depreciation on:				
Land improvements	(6,144,348)	(701,823)	-	(6,846,171)
Water treatment, storage and transmission facilities	(425,864,313)	(36,779,896)	-	(462,644,209)
Wastewater treatment and disposal facilities	(257,257,309)	(20,054,523)	(2,144,182)	(275,167,650)
Solid waste transfer and disposal facilities	(38,412,402)	(1,580,631)	-	(39,993,033)
Reservoir facilities and water rights	(118,359,539)	(7,600,777)	-	(125,960,316)
Buildings	(17,901,438)	(1,948,108)	-	(19,849,546)
Automobiles and trucks	(12,263,981)	(1,609,542)	(1,588,853)	(12,284,670)
Office furniture and fixtures	(702,798)	(70,212)	-	(773,010)
Other equipment	(49,710,020)	(8,422,131)	(1,441,302)	(56,690,849)
Total accumulated depreciation	(926,616,148)	(78,767,643)	(5,174,337)	(1,000,209,454)
Total depreciable assets—net	2,237,034,143	42,485,287	12,845	2,279,506,585
TOTAL CAPITAL ASSETS—NET	\$ 4,159,809,086	\$ 608,616,056	\$ 119,275,795	\$ 4,649,149,347

Depreciation expense was charged to the functions/programs of the business-type activities as follows:

Water services	\$ 48,570,787
Wastewater services	24,273,711
Solid waste services	5,923,145
Total depreciation expense	\$ 78,767,643

NOTES TO FINANCIAL STATEMENTS

NOTE 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At September 30, 2021, accounts payable and accrued liabilities consisted of the following:

	Water System	Regional Wastewater System	Sewer System	Solid Waste System	Interceptor System	Internal Service Funds	Total
Payable to vendors/ contractors	\$ 91,485,379	\$ 21,012,215	\$ 7,655,689	\$ 2,290,704	\$ 6,410,570	\$ 2,095,676	\$ 130,950,233
Insurance claims liability	-	-	-	-	-	1,768,028	1,768,028
Escrow liability	451,223	817,870	4,020,398	14,629,592	928,869	2,850,000	23,697,952
Compensated absences	464,457	456,062	216,420	369,603	79,047	2,014,057	3,599,646
Accrued payroll and related benefits	469,299	476,256	255,471	634,771	72,013	1,150,197	3,058,007
Total	\$ 92,870,358	\$ 22,762,403	\$ 12,147,978	\$ 17,924,670	\$ 7,490,499	\$ 9,877,958	\$ 163,073,866
Payable from unrestricted assets	\$ 19,715,037	\$ 3,829,486	\$ 5,593,936	\$ 3,160,792	\$ 1,863,180	\$ 9,877,958	\$ 44,040,389
Payable from restricted assets	73,155,321	18,932,917	6,554,042	14,763,878	5,627,319	-	119,033,477
Total	\$ 92,870,358	\$ 22,762,403	\$ 12,147,978	\$ 17,924,670	\$ 7,490,499	\$ 9,877,958	\$ 163,073,866

NOTE 6. INTERFUND BALANCES

At September 30, 2021 interfund balances consisted of the following:

	Due From Other Funds	Due To Other Funds
Water System	\$ 429,130	\$ 958,509
Regional Wastewater System	34,333	457,719
Sewer System	224,465	544,006
Solid Waste System	465,875	107,649
Interceptor System	1,640,747	1,703,910
Internal Service Funds	983,985	6,742
Total	\$ 3,778,535	\$ 3,778,535

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.

NOTE 7. DEFERRED OUTFLOWS OF RESOURCES

At September 30, 2021 deferred outflows of resources consisted of the following:

	Balance at October 1, 2020	Additions	Deletions	Balance at September 30, 2021
Water System:				
Deferred loss on refunded debt	\$ 17,046,170	\$ 768,150	\$ (1,515,606)	\$ 16,298,714
Deferred pension outflow	1,923,455	-	644,581	2,568,036
Deferred OPEB outflow	204,786	552,000	-	756,786
	<u>19,174,411</u>	<u>1,320,150</u>	<u>(871,025)</u>	<u>19,623,536</u>
Regional Wastewater:				
Deferred loss on refunded debt	2,302,782	-	(391,012)	1,911,770
Deferred pension outflow	2,491,038	-	405,129	2,896,167
Deferred OPEB outflow	231,944	-	-	819,535
	<u>5,025,764</u>	<u>-</u>	<u>14,117</u>	<u>5,627,472</u>
Sewer System:				
Deferred loss on refunded debt	1,586,412	-	(291,191)	1,295,221
Deferred pension outflow	871,591	-	187,130	1,058,721
Deferred OPEB outflow	118,203	311,007	-	429,210
	<u>2,576,206</u>	<u>311,007</u>	<u>(104,061)</u>	<u>2,783,152</u>
Solid Waste System:				
Deferred loss on refunded debt	1,504,602	-	(273,589)	1,231,013
Deferred pension outflow	2,362,562	-	361,332	2,723,894
Deferred OPEB outflow	186,796	455,599	-	642,395
	<u>4,053,960</u>	<u>455,599</u>	<u>87,743</u>	<u>4,597,302</u>
Interceptor System:				
Deferred loss on refunded debt	2,012,564	-	(293,498)	1,719,066
Deferred pension outflow	202,561	-	65,209	267,770
Deferred OPEB outflow	40,757	108,941	-	149,698
	<u>2,255,882</u>	<u>108,941</u>	<u>(228,289)</u>	<u>2,136,534</u>
Internal Service Funds:				
Deferred pension outflow	6,929,107	-	1,261,125	8,190,232
Deferred OPEB outflow	828,720	2,124,021	-	2,952,741
	<u>7,757,827</u>	<u>2,124,021</u>	<u>1,261,125</u>	<u>11,142,973</u>
Total	<u>\$ 40,844,050</u>	<u>\$ 4,319,718</u>	<u>\$ 159,610</u>	<u>\$ 45,910,969</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG -TERM DEBT

Long-term debt consists of the following at September 30, 2021:

	Original Borrowing	Balance at October 1, 2020	Issued	Retired or Refunded	Balance at September 30, 2021	Amounts due Within One Year
Water System:						
Water revenue bonds 03/21-09/51, 2.00-5.25%	\$2,429,153,000	\$1,295,585,000	\$ 76,055,000	\$ 77,790,000	\$ 1,293,850,000	\$ 56,840,000
Water direct placement 03/21-09/49, .960-3.43%	1,476,980,000	1,404,500,000		- 36,790,000	1,367,710,000	37,380,000
U.S. govt contracts payable, direct borrowing	44,220,432	24,952,694		- 24,952,694		-
	<u>3,950,353,432</u>	<u>2,725,037,694</u>	<u>76,055,000</u>	<u>139,532,694</u>	<u>2,661,560,000</u>	<u>94,220,000</u>
Regional Wastewater:						
Wastewater revenue bonds, 12/20-06/51, 2.00-5.00%	451,360,000	372,820,000	24,270,000	16,170,000	380,920,000	17,055,000
Wastewater direct placement 12/20-06/50, .020-1.70%	496,535,000	458,920,000	37,615,000	2,770,000	493,765,000	5,205,000
	<u>947,895,000</u>	<u>831,740,000</u>	<u>61,885,000</u>	<u>18,940,000</u>	<u>874,685,000</u>	<u>22,260,000</u>
Sewer System:						
Rockwall contract revenue bonds, 12/20-06/28, 5.50-5.75%	2,960,000	1,555,000		- 160,000	1,395,000	165,000
Mustang Creek Interceptor System revenue bonds, 12/20-06/50, 2.50- 5.125%	34,455,000	32,165,000		- 700,000	31,465,000	730,000
Rockwall-Heath contract revenue bonds 12/20-06/25, 4.10-4.25%	3,020,000	1,025,000		- 185,000	840,000	195,000
Terrell contract revenue bonds 12/20-06/35, 3.00-5.00%	10,465,000	8,430,000		- 425,000	8,005,000	440,000
Stewart Creek contract revenue bonds, 12/20-06/35, 3.00-5.00%	69,685,000	53,220,000		- 2,570,000	50,650,000	2,670,000
Little Elm contract revenue bonds, 12/20-06/23, 2.00%	3,555,000	1,175,000		- 380,000	795,000	390,000
Parker Creek Interceptor System, revenue bonds, 12/20-06/23, 5.125%	2,615,000	600,000		- 190,000	410,000	200,000
Sabine Creek Interceptor System revenue bonds, 12/20-6/23, 5.125%	2,115,000	485,000		- 155,000	330,000	160,000
Sabine Creek Wastewater System revenue bonds, 12/20-6/42, 2.00-4.00%	20,095,000	11,530,000	3,190,000	1,100,000	13,620,000	1,130,000
Muddy Creek Wastewater System revenue bonds 12/20-06/40, 2.00- 5.00%	32,630,000	14,690,000	8,830,000	1,915,000	21,605,000	1,990,000
Muddy Creek Interceptor revenue bonds 12/20-06/24, 3.00-4.00%	2,135,000	950,000		- 225,000	725,000	235,000
Buffalo Creek Interceptor revenue bonds 12/20-06/50, 2.00-5.00%	50,525,000	13,610,000	28,075,000	1,390,000	40,295,000	1,470,000
Rockwall Water Pumping Facilities bonds 12/20-06/26, 4.50-4.60%	2,145,000	875,000		- 130,000	745,000	135,000

NOTE 8. LONG -TERM DEBT (CONTINUED)

	Original Borrowing	Balance at October 1, 2020	Issued	Retired or Refunded	Balance at September 30, 2021	Amounts due Within One Year
Sewer System (continued):						
Panther Creek Wastewater System bonds 12/20-06/40, 2.50-5.00%	56,400,000	28,320,000		-	3,015,000	25,305,000
Lower East Fork Interceptor bonds 12/20-06/26, 3.00-5.00%	10,745,000	6,930,000		-	1,030,000	5,900,000
Parker Creek Parallel Interceptor bonds 12/20-06/36, 2.00-3.00%	3,045,000	2,575,000		-	120,000	2,455,000
	<u>306,590,000</u>	<u>178,135,000</u>	<u>40,095,000</u>	<u>13,690,000</u>	<u>204,540,000</u>	<u>14,275,000</u>
Solid Waste System- revenue bonds, 03/21-09/37, 3.00-5.00%	79,705,000	49,180,000		-	3,135,000	46,045,000
Interceptor System - revenue bonds, 12/20-06/51, 2.00-6.25%	536,935,000	317,030,000	81,460,000	14,020,000	384,470,000	14,645,000
Total	<u>\$5,821,478,432</u>	<u>\$4,101,122,694</u>	<u>\$ 259,495,000</u>	<u>\$ 189,317,694</u>	<u>\$ 4,171,300,000</u>	<u>\$ 148,675,000</u>

Pledged Revenue

Throughout the years, the District has issued revenue bonds and U.S. 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 ended September 30, 2021, bond debt service of \$274,140,657 was fully secured by 100% of pledged revenues of \$565,674,044 and interest earned on accounts restricted for debt service.

For the year ended September 30, 2021, debt service on U.S. Government Notes was refunded in July 2021.

NOTE 8. LONG -TERM DEBT (CONTINUED)

In the Statement of Net Position, the long-term liabilities include premiums net of discounts of \$132,130,369 in the Water System, \$29,262,228 in the Regional Wastewater System, \$9,611,006 in the Sewer System, \$3,018,630 in the Solid Waste System and \$27,669,025 in the Interceptor System.

Other long term debt activity for the year ended September 30, 2021, was as follows:

	Balance at October 1, 2020		Additions	Deletions	Balance at September 30, 2021	
Water System:						
Premiums	\$ 136,812,354		\$ 8,893,589	\$ (13,575,574)	\$ 132,130,369	
	136,812,354		8,893,589	(13,575,574)	132,130,369	
Regional Wastewater:						
Premiums	30,013,082		1,747,494	(2,498,348)	29,262,228	
	30,013,082		1,747,494	(2,498,348)	29,262,228	
Sewer System:						
Premiums	8,836,925		2,277,352	(1,494,714)	9,619,563	
Discounts	(10,813)		-	2,256	(8,557)	
	8,826,112		2,277,352	(1,492,458)	9,611,006	
Solid Waste System:						
Premiums	3,484,346		-	(465,716)	3,018,630	
	3,484,346		-	(465,716)	3,018,630	
Interceptor System:						
Premiums	25,976,702		4,435,271	(2,742,948)	27,669,025	
	25,976,702		4,435,271	(2,742,948)	27,669,025	
Total	\$ 205,112,596		\$ 17,353,706	\$ (20,775,044)	\$ 201,691,258	

Revenue bonds outstanding at September 30, 2021, 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.
- *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.
- *Mustang Creek Interceptor Revenue Bonds* — Payments to be made to the District by the City of Forney.
- *Rockwall/Heath Water Storage Facilities Revenue Bonds* — Payments to be made to the District by the Cities of Rockwall and Heath.
- *Terrell Water Transmission Facilities Contract Revenue Bonds* — Payments to be made to the District by the City of Terrell.
- *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.
- *Little Elm Contract Revenue Bonds* — Payments made to the District by the Town of Little Elm.
- *Parker Creek Interceptor System Revenue Bonds* — 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.
- *Sabine Creek Interceptor System Revenue Bonds* — 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG -TERM DEBT (CONTINUED)

- *Sabine Creek Wastewater System Revenue Bonds* — 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 Cities of Fate and Royse City.
- *Muddy Creek Wastewater System Revenue Bonds* — 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.
- *Muddy Creek Interceptor System Revenue Bonds* — 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.
- *Buffalo Creek Interceptor System Revenue Bonds* — 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.
- *Rockwall Water Pumping Facilities Bonds* — Payments to be made to the District by the City of Rockwall.
- *Panther Creek Wastewater System Bonds* — 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.
- *Lower East Fork Interceptor System Bonds* — 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.
- *Parker Creek Parallel Wastewater Interceptor Bonds* — 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.
- *Solid Waste System Revenue Bonds* — Assignment of the gross revenues to be derived from the operation of the District's Solid Waste System.
- *Interceptor System Revenue Bonds* — Assignment of the gross revenues to be derived from the operation of the District's Upper East Fork Interceptor System.

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.

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 \$76,055,000 in the Water System primarily for the improvement of the District's Water system, including construction and inspection of the Wylie WTP Conversion to Biological Active Filtration Construction, additional Clearwells at the Wylie WTP, the Apollo pump station electrical and mechanical system improvements, and refunding a portion of the District's outstanding debt for savings, \$61,885,000 in the Wastewater System primarily for the Rowlett Creek RWWTP Peak Flow Management Phase II improvements, construction and inspection of the Wilson Creek RWWTP Aeration Basin improvements, construction and inspection of the Wilson Creek RWWTP Step Feed improvements, the design and construction of the South Mesquite RWWTP system Peak Flow Management and Expansion Phase I and other system improvements, \$40,095,000 in the Sewer System primarily for the design of the Sabine Creek RWWTP Expansion to 6 MGD, preliminary and final designs of the Muddy Creek WWTP Peak Flow Storage and Expansion, the construction and inspection of the Muddy Creek WWTP Operation Building improvements, construction and inspection of the Buffalo Creek Parallel Interceptor Phase I, obtaining property for the Buffalo Creek Interceptor Tunnel and other system improvements, \$81,460,000 in the Interceptor System primarily for the construction and inspection of the North McKinney Transfer Lift Station, the construction and inspection of the North McKinney Transfer Force Main, and other system improvements.

During the year, the District issued revenue refunding bonds in the amounts of \$40,470,000 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 \$4,761,497 and realized an economic gain (difference between the present value of debt service payments of the old debt and the new debt) of \$7,729,870.

At September 30, 2021, defeased bonds outstanding totaled \$0.

NOTE 8. LONG -TERM DEBT (CONTINUED)

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, 2021, the amount of the unamortized deferred amount on refundings is \$22,455,784.

Additional debt information

The District's outstanding notes from direct borrowings related to governmental contracts of \$24,952,694 was refunded in July 2021.

As disclosed in this note, the District's outstanding revenue bonds including direct placement revenue bonds are secured by and payable, both as to principal and interest, solely from and secured by a first lien on and pledge of the pledged revenues.

A number of the District's bond issues have separately purchased insurance on them. The insurance contains a provision that in the event, the District defaults on a scheduled payment of principal or interest, all or a portion becomes due under the policy. The bonds are payable solely from the sources of funds pledged to the payment of the bonds. Payment of the principal and interest is not subject to acceleration.

The District's outstanding revenue bonds from direct placements of \$1,367,710,000 for Water and \$493,765,000 for Wastewater contain a provision that if the District defaults on the payment of the principal and interest of the bond when due, there is no right to the acceleration of maturity of the Bonds. The District is eligible to seek relief from its creditors under chapter 9 of the U.S. Bankruptcy Code.

The Board has authorized using Extended Commercial Paper (ECP) in the Water System (not to exceed \$250M), Regional Wastewater System (not to exceed \$150M), and Interceptor System (not to exceed \$75M). As of September 30, 2021, the District has not requested or received any funds from any of the ECP programs.

