

# **North Texas Municipal Water District**



## **2014-2015 Comprehensive Annual Financial Report**

**For Fiscal Year Ended:  
September 30, 2015**

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

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2015**

**AS PREPARED BY THE  
NTMWD ACCOUNTING DEPARTMENT**

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**NORTH TEXAS MUNICIPAL WATER DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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## **INTRODUCTORY SECTION**

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# NORTH TEXAS MUNICIPAL WATER DISTRICT

## BOARD OF DIRECTORS

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Joe Joplin	President	McKinney
Terry Sam Anderson	Vice-President	Mesquite
Robert Thurmond, Jr.	Secretary	Wylie
Don Cates		Forney
Joe Farmer		Allen
Marvin Fuller		Wylie
Don Gordon		Garland
Darrell Grooms		Forney
Wayne May		Farmersville
James Kerr		Allen
Bill Lofland		Rockwall
Jack May		Garland
Charles McKissick		McKinney
Jim Mellody		Royse City
John Murphy		Richardson
Patrick Nicklen		Princeton
Larry Parks		Rockwall
Richard Peasley		Frisco
Bobby Robinson		Mesquite
Richard Sheehan		Princeton
Lynn Shuyler		Frisco
Shep Stahel		Plano
John Sweeden		Richardson
Darwin Whiteside		Royse City
Phil Dyer		Plano

\* \* \* \* \*

Thomas W. Kula  
Executive Director/General Manager

# **NORTH TEXAS MUNICIPAL WATER DISTRICT**

## **ORGANIZATIONAL STRUCTURE**

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Executive Director/General Manager	Thomas W. Kula
Deputy Director (Engineering & CIP)	Joe Stankiewicz
Assistant Deputy Director – CIP	R. J. Muraski
Assistant Deputy Director – Engineering	Cesar Baptista
Deputy Director (Operations & Maintenance)	Mike Rickman
Assistant Deputy Director – Solid Waste	Jeff Mayfield
Assistant Deputy Director – Wastewater	Jenna Covington
Assistant Deputy Director – Water	Billy George
Environmental Services Officer	Elizabeth Turner
Information Technology Officer	Jim Shirley
Maintenance Officer	Dave Patton
Deputy Director (Finance & Personnel)	Judd Sanderson
Accounting Manager	Teresa Wigington
Finance Manager	Erik Felthous
Human Resources Manager	John Montgomery
Records Manager	Kelly O'Brian



## **NORTH TEXAS MUNICIPAL WATER DISTRICT**

*Regional Service Through Unity*

January 18, 2016

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

State law requires that the North Texas Municipal Water District (the "District") publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the North Texas Municipal Water District for the fiscal year ended September 30, 2015.

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

The District's financial statements have been audited by Weaver & Tidwell LLP, independent auditors. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District as of and for the fiscal year ended September 30, 2015 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, 2015, 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 1.6 million citizens living in north Texas. The District currently serves a 2,200 square-mile service area located in nine counties adjacent to the north and east boundaries of Dallas, Texas, and comprises all of the territory of its 13 member cities (Allen, Farmersville, Forney, Frisco, Garland, McKinney, Mesquite, Plano, Princeton, Richardson, Rockwall, Royse City and Wylie).

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

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

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

## Factors Affecting Financial Condition

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

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

**Long-term financial planning.** The District maintains 20-Year Water Rate Projections for the Water System and 10-Year Cost Projections for the Wastewater, Interceptor and Solid Waste Systems that are updated annually. The objective of these projections is to provide sufficient resources to fund needed capital projects, cover operations and maintenance expenses, and manage debt incurred from bond sales.

The April 2015 Water System rate projection includes funding for \$3.3 billion of capital projects to be developed over the next twenty year period. To fund these projects the projection assumes that the District will issue \$1.7 billion of revenue bonds between 2016 and 2020 for several projects including the Lower Bois D'Arc Creek Reservoir Project. Also, between 2028 and 2032, it is assumed that the District will issue \$1.1 billion of bonds for additional system improvements including funds for the development of a Sulphur River Basin Water Supply Project.

The April 2015 water rate projections indicate that at least a \$1.90 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 March 2015 Wastewater System cost projection reflects several major improvement projects including the Rowlett Creek Wastewater Treatment Plant Peak Flow Management Project for 2016, 2017 and 2019, the Wilson Creek Wastewater Treatment Plant Advanced Treatment Project for 2016, and the expansion of the Wilson Creek Wastewater Treatment Plant from 56 mgd to 64 mgd by 2019. These projects will require the issuance of \$297 million of revenue bonds over the next four years.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Texas Municipal Water District for its Consolidated Annual Financial Report (CAFR) for the fiscal year ended September 30, 2014. This was the twenty fifth consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the accounting and finance departments. We would like to express our appreciation to all members of the organization who assisted and contributed to the preparation of this report.

In particular, our appreciation is extended to Teresa Wigington, Accounting Manager, Holly Matthews, Assistant Accounting Manager, and Tammy Turner, Financial Reporting Accountant, who worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report.

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

Respectfully Submitted,



Thomas W. Kula  
Executive Director/General Manager



Judd R. Sanderson, CPA  
Deputy Director of Finance and Personnel

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**North Texas  
Municipal Water District**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is fluid and cursive.

Executive Director/CEO

## ***The North Texas Municipal Water District (NTMWD)***

The North Texas Municipal Water District (NTMWD) 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 the 1951, 52nd Legislature of Texas, Regular Session, as amended. The NTMWD was created for 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 and other customers located in north central Texas. The essential services of regional water treatment and delivery, wastewater treatment, and solid waste disposal services enable residential and commercial growth within the communities served.

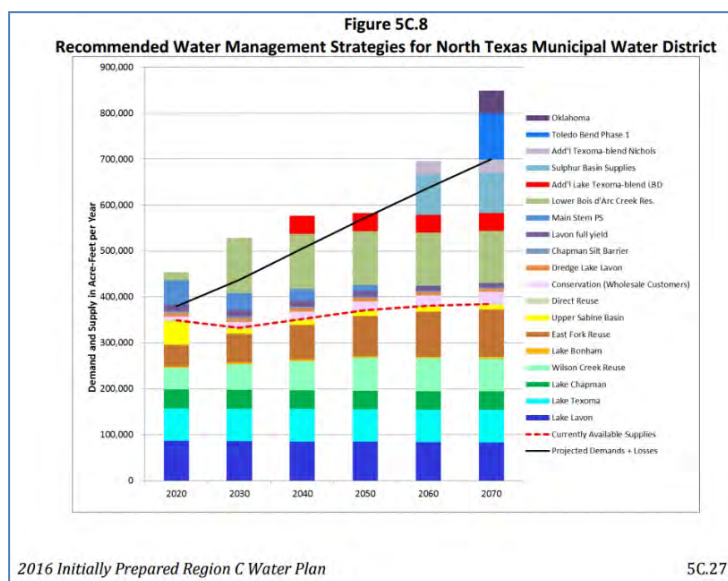
The NTMWD currently serves a 2,200 square-mile area located in nine counties, including all the territory of its Member Cities, viz.: Allen, Farmersville, Forney, Frisco, Garland, McKinney, Mesquite, Plano, Princeton, Richardson, Rockwall, Royse City, and Wylie. The NTMWD Administrative Office is located at 501 East Brown Street, Wylie, Texas. A 25-member Board of Directors governs the NTMWD. Two Directors represent each Member City with a population of 5,000 or more, while one Director represents each Member City with a population less than 5,000. Governing bodies of the respective Member City appoint members of the Board of Directors for two-year terms.



## Water System

As a regional wholesale provider of potable water, North Texas Municipal Water District (NTMWD) is committed to meeting the current and future water supply needs of its Member Cities and Customers. Water rates are set at cost, no profits are included, and no taxes are collected.

The population served by the NTMWD currently stands at over 1.6 million people and is expected to more than double by 2070 to 3.7 million residing inside the NTMWD service area, according to the initially prepared state water plan. NTMWD has identified additional raw water supplies to meet the future water demands over the planning period. These identified water management strategies are included in the 2016 Initially Prepared Region C Water Plan (<http://www.regioncwater.org>). For NTMWD, the top two additional water supply sources that will help meet the projected water needs through 2040 are the Trinity Main Stem Pump Station and the Lower Bois d'Arc Creek Reservoir project. Other identified water supply strategies vary from a diversity of sources including: conservation and reuse, connecting to existing water supplies, and/or new reservoirs.



NTMWD obtains its raw water supplies from Lavin Lake, Lake Texoma, Jim Chapman Lake, Lake Tawakoni, the Upper Sabine Basin, Lake Bonham and reuse of treated wastewater effluent from its Wilson Creek Regional Wastewater Treatment Plant, and the East Fork Raw Water Supply Project.

During the 2011 to 2015 North Texas drought, NTMWD was unable to use 28% of available water supply due to the presence of an invasive species, the zebra mussel, in Lake Texoma. NTMWD was able to continuously supply water throughout the extended drought despite the loss of this major water source by implementing a multi-faceted response plan.

First, regional water consumption was reduced through strong cooperation with NTMWD

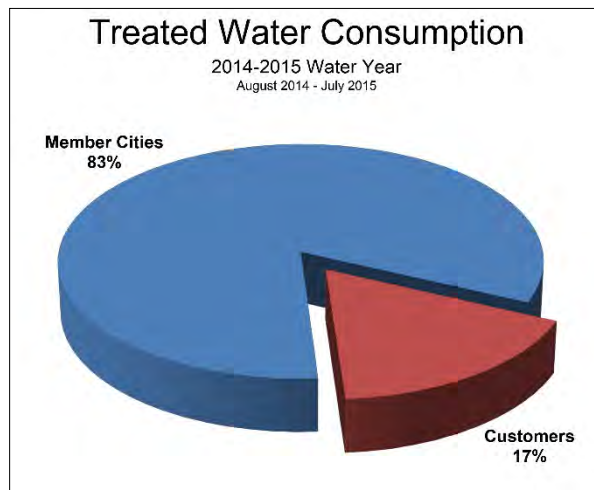
Member Cities and Customers who successfully implemented the water resource management strategies included in their Drought Contingency and Water Emergency Response Plans. Second, NTMWD and its Member Cities sought legislative relief from the Lacy Act which culminated in the passage of the North Texas Zebra Mussel Barrier Act of 2012. Third, the NTMWD implemented in earnest the construction of the Lake Texoma Outfall to Wylie Water Treatment Plant (WTP) Raw Water Pipeline in order to deliver Lake Texoma water directly to the Wylie Water Treatment Plant allowing any present zebra mussels to be eradicated during the treatment process. Finally, in May 2013, NTMWD began temporarily purchasing additional raw water, up to 60 million gallons per day, from Dallas Water Utilities for a 3-year term. Reservoir levels began to slowly recover in 2014, and the Texoma pipeline project was placed into service during the summer of 2014, restoring NTMWD supply at a critical time during drought. The reservoirs finally filled to full conservation pool levels in 2015, a year when several rainfall records for Texas were exceeded. In May 2015, NTMWD was able to end drought plan restrictions and transition into the NTMWD Water Conservation Plan (February 2014), allowing consumers to irrigate their lawns up to twice per week if needed.