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

	Water System			Water System - Direct Placement		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 56,840,000	\$ 56,000,361	\$ 112,840,361	\$ 37,380,000	\$ 38,306,598	\$ 75,686,598
2023	60,825,000	52,872,240	113,697,240	38,010,000	37,671,817	75,681,817
2024	63,825,000	49,811,115	113,636,115	38,680,000	36,996,949	75,676,949
2025	62,190,000	46,683,665	108,873,665	39,400,000	36,275,965	75,675,965
2026	64,305,000	43,639,965	107,944,965	40,165,000	35,510,487	75,675,487
2027-2031	354,130,000	171,472,350	525,602,350	214,130,000	164,267,985	378,397,985
2032-2036	302,515,000	93,640,981	396,155,981	242,990,000	135,295,164	378,285,164
2037-2041	170,925,000	43,964,481	214,889,481	281,085,000	97,222,897	378,307,897
2042-2046	126,820,000	17,714,394	144,534,394	328,280,000	49,625,693	377,905,693
2047-2051	31,475,000	2,060,745	33,535,745	107,590,000	4,742,716	112,332,716
	<u>\$ 1,293,850,000</u>	<u>\$ 577,860,297</u>	<u>\$ 1,871,710,297</u>	<u>\$ 1,367,710,000</u>	<u>\$ 635,916,271</u>	<u>\$ 2,003,626,271</u>

NOTE 8. LONG -TERM DEBT (CONTINUED)

	Regional Wastewater System			Regional Wastewater System - Direct Placement		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 17,055,000	\$ 15,280,258	\$ 32,335,258	\$ 5,205,000	\$ 178,641	\$ 5,383,641
2023	14,190,000	14,372,981	28,562,981	8,155,000	178,641	8,333,641
2024	14,820,000	13,709,556	28,529,556	7,705,000	178,641	7,883,641
2025	15,490,000	13,042,181	28,532,181	8,705,000	178,641	8,883,641
2026	16,190,000	12,316,500	28,506,500	12,665,000	178,641	12,843,641
2027-2031	70,505,000	51,077,350	121,582,350	91,550,000	893,202	92,443,202
2032-2036	59,520,000	37,448,201	96,968,201	91,875,000	893,202	92,768,202
2037-2041	69,105,000	25,268,332	94,373,332	93,335,000	893,202	94,228,202
2042-2046	81,795,000	11,715,981	93,510,981	95,755,000	794,587	96,549,587
2047-2051	22,250,000	1,380,975	23,630,975	78,815,000	279,494	79,094,494
	<u>\$ 380,920,000</u>	<u>\$ 195,612,315</u>	<u>\$ 576,532,315</u>	<u>\$ 493,765,000</u>	<u>\$ 4,646,892</u>	<u>\$ 498,411,892</u>
	Sewer System			Solid Waste System		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 14,275,000	\$ 7,343,736	\$ 21,618,736	\$ 3,275,000	\$ 1,872,131	\$ 5,147,131
2023	15,390,000	6,707,279	22,097,279	3,460,000	1,716,681	5,176,681
2024	13,355,000	6,021,344	19,376,344	3,615,000	1,552,281	5,167,281
2025	13,050,000	5,441,776	18,491,776	3,775,000	1,371,531	5,146,531
2026	13,385,000	4,870,540	18,255,540	3,945,000	1,182,781	5,127,781
2027-2031	45,970,000	18,245,032	64,215,032	14,175,000	3,551,257	17,726,257
2032-2036	45,015,000	9,970,569	54,985,569	12,375,000	1,394,438	13,769,438
2037-2041	20,210,000	4,677,000	24,887,000	1,425,000	44,531	1,469,531
2042-2046	14,245,000	2,291,300	16,536,300	-	-	-
2047-2051	9,645,000	515,144	10,160,144	-	-	-
	<u>\$ 204,540,000</u>	<u>\$ 66,083,720</u>	<u>\$ 270,623,720</u>	<u>\$ 46,045,000</u>	<u>\$ 12,685,631</u>	<u>\$ 58,730,631</u>
	Interceptor System			Total All Systems		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 14,645,000	\$ 13,230,160	\$ 27,875,160	\$ 148,675,000	\$ 132,211,885	\$ 280,886,885
2023	15,330,000	13,247,968	28,577,968	155,360,000	126,767,607	282,127,607
2024	16,095,000	12,518,718	28,613,718	158,095,000	120,788,604	278,883,604
2025	15,685,000	11,736,293	27,421,293	158,295,000	114,730,052	273,025,052
2026	17,620,000	10,988,468	28,608,468	168,275,000	108,687,382	276,962,382
2027-2031	92,465,000	41,922,849	134,387,849	882,925,000	451,430,025	1,334,355,025
2032-2036	78,660,000	24,848,533	103,508,533	832,950,000	303,491,088	1,136,441,088
2037-2041	46,100,000	14,372,325	60,472,325	682,185,000	186,442,768	868,627,768
2042-2046	48,030,000	8,812,106	56,842,106	694,925,000	90,954,061	785,879,061
2047-2051	39,840,000	2,684,481	42,524,481	289,615,000	11,663,555	301,278,555
	<u>\$ 384,470,000</u>	<u>\$ 154,361,901</u>	<u>\$ 538,831,901</u>	<u>\$ 4,171,300,000</u>	<u>\$ 1,647,167,027</u>	<u>\$ 5,818,467,027</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFERRED INFLOWS OF RESOURCES

At September 30, 2021, deferred inflows of resources consisted of the following:

	Balance at October 1, 2020	Additions	Deletions	Balance at September 30, 2021
Water System:				
Deferred pension inflow	\$ 1,360,627	\$ -	\$ (503,709)	\$ 856,918
Deferred OPEB inflow	408,246	8,234	-	416,480
	<u>1,768,873</u>	<u>8,234</u>	<u>(503,709)</u>	<u>1,273,398</u>
Regional Wastewater:				
Deferred pension inflow	1,634,210	-	(316,590)	1,317,620
Deferred OPEB inflow	465,158	8,764	-	473,922
	<u>2,099,368</u>	<u>8,764</u>	<u>(316,590)</u>	<u>1,791,542</u>
Sewer System:				
Deferred pension inflow	597,647	-	(146,233)	451,414
Deferred OPEB inflow	233,544	4,638	-	238,182
	<u>831,191</u>	<u>4,638</u>	<u>(146,233)</u>	<u>689,596</u>
Solid Waste System:				
Deferred pension inflow	1,479,466	-	(282,363)	1,197,103
Deferred OPEB inflow	372,587	6,795	-	379,382
	<u>1,852,053</u>	<u>6,795</u>	<u>(282,363)</u>	<u>1,576,485</u>
Interceptor System:				
Deferred pension inflow	153,334	-	(50,961)	102,373
Deferred OPEB inflow	76,826	1,625	-	78,451
	<u>230,160</u>	<u>1,625</u>	<u>(50,961)</u>	<u>180,824</u>
Internal Service Funds:				
Deferred pension inflow	4,753,442	-	(985,510)	3,767,932
Deferred OPEB inflow	1,633,361	31,680	-	1,665,041
Deferred insurance proceeds	44,352	-	(44,352)	-
	<u>6,431,155</u>	<u>31,680</u>	<u>(1,029,862)</u>	<u>5,432,973</u>
Total	<u>\$ 13,212,800</u>	<u>\$ 61,736</u>	<u>\$ (2,329,718)</u>	<u>\$ 10,944,818</u>

The Shared Services Fund had an additional deferred inflow as of October 1, 2020 of \$44,352 that represented an acquisition of net position that applied to a future period. This amount represented the unspent portion of the advance funds the District received from the insurance company for the hail damage repairs during the 2016 fiscal year. As of September 30, 2021 there were no outstanding funds.

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, 2021, the participants comprised the following:

Active participants	831
Terminated vested participants	171
Disabled Participants	1
Retired participants	174
Beneficiaries	20
Total number of participants	1,197

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 year ended December 31, 2020, the District made contributions of \$8,108,000, which represent 12.87% of annual covered payroll. These contributions were based on actuarially determined contribution requirements through an actuarial valuation performed at January 1, 2021. For the fiscal year ended September 30, 2021, the District made contributions of \$7,848,000 of which contributions subsequent to the measurement date through September 30, 2021 were \$3,790,000.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions

Valuation date	January 1, 2020	January 1, 2021
Measurement date	December 31, 2019	December 31, 2020
Actuarial cost method	Entry Age Normal	Entry Age Normal
Inflation	2.00%	2.00%
Salary increases including inflation	4.00%	4.00%
Mortality	Pub-2010 General Mortality with MP-2019 mortality improvement scales	Pub-2010 General Mortality with MP-2019 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.

Discount Rate

	December 31, 2019	December 31, 2020
Discount rate	8.00%	8.00%
Long-term expected rate of return, net of investment expense	8.00%	8.00%

The plan's fiduciary net position was 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 pension liability is equal to the long-term expected rate of return.

The District has a history of paying at least 100% of the Actuarially Determined Contribution (previously termed the Annual Required Contribution) which is based on a closed amortization period, meaning that the payment of the Actuarially Determined Contribution each year will bring the plan to a 100% funded position by the end of the amortization period. The projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

NOTE 10. RETIREMENT PLAN (CONTINUED)**Long-Term Expected Rate of Return**

The best-estimate range 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 December 31, 2020.

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	3.59%	-0.49%	-0.47%
US Short Bonds	Barclays 1-3 Yr Gvt/Credit	22.78%	0.45%	0.43%
US Long Bonds	Barclays LT Gvt/Credit		1.87%	1.50%
US Credit Bonds	Barclays Credit		1.61%	1.47%
US Large Caps	S&P 500	73.63%	3.93%	2.74%
US Small Caps	Russell 2000		5.09%	3.08%
US Large Growth	Russell 1000 Growth		4.12%	2.54%
US Large Value	Russell 1000 Value		4.22%	3.03%
US Mid Cap Growth	Russell MidCap Growth		4.78%	2.50%
Assumed Inflation - Mean			2.21%	2.21%
Assumed Inflation - Standard Deviation			1.65%	1.65%
Portfolio Real Mean Return			2.98%	2.32%
Portfolio Nominal Mean Return			5.19%	4.57%
Portfolio Standard Deviation				11.72%
Long-Term Expected Rate of Return				8.00%

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

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	\$ 177,004,525	\$ 155,525,132	\$ 137,839,310
Fiduciary net position	109,779,061	109,779,061	109,779,061
Net pension liability	67,225,464	45,746,071	28,060,249

Pension Expense

For the year ended September 30, 2021, the District recognized pension expense of \$21,996,321 of which \$9,485,402 was allocated to the Support Fund, \$4,848,139 was allocated to the Water System, \$3,047,126 was allocated to the Wastewater System, \$1,407,475 was allocated to the Sewer System, \$2,717,715 was allocated to the Solid Waste System, and \$490,464 was allocated to the Interceptor System.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLAN (CONTINUED)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2021, 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	\$ (1,824,317)	\$ 9,793,129
Changes of assumptions	(4,662,342)	4,121,691
Net difference between projected and actual earnings	(1,206,701)	-
Contributions made subsequent to measurement date	-	3,790,000
Total	<u>\$ (7,693,360)</u>	<u>\$ 17,704,820</u>

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, currently 7.1 years for 2021.

\$3,790,000 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. The net amounts of the employer's other 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
2022	\$ 1,298,061
2023	1,969,173
2024	(358,570)
2025	1,418,494
2026	927,565
Thereafter	<u>966,737</u>
	<u><u>\$ 6,221,460</u></u>

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of September 30, 2020	\$ 124,390,397	\$ 98,049,843	\$ 26,340,554
Changes for the year:			
Service cost	3,725,591		3,725,591
Interest on total pension liability	12,541,673		12,541,673
Effect of plan changes	13,025,999		13,025,999
Effect of economic/demographic gains or losses	2,104,282		2,104,282
Effect of assumptions changes or inputs	4,794,071		4,794,071
Benefit payments	(5,056,881)	(5,056,881)	-
Employer contributions		8,108,000	(8,108,000)
Member contributions		577,140	(577,140)
Net investment income		8,100,959	(8,100,959)
Administrative expenses			-
Balances as of September 30, 2021	\$ 155,525,132	\$ 109,779,061	\$ 45,746,071

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.

	December 31, 2020	December 31, 2021
Total pension liability	\$ 124,390,397	\$ 155,525,132
Fiduciary net position	98,049,843	109,779,061
Net pension liability	26,340,554	45,746,071
Fiduciary net position as a % of total pension liability	78.82%	70.59%

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

Pension Plan Fiduciary Net Position

	December 31, 2019	December 31, 2020
Assets		
Cash and cash equivalents	\$ 927,928	\$ 3,943,173
Receivables and prepaid expenses	-	-
Investments:		
Fixed income	11,887,458	25,006,262
Stocks	85,234,457	80,829,626
Total investments	97,121,915	105,835,888
Total assets	98,049,843	109,779,061
Liabilities		
Total liabilities	-	-
Net position restricted for pensions	\$ 98,049,843	\$ 109,779,061

NOTES TO FINANCIAL STATEMENTS

NOTE 11. COMMITMENTS AND CONTINGENCIES

Commitments

Remaining commitments under construction contracts as of September 30, 2021 were as follows:

Payable from:	Capital Improvement Funds	Restricted Bond Funds	Total Commitments
Water System	\$ 118,155,844	\$ 361,562,240	\$ 479,718,084
Regional Wastewater System	630,544	397,796,127	398,426,671
Sewer System	2,885,186	34,732,508	37,617,694
Solid Waste System	509,170	191,535	700,705
Interceptor System	1,024,535	144,370,262	145,394,797
	<u>\$ 123,205,279</u>	<u>\$ 938,652,672</u>	<u>\$ 1,061,857,951</u>

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, 2021.

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 Statement of Net Position date. At September 30, 2021, a liability of \$6,806,826 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
\$ 6,584,346	\$ 222,480	-	\$ 6,806,826

The \$6,806,826 reported as landfill closure and postclosure care liability at September 30, 2021, includes \$221,681 for Transfer Stations, \$1,586,473 for the Maxwell Creek Landfill, \$2,957,186 for the McKinney Landfill and \$2,041,486 for the 121 Regional Disposal Facility, which represents the cumulative amount reported to date based on the use of 17% 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 \$9,718,228 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, 2021. Based upon the current utilization of capacity, the remaining expected life of the 121 Regional Disposal Facility is estimated to be 69.9 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.

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, 2021 and 2020 were:

Fiscal Year	Claims		Current Year Claim Payments	Liability End of Year
	Liability Beginning of Year	Incurred and Change in Estimates		
2020	\$ 1,756,382	\$ 13,131,157	\$ 13,168,647	\$ 1,718,892
2021	1,718,892	14,454,014	14,404,878	1,768,028

NOTES TO FINANCIAL STATEMENTS

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 the District pays claims directly to the insurance provider. 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, 2021, the participants comprised the following:

Actives	815
Retirees	75
Beneficiaries	18
Spouses of Retirees	50
Total number of participants	958

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. Currently, the District pays benefits on a pay-as-you-go basis.

Actuarial Assumptions

The total OPEB liability in the September 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	October 1, 2020	October 1, 2021
Measurement date	September 30, 2020	September 30, 2021
Actuarial cost method	Entry Age Normal	Entry Age Normal
Inflation	2.30%	2.20%
Salary increases including inflation	3.00%	3.00%
Long -Term Expected Rate of Return	7.50%	7.50%
Healthcare Cost Trend Rates (Medical)	5.9% for 2020, gradually decreasing to 4.5% from 2027-2033 and increasing to 4.6% from 2034-2042 and ultimately decreasing to 3.7% in 2076.	5.4% for 2021, gradually decreasing to 4.4% in 2029-2033 and increasing to 4.5% from 2034-2041 and ultimately decreasing to 3.7% in 2073.
Healthcare Cost Trend Rates (Dental)	3.95% for 2020-2042 and gradually decreasing to 3.69% in 2076.	3% for 2021-2073.

Mortality rates (pre-retirement) were based on the PUB-2010 General Employees Amount-Weighted Table with Mortality Improvement Scale MP-2020 on a generational basis with healthy annuitant rates after benefit commencement. Mortality rates (post-retirement) were based on the PUB-2010 General Retirees Amount-Weighted Table with Mortality Improvement Scale MP-2020 on a generational basis.

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

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**OPEB Plan Fiduciary Net Position**

	September 30, 2020	September 30, 2021
Assets		
Cash and cash equivalents	\$ 11,311	\$ 41,211
Receivables and prepaid expenses	-	-
Investments:		
Fixed income	1,772,051	2,056,476
Stocks	5,274,251	5,595,344
Real estate	-	-
Alternative investments	1,777,398	2,792,237
Total investments	<u>8,823,700</u>	<u>10,444,057</u>
Total assets	<u>8,835,011</u>	<u>10,485,268</u>
Liabilities		
Total liabilities	-	-
Net position restricted for OPEB	<u>\$ 8,835,011</u>	<u>\$ 10,485,268</u>

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.

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, 2021.

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	0.39%	-0.32%	-0.32%
US Core Fixed Income	Barclays Aggregate	14.72%	1.37%	1.26%
US High Yield Bonds	BAML High Yield	4.90%	3.95%	3.37%
Global Bonds	Citi WGBI	0.00%	-0.13%	-0.41%
US Large Caps	S&P 500	10.36%	5.15%	3.65%
US Equity Market	Russell 3000	10.55%	5.33%	3.70%
US Small Caps	Russell 2000	5.88%	6.58%	3.89%
US Mid Caps	Russell MidCap	4.98%	5.71%	3.66%
Foreign Developed Equity	MSCI EAFE NR	8.91%	6.27%	4.52%
Emerging Markets Equity	MSCI EM NR	6.73%	8.64%	4.95%
US REITs	FTSE NAREIT Equity REIT	5.95%	5.75%	3.57%
Master Limited Partnerships	Alerian MLP	6.99%	6.48%	3.11%

NOTES TO FINANCIAL STATEMENTS

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
Hedge FOF Strategic	HFRI FOF Strategic	10.08%	3.60%	2.90%
Hedge Funds - Event-Driven	HFRI Event-Driven	9.56%	3.86%	1.16%
Assumed Inflation - Mean			2.30%	2.30%
Assumed Inflation - Standard Deviation			1.16%	1.16%
Portfolio Real Mean Return			4.85%	3.96%
Portfolio Nominal Mean Return			7.15%	6.35%
Portfolio Standard Deviation				13.07%
Long-Term Expected Rate of Return				7.50%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.50% and has not changed from the previous year. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The District contributes only the amount necessary to pay current year benefits and all cash flows are assumed to occur on average halfway through the year.

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, 2020	\$ 13,064,568	\$ 8,835,011	\$ 4,229,557
Changes for the year:			
Service cost	473,286	-	473,286
Interest on total OPEB liability	1,015,339	-	1,015,339
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	4,781,716	-	4,781,716
Effect of assumptions changes or inputs	480,872	-	480,872
Benefit payments	(1,963,496)	-	(1,963,496)
Employer contributions	2,127,708	-	2,127,708
Member contributions	29,202	-	29,202
Net investment income	-	1,650,257	(1,650,257)
Administrative expenses	(193,414)	-	(193,414)
Balances as of September 30, 2021	\$ 19,815,781	\$ 10,485,268	\$ 9,330,513

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	\$ 21,209,822	\$ 19,815,781	\$ 18,578,348
Fiduciary net position	10,485,268	10,485,268	10,485,268
Net OPEB liability	\$ 10,724,554	\$ 9,330,513	\$ 8,093,080

The following presents the net OPEB liability of the District, calculated using the current healthcare cost trend rate of 5.4%, 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 (4.4%) or 1 percentage point higher (6.4%) than the current healthcare cost trend rate.

	1% Decrease 4.4%	Current Trend Rate 5.4%	1% Increase 6.4%
Total OPEB liability	\$ 18,488,801	\$ 19,815,781	\$ 21,340,607
Fiduciary net position	10,485,268	10,485,268	10,485,268
Net OPEB liability	\$ 8,003,533	\$ 9,330,513	\$ 10,855,339

Deferred Outflows/Inflows of Resources Related to OPEB

At September 30, 2021, 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	\$ (2,262,496)	\$ 4,785,032
Changes of assumptions	(402,260)	965,333
Net difference between projected and actual earnings	(586,702)	-
Total	\$ (3,251,458)	\$ 5,750,365

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
2022	\$ 228,087
2023	205,628
2024	131,101
2025	120,470
2026	415,031
Thereafter	1,398,590
	\$ 2,498,907

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

NOTES TO FINANCIAL STATEMENTS

NOTE 15. RECENTLY ISSUED GASB STATEMENTS

The District has implemented the following new accounting pronouncements:

GASB Statement No. 84, *Fiduciary Activities* is now effective for periods beginning after December 15, 2019. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. As a result of the implementation of this standard the District has included the Pension and OPEB Trust as Fiduciary funds in this report

GASB Implementation Guide No. 2019-1, Implementation Guidance Update – 2019. This Implementation Guide provides guidance that clarifies, explains, or elaborates on GASB Statements. It amends questions in *Implementation Guide No. 2015-1* and *Implementation Guide No. 2017-2, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.* Questions in paragraph 4 are new Category B guidance in the hierarchy of generally accepted accounting principles. Questions in paragraph 5 amend questions in previously issued Implementation Guides.

GASB Implementation Guide No. 2019-2, Fiduciary Activities. This Implementation Guide provides guidance that clarifies, explains, or elaborates on the requirements of Statement No. 84, *Fiduciary Activities*. It supersedes *Implementation Guide No. 2015-1*, Questions 6.6.1 and 7.81.2. It also amends questions in *Implementation Guide No. 2015-1*, *Implementation Guide No. 2016-1, Implementation Guide Update-2016*, and *Implementation Guide No. 2017-2, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.*

The GASB has issued the following statements which will be effective in future years as described below and in accordance with GASB Statement No. 95. The impact on the District's financial statements of implementation has not yet been determined for the following:

GASB Statement No. 87, *Leases* is now effective for periods beginning after June 15, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*) is now effective for periods beginning after December 15, 2019. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

GASB Statement No. 91, *Conduit Debt Obligations* is now effective for periods beginning after December 15, 2021. The primary objectives are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

GASB Statement No. 92, *Omnibus* paragraphs 6, 7, 8, and 12 is now effective for periods beginning after June 15, 2021. The primary objective is to address implementation issues which have been identified related to GASB 87, *Leases*, reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits; the applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs); reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and terminology used to refer to derivative instruments.

NOTE 15. RECENTLY ISSUED GASB STATEMENTS (CONTINUED)

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of paragraphs 13 and 14 are now effective for fiscal years beginning after June 15, 2021. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This statement is effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

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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 Years

(Dollar amounts in 1,000s)

	As of the Measurement Date December 31 for the Fiscal Year Ended September 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Pension Liability (TPL)										
Service cost	\$ 3,726	\$ 3,712	\$ 3,428	\$ 2,897	\$ 2,517	\$ 3,058	\$ 2,166	\$ 2,005	N/A	N/A
Interest on total pension liability	12,542	10,062	9,451	8,582	7,643	6,614	6,387	5,854	N/A	N/A
Effect of plan changes	13,026	-	-	(843)	-	-	-	-	N/A	N/A
Effect of economic/demographic gains or (losses)	2,104	(1,312)	5,496	6,366	(2,503)	8,442	(4,871)	1,527	N/A	N/A
Effect of assumptions changes or inputs	4,794	(243)	(3,039)	(1,928)	(1,115)	(6,899)	-	154	N/A	N/A
Benefit payments	(5,057)	(4,749)	(4,517)	(3,507)	(3,092)	(2,617)	(2,055)	(1,700)	N/A	N/A
Net change in TPL	31,135	7,469	10,819	11,568	3,450	8,599	1,627	-	N/A	N/A
TPL, beginning	124,390	116,921	106,102	94,534	91,085	82,486	80,859	73,020	55,436	47,048
TPL, ending (a)	\$155,525	\$124,390	\$116,921	\$106,102	\$ 94,534	\$ 91,085	\$ 82,486	\$ 80,859	\$73,020	\$55,436
Fiduciary Net Position (FNP)										
Employer contributions	\$ 8,108	\$ 6,808	\$ 6,450	\$ 6,765	\$ 5,957	\$ 4,999	\$ 5,595	\$ 4,945	N/A	N/A
Member contributions	577	347	98	-	-	-	-	-	N/A	N/A
Investment income net of investment expenses	8,101	15,158	(5,315)	9,686	5,284	(1,337)	3,689	7,436	N/A	N/A
Benefit payments	(5,057)	(4,749)	(4,517)	(3,507)	(3,092)	(2,617)	(2,055)	(1,700)	N/A	N/A
Administrative expenses	-	-	-	-	-	(195)	(180)	(159)	N/A	N/A
Net change in FNP	11,729	17,564	(3,284)	12,944	8,149	850	7,049	10,522	N/A	N/A
FNP, beginning	98,050	80,486	83,770	70,827	62,678	61,828	54,779	44,257	35,949	32,430
FNP, ending (b)	109,779	98,050	80,486	83,770	70,827	62,678	61,828	54,779	44,257	35,949
Net Pension Liability, ending = (a) - (b)	\$ 45,747	\$ 26,341	\$ 36,435	\$ 22,331	\$ 23,708	\$ 28,407	\$ 20,658	\$ 26,081	\$ 28,763	\$ 19,487
FNP as a % of TPL	70.59%	78.82%	68.84%	78.95%	74.92%	68.81%	74.96%	67.75%	60.61%	64.85%
Covered payroll	\$ 53,290	\$ 42,877	\$ 41,022	\$ 33,587	\$ 31,778	\$ 30,085	\$ 26,655	\$ 25,929	\$ 24,859	\$ 24,256
Net pension liability as a % of covered payroll	85.85%	61.43%	88.82%	66.49%	74.61%	94.42%	77.50%	100.59%	115.70%	80.34%

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 FY2015. 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 Ended September 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially Determined Contribution	\$ 7,599	\$ 6,510	\$ 5,195	\$ 5,213	\$ 5,034	\$ 4,600	\$ 4,386	\$ 4,504	\$ 4,555	\$ 3,841
Actual Employer Contribution	7,848	8,108	6,450	6,765	5,957	4,999	5,595	4,945	5,022	3,925
Contribution Deficiency (Excess)	(249)	(1,598)	(1,255)	(1,552)	(923)	(399)	(1,209)	(441)	(467)	(84)
Covered Payroll*	\$ 62,977	\$ 54,413	\$ 47,598	\$ 33,587	\$ 31,778	\$ 30,085	\$ 26,655	\$ 25,929	\$ 24,859	\$ 24,256
Contributions as a % of Covered Payroll	12.46%	14.90%	13.55%	20.14%	18.75%	16.62%	20.99%	19.07%	20.20%	16.18%

* Covered payroll for 2019-2021 is for the fiscal year period ended September 30. Covered payroll for 2011-2018 is for the fiscal year period ending December 31 within each year.

North Texas Municipal Employee Retirement System
Money-Weighted Rate of Return
Fiscal Year Ended September 30

Fiscal Year Ended September 30	Net Money-Weighted Rate of Return
2012	N/A
2013	N/A
2014	16.58%
2015	6.64%
2016	-2.15%
2017	8.36%
2018	13.48%
2019	-6.29%
2020	18.56%
2021	8.18%

Data prior to 2014 is not available. Additional years' information will be displayed as it becomes available.

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)

	Fiscal Year Ended September 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total OPEB Liability										
Service cost	\$ 473	\$ 405	\$ 374	\$ 406	\$ 432	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	1,015	923	953	832	826	N/A	N/A	N/A	N/A	N/A
Changes on benefit terms	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	4,782	(828)	(1,677)	1,046	(1,258)	N/A	N/A	N/A	N/A	N/A
Effect of assumptions changes or inputs	481	662	(83)	(634)	104	N/A	N/A	N/A	N/A	N/A
Benefit payments	(1,963)	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Employer contributions	2,128	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Member contributions	29	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(194)	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	6,751	1,162	(433)	1,650	104	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	13,065	11,902	12,335	10,685	10,581	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending (a)	19,816	13,065	11,902	12,335	10,685	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position (FNP)										
Employer contributions	\$ -	\$ 50	\$ -	\$ 696	\$ 600	N/A	N/A	N/A	N/A	N/A
Net investment income	1,650	565	227	428	600	N/A	N/A	N/A	N/A	N/A
Benefit payments	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Administrative expenses	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Net change in FNP	1,650	615	227	1,124	1,200	N/A	N/A	N/A	N/A	N/A
FNP, beginning	8,835	8,220	7,993	6,869	5,669	N/A	N/A	N/A	N/A	N/A
FNP, ending (b)	10,485	8,835	8,220	7,993	6,869	N/A	N/A	N/A	N/A	N/A
Net OPEB liability, ending = (a) - (b)	\$ 9,331	\$ 4,230	\$ 3,682	\$ 4,342	\$ 3,816	N/A	N/A	N/A	N/A	N/A
FNP as a % of total OPEB liability	52.91%	67.62%	69.06%	64.80%	64.28%	N/A	N/A	N/A	N/A	N/A
Covered-employee payroll (as reported with pension data)	\$ 62,977	\$ 54,413	\$ 47,598	\$ 33,587	\$ 31,778	N/A	N/A	N/A	N/A	N/A
Net OPEB liability as a % of covered payroll	14.82%	7.77%	7.74%	12.93%	12.01%	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Changes of benefit terms. There were no substantial changes to benefits between 2020 and 2021.

Changes of assumptions. Per capita claims and trend rates were updated to reflect recent claims data.

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 Ended September 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially Determined Contribution	\$ 905	\$ 819	\$ 864	\$ 832	\$ 669	N/A	N/A	N/A	N/A	N/A
Actual Employer Contribution	-	50	-	696	600	N/A	N/A	N/A	N/A	N/A
Contribution Deficiency (Excess)	905	769	864	137	69	N/A	N/A	N/A	N/A	N/A
Covered Payroll	\$ 62,977	\$ 54,413	\$ 47,598	\$ 33,587	\$ 31,778	N/A	N/A	N/A	N/A	N/A
Contributions as a % of Covered Payroll	0.00%	0.09%	0.00%	2.07%	1.89%	N/A	N/A	N/A	N/A	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	Level percent; Closed
Amortization Period	16
Asset Valuation Method	Market Value
Inflation	2.20%
Salary Increases	3.00%
Discount Rate	7.50%
Healthcare Cost Trend Rates (Medical)	5.4% for 2021, gradually decreasing to 4.4% in 2029-2033 and increasing to 4.5% from 2034-2041 and ultimately decreasing to 3.7% in 2073.
Healthcare Cost Trend Rates (Dental)	3% for 2021-2073.
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	Pre-retirement: PUB-2010 General Employees Amount-Weighted Table with Mortality Improvement Scale MP-2020 on a generational basis with healthy annuitant rates after benefit commencement. Post-retirement: PUB-2010 General Retirees Amount-Weighted Table with Mortality Improvement Scale MP-2020 on a generational basis. Disability retirement: PUB-2010 Disabled Retirees Amount-Weighted Table with Mortality Improvement Scale MP-2020 on a generational basis. Survivor retirement: PUB-2010 Contingent Survivors Amount-Weighted Table with Mortality Improvement Scale MP-2020 on a generational basis.

2017 and 2018 payroll as reported with pension data. 2019 through 2021 payroll shows fiscal year ending September 30 reported with OPEB data.

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

Changes in Actuarial Assumptions Since Prior Valuation

Effective October 1, 2021, the following changes were made to the actuarial assumptions:

- Per capita claims and trend rates were updated to reflect recent claims data.

North Texas Municipal Employee Other Postemployment Benefits Plan
Money-Weighted Rate of Return
Fiscal Year Ended September 30

Fiscal Year Ended September 30	Net Money-Weighted Rate of Return
2012	NA
2013	NA
2014	NA
2015	NA
2016	NA
2017	10.68%
2018	5.94%
2019	3.41%
2020	0.50%
2021	19.15%

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

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FINANCIAL SECTION

OTHER SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS

Little Elm Water Transmission Facilities

The Little Elm Water Transmission Pipeline was constructed under a facilities contract with the City of Little Elm. The facilities consist of 18,900 linear feet of 30-inch pipeline aligned generally parallel to Eldorado Parkway. The pipeline begins at the City of Frisco No. 3 delivery point (Eldorado Parkway and just east of Research Road) and travels in a westerly direction to the Frisco-Little Elm border (Eldorado Parkway and just east of FM 423). The Little Elm Pipeline terminates at the City of Little Elm Bob Mansell Pump Station. The District provides O&M for this pipeline.

Plano Water Transmission Facilities

The Plano-Ridgeview Water Transmission Pipeline was constructed under a contract with the City of Plano. The first phase of the facilities consists of 22,750 linear feet of pipeline ranging in size from 54-inches to 72-inches. The pipeline begins at the City of Plano Ridgeview Pump Station and terminates at Legacy Drive. The second phase of the facilities consists of 33,840 linear feet of pipeline ranging in size from 24-inches to 42-inches. This pipeline runs from Legacy Drive to a point south of Park Boulevard, with an east-west segment from Preston Meadow Drive to Spring Creek Parkway west of Preston Road. The District provides maintenance for this pipeline.

Kaufman Four-One Water Distribution Facilities

The Kaufman Four-One Water Distribution Facilities serves Crandall, Gastonia-Scurry, College Mound and Rose Hill from a delivery point just west of Forney on the Mesquite-Forney Pipeline. The facilities are owned by the four entities and are operated and maintained by the District.

Rockwall-Heath Water Storage Facilities

The Rockwall-Heath Water Storage Facilities was constructed by the NTMWD under a facilities contract with the Cities of Rockwall and Heath. The facilities consist of a 3 million gallon (MG) ground storage tank.

Terrell Water Transmission Facilities

The Terrell Water Transmission Facilities were constructed by the NTMWD under a facilities contract with the City of Terrell. The facilities consist of a 3 MG ground storage reservoir, where the city takes delivery of treated water from the District's pipeline, a 12 MGD pump station, a 12 to 30-inch pipeline approximately 9 miles in length and a 16-inch pipeline approximately one-half mile in length.

Rockwall Water Pump Station Facilities

The Rockwall Water Pump Station was constructed by the NTMWD under a facilities contract with the City of Rockwall. The facilities consist of an 8.6 MGD potable water pump station, which includes three 2.88 MGD vertical turbine pumps, a backup generator, associated electrical and instrumentation components and yard piping.

Wylie Wastewater Treatment Plant - Decommissioned

The Wylie WWTP is a 2 MGD extended air treatment facility that can treat wastewater flow from Wylie. The decommissioned plant is located at 806 Alanis in Wylie. Flow was diverted to the Muddy Creek WWTP. The plant discharged into a small tributary of Muddy Creek, which flows into Lake Ray Hubbard. The NTMWD retained the discharge permit so the plant can be placed back into service if additional capacity is needed in the future.

South Rockwall (Buffalo Creek) Wastewater Treatment Plant

The South Rockwall (Buffalo Creek) WWTP treats wastewater for the southern portion of Rockwall. NTMWD owns and operates this extended air treatment plant that is located at 4920 Horizon Road in Rockwall. The plant has a design capacity of 2.25 MGD and consists of the Buffalo Creek WWTP, the Lakeside Lift Station and accompanying interceptor line. The plant discharges into Buffalo Creek, which flows into the East Fork of the Trinity River below Lake Ray Hubbard. The Buffalo Creek Golf Course utilizes a portion of the plant effluent for irrigation.

North Rockwall (Squabble Creek) Wastewater Treatment Plant

The North Rockwall (Squabble Creek) WWTP treats wastewater for the northern portion of Rockwall. NTMWD owns and operates the extended air treatment plant that is located at 2215 N Lakeshore Drive in Rockwall. The plant has a capacity of 1.2 MGD and is equipped with a lift station and pipeline system that allows flow to be diverted away to Buffalo Creek Interceptor System for transfer to the South Mesquite RWWTP. The plant discharges into Squabble Creek, a tributary of Lake Ray Hubbard.