Increasing the awareness of water conservation and water use efficiency as a water supply is vital for supplying water needs both today and in the future. Research results indicate the more knowledgeable consumers are regarding their source water, supplies, and water use habits, the more inclined they are to make wise water use behavior changes.

Since 2006, NTMWD has committed in excess of \$17.4 million to implement WaterIQ: Know Your Water, the statewide public awareness and water conservation program, and Water4Otter to facilitate and increase water efficient behaviors. In the fall of 2014, NTMWD launched Water4Otter, a youth water awareness campaign.

Water4Otter's campaign objective is to increase the conversation of water and water conservation in the home. Students at 50 schools received a Water4Otter presentation and students were provided clings with water saving tips to take home and engage a conversation of water with their parents. At the completion of the fall 2014 Water4Otter presentations, research was conducted to determine the success of the newly launched campaign. Research indicated that 78% of students that viewed a Water4Otter presentation had at least one water-related conversation with their parents. Research also indicated that 78% of the students participated in the use of the clings at their homes. The 2015 Water IQ campaign continued to elevate the need to reduce water use due to the ongoing drought and water supply issues that NTMWD faced. The key messaging highlighted the use of WaterMyYard.org. Through the continued success of the Water IQ program combined with the Member City and Customer's conservation strategies and drought response strategies, water consumption was reduced by an estimated 300-400 million gallons per day during the peak summer months of 2014.

During the 2014-2015 Water Year (August 2014 – July 2015) NTMWD treated and delivered 80 billion gallons of water, a decrease in delivery of 4% as compared to 83.6 billion gallons delivered during the 2013-2014 Water Year, with Member Cities utilizing 83% of the total supply delivered and the remaining 17% being utilized by the NTMWD Customers.



As of September 30, 2015, construction contracts for the Water System totaled over \$616 million. Major projects included: the Lake Texoma Outfall to Wylie Water Treatment Plant (WTP) Raw Water Pipeline; Wylie WTPs I, II, III, and IV Ozonation; Trinity Main Stem Pump Station and Raw Water Pipeline; Wylie WTP II Clearwell and Disinfection Improvements; the NTMWD Administrative Building Structural Repairs, Building Renovations, and Building Addition, Tasks 2 and 3; the Wylie WTP Finished Water Reservoir and Flow Metering Improvements; the North McKinney Pipeline, Phases I and II; and the Lake Tawakoni WTP.

Enhancement to the water treatment process at the Wylie WTP include ozonation. With the ozonation project completed and fully operational in 2014, NTMWD now operates the largest ozonated water treatment plant in the United States.



*North Texas Municipal Water District Wylie Water Treatment Plant ozone generators. Eleven ozone generators are used to produce up to 3,900 pounds each per day of ozone as the primary disinfectant in the water treatment process.*

Construction projects at the Wylie WTPs included: Wylie WTP East Gate Improvements and Complex Chemical System Improvements Phases 1A and 1B; Wylie WTP I Conversion to Biologically Active Filtration (BAF), improvements to existing drain, and 2.5 MGD and 3.0 MGD Reservoir Roof Improvements; Wylie WTP II improvements to Basins 3 and 4; Wylie WTP III Filter and Underdrain Improvements, conversion to BAF, and lagoon improvements; Wylie WTP III Variable Frequency Drives for Washwater Pumps; High Service Pump Station No. 1-1 Electrical Improvements; and High Service Pump Stations 2-2 and 2-3 electrical and mechanical improvements. Many of the projects are multi-year projects.

Pump Station projects included: Farmersville Pump Station No. 2; Modifications to the Lake Texoma Pump Station; Shiloh Pump Station Improvements;

Raw Water Pump Station No. 3 Expansion; Lake Lavon Raw Water Pump Station Intake Channel Improvements; and the Lake Chapman Pump Station Electrical Improvements.

Additional construction projects included: North McKinney Pipeline Phases I and II; South Delivery Point Improvements, Priority No. 2; 42-inch and 24-inch Waterline Relocation along Stacy Road (FM 2786) from SH 5 (Greenville Drive) to FM 1378 (Country Club Road); Rockwall No. 2 Flow Meter Improvements; Chapman Lake Water Access Task B (dredging); Sludge Lagoon Improvements at Lake Tawakoni WTP and Bonham WTP; 121 Site Facility Water Transmission Pipeline Relocation at SH 121; 20" and 60" North Section of FM 2514 and FM 1378; Wylie to Farmersville 36" Pipeline; Plano No. 4 Delivery Point Metering Station Upgrade; Supervisory Control and Data Acquisition (SCADA) System upgrades and operations; the Water System Maintenance Facilities South Region, Phase 1; and the Environmental Building HVAC System Repairs.

## Wastewater System

The NTMWD provides wastewater conveyance and treatment services to protect public health and the environment. The U.S. Environmental Protection Agency and the Texas Commission on Environmental Quality establish the water quality standards for wastewater discharges to protect the environment of the receiving waterways. The treated wastewater, known as effluent, is discharged into local waterways where it is used again to supply drinking water, irrigate golf courses, and sustain aquatic life.



NTMWD owns and operates four regional treatment facilities that provide secondary and/or tertiary level treatment services. In addition to the regional facilities, NTMWD operates an additional ten smaller treatment plants that are included in NTMWD's Sewer System.

NTMWD's Regional Wastewater System and Sewer System treated over 39 billion gallons of wastewater during the 2014-2015 Operations Year (October 2014 - September 2015). Of the total wastewater treated, 82% received treatment at one of the four regional wastewater treatment plants, while the remaining 18% received treatment through NTMWD's Sewer System.

As of September 30, 2015, construction contracts for the Wastewater System totaled over \$70 million.

Improvement projects at the South Mesquite Regional Wastewater Treatment Plants (RWWTP) include: Electrical Improvements; Aeration System Improvements, Phase 1; Solids Building Odor Control Improvements; Operations Building Improvements; and the Screenings Handling Improvements. At the Wilson Creek RWWTP improvement projects include: Filter Improvements; Solids Management Optimization and Control Improvements; Electrical Improvements, Phase 1A Control Improvements; and Improvements to Plant II Odor Control.

Improvement projects for Lift Stations include: the Upper White Rock Creek Lift Station and Parallel Force Main improvements; and the Forney Mustang Creek Lift Station and Interceptor System; Upper Rowlett Creek and Upper Cottonwood Lift Station and Parallel Force Main improvements; Richardson Spring Creek Lift Station improvements; and the Renner Road Lift Station Control improvements.

Projects within the interceptor systems include: the McKinney-Prosper Interceptor and Indian Creek Trunk Sewer improvements; Prairie Creek Relief Sewer Control Structure Flow Metering improvements; the Cottonwood Creek Outfall Sewer improvements; the Cottonwood Creek Outfall Sewer Aerial Crossing replacement; the Wilson Creek Gravity improvements, Phase I; the ASAP Interceptor improvements, Section 2 and 3; the Upper East Fork Interceptor System Manhole improvements; the Upper East Fork Interceptor System Dublin Road Relift Station improvements; the Upper East Fork Interceptor





System Indian Creek/Preston Road Force Main Surge improvements; the North McKinney Interceptor improvements, Phase 1; Beck Branch Interceptor improvements, Phase 1; and the Wilson Creek Interceptor improvements, Phase 2.

Additional projects included placement of emergency generators in the Upper East Fork Interceptor at the McKinney Lift Station, the Wilson Creek Lift Station, Plano Spring Creek No.2 Lift Station, Preston Road Lift Station, Beck Branch Lift Station and Prairie Creek Lift Station.

## Solid Waste System

Businesses, industries, and residents in all communities generate municipal solid waste. The most environmentally sound management of municipal solid waste disposal is achieved by source reduction and reuse then recycling and composting, followed by disposal in municipal solid waste landfills. Municipal solid waste landfills are engineered facilities that are located, designed, operated, and monitored to ensure compliance with the Texas Commission on Environmental Quality and U.S. Environmental Protection Agency regulations.

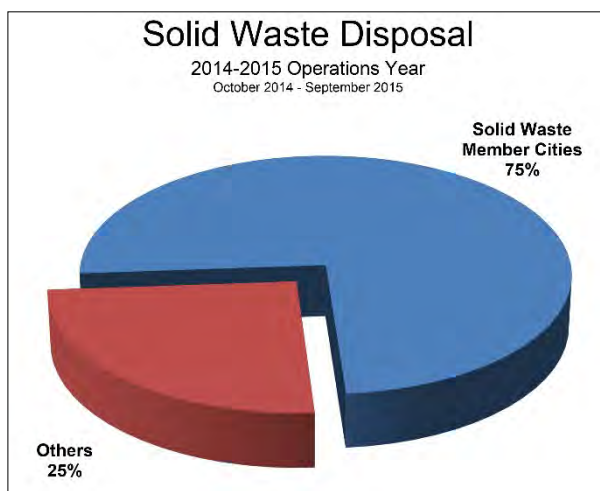
NTMWD provides Solid Waste disposal services for five Solid Waste Member Cities and the residents of Collin County and surrounding area. The NTMWD Solid Waste Member Cities are the Cities of Allen, Frisco, McKinney, Plano, and Richardson.