Panther Creek Wastewater Treatment Plant

The Panther Creek WWTP treats wastewater for the northern portion of Frisco. NTMWD owns and operates the biological nutrient removal plant located at 1825 Panther Creek Road in Frisco. The plant has a treatment capacity of 10 MGD and discharges into Panther Creek, a tributary of Lake Lewisville.

Sabine Creek Wastewater Treatment Plant

The Sabine Creek WWTP treats wastewater for the Cities of Royse City and Fate. NTMWD owns and operates this plant located at 1513 Crenshaw Road in Royse City. The extended air treatment plant has a capacity of 3.0 MGD and discharges into Sabine Creek, a tributary of Lake Tawakoni.

Stewart Creek Wastewater Treatment Plant

The Stewart Creek West WWTP treats wastewater for the southern portion of Frisco. NTMWD owns and operates this plant located at 5100 4th Army Drive in Frisco. The current capacity is 10 MGD through a biological nutrient removal process. The plant discharges into Stewart Creek, a tributary of Lake Lewisville.

Muddy Creek Wastewater Treatment Plant

The Muddy Creek WWTP treats wastewater for the Cities of Wylie and Murphy. The conventional activated sludge plant has a capacity of 10 MGD and is located at 5401 Pleasant Valley Road. The plant discharges into Muddy Creek, a tributary of Lake Ray Hubbard.

Seis Lagos Wastewater Treatment Plant

The Seis Lagos WWTP treats wastewater for the Seis Lagos subdivision, which is located at 1007 Riva Ridge Road in the Seis Lagos gated community. The Seis Lagos Municipal Utility District constructed this extended air treatment plant designed for 0.25 MGD flow. The permit is in the name of the NTMWD and operates in accordance with an annual operating agreement. The plant discharges into Lavon Lake.

Royse City Wastewater Treatment Plant - Decommissioned

The Royse City WWTP is not in service. Flow was diverted to the Sabine Creek WWTP. The extended air treatment plant has a design capacity of 500,000 gallons per day. The discharge permit is still effective so the plant can be placed back in service if additional capacity is needed prior to the next expansion of the Sabine Creek WWTP.

Farmersville Wastewater Treatment Plant

The NTMWD operates and maintains the Farmersville WWTPs in accordance with an operating agreement with the City of Farmersville. This function consists of two plants. Plant I is a 225,000 gallon per day trickling filter plant. Plant II is a 530,000 gallon per day extended air treatment plant. Both plants discharge into Elm Creek, a tributary of Lavon Lake.

Lavon (Bear Creek) Wastewater Treatment Plant

The Lavon (Bear Creek) WWTP treats wastewater for the City of Lavon and is located at 10531 CR 484 in Lavon. The City of Lavon owns this extended air treatment plant, which is under the operation of the NTMWD in accordance with a wastewater treatment agreement. The plant has a capacity of 0.25 MGD and is under the process of expansion to 0.5 MGD. The plant discharges into Bear Creek, a tributary of Lake Ray Hubbard.

Forney Interceptor

The Forney Interceptor Facility transfers wastewater from the City of Forney to the South Mesquite RWWTP. The system consists of a 10.8 MGD lift station, 6,697 feet of gravity sewer and 29,500 feet of pressure sewer main.

Lower East Fork Interceptor

The Lower East Fork Interceptor transfers all of the City of Seagoville and a portion of the City of Mesquite wastewater flow to the South Mesquite RWWTP for treatment. The system consists of 26,110 feet of gravity pipelines, a 16 MGD lift station and 22,320 feet of pressure sewer main.

Muddy Creek Interceptor

The Muddy Creek Interceptor serves the Cities of Wylie and Murphy. The system consists of 21,360 feet of gravity pipelines that transport flow to the Muddy Creek WWTP for treatment.

Parker Creek Interceptor

The Parker Creek Interceptor serves the Cities of Royse City and Fate. The system consists of 26,780 feet of gravity pipelines that transport flow to the Sabine Creek WWTP for treatment.

Sabine Creek Interceptor

The Sabine Creek Interceptor transfers wastewater flow for Royse City to the Sabine Creek WWTP for treatment. The system consists of 16,680 feet of gravity pipelines.

Buffalo Creek Interceptor

The Buffalo Creek Interceptor transfers wastewater for the Cities of Forney, Heath and Rockwall to the South Mesquite RWWTP for treatment. The system consists of 75,300 feet of gravity pipelines, a 30 MGD lift station and 9,900 feet of pressure sewer main.

McKinney Interceptor

The McKinney Interceptor transfers wastewater from McKinney to the Wilson Creek RWWTP for treatment. The system consists of 16,440 feet of gravity pipelines.

Mustang Creek Interceptor

The Mustang Creek Interceptor serves a portion of the City of Forney and transfers wastewater to the South Mesquite RWWTP. The system consists of gravity sewers, force mains and the Forney Lift Station. The Forney Mustang Creek Lift Station, Phase I is currently under construction with a firm capacity of 12MGD.

Parker Creek Parallel Interceptor

The Parker Creek Parallel Interceptor serves the City of Fate. The system consists of 7,917 feet of gravity pipelines that transport flow to the Sabine Creek WWTP for treatment.

Wastewater Pretreatment Program

The Wastewater Pretreatment Program currently provides pretreatment services for the Cities of Allen, Forney, Frisco, McKinney, Melissa, Mesquite, Plano, Rockwall, Seagoville, Sunnyvale, Terrell and Wylie as required by the EPA and TCEQ pretreatment regulations. The Pretreatment staff, in partnership with city counterparts, manages seven TCEQ-approved pretreatment programs covering 8 wastewater treatment plants and 19 cities.

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULE OF NET POSITION
SEPTEMBER 30, 2021**

	Little Elm Water Transmission Facilities	Plano Water Transmission Facilities
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,073	\$ 18,240
Accounts receivable	-	-
Due from other funds	-	-
Prepaid expenses	-	-
Unbilled receivable	-	-
Total current unrestricted assets	2,073	18,240
Restricted assets:		
Cash and cash equivalents	135,577	-
Investments	-	-
Interest and accounts receivable	434	-
Due from other funds	-	-
Total current restricted assets	136,011	-
TOTAL CURRENT ASSETS	138,084	18,240
NONCURRENT ASSETS		
Restricted assets:		
Cash and cash equivalents	54,825	74,214
Investments	403,178	-
Total noncurrent restricted assets	458,003	74,214
Capital assets:		
Land	-	-
Easements	1,148,575	-
Construction-in-progress	-	-
Land improvements	-	-
Water treatment, storage, and transmission facilities	4,140,774	9,233,771
Wastewater treatment and disposal facilities	-	-
Buildings	-	-
Automobiles and trucks	-	-
Other equipment	-	-
Less accumulated depreciation	(1,440,644)	(4,855,195)
Net capital assets	3,848,705	4,378,576
TOTAL NONCURRENT ASSETS	4,306,708	4,452,790
TOTAL ASSETS	4,444,792	4,471,030
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred loss on refunding	27,338	-
Deferred pension outflow	-	-
Deferred OPEB outflow	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	27,338	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,472,130	\$ 4,471,030

SEWER SYSTEM

NORTH TEXAS MUNICIPAL WATER DISTRICT

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
\$ 27,450	\$ 82	\$ (1,685)	\$ (164)	\$ 69,919	\$ 515,721
8,140	-	1,689	164	-	35,201
-	-	-	-	-	-
190	-	-	-	217	29,055
-	-	-	-	-	26,761
35,780	82	4	-	70,136	606,738
-	76,768	244,736	56,491	-	82,174
-	-	-	-	-	-
-	234	1,023	192	-	244
-	-	-	-	-	-
-	77,002	245,759	56,683	-	82,418
35,780	77,084	245,763	56,683	70,136	689,156
3	2,758	8,747	83	-	45,967
-	229,489	740,460	169,763	-	244,476
3	232,247	749,207	169,846	-	290,443
-	-	-	-	-	60,724
-	-	-	-	-	243,045
-	-	-	-	-	-
-	-	-	-	-	-
-	2,600,259	12,039,133	1,932,237	-	-
-	-	-	-	-	8,214,581
-	-	-	-	-	-
-	-	-	-	-	89,181
-	-	-	-	-	358,742
-	(741,074)	(4,113,371)	(676,287)	-	(6,243,853)
-	1,859,185	7,925,762	1,255,950	-	2,722,420
3	2,091,432	8,674,969	1,425,796	-	3,012,863
35,783	2,168,516	8,920,732	1,482,479	70,136	3,702,019
-	-	101,322	-	-	-
-	-	-	-	-	50,498
-	-	-	-	-	14,063
-	-	101,322	-	-	64,561
\$ 35,783	\$ 2,168,516	\$ 9,022,054	\$ 1,482,479	\$ 70,136	\$ 3,766,580

(Continued)

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULE OF NET POSITION
SEPTEMBER 30, 2021**

	North Rockwall (Squabble Creek) WWTP	Panther Creek WWTP
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 85,242	\$ 1,045,880
Accounts receivable	-	-
Due from other funds	-	3
Prepaid expenses	25,837	135,650
Unbilled receivable	18,768	86,903
Total current unrestricted assets	129,847	1,268,436
Restricted assets:		
Cash and cash equivalents	-	1,457,349
Investments	-	-
Interest and accounts receivable	-	2,191
Due from other funds	-	-
Total current restricted assets	-	1,459,540
TOTAL CURRENT ASSETS	129,847	2,727,976
NONCURRENT ASSETS		
Restricted assets:		
Cash and cash equivalents	1,455	3,598,959
Investments	-	1,590,946
Total noncurrent restricted assets	1,455	5,189,905
Capital assets:		
Land	-	-
Easements	-	19,042
Construction-in-progress	-	2,024,580
Land improvements	-	-
Water treatment, storage, and transmission facilities	-	-
Wastewater treatment and disposal facilities	1,576,459	51,847,368
Buildings	-	-
Automobiles and trucks	53,925	67,303
Other equipment	103,702	855,348
Less accumulated depreciation	(1,428,772)	(15,980,507)
Net capital assets	305,314	38,833,134
TOTAL NONCURRENT ASSETS	306,769	44,023,039
TOTAL ASSETS	436,616	46,751,015
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred loss on refunding	-	725,684
Deferred pension outflow	25,720	286,011
Deferred OPEB outflow	9,038	110,381
TOTAL DEFERRED OUTFLOWS OF RESOURCES	34,758	1,122,076
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 471,374	\$ 47,873,091

SEWER SYSTEM

NORTH TEXAS MUNICIPAL WATER DISTRICT

Sabine Creek WWTP	Stewart Creek WWTP	Muddy Creek WWTP	Seis Lagos WWTP	Royse City WWTP	Farmersville WWTP
\$ (50,399)	\$ 2,162,240	\$ 277,673	\$ (7,997)	\$ 19,983	\$ 84,047
453,376	-	494,496	28,369	-	-
-	28	37	-	-	-
14,045	113,428	60,125	3,588	56	8,206
34,809	130,147	80,710	11,961	77	19,298
451,831	2,405,843	913,041	35,921	20,116	111,551
 532,953	 1,580,961	 913,428	 -	 -	 -
-	-	-	-	-	-
798	5,666	13,552	-	-	-
-	-	10,000	-	-	-
533,751	1,586,627	936,980	 -	 -	 -
985,582	3,992,470	1,850,021	35,921	20,116	111,551
 1,902,362	 2,466,685	 7,553,208	 4,489	 10,586	 6,166
807,018	4,776,415	3,352,794	 -	 -	 -
2,709,380	7,243,100	10,906,002	4,489	10,586	6,166
 375,774	 -	 -	 -	 -	 -
-	-	9,421	-	-	-
1,921,853	68,688,580	522,684	-	-	-
-	-	417,138	-	-	-
-	-	-	-	-	-
18,770,683	6,896,732	35,565,667	 -	 -	 -
-	9,698	161,583	-	-	16,225
93,802	88,368	88,932	34,561	2,385	46,372
602,469	807,522	1,765,527	41,385	7,567	278,318
(4,582,319)	(4,970,956)	(14,662,530)	(58,845)	(9,457)	(274,191)
17,182,262	71,519,944	23,868,422	17,101	495	66,724
19,891,642	78,763,044	34,774,424	21,590	11,081	72,890
20,877,224	82,755,514	36,624,445	57,511	31,197	184,441
 44,284	 -	 120,441	 -	 -	 -
32,725	148,009	316,513	10,429	1,434	14,854
16,604	95,107	103,741	4,835	240	10,751
93,613	243,116	540,695	15,264	1,674	25,605
\$ 20,970,837	\$ 82,998,630	\$ 37,165,140	\$ 72,775	\$ 32,871	\$ 210,046

(Continued)

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULE OF NET POSITION
SEPTEMBER 30, 2021**

	Lavon WWTP	Forney Interceptor
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 43,010	\$ 422,788
Accounts receivable	-	-
Due from other funds	48	-
Prepaid expenses	8,051	1,701
Unbilled receivable	21,748	541
Total current unrestricted assets	<u>72,857</u>	<u>425,030</u>
Restricted assets:		
Cash and cash equivalents	-	-
Investments	-	-
Interest and accounts receivable	-	-
Due from other funds	-	-
Total current restricted assets	<u>-</u>	<u>-</u>
TOTAL CURRENT ASSETS	<u>72,857</u>	<u>425,030</u>
NONCURRENT ASSETS		
Restricted assets:		
Cash and cash equivalents	17,731	18,394
Investments	-	-
Total noncurrent restricted assets	<u>17,731</u>	<u>18,394</u>
Capital assets:		
Land	-	-
Easements	-	48,877
Construction-in-progress	-	-
Land improvements	-	-
Water treatment, storage, and transmission facilities	-	-
Wastewater treatment and disposal facilities	-	1,856,524
Buildings	-	-
Automobiles and trucks	39,874	-
Other equipment	49,286	189,025
Less accumulated depreciation	(61,804)	(1,549,082)
Net capital assets	<u>27,356</u>	<u>545,344</u>
TOTAL NONCURRENT ASSETS	<u>45,087</u>	<u>563,738</u>
TOTAL ASSETS	<u>117,944</u>	<u>988,768</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred loss on refunding	-	-
Deferred pension outflow	9,910	2,890
Deferred OPEB outflow	10,252	20
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>20,162</u>	<u>2,910</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 138,106</u>	<u>\$ 991,678</u>

Lower East Fork Interceptor	Muddy Creek Interceptor	Parker Creek Interceptor	Sabine Creek Interceptor	Buffalo Creek Interceptor
\$ 815,897	\$ 313,859	\$ 425,131	\$ 300,730	\$ 1,501,197
-	-	5,870	25,122	-
27,900	56,000	38,300	-	-
10,746	28,483	-	-	18,968
594	104	720	52	1,026
<u>855,137</u>	<u>398,446</u>	<u>470,021</u>	<u>325,904</u>	<u>1,521,191</u>
 436,554	 85,880	 73,821	 59,084	 884,041
-	-	-	-	-
1,632	307	259	215	28,990
-	-	-	-	-
<u>438,186</u>	<u>86,187</u>	<u>74,080</u>	<u>59,299</u>	<u>913,031</u>
<u>1,293,323</u>	<u>484,633</u>	<u>544,101</u>	<u>385,203</u>	<u>2,434,222</u>
 29,632	 77,917	 191,760	 228,515	 18,673,910
<u>1,311,855</u>	<u>204,355</u>	<u>171,504</u>	<u>143,845</u>	<u>8,953,157</u>
<u>1,341,487</u>	<u>282,272</u>	<u>363,264</u>	<u>372,360</u>	<u>27,627,067</u>
 - 193,687	 49,232	 104,203	 70,341	 1,253,590
-	-	(96,609)	(183,443)	11,527,250
-	-	-	-	-
-	-	-	-	-
<u>15,137,967</u>	<u>3,411,083</u>	<u>2,465,983</u>	<u>1,697,812</u>	<u>18,008,417</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(4,011,535)</u>	<u>(1,741,270)</u>	<u>(723,355)</u>	<u>(475,390)</u>	<u>(8,905,206)</u>
<u>11,320,119</u>	<u>1,719,045</u>	<u>1,750,222</u>	<u>1,109,320</u>	<u>21,884,051</u>
<u>12,661,606</u>	<u>2,001,317</u>	<u>2,113,486</u>	<u>1,481,680</u>	<u>49,511,118</u>
<u>13,954,929</u>	<u>2,485,950</u>	<u>2,657,587</u>	<u>1,866,883</u>	<u>51,945,340</u>
 98,934	 (4,480)	 -	 -	 181,698
2,886	-	-	-	2,888
19	-	-	-	23
<u>101,839</u>	<u>(4,480)</u>	<u>-</u>	<u>-</u>	<u>184,609</u>
<u>\$ 14,056,768</u>	<u>\$ 2,481,470</u>	<u>\$ 2,657,587</u>	<u>\$ 1,866,883</u>	<u>\$ 52,129,949</u>

(Continued)

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULE OF NET POSITION
SEPTEMBER 30, 2021**

		McKinney Interceptor	Mustang Creek Interceptor
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 271,191	\$ 1,003,910	
Accounts receivable	-	-	
Due from other funds	-	-	
Prepaid expenses	-	900	
Unbilled receivable	50	375	
Total current unrestricted assets	271,241	1,005,185	
Restricted assets:			
Cash and cash equivalents	-	650,314	
Investments	-	-	
Interest and accounts receivable	-	4,463	
Due from other funds	-	-	
Total current restricted assets	-	654,777	
TOTAL CURRENT ASSETS	271,241	1,659,962	
NONCURRENT ASSETS			
Restricted assets:			
Cash and cash equivalents	101,926	3,712,099	
Investments	-	1,632,903	
Total noncurrent restricted assets	101,926	5,345,002	
Capital assets:			
Land	-	-	
Easements	16,150	915,950	
Construction-in-progress	(86,300)	20,953,065	
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	-	-	
Less accumulated depreciation	(1,336,252)	(1,042,317)	
Net capital assets	145,037	29,393,819	
TOTAL NONCURRENT ASSETS	246,963	34,738,821	
TOTAL ASSETS	518,204	36,398,783	
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	\$ 518,204	\$ 36,398,783	

Parker Creek Parallel WW Interceptor	Small Plants Clearing	Wastewater Pretreatment Program	Total Sewer System
\$ 47,129	\$ (77,081)	\$ 170,815	\$ 9,486,881
-	-	-	1,052,427
-	92,114	35	214,465
111	-	13,975	473,332
27	-	73,412	508,083
47,267	15,033	258,237	11,735,188
61,658	-	-	7,331,789
-	-	-	-
193	-	-	60,393
-	-	-	10,000
61,851	-	-	7,402,182
109,118	15,033	258,237	19,137,370
57,561	-	-	38,839,952
199,470	-	-	24,931,628
257,031	-	-	63,771,580
-	-	-	436,498
33,688	-	-	4,105,801
-	-	-	105,271,660
-	-	-	417,138
-	-	-	29,946,174
2,459,548	-	-	178,027,384
-	-	-	187,506
-	-	87,268	691,971
-	-	35,326	5,094,217
(198,976)	-	(104,816)	(80,188,004)
2,294,260	-	17,778	243,990,345
2,551,291	-	17,778	307,761,925
2,660,409	15,033	276,015	326,899,295
-	-	-	1,295,221
-	-	153,954	1,058,721
-	-	54,136	429,210
-	-	208,090	2,783,152
\$ 2,660,409	\$ 15,033	\$ 484,105	\$ 329,682,447

(Continued)

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULE OF NET POSITION
SEPTEMBER 30, 2021**

	Little Elm Water Transmission Facilities	Plano Water Transmission Facilities
LIABILITIES		
CURRENT LIABILITIES:		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 124	\$ -
Due to other funds	-	-
Customers' advance payments	1,950	18,240
Total payable from unrestricted assets	<u>2,074</u>	<u>18,240</u>
Payable from restricted assets:		
Accounts payable and accrued liabilities	49,259	74,214
Due to other funds	-	-
Accrued interest payable on revenue bonds	5,300	-
Current portion of revenue bonds	390,000	-
Total payable from restricted assets	<u>444,559</u>	<u>74,214</u>
TOTAL CURRENT LIABILITIES	<u>446,633</u>	<u>92,454</u>
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	407,352	-
TOTAL LONG-TERM LIABILITIES	<u>407,352</u>	<u>-</u>
TOTAL LIABILITIES	<u>853,985</u>	<u>92,454</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred pension inflow	-	-
Deferred OPEB inflow	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>853,985</u>	<u>92,454</u>
NET POSITION:		
Net investment in capital assets	3,078,691	4,378,576
Restricted for debt service	539,454	-
Unrestricted	-	-
TOTAL NET POSITION	<u>\$ 3,618,145</u>	<u>\$ 4,378,576</u>

Kaufman 4-1	Rockwall-Heath	Terrell	Rockwall	South Rockwall (Buffalo Creek)
Water	Water	Water	Water	
Distribution	Storage	Transmission	Pump	Wylie
Facilities	Facilities	Facilities	Station Facilities	WWTP
\$ 8,698	\$ -	\$ 4	\$ -	\$ 1,442
494	-	-	-	68
26,587	82	-	-	68,184
35,779	82	4	-	69,694
				522,467
				63,867
				-
				586,334
4	-	-	-	-
-	-	-	-	-
-	11,733	98,027	11,307	-
-	195,000	440,000	135,000	-
4	206,733	538,027	146,307	-
35,783	206,815	538,031	146,307	234,468
				820,802
-	-	-	-	-
-	-	-	-	5,937
-	-	-	-	14,467
-	-	-	-	122,073
-	-	-	-	25,277
-	645,000	7,747,477	612,023	-
-	645,000	7,747,477	612,023	-
35,783	851,815	8,285,508	758,330	1,221,443
				1,389,197
				2,209,999
-	-	-	-	-
-	-	-	-	22,750
-	-	-	-	9,101
-	-	-	-	31,851
35,783	851,815	8,285,508	758,330	2,241,850
-	1,019,185	(160,393)	508,927	-
-	297,516	896,939	215,222	-
-	-	-	-	442
\$ -	\$ 1,316,701	\$ 736,546	\$ 724,149	\$ 442
				\$ 1,524,730

(Continued)

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULE OF NET POSITION
SEPTEMBER 30, 2021**

	North Rockwall (Squabble Creek) WWTP	Panther Creek WWTP
LIABILITIES		
CURRENT LIABILITIES:		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 50,211	\$ 370,995
Due to other funds	18,687	40,324
Customers' advance payments	47,141	269,757
Total payable from unrestricted assets	116,039	681,076
Payable from restricted assets:		
Accounts payable and accrued liabilities	1,455	120,080
Due to other funds	-	-
Accrued interest payable on revenue bonds	-	390,585
Current portion of revenue bonds	-	3,165,000
Total payable from restricted assets	1,455	3,675,665
TOTAL CURRENT LIABILITIES	117,494	4,356,741
LONG-TERM LIABILITIES:		
Accrued vacation—less current portion	4,013	30,179
Accrued sick—less current portion	9,795	25,991
Net pension liability	64,783	754,181
Net OPEB liability	15,108	184,967
Long-term debt—less current portion	-	24,135,367
TOTAL LONG-TERM LIABILITIES	93,699	25,130,685
TOTAL LIABILITIES	211,193	29,487,426
DEFERRED INFLOWS OF RESOURCES:		
Deferred pension inflow	11,665	111,735
Deferred OPEB inflow	5,145	65,181
TOTAL DEFERRED INFLOWS OF RESOURCES	16,810	176,916
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	228,003	29,664,342
NET POSITION:		
Net investment in capital assets	305,314	15,707,817
Restricted for debt service	-	2,689,414
Unrestricted	(61,943)	(188,482)
TOTAL NET POSITION	\$ 243,371	\$ 18,208,749

	Sabine Creek WWTP	Stewart Creek WWTP	Muddy Creek WWTP	Seis Lagos WWTP	Royse City WWTP	Farmersville WWTP
\$	102,960	\$ 384,055	\$ 453,750	\$ 16,779	\$ 1,074	\$ 35,795
	46,979	28,861	48,726	10,425	182	21,637
	276,605	841,576	356,053	-	18,653	40,101
	426,544	1,254,492	858,529	27,204	19,909	97,533
	444,048	3,258,680	9,443	4,489	10,586	6,166
	-	11,592	-	-	-	-
	138,202	674,812	245,066	-	-	-
	1,130,000	2,670,000	1,990,000	-	-	-
	1,712,250	6,615,084	2,244,509	4,489	10,586	6,166
	2,138,794	7,869,576	3,103,038	31,693	30,495	103,699
	7,218	43,332	25,655	2,530	60	4,072
	18,071	47,091	27,382	6,188	147	9,947
	94,009	497,332	817,205	30,060	3,971	49,287
	24,889	137,470	173,157	8,066	520	15,369
	12,916,124	50,724,335	20,725,483	-	-	-
	13,060,311	51,449,560	21,768,882	46,844	4,698	78,675
	15,199,105	59,319,136	24,871,920	78,537	35,193	182,374
	14,097	54,682	133,867	4,524	638	6,145
	8,338	44,114	64,309	2,750	315	4,864
	22,435	98,796	198,176	7,274	953	11,009
	15,221,540	59,417,932	25,070,096	85,811	36,146	193,383
	4,626,318	17,315,867	10,749,565	17,101	495	66,724
	1,214,985	5,694,385	2,112,288	-	-	-
	(92,006)	570,446	(766,809)	(30,137)	(3,770)	(50,061)
	\$ 5,749,297	\$ 23,580,698	\$ 12,095,044	\$ (13,036)	\$ (3,275)	\$ 16,663

(Continued)

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULE OF NET POSITION
SEPTEMBER 30, 2021**

	Lavon WWTP	Forney Interceptor
LIABILITIES		
CURRENT LIABILITIES:		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 27,259	\$ 334,758
Due to other funds	20,236	10,713
Customers' advance payments	9,433	79,175
Total payable from unrestricted assets	<u>56,928</u>	<u>424,646</u>
Payable from restricted assets:		
Accounts payable and accrued liabilities	17,731	18,394
Due to other funds	-	-
Accrued interest payable on revenue bonds	-	-
Current portion of revenue bonds	-	-
Total payable from restricted assets	<u>17,731</u>	<u>18,394</u>
TOTAL CURRENT LIABILITIES	<u>74,659</u>	<u>443,040</u>
LONG-TERM LIABILITIES:		
Accrued vacation—less current portion	4,623	153
Accrued sick—less current portion	11,306	231
Net pension liability	32,606	7,035
Net OPEB liability	14,452	822
Long-term debt—less current portion	-	-
TOTAL LONG-TERM LIABILITIES	<u>62,987</u>	<u>8,241</u>
TOTAL LIABILITIES	<u>137,646</u>	<u>451,281</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred pension inflow	4,164	2,274
Deferred OPEB inflow	3,389	267
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>7,553</u>	<u>2,541</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>145,199</u>	<u>453,822</u>
NET POSITION:		
Net investment in capital assets	27,356	545,344
Restricted for debt service	-	-
Unrestricted	(34,449)	(7,488)
TOTAL NET POSITION	<u>\$ (7,093)</u>	<u>\$ 537,856</u>

Lower East Fork Interceptor	Muddy Creek Interceptor	Parker Creek Interceptor	Sabine Creek Interceptor	Buffalo Creek Interceptor
\$ 797,279	\$ 398,035	\$ 459,114	\$ 298,295	\$ 633,857
85,264	56,259	48,585	2,870	3,068
72	80	37	24,697	883,496
<u>882,615</u>	<u>454,374</u>	<u>507,736</u>	<u>325,862</u>	<u>1,520,421</u>
25,519	23,823	35,050	5,477	1,252,681
-	-	-	-	12,033
73,884	7,250	7,004	5,637	360,904
<u>1,080,000</u>	<u>235,000</u>	<u>200,000</u>	<u>160,000</u>	<u>1,470,000</u>
1,179,403	266,073	242,054	171,114	3,095,618
<u>2,062,018</u>	<u>720,447</u>	<u>749,790</u>	<u>496,976</u>	<u>4,616,039</u>
168	29	219	16	299
253	44	366	26	471
7,010	-	-	-	7,028
799	-	-	-	934
<u>5,144,065</u>	<u>503,741</u>	<u>210,000</u>	<u>170,000</u>	<u>40,566,151</u>
5,152,295	503,814	210,585	170,042	40,574,883
<u>7,214,313</u>	<u>1,224,261</u>	<u>960,375</u>	<u>667,018</u>	<u>45,190,922</u>
2,278	-	-	-	2,274
260	-	-	-	304
2,538	-	-	-	2,578
<u>7,216,851</u>	<u>1,224,261</u>	<u>960,375</u>	<u>667,018</u>	<u>45,193,500</u>
5,194,988	975,824	1,445,804	966,705	4,451,770
1,680,270	337,386	289,708	233,160	2,492,308
(35,341)	(56,001)	(38,300)	-	(7,629)
<u>\$ 6,839,917</u>	<u>\$ 1,257,209</u>	<u>\$ 1,697,212</u>	<u>\$ 1,199,865</u>	<u>\$ 6,936,449</u>

(Continued)

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULE OF NET POSITION
SEPTEMBER 30, 2021**

	McKinney	Mustang
	Interceptor	Creek
LIABILITIES		Interceptor
CURRENT LIABILITIES:		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 240,427	\$ 323,432
Due to other funds	-	193
Customers' advance payments	30,773	12,173
Total payable from unrestricted assets	<u>271,200</u>	<u>335,798</u>
Payable from restricted assets:		
Accounts payable and accrued liabilities	15,624	1,107,837
Due to other funds	-	10,881
Accrued interest payable on revenue bonds	-	370,477
Current portion of revenue bonds	-	730,000
Total payable from restricted assets	<u>15,624</u>	<u>2,219,195</u>
TOTAL CURRENT LIABILITIES	<u>286,824</u>	<u>2,554,993</u>
LONG-TERM LIABILITIES:		
Accrued vacation—less current portion	15	114
Accrued sick—less current portion	26	192
Net pension liability	-	-
Net OPEB liability	-	-
Long-term debt—less current portion	-	31,783,399
TOTAL LONG-TERM LIABILITIES	<u>41</u>	<u>31,783,705</u>
TOTAL LIABILITIES	<u>286,865</u>	<u>34,338,698</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred pension inflow	-	-
Deferred OPEB inflow	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>286,865</u>	<u>34,338,698</u>
NET POSITION:		
Net investment in capital assets	231,339	(559,820)
Restricted for debt service	-	1,950,824
Unrestricted	-	669,081
TOTAL NET POSITION	<u>\$ 231,339</u>	<u>\$ 2,060,085</u>

Parker Creek Parallel WW Interceptor	Small Plants Clearing	Wastewater Pretreatment Program	Total Sewer System
\$ 38,449	\$ 13,347	\$ 81,330	\$ 5,593,936
-	1,686	376	509,500
8,797	-	122,589	3,136,251
47,246	15,033	204,295	9,239,687
30,752	-	-	6,554,042
-	-	-	34,506
20,985	-	-	2,447,911
120,000	-	-	14,275,000
171,737	-	-	23,311,459
218,983	15,033	204,295	32,551,146
8	-	29,571	158,211
13	-	24,371	196,378
-	-	468,437	2,955,017
-	-	88,267	690,097
2,364,046	-	-	199,876,006
2,364,067	-	610,646	203,875,709
2,583,050	15,033	814,941	236,426,855
-	-	80,321	451,414
-	-	29,845	238,182
-	-	110,166	689,596
2,583,050	15,033	925,107	237,116,451
(167,866)	-	17,778	72,079,386
245,225	-	-	21,192,477
	-	(458,780)	(705,867)
\$ 77,359	\$ -	\$ (441,002)	\$ 92,565,996

(Concluded)

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2021**

	Little Elm Water Transmission Facilities	Plano Water Transmission Facilities
OPERATING REVENUES:		
Wastewater service fees	\$ 400,840	\$ 158
Intragovernmental	-	-
Other operating revenues	-	-
Total operating revenues	400,840	158
OPERATING EXPENSES:		
Personnel	-	-
Operating Supplies:		
Chemicals	-	-
Other supplies	123	-
Operating Services:		
Electric power	-	-
Other services	4,873	(2,834)
Depreciation	103,519	231,467
Total operating expenses	108,515	228,633
OPERATING INCOME (LOSS)	292,325	(228,475)
NONOPERATING REVENUES (EXPENSES):		
Investment income	748	9
Gain (loss) on sale of capital assets	-	-
Interest expense	(32,309)	-
Total nonoperating revenues (expenses)	(31,561)	9
CHANGE IN NET POSITION	260,764	(228,466)
NET POSITION AT OCTOBER 1, 2020	3,357,381	4,607,042
NET POSITION AT SEPTEMBER 30, 2021	\$ 3,618,145	\$ 4,378,576

SEWER SYSTEM

NORTH TEXAS MUNICIPAL WATER DISTRICT

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
\$ 106,651	\$ 229,133	\$ 723,828	\$ 171,115	\$ 309	\$ 1,782,500
7	-	-	-	112	25,823
106,658	229,133	723,828	171,115	421	1,808,323
-	-	-	-	97	283,525
-	-	-	-	(2,830)	69,353
8,374	-	-	-	1,090	129,604
123,844	-	-	-	726	278,754
(25,552)	4,961	7,129	5,734	(689)	780,009
-	52,005	300,978	48,306	4,643	179,676
106,666	56,966	308,107	54,040	3,037	1,720,921
(8)	172,167	415,721	117,075	(2,616)	87,402
8	388	315	210	32	609
-	-	-	-	(4,915)	347
-	(40,255)	(286,141)	(37,054)	-	(88,334)
8	(39,867)	(285,826)	(36,844)	(4,883)	(87,378)
-	132,300	129,895	80,231	(7,499)	24
-	1,184,401	606,651	643,918	7,941	1,524,706
\$ -	\$ 1,316,701	\$ 736,546	\$ 724,149	\$ 442	\$ 1,524,730

(Continued)

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2021**

	North Rockwall (Squabble Creek) WWTP	Panther Creek WWTP
OPERATING REVENUES:		
Wastewater service fees	\$ 580,784	\$ 8,888,349
Intragovernmental	2,768	22,337
Other operating revenues		
Total operating revenues	583,552	8,910,686
OPERATING EXPENSES:		
Personnel	175,213	1,872,226
Operating Supplies:		
Chemicals	103,232	662,779
Other supplies	66,858	358,428
Operating Services:		
Electric power	106,333	524,551
Other services	145,681	1,759,421
Depreciation	48,743	1,385,622
Total operating expenses	646,060	6,563,027
OPERATING INCOME (LOSS)		
	(62,508)	2,347,659
NONOPERATING REVENUES (EXPENSES):		
Investment income	68	8,254
Gain (loss) on sale of capital assets	347	2,590
Interest expense	-	(876,968)
Total nonoperating revenues (expenses)	415	(866,124)
CHANGE IN NET POSITION		
NET POSITION AT OCTOBER 1, 2020	(62,093)	1,481,535
NET POSITION AT SEPTEMBER 30, 2021	305,464	16,727,214
	\$ 243,371	\$ 18,208,749