NTMWD owns and operates the 121 Regional Disposal Facility (121 RDF). The 121 RDF is anticipated to meet the solid waste needs of the area served for at least 33 years. The life of the 121 RDF can be extended with increased recycling efforts and waste reduction practices. The 121 RDF is a component of the North Central Texas Council of Governments Solid Waste Master Plan. In addition to the 121 RDF, NTMWD operates three Transfer Stations (TS), including the Custer Road TS, Lookout Drive TS, and Parkway TS that all serve as collection sites for the commercial and household municipal waste collected within the Solid Waste Member Cities. At each of the transfer stations, the municipal waste is loaded onto transfer trailers for transport by NTMWD vehicles to the 121 RDF for safe and proper disposal.



121 RDF Fleet Maintenance Weld Shop

NTMWD provides Citizen Convenience Centers so residents residing in the Solid Waste Member Cities (Allen, Frisco, McKinney, Plano, and Richardson) can transport and dispose of household waste up to two times per month for no charge. The Citizen Convenience Centers are located at each of the three transfer stations and at the 121 RDF. NTMWD also provides a collection site for used motor oil and used oil filters at each of the Citizen Convenience Centers.



During the 2014-2015 Operations Year (October 2014 - September 2015), NTMWD safely disposed of over 877,000 tons of municipal solid waste. The NTMWD Solid Waste Member Cities accounted for 75% of the tonnage disposed; outside customers, including private haulers, contributed the remaining 25%.

To promote waste minimization and to prevent illegal disposal of solid waste materials, Collin County has contracted with the NTMWD to conduct once-a-month no charge disposal for Collin County residents. In addition to offering the opportunity for disposal of eligible waste, the free day allows Collin County residents to drop off recyclable material such as plastics, paper, aluminum, glass, and tires.

As of September 30, 2015, construction contracts for the Solid Waste System had all been completed. 2015 Solid Waste construction projects included: the Custer Road Transfer Station Tipping Floor improvements; and the construction of the 121 RDF Fleet Maintenance Weld Shop.

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of each major fund of the North Texas Municipal Water District (the District), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the North Texas Municipal Water District as of September 30, 2015, 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 Matter**

As discussed in Note 14 to the financial statements, the District adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as of September 30, 2015. Our opinion is not modified with respect to this matter.

### ***Other Matter***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress for the District's Retirement Plan and Other Postemployment Benefits Plan on pages 4-9 and 48-49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

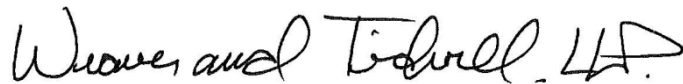
The Sewer System Supplemental Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare

the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Sewer System Supplemental Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2016, on our consideration of the North Texas Municipal Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on 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 North Texas Municipal Water District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Weaver and Tidwell, L.L.P." with a stylized flourish at the end.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
January 18, 2016

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# Management's Discussion and Analysis (Unaudited)

As management of the North Texas Municipal Water District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District as of and for the fiscal year ended September 30, 2015.

## ***Financial Highlights***

- Total assets at the end of the year were approximately \$3.0 billion and exceeded liabilities by approximately \$1.08 billion.
- The District's total net position increased by approximately \$62 million, or 6 percent.
- During the year the District's operating revenues increased by approximately \$28 million, or 9 percent, and operating expenses increased by approximately \$2 million, or 1 percent.
- Construction of the Wylie Water Treatment Plant Ozonation Project, the Lower Bois D'Arc Creek Reservoir Project, the Wylie Water Reservoir Project, the Lake Texoma to Wylie Pipeline Project and the Administration Building Project led the way in capital expenditures totaling \$165 million.
- The District issued \$440 million in revenue bonds for various projects and to refinance outstanding debt to take advantage of favorable interest rates.

## ***Overview of the Financial Statements***

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

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

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

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

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

**Enterprise Funds.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are categorized as enterprise funds. The District reports five major enterprise funds: Water, Regional Wastewater, Sewer, Solid Waste and Interceptor.

The basic enterprise fund financial statements can be found on pages 10 through 17 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 18 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 48 of this report.

## Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,084,270,528 at the close of the most recent fiscal year.

### North Texas Municipal Water District's Net Position

	As of September 30		Increase/ (Decrease)	Percent Change
	2015	2014		
<b>ASSETS:</b>				
Current and other assets	\$ 667,541,124	\$ 528,828,173	\$ 138,712,951	26.2 %
Capital assets—net	2,355,048,633	2,267,375,583	87,673,050	3.9
Total assets	3,022,589,757	2,796,203,756	226,386,001	8.1
Total deferred outflows of resources	26,665,685	17,780,784	8,884,901	50.0
Total assets and deferred outflows of resources	3,049,255,442	2,813,984,540	235,270,902	8.4
<b>LIABILITIES:</b>				
Current and other liabilities	156,712,119	145,915,282	10,796,837	7.4
Long-term liabilities outstanding	1,804,438,409	1,645,605,881	158,832,528	9.7
Total liabilities	1,961,150,528	1,791,521,163	169,629,365	9.5
Total deferred inflows of resources	3,834,386	-	3,834,386	100.0
Total liabilities and deferred inflows of resources	1,964,984,914	1,791,521,163	173,463,751	9.7
<b>NET POSITION:</b>				
Net investment in capital assets	864,338,873	794,854,341	69,484,532	8.7
Restricted	142,275,759	138,270,902	4,004,857	2.9
Unrestricted	77,655,896	89,338,134	(11,682,238)	(13.1)
Total net position	\$ 1,084,270,528	\$ 1,022,463,377	\$ 61,807,151	6.0 %

The largest portion of the District's net position (80 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 (7 percent) and may be used to meet the District's ongoing obligations.

The increase in net position of \$61,807,151, or 6.0%, during the current fiscal year indicates an improved financial position. This includes a prior year restatement of \$25,024,184 related to the implementation of Government Accounting Standards Board Statement No. 68 and No. 71.

While the Statement of Net Position provides the components of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at year-end, the Statement of Revenues, Expenses and Changes in Net Position provides information on the source of the change during the year. The primary sources of the increase in net position of \$61,807,151 were operating income of \$129,926,432 offset by interest expense of \$49,531,332 and a change in reporting of \$25,024,184. This change in reporting is due to the implementation of GASB 68, Accounting and Financial Reporting for Pensions, which required the District to recognize a net pension liability of \$20,658,405. Since the District previously reported the net pension asset, the current year change in reporting resulted in a \$25,024,184 adjustment. Note 9 provides detail on the retirement plan.

### North Texas Municipal Water District's Changes in Net Position

	Year Ended September 30		Increase	Percent
	2015	2014	(Decrease)	Change
Operating Revenues:				
Water sales	\$ 215,871,181	\$ 197,954,585	\$ 17,916,596	9.1 %
Wastewater service fees	93,754,382	86,758,613	6,995,769	8.1
Solid waste service fees	27,603,397	23,460,042	4,143,355	17.7
Other operating revenues	1,284,498	2,398,304	(1,113,806)	(46.4)
Total Operating Revenues	338,513,458	310,571,544	27,941,914	9.0
Operating Expenses:				
Personnel	53,098,135	53,252,470	(154,335)	(0.3)
Operating Supplies:				
Chemicals	25,325,219	24,178,928	1,146,291	4.7
Other supplies	10,964,239	10,823,295	140,944	1.3
Operating Services:				
Electric power	23,997,861	26,628,105	(2,630,244)	(9.9)
Wholesale water purchases	6,909,337	11,249,696	(4,340,359)	(38.6)
Other services	37,783,612	31,292,449	6,491,163	20.7
Depreciation and amortization	50,508,623	49,215,691	1,292,932	2.6
Total Operating Expenses	208,587,026	206,640,634	1,946,392	0.9
Operating Income	129,926,432	103,930,910	25,995,522	25.0
Investment Income	2,034,940	842,516	1,192,424	141.5
Miscellaneous Revenue (Expense)	325,064	2,351,148	(2,026,084)	(86.2)
Grant Income	62,233	-	62,233	NA
Federal Program Revenues	4,013,998	4,397,287	(383,289)	(8.7)
Gain (Loss) on Sale of Capital Assets	-	(1,171,457)	1,171,457	100.0
Interest Expense	(49,531,332)	(53,416,490)	3,885,158	(7.3)
Net Nonoperating Expense	(43,095,097)	(46,996,996)	3,901,899	(8.3)
Change in Net Position	86,831,335	56,933,914	29,897,421	52.5
Net Position, Beginning of Year (As Previously Stated)	1,022,463,377	965,529,463	56,933,914	5.9
Change in Reporting	(25,024,184)	-	(25,024,184)	
Net Position, Beginning of Year	997,439,193	965,529,463	31,909,730	3.3
Net Position, End of Year	\$ 1,084,270,528	\$ 1,022,463,377	\$ 61,807,151	6.0%



Total operating revenues for the District for the years ended September 30, 2015 and 2014 were \$338,513,458 and \$310,571,544, respectively. The \$27,941,914 increase in total operating revenues was primarily due to a 10% increase in the water rate, a 9% increase in wastewater charges, and a 20% increase in solid waste service fees to fund capital projects and operating costs. Other operating revenues decreased 46.4% due to reduced miscellaneous operating revenues.

Total operating expenses for the District for the years ended September 30, 2015 and 2014 were \$208,587,026 and \$206,640,634, respectively. Several key factors account for the \$1,946,392 increase in total operating expenses including increased other services expenses of \$6.5 million primarily as a result of expensing debt issuance costs associated with the refunding of outstanding bonds totaling \$4.1 million, increased maintenance costs of \$1.3 million and an increase in depreciation of \$1.3 million. These increases were offset by decreases in power costs of \$2.6 million and decreased water purchases of \$4.3 million.

Net non-operating expense decreased by \$3,901,899 primarily due to less interest expense. The change in reporting is the direct result of the implementation of GASB 68, Accounting and Financial Reporting for Pensions, which required the recording of the District's net pension liability.

### *Capital Asset and Debt Administration*

#### **Capital Assets**

The District's capital assets as of September 30, 2015, amounted to \$2,355,048,633 (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 4%.

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

- Development of the Lower Bois D'Arc Creek Reservoir Project continued; construction in progress at the end of the fiscal year totaled \$117,549,377.
- Construction of the Wylie Water Treatment Plant Ozonation Project continued; construction in progress at the end of the fiscal year totaled \$139,876,685.
- Construction of the Lake Texoma to Wylie Water Treatment Plant Raw Water Pipeline Project continued; construction in progress at the end of the fiscal year totaled \$330,319,031.
- Capitalized improvements at the South Mesquite Regional Wastewater Treatment Plant including the expansion of the plant, electrical improvements and the operations building totaling \$6,733,393.
- Completed construction of the Forney Mustang Creek Interceptor System totaling \$8,564,343.