Sabine Creek WWTP	Stewart Creek WWTP	Muddy Creek WWTP	Seis Lagos WWTP	Royse City WWTP	Farmersville WWTP
\$ 2,870,833	\$ 8,909,964	\$ 7,338,205	\$ 286,118	\$ 18,200	\$ 493,413
6,368	16,820	365,736	1,064	83	1,750
2,877,201	8,926,784	7,703,941	287,182	18,283	495,163
333,364	1,879,717	1,848,050	100,945	4,416	213,440
42,392	539,350	206,103	9,689	-	19,094
167,639	197,884	308,778	38,157	230	64,662
205,830	461,494	787,389	46,695	98	57,253
812,625	1,276,890	2,441,539	98,536	14,827	155,418
672,227	312,552	1,251,944	5,077	407	12,216
2,234,077	4,667,887	6,843,803	299,099	19,978	522,083
643,124	4,258,897	860,138	(11,917)	(1,695)	(26,920)
4,389	15,191	5,776	27	17	66
347	-	(180)	347	-	347
(398,864)	(1,760,764)	(516,767)	-	-	-
(394,128)	(1,745,573)	(511,171)	374	17	413
248,996	2,513,324	348,967	(11,543)	(1,678)	(26,507)
5,500,301	21,067,374	11,746,077	(1,493)	(1,597)	43,170
\$ 5,749,297	\$ 23,580,698	\$ 12,095,044	\$ (13,036)	\$ (3,275)	\$ 16,663

(Continued)

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2021**

	Lavon WWTP	Forney Interceptor
OPERATING REVENUES:		
Wastewater service fees	\$ 419,269	\$ 434,806
Other operating revenues	1,772	492
Total operating revenues	<u>421,041</u>	<u>435,298</u>
OPERATING EXPENSES:		
Personnel	207,366	585
Operating Supplies:		
Chemicals	11,460	99,305
Other supplies	41,809	14,384
Operating Services:		
Electric power	-	89,445
Other services	166,716	231,691
Depreciation	8,013	54,610
Total operating expenses	<u>435,364</u>	<u>490,020</u>
OPERATING INCOME (LOSS)	<u>(14,323)</u>	<u>(54,722)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment income	55	112
Gain (loss) on sale of capital assets	347	-
Interest expense	-	-
Total nonoperating revenues (expenses)	<u>402</u>	<u>112</u>
CHANGE IN NET POSITION	<u>(13,921)</u>	<u>(54,610)</u>
NET POSITION AT OCTOBER 1, 2020	<u>6,828</u>	<u>592,466</u>
NET POSITION AT SEPTEMBER 30, 2021	<u><u>\$ (7,093)</u></u>	<u><u>\$ 537,856</u></u>

Lower East Fork Interceptor	Muddy Creek Interceptor	Parker Creek Interceptor	Sabine Creek Interceptor	Buffalo Creek Interceptor
\$ 1,855,503	\$ 493,204	\$ 470,248	\$ 276,819	\$ 2,210,509
312	395	39	-	816
1,855,815	493,599	470,287	276,819	2,211,325
643	113	759	55	1,099
36,432	60,208	-	-	45,788
12,739	1,856	8,941	-	11,198
58,229	227	530	-	58,459
514,870	240,650	286,526	105,200	1,227,939
302,760	111,943	49,320	33,956	610,271
925,673	414,997	346,076	139,211	1,954,754
930,142	78,602	124,211	137,608	256,571
3,130	525	636	588	21,229
-	-	-	-	-
(153,892)	(17,327)	(27,504)	(22,208)	(817,500)
(150,762)	(16,802)	(26,868)	(21,620)	(796,271)
779,380	61,800	97,343	115,988	(539,700)
6,060,537	1,195,409	1,599,869	1,083,877	7,476,149
\$ 6,839,917	\$ 1,257,209	\$ 1,697,212	\$ 1,199,865	\$ 6,936,449

(Continued)

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2021**

	McKinney Interceptor	Mustang Creek Interceptor
OPERATING REVENUES:		
Wastewater service fees	\$ 21,452	\$ 2,300,686
Intragovernmental	-	-
Other operating revenues	-	-
Total operating revenues	21,452	2,300,686
OPERATING EXPENSES:		
Personnel	53	395
Operating Supplies:		
Chemicals	-	6,300
Other supplies	-	7,470
Operating Services:		
Electric power	314	-
Other services	(78,898)	257,329
Depreciation	54,941	171,343
Total operating expenses	(23,590)	442,837
OPERATING INCOME (LOSS)	45,042	1,857,849
NONOPERATING REVENUES (EXPENSES):		
Investment income	18	10,270
Gain (loss) on sale of capital assets	-	-
Interest expense	-	(1,102,311)
Total nonoperating revenues (expenses)	18	(1,092,041)
CHANGE IN NET POSITION	45,060	765,808
NET POSITION AT OCTOBER 1, 2020	186,279	1,294,277
NET POSITION AT SEPTEMBER 30, 2021	\$ 231,339	\$ 2,060,085

Parker Creek Parallel WW Interceptor	Small Plants Clearing	Wastewater Pretreatment Program	Total Sewer System
\$ 107,610	\$ -	\$ 1,045,390	\$ 42,435,896
46	-	6,716	453,456
107,656	-	1,052,106	42,889,352
28	-	843,619	7,765,708
-	-	-	1,908,655
28	-	49,911	1,490,163
-	-	-	2,800,171
15,120	-	257,824	10,703,535
49,232	-	17,730	6,073,501
64,408	-	1,169,084	30,741,733
43,248	-	(116,978)	12,147,619
434	-	150	73,254
-	-	-	(423)
(61,064)	-	-	(6,239,262)
(60,630)	-	150	(6,166,431)
(17,382)	-	(116,828)	5,981,188
94,741	-	(324,174)	86,584,808
\$ 77,359	\$ -	\$ (441,002)	\$ 92,565,996
(Concluded)			

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULES OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2021**

	Little Elm Water Transmission Facilities	Plano Water Transmission Facilities
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 402,372	\$ -
Cash received from (paid to) others	-	-
Cash paid to suppliers for goods and services	(4,654)	3,002
Cash paid for employee services	-	-
Cash paid to other funds	(627)	(170)
Net cash provided by (used for) operating activities	<u>397,091</u>	<u>2,832</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the issuance of bonds	-	-
Cash paid for capital assets	-	(3,000)
Interest paid on long-term debt	(23,500)	-
Principal payments on long-term debt	(380,000)	-
Payments for bond issue costs	-	-
Net cash provided by (used for) capital and related financing activities	<u>(403,500)</u>	<u>(3,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale and maturity of investments	11,250	-
Purchases of investments	(408,444)	-
Interest received	1,807	76
Net cash provided by (used for) investing activities	<u>(395,387)</u>	<u>76</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(401,796)</u>	<u>(92)</u>
CASH AND CASH EQUIVALENTS—Beginning of year	594,271	92,546
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 192,475</u>	<u>\$ 92,454</u>
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION		
Unrestricted cash and cash equivalents	\$ 2,073	\$ 18,240
Restricted cash and cash equivalents	<u>190,402</u>	<u>74,214</u>
	<u>\$ 192,475</u>	<u>\$ 92,454</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 292,325	\$ (228,475)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	103,518	231,467
Change in operating assets and liabilities:		
Accounts receivable and deferred billings	(409)	-
Prepaid expenses	-	-
Pension related deferred outflows of resources	-	-
OPEB related deferred outflows of resources	-	-
Net pension liability	-	-
Pension related deferred inflows of resources	-	-
OPEB related deferred inflows of resources	-	-
Net OPEB liability	-	-
Due to/from other funds	-	-
Accounts payable, accrued liabilities, and developers' deposits	125	(2)
Accrued vacation and accrued sick	-	-
Customers' advance payments	1,532	(158)
Total adjustments	<u>104,766</u>	<u>231,307</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 397,091</u>	<u>\$ 2,832</u>
NONCASH TRANSACTION DISCLOSURES		
Gain (loss) on disposal of capital assets	\$ -	\$ -
Amortization of bond-related items	11,342	-
Change in fair value of investments	1,031	-
Change in liabilities related to capital assets	-	-
Change in actuarial value of net pension liability	-	-

SEWER SYSTEM

NORTH TEXAS MUNICIPAL WATER DISTRICT

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
\$ 139,704	\$ 229,558	\$ 662,876	\$ 171,184	\$ 6,705	\$ 1,447,006
- (93,992)	- (4,525)	- 55,072	- (5,458)	- 8,414	- (975,462)
-	-	-	-	- (1,631)	- (160,910)
<u>(25,940)</u>	<u>(660)</u>	<u>(3,040)</u>	<u>(465)</u>	<u>(10,420)</u>	<u>(315,210)</u>
<u>19,772</u>	<u>224,373</u>	<u>714,908</u>	<u>165,261</u>	<u>3,068</u>	<u>(4,576)</u>
 - (44,789)	 - (42,781)	 - (306,832)	 - (39,770)	 - (24,319)	 - (62,777)
 - (185,000)	 - (425,000)	 - (130,000)	 -	 - (89,012)	 - (160,000)
<u>(44,789)</u>	<u>(227,781)</u>	<u>(731,832)</u>	<u>(169,770)</u>	<u>(24,319)</u>	<u>(311,789)</u>
 - 19,002	 - (245,021)	 - (1,116,617)	 - (205,127)	 -	 - 28,502
 45 920	 45 (225,099)	 45 (740,146)	 45 (168,552)	 45 54	 45 (267,546)
 (24,972)	 (228,507)	 (757,070)	 (173,061)	 (21,197)	 (553,931)
 52,425	 52,425 308,115	 52,425 1,008,868	 52,425 229,471	 52,425 91,116	 52,425 1,197,793
<u>\$ 27,453</u>	<u>\$ 79,608</u>	<u>\$ 251,798</u>	<u>\$ 56,410</u>	<u>\$ 69,919</u>	<u>\$ 643,862</u>
 \$ 27,450	 3 82	 \$ (1,685)	 \$ (164)	 \$ 69,919	 \$ 515,721
<u>\$ 27,453</u>	<u>\$ 79,608</u>	<u>\$ 251,798</u>	<u>\$ 56,410</u>	<u>\$ 69,919</u>	<u>\$ 643,862</u>
 \$ (8)	 \$ 172,167	 \$ 415,721	 \$ 117,075	 \$ (2,616)	 \$ 87,402
 - 52,005	 6,466 122	 - (26) (1,799)	 - - (117)	 - 48,306	 - 249 (47,241)
 - -	 - -	 - -	 - -	 - 4,643	 - 2,856 (3,542)
 - -	 - -	 - -	 - -	 - 1,167	 - (7,207)
 - -	 - -	 - -	 - -	 - 144	 - (9,939)
 - -	 - -	 - -	 - -	 - (2,115)	 - 47,820
 - -	 - -	 - -	 - -	 - (865)	 - (5,632)
 - -	 - -	 - -	 - -	 - (315)	 - 148
 - -	 - -	 - -	 - -	 - (399)	 - 12,249
 (3,342) -	 (2,200) (3)	 18,882 7	 19,780 (3)	 19,772 48,186	 19,772 (309,210)
 - -	 - -	 - -	 - -	 - 3,316	 - 5,684 (91,978)
 - 52,206	 299,187	 48,186	 48,186	 48,186	 48,186
<u>\$ 19,772</u>	<u>\$ 224,373</u>	<u>\$ 714,908</u>	<u>\$ 165,261</u>	<u>\$ 3,068</u>	<u>\$ (4,576)</u>
 \$ -	 \$ -	 \$ (16,441)	 \$ (767)	 \$ -	 \$ 2,256
 - 527	 807	 337	 -	 -	 563
 - -	 - -	 - -	 - -	 2,115	 - (47,820)
					(Continued)

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULES OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2021**

	N. Rockwall (Squabble Creek) WWTP	Panther Creek WWTP
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 612,983	\$ 8,951,831
Cash received from (paid to) others	-	17
Cash paid to suppliers for goods and services	(308,088)	(2,589,510)
Cash paid for employee services	(104,736)	(1,128,328)
Cash paid to other funds	(171,111)	(1,420,943)
Net cash provided by (used for) operating activities	<u>29,048</u>	<u>3,813,067</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the issuance of bonds	-	(11,207)
Cash paid for capital assets	(10,624)	(1,712,935)
Interest paid on long-term debt	-	(1,322,687)
Principal payments on long-term debt	-	(3,015,000)
Payments for bond issue costs	-	11,207
Net cash provided by (used for) capital and related financing activities	<u>(10,624)</u>	<u>(6,050,622)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale and maturity of investments	-	2,517,639
Purchases of investments	-	(2,388,420)
Interest received	72	2,222
Net cash provided by (used for) investing activities	<u>72</u>	<u>131,441</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	18,496	(2,106,114)
CASH AND CASH EQUIVALENTS—Beginning of year	68,201	8,208,302
CASH AND CASH EQUIVALENTS—End of year	\$ 86,697	\$ 6,102,188
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION		
Unrestricted cash and cash equivalents	\$ 85,242	\$ 1,045,880
Restricted cash and cash equivalents	1,455	5,056,308
	<u>\$ 86,697</u>	<u>\$ 6,102,188</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ (62,508)	\$ 2,347,659
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	48,743	1,385,622
Change in operating assets and liabilities:		
Accounts receivable and deferred billings	21,993	61,558
Prepaid expenses	(2,330)	(32,302)
Pension related deferred outflows of resources	(4,064)	(50,073)
OPEB related deferred outflows of resources	(6,451)	(77,834)
Net pension liability	26,967	332,261
Pension related deferred inflows of resources	(3,176)	(39,130)
OPEB related deferred inflows of resources	96	1,161
Net OPEB liability	7,950	95,920
Due to/from other funds	(3,162)	(9,861)
Accounts payable, accrued liabilities, and developers' deposits	(14,013)	(142,376)
Accrued vacation and accrued sick	6,733	(68,266)
Customers' advance payments	12,270	8,728
Total adjustments	<u>91,556</u>	<u>1,465,408</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 29,048	\$ 3,813,067
NONCASH TRANSACTION DISCLOSURES		
Gain (loss) on disposal of capital assets	\$ -	\$ -
Amortization of bond-related items	-	(394,749)
Change in fair value of investments	-	4,041
Change in liabilities related to capital assets	-	(20,000)
Change in actuarial value of net pension liability	(26,967)	(332,261)

Sabine Creek WWTP	Stewart Creek WWTP	Muddy Creek WWTP	Seis Lagos WWTP	Royse City WWTP	Farmersville WWTP
\$ 2,573,240	\$ 8,397,289	\$ 6,889,382	\$ 230,191	\$ 4,155	\$ 507,673
2,501	1,018	5	-	-	-
(863,655)	(2,177,891)	(2,489,595)	(132,011)	(15,647)	(230,160)
(195,325)	(1,134,614)	(1,105,840)	(56,847)	(1,631)	(130,404)
(421,591)	(954,227)	(1,366,944)	(80,802)	(2,555)	(119,278)
<u>1,095,170</u>	<u>4,131,575</u>	<u>1,927,008</u>	<u>(39,469)</u>	<u>(15,678)</u>	<u>27,831</u>
3,500,800	-	9,900,434	-	-	-
(1,586,182)	(1,061,732)	(1,376,281)	(16,884)	(114)	(7,909)
(410,331)	(2,152,937)	(575,676)	-	-	-
(1,100,000)	(2,570,000)	(1,915,000)	-	-	-
(149,353)	-	(240,465)	-	-	-
<u>254,934</u>	<u>(5,784,669)</u>	<u>5,793,012</u>	<u>(16,884)</u>	<u>(114)</u>	<u>(7,909)</u>
4,500	2,220,003	2,434,350	-	-	-
(813,354)	(2,789,589)	(3,971,023)	-	-	-
6,285	70,571	(3,725)	40	26	72
(802,569)	(499,015)	(1,540,398)	40	26	72
547,535	(2,152,109)	6,179,622	(56,313)	(15,766)	19,994
1,837,381	8,361,995	2,564,687	52,805	46,335	70,219
<u>\$ 2,384,916</u>	<u>\$ 6,209,886</u>	<u>\$ 8,744,309</u>	<u>\$ (3,508)</u>	<u>\$ 30,569</u>	<u>\$ 90,213</u>
\$ (50,399)	\$ 2,162,240	\$ 277,673	\$ (7,997)	\$ 19,983	\$ 84,047
2,435,315	4,047,646	8,466,636	4,489	10,586	6,166
<u>\$ 2,384,916</u>	<u>\$ 6,209,886</u>	<u>\$ 8,744,309</u>	<u>\$ (3,508)</u>	<u>\$ 30,569</u>	<u>\$ 90,213</u>
\$ 643,124	\$ 4,258,897	\$ 860,138	\$ (11,917)	\$ (1,695)	\$ (26,920)
672,227	312,552	1,251,944	5,077	407	12,216
(468,063)	(54,508)	(511,558)	(35,251)	104	(4,242)
(4,190)	(27,830)	(10,355)	(1,393)	48	(2,310)
(8,195)	(37,831)	(49,589)	(2,218)	(280)	(4,228)
(12,366)	(73,281)	(72,333)	(3,560)	(96)	(8,188)
48,751	251,025	329,045	14,718	1,860	28,054
(4,627)	(29,563)	(38,751)	(1,733)	(219)	(3,304)
497	1,093	1,079	53	1	122
15,461	90,309	89,141	4,387	119	10,091
18,458	8,662	(24,853)	5,837	(18)	5,554
8,283	(173,774)	33,378	586	(1,756)	(5,546)
14,698	41,103	8,482	5,879	(5)	6,943
171,112	(435,279)	61,240	(19,934)	(14,148)	19,589
452,046	(127,322)	1,066,870	(27,552)	(13,983)	54,751
<u>\$ 1,095,170</u>	<u>\$ 4,131,575</u>	<u>\$ 1,927,008</u>	<u>\$ (39,469)</u>	<u>\$ (15,678)</u>	<u>\$ 27,831</u>
\$ -	\$ -	\$ 3,695	\$ -	\$ -	\$ -
(28,845)	(349,339)	(127,932)	-	-	-
1,871	55,271	3,094	-	-	-
(390,399)	(5,000)	(5,000)	-	-	-
(48,751)	(251,025)	(329,045)	(14,718)	(1,860)	(28,054)

(Continued)

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULES OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2021**

	Lavon WWTP	Forney Interceptor
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 418,348	\$ 396,647
Cash received from (paid to) others	-	-
Cash paid to suppliers for goods and services	(158,082)	(217,470)
Cash paid for employee services	(129,518)	-
Cash paid to other funds	(112,929)	(123,149)
Net cash provided by (used for) operating activities	<u>17,819</u>	<u>56,028</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the issuance of bonds	-	-
Cash paid for capital assets	(4,362)	(22)
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>(4,362)</u>	<u>(22)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale and maturity of investments	-	-
Purchases of investments	-	-
Interest received	71	355
Net cash provided by (used for) investing activities	<u>71</u>	<u>355</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,528	56,361
CASH AND CASH EQUIVALENTS—Beginning of year	47,213	384,821
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 60,741</u>	<u>\$ 441,182</u>
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION		
Unrestricted cash and cash equivalents	\$ 43,010	\$ 422,788
Restricted cash and cash equivalents	17,731	18,394
	<u>\$ 60,741</u>	<u>\$ 441,182</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ (14,323)	\$ (54,722)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	8,013	54,610
Change in operating assets and liabilities:		
Accounts receivable and deferred billings	(9,051)	(541)
Prepaid expenses	(2,135)	2,889
Pension related deferred outflows of resources	(2,746)	-
OPEB related deferred outflows of resources	(8,441)	-
Net pension liability	18,221	-
Pension related deferred inflows of resources	(2,146)	-
OPEB related deferred inflows of resources	126	-
Net OPEB liability	10,402	-
Due to/from other funds	4,823	9,424
Accounts payable, accrued liabilities, and developers' deposits	(3,592)	84,492
Accrued vacation and accrued sick	10,337	384
Customers' advance payments	8,331	(40,508)
Total adjustments	<u>32,142</u>	<u>110,750</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 17,819</u>	<u>\$ 56,028</u>
NONCASH TRANSACTION DISCLOSURES		
Gain (loss) on disposal of capital assets	\$ -	\$ -
Amortization of bond-related items	-	-
Change in fair value of investments	-	-
Change in liabilities related to capital assets	-	-
Change in actuarial value of net pension liability	(18,221)	-

Lower East Fork Interceptor	Muddy Creek Interceptor	Parker Creek Interceptor	Sabine Creek Interceptor	Buffalo Creek Interceptor
\$ 1,776,464	\$ 434,839	\$ 469,340	\$ 248,795	\$ 2,898,528
-	12	3	-	271
(114,855)	(220,477)	(166,646)	(9,384)	(910,159)
(157,044)	(30,769)	(54,760)	(7,862)	(291,787)
<u>1,504,565</u>	<u>183,605</u>	<u>247,937</u>	<u>231,549</u>	<u>1,696,853</u>
-	-	-	-	30,032,061
-	-	(438,959)	(157,552)	(8,571,846)
(273,150)	(30,750)	(30,750)	(24,856)	(731,991)
(1,030,000)	(225,000)	(190,000)	(155,000)	(1,390,000)
-	-	-	-	(671,125)
<u>(1,303,150)</u>	<u>(255,750)</u>	<u>(659,709)</u>	<u>(337,408)</u>	<u>18,667,099</u>
607,502	152,505	150,005	102,503	4,982,575
(602,456)	(105,244)	(100,233)	(65,151)	(8,853,520)
22,628	4,638	4,042	3,571	34,344
<u>27,674</u>	<u>51,899</u>	<u>53,814</u>	<u>40,923</u>	<u>(3,836,601)</u>
229,089	(20,246)	(357,958)	(64,936)	16,527,351
1,052,994	497,902	1,048,670	653,265	4,531,797
<u>\$ 1,282,083</u>	<u>\$ 477,656</u>	<u>\$ 690,712</u>	<u>\$ 588,329</u>	<u>\$ 21,059,148</u>
\$ 815,897	\$ 313,859	\$ 425,131	\$ 300,730	\$ 1,501,197
466,186	163,797	265,581	287,599	19,557,951
<u>\$ 1,282,083</u>	<u>\$ 477,656</u>	<u>\$ 690,712</u>	<u>\$ 588,329</u>	<u>\$ 21,059,148</u>
<u>\$ 930,142</u>	<u>\$ 78,602</u>	<u>\$ 124,211</u>	<u>\$ 137,608</u>	<u>\$ 256,571</u>
302,760	111,943	49,320	33,956	610,271
816	148	(695)	(24,993)	127,014
143	(16,256)	-	-	1,634
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
50,355	259	953	2,869	(589)
298,626	50,843	73,526	84,917	147,217
422	73	585	42	770
(78,699)	(42,007)	37	(2,850)	553,965
574,423	105,003	123,726	93,941	1,440,282
<u>\$ 1,504,565</u>	<u>\$ 183,605</u>	<u>\$ 247,937</u>	<u>\$ 231,549</u>	<u>\$ 1,696,853</u>
\$ -	\$ -	\$ -	\$ -	\$ -
(102,092)	(10,423)	-	-	(110,908)
19,012	3,733	3,001	2,731	16,817
-	-	(1,000)	-	(734,171)
-	-	-	-	-

(Continued)

**SEWER SYSTEM SUPPLEMENTAL
SCHEDULES OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2021**

	McKinney Interceptor	Mustang Creek Interceptor
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 31,311	\$ 2,282,206
Cash received from (paid to) others	-	-
Cash paid to suppliers for goods and services	(15,048)	(42,267)
Cash paid for employee services	-	-
Cash paid to other funds	(2,450)	(133,021)
Net cash provided by (used for) operating activities	<u>13,813</u>	<u>2,106,918</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the issuance of bonds	-	(5,600)
Cash paid for capital assets	86,261	(7,955,168)
Interest paid on long-term debt	-	(1,139,224)
Principal payments on long-term debt	-	(700,000)
Payments for bond issue costs	-	5,600
Net cash provided by (used for) capital and related financing activities	<u>86,261</u>	<u>(9,794,392)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale and maturity of investments	-	4,034,808
Purchases of investments	-	(1,685,412)
Interest received	238	5,962
Net cash provided by (used for) investing activities	<u>238</u>	<u>2,355,358</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	100,312	(5,332,116)
CASH AND CASH EQUIVALENTS—Beginning of year	272,805	10,698,439
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 373,117</u>	<u>\$ 5,366,323</u>
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION		
Unrestricted cash and cash equivalents	\$ 271,191	\$ 1,003,910
Restricted cash and cash equivalents	101,926	4,362,413
	<u>\$ 373,117</u>	<u>\$ 5,366,323</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 45,042	\$ 1,857,849
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	(50)	21,387
Prepaid expenses	-	498
Pension related deferred outflows of resources	-	-
OPEB related deferred outflows of resources	-	-
Net pension liability	-	-
Pension related deferred inflows of resources	-	-
OPEB related deferred inflows of resources	-	-
Net OPEB liability	-	-
Due to/from other funds	-	(746)
Accounts payable, accrued liabilities, and developers' deposits	(96,070)	74,387
Accrued vacation and accrued sick	41	306
Customers' advance payments	9,909	(18,106)
Total adjustments	(31,229)	249,069
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 13,813</u>	<u>\$ 2,106,918</u>
NONCASH TRANSACTION DISCLOSURES		
Gain (loss) on disposal of capital assets	\$ -	\$ -
Amortization of bond-related items	-	(69,877)
Change in fair value of investments	-	8,230
Change in liabilities related to capital assets	-	(232,311)
Change in actuarial value of net pension liability	-	-

SEWER SYSTEM

NORTH TEXAS MUNICIPAL WATER DISTRICT

Parker Creek Parallel WW Interceptor	Small Plants Clearing	Wastewater Pretreatment Program	Total Sewer System
\$ 108,087	\$ -	\$ 1,158,437	\$ 41,449,151
	14	20	3,861
(5,470)	20,737	(393,015)	(12,056,296)
-	-	(529,549)	(4,679,333)
(10,213)	(78,764)	(236,537)	(6,133,268)
<u>92,404</u>	<u>(58,013)</u>	<u>(644)</u>	<u>18,584,115</u>
			43,416,488
340	-	(16,600)	(22,965,454)
(65,356)	-	-	(7,259,603)
(120,000)	-	-	(13,690,000)
-	-	-	(1,044,136)
<u>(185,016)</u>	<u>-</u>	<u>(16,600)</u>	<u>(1,542,705)</u>
			17,680,186
4,000	-	-	(23,817,112)
(199,955)	-	150	158,931
985	-	150	<u>(5,977,995)</u>
<u>(194,970)</u>	<u>-</u>	<u>150</u>	
			11,063,415
(287,582)	(58,013)	(17,094)	44,595,207
453,930	(19,068)	187,909	<u>\$ 166,348</u>
<u>\$ 166,348</u>	<u>\$ (77,081)</u>	<u>\$ 170,815</u>	<u>\$ 55,658,622</u>
			\$ 47,129
	\$ (77,081)	\$ 170,815	\$ 9,486,881
119,219	-	-	<u>\$ 166,348</u>
<u>\$ 166,348</u>	<u>\$ (77,081)</u>	<u>\$ 170,815</u>	<u>\$ 55,658,622</u>
			\$ 43,248
	\$ -	\$ (116,978)	\$ 12,147,619
49,232	-	17,730	6,073,501
	-		
(207)	-	43,955	(874,913)
(15)	-	(3,338)	(97,954)
-	-	(21,866)	(187,130)
-	-	(38,662)	(311,007)
-	-	145,091	1,241,698
-	-	(17,087)	(146,233)
-	-	577	4,638
-	-	47,645	383,275
(1)	(51,403)	349	57,840
(378)	(6,610)	(38,933)	363,339
21	-	(28,043)	11,928
504	-	8,916	(82,486)
<u>49,156</u>	<u>(58,013)</u>	<u>116,334</u>	<u>6,436,496</u>
<u>\$ 92,404</u>	<u>\$ (58,013)</u>	<u>\$ (644)</u>	<u>\$ 18,584,115</u>
			\$ -
(3,492)	\$ -	\$ -	\$ 3,695
494	-	-	(1,201,267)
-	-	-	121,560
-	-	(145,091)	(1,387,881)
			(1,241,698)
			(Concluded)

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STATISTICAL

SECTION (UNAUDITED)

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TABLE OF CONTENTS

NORTH TEXAS MUNICIPAL WATER DISTRICT

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.

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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

	2012	2013	2014
Net investment in capital assets	\$ 687,317,597	\$ 747,192,747	\$ 794,854,341
Restricted for debt service	129,622,913	134,554,194	138,297,302
Unrestricted	102,807,227	83,782,522	89,311,734
Total	\$ 919,747,737	\$ 965,529,463	\$ 1,022,463,377
	2015	2016	2017
Net investment in capital assets	\$ 864,338,873	\$ 942,119,408	\$ 1,055,668,099
Restricted for debt service	142,275,759	141,312,557	147,826,838
Unrestricted	77,655,896	126,729,695	130,713,207
Total	\$ 1,084,270,528	\$ 1,210,161,660	\$ 1,334,208,144
	2018	2019	2020
Net investment in capital assets	\$ 1,077,370,618	\$ 1,206,866,459	\$ 1,309,031,458
Restricted for debt service	192,006,392	221,897,098	242,546,402
Unrestricted	182,514,170	190,419,144	198,229,568
Total	\$ 1,451,891,180	\$ 1,619,182,701	\$ 1,749,807,428
	2021		
Net investment in capital assets	\$ 1,430,006,844		
Restricted for debt service	231,587,717		
Unrestricted	162,992,241		
Total	\$ 1,824,586,802		

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
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) (a)
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) (b)
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) (c)
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	-
2020	616,687,602	394,966,412	221,721,190	(86,900,548)	134,820,642	(4,195,915) (d)
2021	644,002,832	458,971,448	185,031,384	(110,252,010)	74,779,374	-

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

As a result of the implementation of GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities", the presentation of bond issuance costs was eliminated from the Statement of Net Position. As such, a restatement adjustment was necessary to adjust beginning net position to reflect the elimination of bond issuances costs, by fund, as of the (a) beginning of the fiscal year.

As a result of the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions — and Amendment of GASB Statement No. 27" and GASB statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date", an adjustment for a change in accounting principle was made to record the District's net pension (b) liability as of September 30, 2015.

As a result of the implementation of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", an adjustment for a change in accounting principle was made to record the District's net OPEB (c) liability as of October 1, 2016.

In accordance with GASB Statement No. 18 "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs", equipment and facilities should be fully depreciated by the date a landfill stops accepting waste. The District made a correction of an error to prior periods to account for the cost of projects and equipment incorrectly capitalized then (d) depreciated over several years.

SCHEDULE - 3**TOTAL REVENUES BY SOURCE (UNAUDITED)
LAST TEN FISCAL YEARS**

Fiscal Year	Water Sales	Wastewater Service Fees		Solid Waste Service Fees		Internal Service Funds	Investment Income		Miscellaneous	Total
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			
2020	351,608,930	149,364,600	34,789,150	76,499,319	29,796,188	7,330,721	649,388,908			
2021	358,703,567	160,257,679	35,456,934	78,803,502	1,928,909	12,852,423	648,003,014			

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

(1) The Internal Service Funds revenues are intragovernmental.

(2) 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	Interest Expense	Depreciation	Amortization	Miscellaneous	Total
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
2020	320,017,085	119,601,854	74,949,327	-	-	514,568,266
2021	380,203,805	114,251,769	78,767,643	-	423	573,223,640

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	Regional		Solid		Internal		(1)
	Water System	Wastewater System	Sewer System	Waste System	Interceptor System	Service Funds	
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
2020	379,221,159	75,933,178	40,117,161	37,289,568	40,137,409	76,690,433	649,388,908
2021	368,686,451	80,204,478	42,962,606	38,540,612	38,636,523	78,972,344	648,003,014

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

(1) The Internal Service Funds revenues are intragovernmental.

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	Internal Service Funds	Total
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
2020	273,033,568	71,813,915	34,362,778	33,731,552	29,530,791	72,095,662	514,568,266
2021	309,405,597	74,049,533	36,981,418	36,488,492	31,222,269	85,076,331	573,223,640

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	Internal Service Funds	(1)		Total
					Other Operating Revenues		
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	
2020	351,608,930	149,364,600	34,789,150	76,499,319	4,425,603	616,687,602	
2021	358,703,567	160,257,679	35,456,934	78,803,502	10,781,150	644,002,832	

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

(1) The Internal Service Funds revenues are intragovernmental.

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

Fiscal Year	Personnel and Insurance	Electric Power	Chemicals	Operating Supplies and Services	Depreciation and Amortization	Total
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
2020	123,933,142	20,788,418	40,015,685	135,279,840	74,949,327	394,966,412
2021	121,833,115	49,290,390	46,989,599	162,090,701	78,767,643	458,971,448

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
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)			
2020	29,796,188	2,818,704	86,414	(119,601,854)	-	(86,900,548)			
2021	1,928,909	597,949	1,472,901	(114,251,769)	-	(110,252,010)			

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

* The District made a contribution of \$47,343,891 to the Fannin County Electric Cooperative related to the electric power agreements for the construction of the Bois d'Arc Lake. The scope of the agreement included the relocation of electric utility facilities, temporary power for the Leonard Water Treatment Plant (WTP) and Bois d'Arc Lake dam site, permanent power supply to dam and raw water pump stations, including a new substation and the Leonard WTP and High Service Pump Station, and to relocate electric facilities due to construction and inundation of Bois d'Arc Lake.

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	Internal Service Funds	Total
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
2020	50,185,768	62,929,670	11,551,067	10,449,405	12,458,564	47,678,006 *	195,252,480
2021	59,230,922	14,266,072	5,664,552	7,245,532	30,723,406	2,259,682	119,390,166

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

* Amount includes the transfer from the Water System to establish the Support Fund.

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	
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	
2020	108,773,163,000	106,274,528,000	2,498,635,000	2.3%	\$ 2.99	\$ 3.04	
2021	105,003,880,000	103,586,223,000	1,417,657,000	1.4%	\$ 2.99	\$ 3.04	

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
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
2020	43,637,993,000	947,925
2021	44,283,500,000	967,522

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

	2011-2012	2012-2013	2013-2014	2014-2015
WATER CONSUMPTION (GALLONS IN THOUSANDS):				
Member cities				
	81,019,601	78,407,137	69,155,408	66,632,698
Customer cities	15,822,993	14,956,602	14,475,125	13,390,178
	4,218	3,066	3,216	5,039
Total	96,846,812	93,366,805	83,633,749	80,027,915
Total rainfall (in inches)	35.16	29.17	29.08	44.54
WASTEWATER VOLUME TREATED (GALLONS IN THOUSANDS):				
Regional system	26,347,832	26,734,851	26,468,520	32,164,465
	6,441,461	6,184,819	6,078,417	7,199,860
Total	32,789,293	32,919,670	32,546,937	39,364,325
SOLID WASTE VOLUME (IN TONS):				
Transfer stations	459,167	475,072	495,756	533,545
	263,646	311,369	339,468	343,527
Total	722,813	786,441	835,224	877,072

(Continued)

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).