### **North Texas Municipal Water District's Capital Assets**

(net of accumulated depreciation)

	<b>As of September 30</b>		<b>Increase</b>	<b>Percent</b>
	<b>2015</b>	<b>2014</b>	<b>(Decrease)</b>	<b>Change</b>
Land	\$ 69,129,011	\$ 66,429,095	\$ 2,699,916	4.1 %
Easements	47,759,846	45,923,851	1,835,995	4.0 %
Land improvements	3,532,175	3,811,107	(278,932)	(7.3)
Water treatment, storage and transmission facilities	670,329,096	670,521,006	(191,910)	(0.0)
Wastewater treatment and disposal facilities	465,361,577	449,270,072	16,091,505	3.6
Solid waste transfer and disposal facilities	33,543,714	33,776,828	(233,114)	(0.7)
Reservoir facilities and water rights	287,558,416	292,772,543	(5,214,127)	(1.8)
Buildings	26,353,801	22,320,394	4,033,407	18.1
Automobiles and trucks	2,573,516	2,693,473	(119,957)	(4.5)
Office furniture and fixtures	221,541	256,251	(34,710)	(13.5)
Other equipment	20,029,771	14,159,352	5,870,419	41.5
Construction in progress	728,656,169	665,441,611	63,214,558	9.5
<b>Total</b>	<b>\$ 2,355,048,633</b>	<b>\$ 2,267,375,583</b>	<b>\$ 87,673,050</b>	<b>3.9 %</b>

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 \$1,719,386,205. Of this amount 71% is reflected in the Water System and 11% is reflected in the Regional Wastewater System.

### North Texas Municipal Water District's Outstanding Debt

	<b>As of September 30</b>		<b>Increase</b>	<b>Percent</b>
	<b>2015</b>	<b>2014</b>	<b>(Decrease)</b>	<b>Change</b>
U.S. government contracts payable	\$ 32,456,205	\$ 33,819,003	\$ (1,362,798)	(4.0)%
Revenue bonds	1,686,930,000	1,580,030,000	106,900,000	6.8
Total	<u>\$ 1,719,386,205</u>	<u>\$ 1,613,849,003</u>	<u>\$ 105,537,202</u>	<u>6.5 %</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 \$28,269,338 in the Water System, \$1,449,913 in the Wastewater System, \$4,140,592 in the Sewer System and \$2,036,568 in the Interceptor System.

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

	<b>Moody's</b>	<b>S&amp;P</b>
Water System	Aa2	AAA
Wastewater System	Aa2	AAA
Solid Waste System	Aa3	AA-
Interceptor System	Aa1	AAA

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

## Economic Factors and Next Year's Budgets and Rates

The Annual Budget outlines the District's plans to continue to provide high quality, cost-effective service to its member and customer cities. As a result of the continued growth in the District's service area, the need for the development of raw water resources and capital expenditures to fund system expansions and improvements continues to increase. Such growth has been considered in developing the District's budget for the 2015 fiscal year.

The 2016 Water System budget provides funding for debt service for \$419 million of bonds to be issued for the construction of the Trinity River Main Stem Pump Station, the construction of the Lower Bois D' Arc Creek Reservoir Dam and other system improvements. In order to fund these debt service requirements and the additional operations and maintenance costs, the budget requires a \$.23 per 1,000 gallons rate adjustment. Additional rate adjustments can be expected in the future as the District continues to develop additional raw water supplies and construct treatment and transmission system improvements to meet system demands.

**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 Director of Finance, P.O. Box 2408, Wylie, Texas 75098.

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## **BASIC FINANCIAL STATEMENTS**

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2015**

<b>ASSETS</b>	<b>Water System</b>	<b>Regional Wastewater System</b>
<b>CURRENT ASSETS:</b>		
Unrestricted assets:		
Cash and cash equivalents	\$ 43,382,041	\$ 4,514,553
Investments	54,082,991	-
Accounts receivable	19,121,480	891,499
Due from other funds	170,442	74,982
Prepaid expenses	2,738,175	337,447
Unbilled receivables	247,209	-
<b>Total unrestricted assets</b>	<b>119,742,338</b>	<b>5,818,481</b>
Restricted assets:		
Cash and cash equivalents	97,981,796	43,092,435
Investments	224,702,719	47,223,413
Contracts receivable	26,400	-
Interest receivable	200,984	10,125
Due from other funds	105,015	-
Unbilled receivables	-	-
<b>Total restricted assets</b>	<b>323,016,914</b>	<b>90,325,973</b>
<b>TOTAL CURRENT ASSETS</b>	<b>442,759,252</b>	<b>96,144,454</b>
<b>LONG-TERM ASSETS:</b>		
Nondepreciable:		
Land	56,208,646	1,739,328
Easements	32,853,007	-
Construction-in-progress	683,625,679	15,248,036
<b>Total nondepreciable assets</b>	<b>772,687,332</b>	<b>16,987,364</b>
Depreciable:		
Land improvements	3,712,838	1,321,303
Water treatment, storage, and transmission facilities	910,311,729	-
Wastewater treatment and disposal facilities	-	273,678,409
Solid waste transfer and disposal facilities	-	-
Reservoir facilities and water rights	368,260,136	-
Buildings	12,898,435	2,047,667
Automobiles and trucks	4,427,370	1,708,385
Office furniture and fixtures	421,772	101,610
Other equipment	15,721,778	8,099,702
<b>Total depreciable assets</b>	<b>1,315,754,058</b>	<b>286,957,076</b>
Less accumulated depreciation	(359,976,956)	(92,002,048)
<b>Net capital assets</b>	<b>1,728,464,434</b>	<b>211,942,392</b>
Accrued OPEB asset	281,426	73,144
<b>TOTAL LONG-TERM ASSETS</b>	<b>1,728,745,860</b>	<b>212,015,536</b>
<b>TOTAL ASSETS</b>	<b>2,171,505,112</b>	<b>308,159,990</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred loss on refunding	18,427,869	1,500,210
Deferred pension outflow	1,691,734	480,626
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>20,119,603</b>	<b>1,980,836</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,191,624,715</b>	<b>\$ 310,140,826</b>

The notes to the basic financial statements are an integral part of this statement.

<u>Sewer System</u>	<u>Solid Waste System</u>	<u>Interceptor System</u>	<u>Total Enterprise Funds</u>
\$ 4,044,565	\$ 3,041,158	\$ 1,763,476	\$ 56,745,793
-	-	-	54,082,991
692,904	634,880	597,131	21,937,894
36,366	266,577	11,576	559,943
241,721	200,057	116,165	3,633,565
123,706	333,116	-	704,031
<u>5,139,262</u>	<u>4,475,788</u>	<u>2,488,348</u>	<u>137,664,217</u>
11,376,476	9,972,679	31,101,312	193,524,698
10,913,071	3,404,640	44,185,252	330,429,095
-	-	-	26,400
17,913	92	13,326	242,440
-	-	-	105,015
-	5,099,313	-	5,099,313
<u>22,307,460</u>	<u>18,476,724</u>	<u>75,299,890</u>	<u>529,426,961</u>
<u>27,446,722</u>	<u>22,952,512</u>	<u>77,788,238</u>	<u>667,091,178</u>
469,515	10,711,522	-	69,129,011
4,072,113	-	10,834,726	47,759,846
3,136,591	721,528	25,924,335	728,656,169
<u>7,678,219</u>	<u>11,433,050</u>	<u>36,759,061</u>	<u>845,545,026</u>
417,138	2,517,715	-	7,968,994
29,946,174	-	-	940,257,903
159,496,235	-	203,620,240	636,794,884
-	66,426,512	-	66,426,512
-	-	-	368,260,136
9,698	21,616,663	-	36,572,463
310,387	5,534,681	280,948	12,261,771
-	-	-	523,382
1,954,221	18,033,609	2,711,916	46,521,226
<u>192,133,853</u>	<u>114,129,180</u>	<u>206,613,104</u>	<u>2,115,587,271</u>
<u>(49,477,060)</u>	<u>(56,394,663)</u>	<u>(48,232,937)</u>	<u>(606,083,664)</u>
<u>150,335,012</u>	<u>69,167,567</u>	<u>195,139,228</u>	<u>2,355,048,633</u>
<u>28,679</u>	<u>60,656</u>	<u>6,041</u>	<u>449,946</u>
<u>150,363,691</u>	<u>69,228,223</u>	<u>195,145,269</u>	<u>2,355,498,579</u>
<u>177,810,413</u>	<u>92,180,735</u>	<u>272,933,507</u>	<u>3,022,589,757</u>
2,026,542	1,032,108	885,049	23,871,778
181,111	386,553	53,883	2,793,907
<u>2,207,653</u>	<u>1,418,661</u>	<u>938,932</u>	<u>26,665,685</u>
<u>\$ 180,018,066</u>	<u>\$ 93,599,396</u>	<u>\$ 273,872,439</u>	<u>\$ 3,049,255,442</u>

(Continued)

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2015**

	<b>Water System</b>	<b>Regional Wastewater System</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 16,990,972	\$ 2,863,249
Due to other funds	85,295	263,198
Customers' advance payments	9,831	3,003,929
Accrued interest payable on U.S. government contracts	856,063	-
Current portion of U.S. government contracts	1,406,824	-
<b>Total payable from unrestricted assets</b>	<b>19,348,985</b>	<b>6,130,376</b>
Payable from restricted assets:		
Accounts payable and accrued liabilities	13,403,408	2,854,257
Due to other funds	53,947	14,525
Accrued landfill closure and post-closure care cost	-	-
Accrued interest payable on revenue bonds	4,767,037	1,988,131
Current portion of revenue bonds	41,205,000	11,665,000
<b>Total payable from restricted assets</b>	<b>59,429,392</b>	<b>16,521,913</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>78,778,377</b>	<b>22,652,289</b>
<b>LONG-TERM LIABILITIES:</b>		
Accrued landfill closure costs	-	-
Accrued vacation—less current portion	903,711	226,622
Accrued sick—less current portion	1,283,097	289,072
Net pension liability	12,508,883	3,553,788
Deferred compensation	377,500	-
Long-term debt—less current portion	1,290,403,499	181,415,624
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>1,305,476,690</b>	<b>185,485,106</b>
<b>TOTAL LIABILITIES</b>	<b>1,384,255,067</b>	<b>208,137,395</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred pension inflow	2,321,763	659,615
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,321,763</b>	<b>659,615</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>1,386,576,830</b>	<b>208,797,010</b>
<b>NET POSITION:</b>		
Net investment in capital assets	632,201,993	88,254,194
Restricted for debt service	88,333,822	17,491,516
Unrestricted	84,512,070	(4,401,894)
<b>TOTAL NET POSITION</b>	<b>\$ 805,047,885</b>	<b>\$ 101,343,816</b>

The notes to the basic financial statements are an integral part of this statement.



<b>Sewer System</b>	<b>Solid Waste System</b>	<b>Interceptor System</b>	<b>Total Enterprise Funds</b>
\$ 1,166,522	\$ 2,057,968	\$ 1,143,482	\$ 24,222,193
149,073	7,952	54,425	559,943
3,035,307	640,623	712,090	7,401,780
-	-	-	856,063
-	-	-	1,406,824
<u>4,350,902</u>	<u>2,706,543</u>	<u>1,909,997</u>	<u>34,446,803</u>
5,606,571	3,937,244	7,161,190	32,962,670
-	-	36,543	105,015
-	4,540,845	-	4,540,845
1,614,092	122,665	2,639,861	11,131,786
<u>9,320,000</u>	<u>2,880,000</u>	<u>8,455,000</u>	<u>73,525,000</u>
<u>16,540,663</u>	<u>11,480,754</u>	<u>18,292,594</u>	<u>122,265,316</u>
<u>20,891,565</u>	<u>14,187,297</u>	<u>20,202,591</u>	<u>156,712,119</u>
-	558,468	-	558,468
117,920	193,678	15,173	1,457,104
112,493	539,862	5,407	2,229,931
1,339,126	2,858,234	398,374	20,658,405
-	-	-	377,500
<u>113,245,445</u>	<u>32,796,469</u>	<u>161,295,964</u>	<u>1,779,157,001</u>
<u>114,814,984</u>	<u>36,946,711</u>	<u>161,714,918</u>	<u>1,804,438,409</u>
<u>135,706,549</u>	<u>51,134,008</u>	<u>181,917,509</u>	<u>1,961,150,528</u>
248,554	530,514	73,940	3,834,386
<u>248,554</u>	<u>530,514</u>	<u>73,940</u>	<u>3,834,386</u>
<u>135,955,103</u>	<u>51,664,522</u>	<u>181,991,449</u>	<u>1,964,984,914</u>
26,950,518	39,967,924	76,964,244	864,338,873
17,942,391	3,944,257	14,563,773	142,275,759
<u>(829,946)</u>	<u>(1,977,307)</u>	<u>352,973</u>	<u>77,655,896</u>
<u>\$ 44,062,963</u>	<u>\$ 41,934,874</u>	<u>\$ 91,880,990</u>	<u>\$ 1,084,270,528</u>

(Concluded)

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED SEPTEMBER 30, 2015**

	<b>Water System</b>	<b>Regional Wastewater System</b>
<b>OPERATING REVENUES:</b>		
Water sales	\$ 215,871,181	\$ -
Wastewater service fees	-	45,161,269
Solid waste service fees	-	-
Other operating revenues	275,049	49,829
<b>Total operating revenues</b>	<b>216,146,230</b>	<b>45,211,098</b>
<b>OPERATING EXPENSES:</b>		
Personnel	31,606,156	8,818,219
Operating Supplies:		
Chemicals	17,725,803	4,642,731
Other supplies	3,872,644	2,272,635
Operating Services:		
Electric power	17,280,685	3,254,943
Wholesale water purchases	6,909,337	-
Other services	12,712,999	9,629,951
Depreciation	30,442,841	7,394,744
<b>Total operating expenses</b>	<b>120,550,465</b>	<b>36,013,223</b>
<b>OPERATING INCOME</b>	<b>95,595,765</b>	<b>9,197,875</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income	1,396,948	195,295
Miscellaneous revenue (expense)	325,064	-
Grant income	62,233	-
Federal program revenues	4,013,998	-
Interest expense	(33,365,638)	(5,665,182)
<b>Total nonoperating revenues (expenses)</b>	<b>(27,567,395)</b>	<b>(5,469,887)</b>
<b>CHANGE IN NET POSITION</b>	<b>68,028,370</b>	<b>3,727,988</b>
<b>NET POSITION AT OCTOBER 1, 2014 (As Previously Stated)</b>	<b>752,557,960</b>	<b>101,752,306</b>
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE</b>	<b>(15,538,445)</b>	<b>(4,136,478)</b>
<b>NET POSITION AT OCTOBER 1, 2014</b>	<b>737,019,515</b>	<b>97,615,828</b>
<b>NET POSITION AT SEPTEMBER 30, 2015</b>	<b>\$ 805,047,885</b>	<b>\$ 101,343,816</b>

The notes to the basic financial statements are  
an integral part of this statement.

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<u>Sewer System</u>	<u>Solid Waste System</u>	<u>Interceptor System</u>	<u>Total Enterprise Funds</u>
\$ -	\$ -	\$ -	\$ 215,871,181
27,067,050	-	21,526,063	93,754,382
-	27,603,397	-	27,603,397
411,830	529,742	18,048	1,284,498
<u>27,478,880</u>	<u>28,133,139</u>	<u>21,544,111</u>	<u>338,513,458</u>
3,286,602	8,662,352	724,806	53,098,135
1,346,420	35,842	1,574,423	25,325,219
743,086	3,762,957	312,917	10,964,239
1,751,332	158,420	1,552,481	23,997,861
-	-	-	6,909,337
5,703,371	6,099,273	3,638,018	37,783,612
5,089,300	3,042,212	4,539,526	50,508,623
<u>17,920,111</u>	<u>21,761,056</u>	<u>12,342,171</u>	<u>208,587,026</u>
<u>9,558,769</u>	<u>6,372,083</u>	<u>9,201,940</u>	<u>129,926,432</u>
144,422	60,037	238,238	2,034,940
-	-	-	325,064
-	-	-	62,233
-	-	-	4,013,998
<u>(4,399,064)</u>	<u>(1,556,364)</u>	<u>(4,545,084)</u>	<u>(49,531,332)</u>
<u>(4,254,642)</u>	<u>(1,496,327)</u>	<u>(4,306,846)</u>	<u>(43,095,097)</u>
<u>5,304,127</u>	<u>4,875,756</u>	<u>4,895,094</u>	<u>86,831,335</u>
40,317,532	40,386,000	87,449,579	1,022,463,377
<u>(1,558,696)</u>	<u>(3,326,882)</u>	<u>(463,683)</u>	<u>(25,024,184)</u>
<u>38,758,836</u>	<u>37,059,118</u>	<u>86,985,896</u>	<u>997,439,193</u>
<u>\$ 44,062,963</u>	<u>\$ 41,934,874</u>	<u>\$ 91,880,990</u>	<u>\$ 1,084,270,528</u>

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	<b>Water System</b>	<b>Regional Wastewater System</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 230,079,045	\$ 47,025,242
Cash received from other funds	7,079,178	371,896
Cash received from others	2,044,721	36,195
Cash paid to suppliers for goods and services	(92,365,934)	(17,244,950)
Cash paid for employee services	(23,215,676)	(6,180,713)
Cash paid to other funds	(33,549)	(6,021,340)
Net cash provided by operating activities	<u>123,587,785</u>	<u>17,986,330</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of bonds	140,148,334	54,928,480
Cash paid for capital assets	(85,801,557)	(11,597,144)
Interest paid on long-term debt	(55,392,673)	(6,030,444)
Interest paid on U.S. government contracts	(1,095,802)	-
Principal payments on long-term debt	(41,740,000)	(9,420,000)
Payments on U.S. government contracts	(1,362,798)	-
Payments for bond issue costs	(2,397,294)	(560,617)
Grant income	62,233	-
Federal Program Revenues	4,013,998	-
Net cash provided by (used for) capital and related financing activities	<u>(43,565,559)</u>	<u>27,320,275</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Sale and maturity of investments	118,996,109	17,204,726
Purchases of investments	(206,578,810)	(34,947,604)
Interest received	585,206	(45,506)
Net cash provided by (used for) investing activities	<u>(86,997,495)</u>	<u>(17,788,384)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(6,975,269)</u>	<u>27,518,221</u>
<b>CASH AND CASH EQUIVALENTS—Beginning of year</b>	<u>148,339,106</u>	<u>20,088,767</u>
<b>CASH AND CASH EQUIVALENTS—End of year</b>	<u><u>\$ 141,363,837</u></u>	<u><u>\$ 47,606,988</u></u>
<b>RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION</b>		
Unrestricted cash and cash equivalents	\$ 43,382,041	\$ 4,514,553
Restricted cash and cash equivalents	97,981,796	43,092,435
	<u><u>\$ 141,363,837</u></u>	<u><u>\$ 47,606,988</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	<u>\$ 95,595,765</u>	<u>\$ 9,197,875</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	30,442,841	7,394,744
Change in current assets and liabilities:		
Accounts receivable and unbilled receivable	(1,469,757)	491,011
Prepaid expenses	183,504	64,377
Net pension liability	(1,420,976)	(403,701)
Due to/from other funds	(12,506)	81,823
Accounts payable, accrued liabilities, and developers' deposits	580,912	(128,289)
Accrued vacation and accrued sick	79,149	3,283
Accrued OPEB	(400,978)	(106,112)
Landfill liability	-	-
Customers' advance payments	9,831	1,391,319
Total adjustments	<u>27,992,020</u>	<u>8,788,455</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ 123,587,785</u></u>	<u><u>\$ 17,986,330</u></u>
<b>NONCASH TRANSACTION DISCLOSURES</b>		
Change in landfill liability	\$ -	\$ -
Interest capitalized on construction	12,807,125	217,600
Amortization of bond-related items	(9,754,980)	(125,645)
Change in fair value of investments	(341,056)	(47,895)
Change in actuarial value of net pension liability	1,420,976	403,701
Refunding bonds issued	181,285,000	13,945,000
Refunding proceeds deposited in escrow	212,191,922	16,028,752

The notes to the basic financial statements are an integral part of this statement.