2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
80,685,320	78,723,004	84,799,369	76,329,794	86,454,720	84,046,205
16,655,941	16,398,007	18,471,203	16,359,329	19,816,491	19,536,888
3,978	2,940	2,929	2,833	3,317	3,130
<u>97,345,239</u>	<u>95,123,951</u>	<u>103,273,501</u>	<u>92,691,956</u>	<u>106,274,528</u>	<u>103,586,223</u>
<u>53.71</u>	<u>32.33</u>	<u>45.76</u>	<u>61.34</u>	<u>39.43</u>	<u>25.58</u>
34,983,736	30,525,105	32,790,044	38,584,105	35,464,757	36,266,034
7,965,967	7,044,514	7,509,118	8,638,986	8,173,236	8,017,466
<u>42,949,703</u>	<u>37,569,619</u>	<u>40,299,162</u>	<u>47,223,091</u>	<u>43,637,993</u>	<u>44,283,500</u>
566,601	586,098	598,793	610,732	608,566	626,741
383,619	423,138	386,728	399,434	339,359	340,781
<u>950,220</u>	<u>1,009,236</u>	<u>985,521</u>	<u>1,010,166</u>	<u>947,925</u>	<u>967,522</u>

(Concluded)

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		
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
2020	13	34	47	13	5
2021	13	34	47	13	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

	2012	2013	2014	2015	2016
Water Rates (per 1,000 gallons)					
Member Cities	\$ 1.49	\$ 1.70	\$ 1.87	\$ 2.06	\$ 2.29
Customer Cities	\$ 1.54	\$ 1.75	\$ 1.92	\$ 2.11	\$ 2.34
	2017	2018	2019	2020	2021
Water Rates (per 1,000 gallons)					
Member Cities	\$ 2.53	\$ 2.78	\$ 2.92	\$ 2.99	\$ 2.99
Customer Cities	\$ 2.58	\$ 2.83	\$ 2.97	\$ 3.04	\$ 3.04

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

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

Customer	Fiscal Year 2011					
	Water Sales		Wastewater Service Fees		Solid Waste Service Fees	
	Amount	%	Amount	%	Amount	%
Frisco	\$ 13,104,628	8.81%	\$ 6,673,258	9.03%	\$ 3,012,793	12.81%
Garland	18,669,728	12.55%	-	0.00%	-	0.00%
McKinney	13,692,963	9.21%	11,094,598	15.02%	4,543,915	19.31%
Mesquite	10,763,271	7.24%	7,548,989	10.22%	-	0.00%
Plano	35,423,862	23.82%	21,704,873	29.39%	7,674,633	32.62%
Richardson	14,389,544	9.68%	4,760,490	6.44%	3,678,921	15.64%
Subtotal	106,043,996	71.31%	51,782,208	70.10%	18,910,262	80.38%
Other Customers	42,669,958	28.69%	22,088,291	29.90%	4,616,074	19.62%
Grand Total	\$ 148,713,954	100.00%	\$ 73,870,499	100.00%	\$ 23,526,336	100.00%

Customer	Fiscal Year 2021					
	Water Sales		Wastewater Service Fees		Solid Waste Service Fees	
	Amount	%	Amount	%	Amount	%
Frisco	\$ 35,750,853	9.97%	\$ 24,340,234	15.19%	\$ 4,540,842	12.81%
Garland	39,799,013	11.10%	-	0.00%	-	0.00%
McKinney	35,062,080	9.77%	22,816,265	14.24%	5,758,346	16.24%
Mesquite	23,680,404	6.60%	12,045,570	7.52%	-	0.00%
Plano	76,800,152	21.41%	36,806,871	22.97%	8,203,432	23.14%
Richardson	31,632,235	8.82%	13,370,177	8.34%	3,647,306	10.29%
Subtotal	242,724,737	67.67%	109,379,117	68.25%	22,149,926	62.47%
Other Customers	115,978,830	32.33%	50,878,562	31.75%	13,307,008	37.53%
Grand Total	\$ 358,703,567	100.00%	\$ 160,257,679	100.00%	\$ 35,456,934	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	U.S.			Total	District Population	Per Capita Debt
	Revenue Bonds ⁽¹⁾	Government Notes	Capital Leases			
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	3,116
2019	4,121,054,853	25,002,689	-	4,146,057,542	1,034,730	4,007
2020	4,281,282,596	24,952,694	-	4,306,235,290	1,064,465 (2)	N/A
2021	4,372,991,258	-	-	4,372,991,258	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 2020 Per Capita Debt and the 2021 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	{a} Total Revenues	Less: Operating Expenses (excluding depreciation)	Net Available Revenues	Debt Service			Coverage Ratio
				Principal	Adjustment {b}	Interest Paid	
2012	\$ 275,884,219	\$ 129,796,674	\$ 146,087,545	\$ 49,873,819	\$ -	\$ 61,388,483	\$ 111,262,302 1.31
2013	300,500,703	140,151,618	160,349,085	62,918,838	-	79,055,732	141,974,570 1.13
2014	318,487,264	157,424,943	161,062,321	63,480,151	-	71,448,310	134,928,461 1.19
2015	344,949,693	158,078,403	186,871,290	72,317,798	-	74,903,222	147,221,020 1.27
2016	406,009,175	170,589,206	235,419,969	79,006,824	-	80,521,078	159,527,902 1.48
2017	452,162,751	190,104,395	262,058,356	91,572,271	-	87,754,800	179,327,071 1.46
2018	519,737,177	197,014,560	322,722,617	98,764,187	-	103,020,601	201,784,788 1.60
2019	573,625,215	219,497,717	354,127,498	131,907,616	-	130,553,352	262,460,968 1.35
2020	649,388,908	320,017,085	329,371,823	138,667,612	-	135,083,270	273,750,882 1.20
2021	648,003,014	380,203,805	267,799,209	144,109,225	-	132,490,030	276,599,255 0.97

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
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	44,135,961	43,910	3.6%
2019	1,034,730	45,772,316	44,236	4.0%
2020	1,064,465	N/A (1)	N/A (1)	N/A (1)

Source: Year 2011 was based on information provided by North Central Texas Council of Governments. Years 2012 - 2020 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.

(1) The District was unable to obtain this information for calendar year 2020 and 2021 at the time of publication of this report.

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

Employer	2020	
	Employees	Percentage of Total
State Farm Insurance Corporate Office	9,985	1.89%
Plano Independent School District	6,854	1.30%
Capital One	5,979	1.13%
AT&T	4,300	0.82%
DXC Technology	4,000	7.60%
Toyota of America	3,937	0.75%
Bank of America Home Loans	3,729	0.71%
Blue Cross Blue Shield of Texas	3,100	0.59%
Ericsson	2,713	0.51%
Liberty Mutual Insurance	2,700	0.51%
Total	47,297	15.81%
Total Employed in the County	527,191	
Employer	2010	
	Employees	Percentage of Total
JC Penney	5,100	1.04%
HP (formerly EDS)	5,000	1.02%
Bank of America (formerly Countrywide Home Loans)	4,646	0.95%
Dell (formerly Perot Systems)	2,950	0.60%
Raytheon	2,500	0.51%
CHC Acquisition Corp	2,000	0.41%
Frito-Lay Inc	2,000	0.41%
Alcatel	1,830	0.37%
T-Mobile	1,500	0.31%
Total	27,526	5.60%

Source: Years 2010 and 2020 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 2021 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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Support:										
General	29.0	31.0	31.0	30.0	8.0	11.0	11.0	11.0	12.0	12.0
Public Information	2.0	2.0	2.0	3.0	2.0	3.0	3.0	4.0	4.0	4.0
Engineering	43.0	44.0	50.0	62.0	74.0	77.0	82.0	87.0	91.9	91.9
Permitting					4.2	4.0	3.0	2.0	2.1	2.1
Control Systems									9.1	9.1
Facilities Service	43.5	46.5	48.5	55.0	61.0	61.0	60.5	61.5	64.5	64.5
Technical Service	56.5	58.5	80.5	85.0	91.0	92.0	91.5	101.5	95.5	95.5
Human Resources									11.5	11.5
Records									6.1	6.1
Safety							5.0	5.0	8.4	8.4
Accounting									15.5	15.5
Finance									10.5	10.5
Purchasing									4.0	4.0
Information Technology					20.4	24.0	24.0	18.0	19.2	18.2
Environmental Service	7.7	7.7	9.2	11.4	11.0	11.5	10.5	11.5	9.6	9.6
Laboratory	25.3	27.3	27.3	26.9	27.8	26.0	27.0	29.0	31.7	31.7
Regulatory Compliance					3.3	4.0	3.0	3.0	3.5	3.5
Administration	21.0	21.0	25.0	28.0	36.0	38.0	39.0	47.0	0.0	0.0
Total	228.0	238.0	273.5	301.3	338.7	351.5	359.5	380.5	398.9	397.9
Water:										
Plant Operations	66.0	78.0	64.0	66.0	77.0	79.0	80.0	85.0	83.0	83.0
Tawakoni Raw Water Pump St	11.0	11.0	11.0	11.0	12.0	12.0	12.0	12.0	12.0	11.0
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
Bois d'Arc lake									2.0	3.0
Leonard WTP									7.0	8.0
Transmission									5.0	4.0
Total	95.0	107.0	93.0	95.0	107.0	109.0	110.0	115.0	127.0	127.0
Wastewater:										
Wilson Creek WWTP	55.8	55.8	56.1	56.4	58.8	59.0	59.0	62.0	66.0	67.0
Floyd Branch WWTP	6.3	6.3	6.4	6.5	7.5	8.0	8.0	7.0	7.0	7.0
Rowlett Creek WWTP	21.8	21.8	23.1	23.4	25.5	26.5	26.5	26.5	28.5	29.5
Mesquite WWTP	32.8	32.8	34.1	35.4	34.1	34.0	35.0	35.0	35.0	36.0
Panther Creek WWTP	12.1	12.1	12.1	12.6	17.8	17.8	17.8	17.8	17.8	18.3
Muddy Creek WWTP	12.1	12.1	12.1	12.1	18.4	18.9	18.9	19.4	19.4	18.4
Stewart Creek WWTP	6.1	6.1	6.1	6.6	10.6	11.5	18.5	18.5	19.5	19.0
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	7.5	7.0	9.0	9.0	9.5	10.5	10.5
Pretreatment	5.0	5.0	5.5	6.7	6.8	7.5	7.5	7.5	8.2	8.2
Dewatering	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Forney Interceptor						0.1	0.0	0.0	0.0	0.0
Lower East Fork Interceptor						0.1	0.1	0.0	0.0	0.0
Buffalo Creek Interceptor							0.1	0.0	0.0	0.0
Upper East Fork Interceptor	7.9	8.9	8.9	11.9	19.9	19.1	19.3	19.3	22.3	22.3
Total	167.0	168.0	171.6	178.7	206.3	211.5	219.5	222.5	234.2	236.2

(Continued)

STATISTICAL

NORTH TEXAS MUNICIPAL WATER DISTRICT

Solid Waste:

Transfer Station	48.8	47.8	47.3	46.3	46.4	47.0	50.0	54.0	57.0	57.0
Landfills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Disposal Facility	40.3	39.3	36.8	32.8	33.9	34.7	34.7	34.7	34.7	30.7
Fleet Maintenance Shop	12.0	12.0	15.0	16.0	18.7	19.4	19.4	19.4	21.4	26.4
Total	101	99.0	99.0	95.0	99.0	101.0	104.0	108.0	113.0	114.0
Total Employees	591.0	612.0	637.0	670.0	751.0	773.0	793.0	826.0	873.0	875.0

(Concluded)

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

SCHEDULE - 21**MISCELLANEOUS STATISTICAL DATA (UNAUDITED)****YEAR ENDED SEPTEMBER 30, 2021**

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

Year of creation	1951
Domicile	Wylie, Texas
District population	2,000,000
District service area	2,200 square miles
Water Treatment Plant	420 Acres
Rain received at Lavon Lake during fiscal year	23.06
Total employees	875

REGIONAL WATER SYSTEM**RAW WATER SUPPLY—RELIABLE SUPPLY:**

Lavon Lake	84.0	MGD
Lake Texoma	60.0	
Jim Chapman Lake	40.0	
Lake Bonham	2.0	
Lake Tawakoni	45.7	
Wilson Creek Reuse	43.0	
East Fork Raw Water Supply	49.0	
Main Stem Trinity River	50.0	
Total	373.7	MGD

WATER TREATMENT PLANTS:

Wylie—WTP I	70.0	MGD
Wylie—WTP II	280.0	
Wylie—WTP III	280.0	
Wylie—WTP IV	210.0	
Bonham WTP	6.6	
Tawakoni WTP	30.0	
Total	876.6	MGD

TRANSMISSION PIPELINES:

12" to 24" diameter	145.35	Miles
30" to 54" diameter	162.80	
60" to 96" diameter	302.72	
Total	610.87	Miles

(Continued)

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	10	
Total raw water pumping capacity	290.0	MGD

Main Stem Trinity River

Total water pumps	4.0	
Total raw water pumping capacity	114.0	MGD

Lake Tawakoni—2 sites:

Total water pumps	7	
Total raw water pumping capacity	168.0	MGD

Wylie Water Plant - Treated Water Pump Stations

Wylie Water Plant - Treated Water Pumping Capacity	7	
	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

WASTEWATER SYSTEM

Permitted Capacity

REGIONAL SYSTEM:

Regional wastewater plants:

Floyd Branch RWWTP	*	4.750	MGD
South Mesquite RWWTP	*	33.000	
Rowlett Creek RWWTP	*	24.000	
Wilson Creek RWWTP	*	64.000	

SEWER SYSTEM:

City:

Farmersville	Farmersville No. 1 Plant	0.225	a
	Farmersville No. 2 Plant	0.530	a
	Panther Creek Plant	*	10.000
	Stewart Creek West Plant	*	10.000
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	

(Continued)

Wylie and Murphy	Muddy Creek Plant	*	10.000
Wylie	Wylie Plant	*	2.000
			<u>165.955</u>
Total treatment capacity			MGD
Total number of plants			14
Total number of plants in operation			13 **
a) Operates as a single plant			
b) Not in operation			
* Number of plants owned by NTMWD			11
** Total number of plants in operation at September 30, 2021			

INTERCEPTOR SYSTEMS

	Pipeline Length	
Upper East Fork Interceptor System	165.89	Miles
Lakeside Interceptor (Rockwall)	4.35	
Muddy Creek Interceptor	4.24	
Forney Interceptor	6.93	
Sabine Creek Interceptor	3.73	
Parker Creek Interceptor	5.82	
Buffalo Creek Interceptor	16.28	
McKinney Interceptor System	3.04	
Mustang Creek Interceptor System	7.62	
Parker Creek Parallel Interceptor	1.5	
Lower East Fork Interceptor System	9.35	
	<u>228.75</u>	
Total	<u>228.75</u>	Miles

SOLID WASTE SYSTEM

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Water:										
Size of Service Area (square miles)	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Water Supply (MGD)	369	370	370	370	370	370	370	370	370	374
Treatment Capacity (MGD)	807	807	807	807	807	807	807	807	807	877
Miles of Transmission Pipelines	518	518	566	573	573	576	576	576	611	611
Water Storage Capacity (MG)	400	403	403	410	410	410	410	410	410	410
City Delivery Points	78	77	77	77	82	82	82	82	82	82
Total Rainfall (Inches)	35	29	29	45	54	32	46	59	40	23
Annual Consumption (BG)	97	93	84	80	97	95	103	93	106	104
Wastewater:										
Miles of Interceptor Lines	243	243	250	250	251	252	223	225	228	229
Number of Treatment Plants	18	17	17	17	17	17	17	17	17	14
Treatment Capacity (MGD)	145	152	152	152	152	152	152	153	161	166
Annual Volume Treated (BG)	33	33	33	39	43	38	40	47	44	44
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)	723	786	835	877	950	1,009	986	1,010	948	968

Source: Based on information provided in NTMWD Operation Report.

SCHEDULE - 23
INSURANCE IN FORCE (UNAUDITED)
YEAR ENDED SEPTEMBER 30, 2021

Carrier	Policy No	Coverage	Policy Limits	Term	Approximate Annual Premium
Texas Water Conservation Association Risk Management Fund	7	Workers' compensation	Statutory	7-01-21 to 7-01-22	\$ 510,293
Texas Water Conservation Association Risk Management Fund	7	General liability	\$10,000,000 per occurrence \$10,000,000 annual aggregate	7-01-21 to 7-01-22	\$ 150,474
Texas Water Conservation Association Risk Management Fund	7	Automobile liability	\$10,000,000 per occurrence \$10,000,000 annual aggregate	7-01-21 to 7-01-22	\$ 154,405
Texas Water Conservation Association Risk Management Fund	7	Directors' and officers' liability	\$10,000,000 per occurrence \$10,000,000 annual aggregate	7-01-21 to 7-01-22	\$ 94,141
USI Insurance Services	IB016	Automobile physical damage	Actual cash value	7-01-21 to 7-01-22	\$ 403,586
USI Insurance Services	6615026	Fire and extended coverage	\$756,417,535 scheduled property	12-31-20 to 12-31-21	\$ 1,113,355
Chubb & Son Insurance		Commercial floater	\$30,772,024 scheduled & \$1,110,000 unscheduled property	5-01-21 to 5-01-22	\$ 85,844
USI Insurance Services	105874034	Fidelity bond	\$1,000,000 per occurrence	1-01-21 to 1-01-22	\$ 6,330
Anco Insurance B/CS	04TO000109220	Pollution storage tanks	\$1,000,000 per occurrence \$1,000,000 annual aggregate	12-01-20 to 12-01-21	\$ 551

Source: Based on information provided in NTMWD Insurance Policies.



NORTH
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WATER
DISTRICT

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