<b>Sewer System</b>	<b>Solid Waste System</b>	<b>Interceptor System</b>	<b>Total Enterprise Funds</b>
\$ 28,310,917	\$ 23,938,174	\$ 21,718,258	\$ 351,071,636
95,877	2,881,172	-	10,428,123
53,473	77,889	19,191	2,231,469
(8,389,659)	(11,280,654)	(6,154,612)	(135,435,809)
(2,343,117)	(6,498,517)	(539,264)	(38,777,287)
(2,698,714)	(1,030,269)	(644,250)	(10,428,122)
15,028,777	8,087,795	14,399,323	179,090,010
1,331,188	-	32,696,854	229,104,856
(65,165)	(4,339,280)	(19,696,257)	(121,499,403)
(5,213,140)	(1,582,250)	(5,588,913)	(73,807,420)
-	-	-	(1,095,802)
(9,205,000)	(2,775,000)	(7,815,000)	(70,955,000)
-	-	-	(1,362,798)
(658,930)	-	(490,160)	(4,107,001)
-	-	-	62,233
-	-	-	4,013,998
(13,811,047)	(8,696,530)	(893,476)	(39,646,337)
6,776,056	8,323,428	43,672,033	194,972,352
(5,914,331)	(3,400,598)	(38,149,121)	(288,990,464)
127,458	50,175	(296,749)	420,584
989,183	4,973,005	5,226,163	(93,597,528)
2,206,913	4,364,270	18,732,010	45,846,145
13,214,128	8,649,567	14,132,778	204,424,346
\$ 15,421,041	\$ 13,013,837	\$ 32,864,788	\$ 250,270,491
\$ 4,044,565	\$ 3,041,158	\$ 1,763,476	\$ 56,745,793
11,376,476	9,972,679	31,101,312	193,524,698
\$ 15,421,041	\$ 13,013,837	\$ 32,864,788	\$ 250,270,491
\$ 9,558,769	\$ 6,372,083	\$ 9,201,940	\$ 129,926,432
5,089,300	3,042,212	4,539,526	50,508,623
(703,228)	412,725	14,225	(1,255,024)
5,923	3,019	(19,905)	236,918
(152,123)	(324,687)	(45,252)	(2,346,739)
7,855	(45,713)	(37,263)	(5,804)
35,487	260,128	340,313	1,088,551
33,779	(88,806)	12,732	40,137
(40,872)	(89,031)	(8,239)	(645,232)
-	262,143	-	262,143
1,193,887	(1,716,278)	401,246	1,280,005
5,470,008	1,715,712	5,197,383	49,163,578
\$ 15,028,777	\$ 8,087,795	\$ 14,399,323	\$ 179,090,010
\$ -	\$ 262,143	\$ -	\$ 262,143
958	42,385	356,545	13,424,613
(613,350)	25,688	(1,109,431)	(11,577,718)
(39,546)	(17,275)	(56,976)	(502,748)
152,123	324,687	45,252	2,346,739
32,540,000	-	11,910,000	239,680,000
35,953,025	-	14,571,163	278,744,862

# **NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Reporting Entity**

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

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

#### **Measurement Focus, Basis of Accounting and Financial Presentation**

##### **Measurement Focus**

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

##### **Basis of Presentation**

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Basis of Presentation – Continued**

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

**Funds**

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

**Revenues**

Charges for treated water are based upon the current budgeted expenditure requirements (including debt service payments and excluding charges for depreciation and amortization) and amounts designated by the Board of Directors for capital improvements. Charges for wastewater and solid waste disposal are based upon the current budgeted expenditure requirements (including debt service payments and excluding charges for depreciation and amortization) and are adjusted for the difference between budgeted and actual expenditures for the same period. The District derives approximately 71% 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 not directly related to the systems' operations are reported as non-operating expenses.

**Cash and Cash Equivalents**

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

**Deposits**

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Investments**

All of the District's investments are carried at fair value. Fair values are determined based on quoted market prices. Investments in U.S. government securities are guaranteed or insured by the U.S. government.

**Accounts Receivable**

Management considers accounts receivable to be fully collectible as of September 30, 2015; accordingly, no allowance for doubtful accounts is deemed necessary. As of September 30, 2015, member cities Allen, Garland, McKinney, Mesquite, Plano, Richardson, Rockwall, and Royse City accounted for approximately 73% 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 assets are stated at their estimated fair values on the date donated.

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

**Capitalized Interest**

Interest related to the construction of major projects is capitalized. During the fiscal year ended September 30, 2015, \$13,424,613 of interest expense was capitalized.



**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Compensated Absences**

Employees are allowed to accumulate vacation within certain limitations. Payment for accrued vacation (within limits) upon termination is subject to the employee leaving in good standing. Payment for accrued sick leave (within limits) is paid upon retirement. At September 30, 2015, a liability of \$2,890,178 for unused vacation and \$3,684,069 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, 2015 is as follows:

	<u>Beginning Liability</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Liability</u>	<u>Amount due within one year</u>
Vacation	\$ 2,801,117	\$ 2,160,744	\$ 2,071,683	\$ 2,890,178	\$ 1,433,074
Sick	3,920,483	564,401	800,815	3,684,069	1,454,138

**Net Position**

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

**Budgets and Budgetary Accounting**

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

**Use of Estimates**

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

**Pensions**

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Subsequent Events**

The District has evaluated all events or transactions that occurred after September 30, 2015 up through January 18, 2016, the date the financial statements were available to be issued. During this period the following subsequent events required disclosure:

The District issued \$18,310,000 of Series 2015, Regional Solid Waste Disposal System Revenue bonds on December 22, 2015 and \$65,845,000 of Series 2015, Stewart Creek West Regional Wastewater System Contract Revenue bonds on October 28, 2015.

**NOTE 2. RESTRICTED ASSETS**

Restricted assets represent amounts reserved for:

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2. RESTRICTED ASSETS – CONTINUED**

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

Fund	Cash and Cash Equivalents	Investments	Interest Receivable
Water:			
Construction Fund	\$ 52,476,862	\$ 152,971,580	\$ 48,812
Interest and Redemption Fund	19,880,090	-	-
Reserve Fund	1,409,413	71,731,139	152,172
Contingency Fund	23,194,220	-	-
Reserve for Maintenance Fund	1,021,211	-	-
	<u>97,981,796</u>	<u>224,702,719</u>	<u>200,984</u>
Regional Wastewater:			
Construction Fund	32,382,584	36,961,560	3,611
Interest and Redemption Fund	8,302,518	-	-
Reserve Fund	993,959	10,261,853	6,514
Reserve for Maintenance Fund	1,413,374	-	-
	<u>43,092,435</u>	<u>47,223,413</u>	<u>10,125</u>
Sewer:			
Construction Fund	1,832,777	-	-
Interest and Redemption Fund	6,393,414	-	-
Reserve Fund	2,232,085	10,913,071	17,913
Reserve for Maintenance Fund	870,691	-	-
Reserve for Equipment Replacement	47,509	-	-
	<u>11,376,476</u>	<u>10,913,071</u>	<u>17,913</u>
Solid Waste:			
Construction Fund	5,558,775	-	-
Interest and Redemption Fund	417,690	-	-
Reserve Fund	245,037	3,404,640	92
Reserve for Maintenance Fund	988,336	-	-
Reserve for Equipment Replacement	2,762,841	-	-
	<u>9,972,679</u>	<u>3,404,640</u>	<u>92</u>
Interceptor:			
Construction Fund	22,579,461	33,993,491	13,050
Interest and Redemption Fund	5,747,810	-	-
Reserve Fund	1,471,376	10,191,761	276
Reserve for Maintenance Fund	1,302,665	-	-
	<u>31,101,312</u>	<u>44,185,252</u>	<u>13,326</u>
Total	<u>\$ 193,524,698</u>	<u>\$ 330,429,095</u>	<u>\$ 242,440</u>

Unbilled receivables of \$5,099,313 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.

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**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 cash and investment balances in these funds at the end of each accounting period.

**A. Deposits**

At September 30, 2015, the carrying amount of cash deposits was \$6,240,610 and total bank balance was \$14,753,634. During 2014-2015, 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, 2015, the District also holds petty cash of \$2,000.

**B. Investments**

Legal provisions generally permit the District to invest in direct and indirect obligations of the United States of America or its agencies, certain certificates of deposit, repurchase agreements, public funds investment pools and mutual funds. During the year ended September 30, 2015, the District did not own any types of securities other than those permitted by statute.

The District invests in the Texas Local Government Investment Pool (TexPool) and the Local Government Investment Cooperative (LOGIC). TexPool, a public funds investment pool created by the Treasurer of the State of Texas acting by and through the Texas Treasury Safekeeping Trust Company, is empowered to invest funds and act as a custodian of investments purchased with local investment funds. LOGIC is also a public funds investment pool with the same authority as TexPool. It has been organized and established pursuant to an Interlocal Agreement between participating government entities. The District has an undivided beneficial interest in the pool of assets held by these agencies. For both LOGIC and TexPool investments, the fair value of the District's position in the pool is the same as the value of the pool shares. These investments and deposits are fully insured by Federal depository insurance or collateralized by securities held in the name of Texas Treasury Safekeeping Trust Company, the entity that created TexPool and in the name of LOGIC. 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.

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3. CASH AND INVESTMENTS – CONTINUED**

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	Total
Investment income:						
Interest	\$ 1,738,004	\$ 243,190	\$ 183,968	\$ 77,312	\$ 295,214	\$ 2,537,688
Net changes in the fair value of investments	(341,056)	(47,895)	(39,546)	(17,275)	(56,976)	(502,748)
Investment income	<u>\$ 1,396,948</u>	<u>\$ 195,295</u>	<u>\$ 144,422</u>	<u>\$ 60,037</u>	<u>\$ 238,238</u>	<u>\$ 2,034,940</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.

**C. Summary of Cash and Investments**

The following is a summary of cash and investments at September 30, 2015:

	Water System	Regional Wastewater System	Sewer System	Solid Waste System	Interceptor System	Total
Unrestricted						
Cash and cash equivalents	\$ 43,382,041	\$ 4,514,553	\$ 4,044,565	\$ 3,041,158	\$ 1,763,476	\$ 56,745,793
Investments	<u>54,082,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,082,991</u>
Total unrestricted	<u>97,465,032</u>	<u>4,514,553</u>	<u>4,044,565</u>	<u>3,041,158</u>	<u>1,763,476</u>	<u>110,828,784</u>
Restricted						
Cash and cash equivalents	97,981,796	43,092,435	11,376,476	9,972,679	31,101,312	193,524,698
Investments	<u>224,702,719</u>	<u>47,223,413</u>	<u>10,913,071</u>	<u>3,404,640</u>	<u>44,185,252</u>	<u>330,429,095</u>
Total restricted	<u>322,684,515</u>	<u>90,315,848</u>	<u>22,289,547</u>	<u>13,377,319</u>	<u>75,286,564</u>	<u>523,953,793</u>
Total	<u>\$ 420,149,547</u>	<u>\$ 94,830,401</u>	<u>\$ 26,334,112</u>	<u>\$ 16,418,477</u>	<u>\$ 77,050,040</u>	<u>\$ 634,782,577</u>

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3. CASH AND INVESTMENTS – CONTINUED**

At September 30, 2015, the District had the following deposits and investments:

	Credit Quality Ratings	Fair Value	Weighted Average Maturity
<u>Unrestricted Cash and Investments</u>			
Cash and cash equivalents:			
Deposits with a financial institution	Not Rated	\$ 6,240,469	n/a
Cash on hand	Not Rated	2,000	n/a
TexPool	AAAm	41,873,343	40 Days
LOGIC	AAAm	8,629,981	33 Days
Total cash and cash equivalents		56,745,793	
Investments—Securities of U.S. Government Agencies:			
FNMA - Fannie Mae Discount Note	P-1	7,979,841	320 Days
FRE - Freddie Mac Discount Note	P-1	7,989,920	198 Days
Treasury Note - US Treasuries	Aaa	8,006,800	107 Days
FHLMC - Federal Home Loan Bank Mortgage Corp Agency Note	Aaa	7,099,890	330 Days
FHLB - Federal Home Loan Bank Agency Note	Aaa	23,006,540	252 Days
Total Securities of U.S. Government Agencies		54,082,991	
Total Unrestricted Investments and Cash Equivalents		110,828,784	
<u>Restricted Cash and Investments</u>			
Cash and Cash Equivalents			
Deposits with a financial institution	Not Rated	141	n/a
TexPool	AAAm	78,694,240	48 Days
LOGIC	AAAm	114,830,317	59 Days
Total cash and cash equivalents		193,524,698	
Investments—Securities of U.S. Government Agencies:			
FRE - Freddie Mac Discount Note	P-1	67,953,200	135 Days
FHLB - Federal Home Loan Bank Discount Note	P-1	20,965,160	240 Days
FHLB - Federal Home Loan Bank Agency Note	Aaa	121,422,720	308 Days
Treasury Note - US Treasuries	Aaa	49,884,304	442 Days
FNMA - Fannie Mae Discount Note	P-1	20,947,080	320 Days
FHLMC - Federal Home Loan Mortgage Corp Agency Note	Aaa	39,252,931	520 Days
FFCB - Federal Farm Credit Bank Agency Note	Aaa	10,003,700	149 Days
Total Securities of U.S. Government Agencies		330,429,095	
Total Restricted Investments and Cash Equivalents		523,953,793	
Total Cash and Investments		\$ 634,782,577	

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 3. CASH AND INVESTMENTS – CONTINUED**

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.

*Concentration of credit risk* is the risk associated with holding investments that are not pools and full faith credit securities in excess of 5% of the total portfolio. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. At September 30, 2015, investments other than external investment pools that represent 5% or more of the District's investments are as follows:

Issue	Investment Type	Reported Amount
FHLB	Federal agency notes	\$ 144,429,260
FHLB	Federal agency discount notes	20,965,160
FNMA	Federal agency notes	28,926,921
FRE	Federal agency discount notes	75,943,120
FHLMC	Federal agency notes	46,352,821
FFCB	Federal agency notes	10,003,700
T-NOTE	T-Note	57,891,104

The District held a total of \$384,512,086 in securities that equated to 60.6% 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, 2015, \$106,502,465 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.

# **NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **NOTE 4. CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance at October 1, 2014	Additions and Transfers	Disposals and Transfers	Adjustments	Balance at September 30, 2015
Nondepreciable:					
Land	\$ 66,429,095	\$ 2,699,916	\$ -	\$ -	\$ 69,129,011
Easements	45,923,851	1,835,995	-	-	47,759,846
Construction in progress	665,441,611	135,300,377	72,085,819	-	728,656,169
Total nondepreciable assets	777,794,557	139,836,288	72,085,819	-	845,545,026
Depreciable:					
Land improvements	7,968,994	-	-	-	7,968,994
Water treatment, storage and transmission facilities	918,678,705	21,579,198	-	-	940,257,903
Wastewater treatment and disposal facilities	605,488,756	31,306,128	-	-	636,794,884
Solid waste transfer and disposal facilities	65,667,136	759,376	-	-	66,426,512
Reservoir facilities and water rights	366,121,044	2,139,092	-	-	368,260,136
Buildings	31,709,969	4,862,494	-	-	36,572,463
Automobiles and trucks	17,805,274	834,293	6,377,796	-	12,261,771
Office furniture and fixtures	508,624	14,758	-	-	523,382
Other equipment	31,076,297	15,300,149	30,220	175,000	46,521,226
Total depreciable assets	2,045,024,799	76,795,488	6,408,016	175,000	2,115,587,271
Less accumulated depreciation on:					
Land improvements	(4,157,887)	(278,932)	-	-	(4,436,819)
Water treatment, storage and transmission facilities	(248,157,699)	(21,771,108)	-	-	(269,928,807)
Wastewater treatment and disposal facilities	(156,218,684)	(15,214,623)	-	-	(171,433,307)
Solid waste transfer and disposal facilities	(31,890,308)	(992,490)	-	-	(32,882,798)
Reservoir facilities and water rights	(73,348,501)	(7,353,219)	-	-	(80,701,720)
Buildings	(9,389,575)	(829,087)	-	-	(10,218,662)
Automobiles and trucks	(8,774,366)	(927,510)	(13,621)	-	(9,688,255)
Office furniture and fixtures	(252,373)	(49,468)	-	-	(301,841)
Other equipment	(23,254,380)	(3,092,186)	(30,111)	(175,000)	(26,491,455)
Total accumulated depreciation	(555,443,773)	(50,508,623)	(43,732)	(175,000)	(606,083,664)
Total depreciable assets—net	1,489,581,026	26,286,865	6,364,284	-	1,509,503,607
TOTAL CAPITAL ASSETS—Net	\$ 2,267,375,583	\$ 166,123,153	\$ 78,450,103	\$ -	\$ 2,355,048,633

### **NOTE 5. INTERFUND BALANCES**

At September 30, 2015, interfund balances consisted of the following:

	Due From Other Funds	Due to Other Funds
Water System	\$ 275,457	\$ 139,242
Regional Wastewater System	74,982	277,723
Sewer System	36,366	149,073
Solid Waste System	266,577	7,952
Interceptor System	11,576	90,968
Total	\$ 664,958	\$ 664,958

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.



**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6. DEFERRED OUTFLOWS OF RESOURCES**

At September 30, 2015, deferred outflows of resources consisted of the following:

	Balance at October 1, 2014	Additions	Deletions	Balance at September 30, 2015
Water System:				
Deferred loss on refunded debt	\$ 13,718,420	\$ 5,716,723	\$ (1,007,274)	\$ 18,427,869
Deferred pension outflow	-	1,691,734	-	1,691,734
	<u>13,718,420</u>	<u>7,408,457</u>	<u>(1,007,274)</u>	<u>20,119,603</u>
Regional Wastewater:				
Deferred loss on refunded debt	1,001,149	757,312	(258,251)	1,500,210
Deferred pension outflow	-	480,626	-	480,626
	<u>1,001,149</u>	<u>1,237,938</u>	<u>(258,251)</u>	<u>1,980,836</u>
Sewer System:				
Deferred loss on refunded debt	1,214,553	1,001,739	(189,750)	2,026,542
Deferred pension outflow	-	181,111	-	181,111
	<u>1,214,553</u>	<u>1,182,850</u>	<u>(189,750)</u>	<u>2,207,653</u>
Solid Waste System:				
Deferred loss on refunded debt	1,161,122	-	(129,014)	1,032,108
Deferred pension outflow	-	386,553	-	386,553
	<u>1,161,122</u>	<u>386,553</u>	<u>(129,014)</u>	<u>1,418,661</u>
Interceptor System:				
Deferred loss on refunded debt	685,540	252,770	(53,261)	885,049
Deferred pension outflow	-	53,883	-	53,883
	<u>685,540</u>	<u>306,653</u>	<u>(53,261)</u>	<u>938,932</u>
Total	<u>\$ 17,780,784</u>	<u>\$ 10,522,451</u>	<u>\$ (1,637,550)</u>	<u>\$ 26,665,685</u>

**NOTE 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

At September 30, 2015, accounts payable and accrued liabilities consisted of the following:

	Water System	Regional Wastewater System	Sewer System	Solid Waste System	Interceptor System	Total
Payable to vendors/contractors	\$ 25,970,484	\$ 3,330,289	\$ 5,544,220	\$ 1,216,432	\$ 7,016,939	\$ 43,078,364
Insurance claims liability	1,229,805	-	-	-	-	1,229,805
Payable to cities	-	1,257,222	873,596	3,823,187	1,233,334	7,187,339
Compensated absences	1,708,660	652,455	177,017	332,231	16,850	2,887,213
Accrued payroll and related benefits	1,485,431	477,540	178,260	623,362	37,549	2,802,142
Total	<u>\$ 30,394,380</u>	<u>\$ 5,717,506</u>	<u>\$ 6,773,093</u>	<u>\$ 5,995,212</u>	<u>\$ 8,304,672</u>	<u>\$ 57,184,863</u>
Payable from unrestricted assets	\$ 16,990,972	\$ 2,863,249	\$ 1,166,522	\$ 2,057,968	\$ 1,143,482	\$ 24,222,193
Payable from restricted assets	13,403,408	2,854,257	5,606,571	3,937,244	7,161,190	32,962,670
Total	<u>\$ 30,394,380</u>	<u>\$ 5,717,506</u>	<u>\$ 6,773,093</u>	<u>\$ 5,995,212</u>	<u>\$ 8,304,672</u>	<u>\$ 57,184,863</u>

# NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8. LONG-TERM DEBT

Long-term debt consists of the following at September 30, 2015:

	Balance at October 1, 2014	Issued	Retired or Refunded	Balance at September 30, 2015	Amounts due Within One Year
Water System:					
Water revenue bonds					
03/16-09/44, .644-6.010%	\$ 1,127,395,000	\$ 302,125,000	\$ 240,540,000	\$ 1,188,980,000	\$ 41,205,000
U.S. govt contracts payable,					
12/15-10/51, 3.225-3.253%	33,819,003	-	1,362,798	32,456,205	1,406,824
	<u>1,161,214,003</u>	<u>302,125,000</u>	<u>241,902,798</u>	<u>1,221,436,205</u>	<u>42,611,824</u>
Regional Wastewater:					
Wastewater revenue bonds,					
12/15-06/45, 2.00-5.00%	145,155,000	65,250,000	24,520,000	185,885,000	11,665,000
Sewer System:					
Rockwall contract revenue bonds,					
12/15-06/28, 5.00-5.75%	2,635,000	-	250,000	2,385,000	270,000
Mustang Creek Interceptor System					
revenue bonds, 12/15-06/42, 3.00-6.00%	10,195,000	-	175,000	10,020,000	185,000
Rockwall-Heath contract revenue bonds					
12/15-06/25, 3.75-4.25%	1,980,000	-	140,000	1,840,000	150,000
Terrell contract revenue bonds					
12/15-06/35, 2.00-5.00%	10,735,000	10,465,000	10,835,000	10,365,000	365,000
McKinney contract revenue bonds,					
06/15, 5.0%	140,000	-	140,000	-	-
Plano contract revenue bonds,					
12/15-06/18, 3.00-3.641%	2,520,000	-	740,000	1,780,000	765,000
Stewart Creek contract revenue					
bonds, 12/15-06/19, 1.580%	2,505,000	-	480,000	2,025,000	490,000
Little Elm contract revenue bonds,					
12/15-06/23, 1.25-2.00%	3,225,000	-	320,000	2,905,000	325,000
Parker Creek Interceptor System,					
revenue bonds, 12/15-06/23,					
4.750-5.125%	1,565,000	-	145,000	1,420,000	150,000
Sabine Creek Interceptor System					
revenue bonds, 12/15-6/23,					
4.75-5.125%	1,260,000	-	115,000	1,145,000	120,000
Sabine Creek Wastewater System					
revenue bonds, 12/15-6/23,					
2.00-3.00%	5,355,000	-	450,000	4,905,000	525,000
Muddy Creek Wastewater System					
revenue bonds 12/15-06/26,					
3.00-5.00%	15,435,000	-	1,270,000	14,165,000	1,315,000
Muddy Creek Interceptor revenue					
bonds 12/15-06/24, 3.00-4.00%	2,175,000	2,135,000	2,360,000	1,950,000	185,000
Buffalo Creek Interceptor revenue					
bonds 12/15-06/27, 3.00-5.00%	12,265,000	-	925,000	11,340,000	965,000
Rockwall Water Pumping Facilities					
bonds 12/15-06/26, 4.50-4.75%	1,530,000	-	100,000	1,430,000	100,000
Panther Creek Wastewater System					
bonds 12/15-06/29, 3.00-5.00%	41,520,000	19,940,000	24,105,000	37,355,000	2,515,000
Lower East Fork Interceptor					
bonds 12/15-06/26, 4.00-4.50%	13,465,000	-	855,000	12,610,000	895,000
	<u>128,505,000</u>	<u>32,540,000</u>	<u>43,405,000</u>	<u>117,640,000</u>	<u>9,320,000</u>
Solid Waste System--revenue					
bonds, 03/16-09/28, 2.00-5.375%	38,040,000	-	2,775,000	35,265,000	2,880,000
Interceptor System--revenue					
bonds, 12/15-06/35, 3.00-6.25%	140,935,000	40,280,000	22,055,000	159,160,000	8,455,000
Total	<u>\$ 1,613,849,003</u>	<u>\$ 440,195,000</u>	<u>\$ 334,657,798</u>	<u>\$ 1,719,386,205</u>	<u>\$ 74,931,824</u>

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 8. LONG-TERM DEBT – CONTINUED**

In the Statement of Net Position, the long-term liabilities include premiums net of discounts of \$111,579,118 in the Water System, \$7,195,624 in the Regional Wastewater System, \$4,925,445 in the Sewer System, \$411,469 in the Solid Waste System and \$10,590,964 in the Interceptor System.

Other long term debt activity for the year ended September 30, 2015, was as follows:

	Balance at October 1, 2014	Additions	Deletions	Balance at September 30, 2015
Water System				
Premiums	\$83,911,644	\$ 46,104,926	\$ (18,437,452)	111,579,118
	<u>83,911,644</u>	<u>46,104,926</u>	<u>(18,437,452)</u>	<u>111,579,118</u>
Regional Wastewater				
Premiums	2,604,345	5,146,615	(555,336)	7,195,624
	<u>2,604,345</u>	<u>5,146,615</u>	<u>(555,336)</u>	<u>7,195,624</u>
Sewer System				
Premiums	2,546,612	3,673,436	(1,159,973)	5,060,075
Discounts	(152,063)	-	17,433	(134,630)
	<u>2,394,549</u>	<u>3,673,436</u>	<u>(1,142,540)</u>	<u>4,925,445</u>
Solid Waste System				
Premiums	622,649	-	(116,418)	506,231
Discounts	(107,854)	-	13,092	(94,762)
	<u>514,795</u>	<u>-</u>	<u>(103,326)</u>	<u>411,469</u>
Interceptor System				
Premiums	5,578,547	6,252,185	(1,239,768)	10,590,964
	<u>5,578,547</u>	<u>6,252,185</u>	<u>(1,239,768)</u>	<u>10,590,964</u>
Total	<u>\$ 95,003,880</u>	<u>\$ 61,177,162</u>	<u>\$ (21,478,422)</u>	<u>\$ 134,702,620</u>

Revenue bonds outstanding at September 30, 2015, are secured as follows:

- *Water Revenue Bonds*—Assignment of the gross revenues to be derived from the operation of the District's Water System.
- *Regional Wastewater Revenue Bonds*—Assignment of the gross revenues to be derived from the operation of the District's Regional Wastewater System and payments made to the District from the Cities of Plano, Mesquite, McKinney, Forney, Allen, Frisco, Princeton, Prosper, Rockwall, Seagoville and Heath, Texas.
- *Murphy 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 Murphy, Texas and payments made to the District by the City of Murphy, Texas.
- *Rockwall Contract Revenue Bonds*—Assignment of the gross revenues to be derived from the operation of the District's sewage disposal system serving the City of Rockwall, Texas.

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 8. LONG-TERM DEBT – CONTINUED**

- *McKinney Contract Revenue Bonds*—Payments made to the District by the City of McKinney, Texas.
- *Plano Contract Revenue Bonds*— Payments made to the District by the City of Plano, Texas.
- *Stewart Creek Contract Revenue Bonds*—Assignment of the gross revenues to be derived from the operation of the Stewart Creek Wastewater System and payments made to the District by the City of Frisco, Texas.
- *Little Elm Contract Revenue Bonds*—Payments made to the District by the Town of Little Elm, Texas.
- *Parker Creek Interceptor System*—Assignment of the gross revenues to be derived from the operation of the Parker Creek Interceptor System and payments made to the District by the Cities of Fate and Royse City, Texas.
- *Sabine Creek Interceptor System*—Assignment of the gross revenues to be derived from the operation of the Sabine Creek Interceptor System and payments made to the District by the City of Royse City, Texas.
- *Sabine Creek Wastewater System*—Assignment of the gross revenues to be derived from the operation of the Sabine Creek Wastewater System and payments made to the District by the City of Fate and the City of Royse City, Texas.
- *Muddy Creek Wastewater System*—Assignment of the gross revenues to be derived from the operation of the Muddy Creek Wastewater System and payments made to the District by the Cities of Murphy and Wylie, Texas.
- *Muddy Creek Interceptor System*—Assignment of the gross revenues to be derived from the operation of the Muddy Creek Interceptor System and payments made to the District by the Cities of Murphy and Wylie, Texas.
- *Buffalo Creek Interceptor System*—Assignment of the gross revenues to be derived from the operation of the Buffalo Creek Interceptor System and payments made to the District by the Cities of Forney, Heath and Rockwall, Texas.
- *Rockwall/Heath Water Storage Facilities*—Payments to be made to the District by the Cities of Rockwall and Heath, Texas.
- *Terrell Water Transmission Facilities*—Payments to be made to the District by the City of Terrell, Texas.
- *Rockwall Water Pumping Facilities*—Payments to be made to the District by the City of Rockwall, Texas.

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 8. LONG-TERM DEBT – CONTINUED**

- *Panther Creek Wastewater System*—Assignment of the gross revenues to be derived from the operation of the Panther Creek Wastewater System and payments made to the District by the City of Frisco, Texas.
- *Lower East Fork Interceptor System*—Assignment of the gross revenues to be derived from the operation of the District's Lower East Fork Interceptor System and payments made to the District by the Cities of Mesquite and Seagoville, Texas.
- *Mustang Creek Interceptor*—Payments to be made to the District by the City of Forney, Texas.
- *Solid Waste Revenue Bonds*—Assignment of the gross revenues to be derived from the operation of the District's Solid Waste System.
- *Interceptor Revenue Bonds*—Assignment of the gross revenues to be derived from the operation of the District's Upper East Fork Interceptor System.

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

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

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

During the year, the District issued revenue bonds in the amounts of \$120,840,000 in the Water System primarily for the Trinity Main Stem Project, \$51,305,000 in the Wastewater System primarily for system improvements, and \$28,370,000 in the Interceptor System primarily for improvements. The District also issued revenue refunding bonds in the amounts of \$181,285,000 in the Water System, \$13,945,000 in the Wastewater System \$32,540,000 in the Sewer System and \$11,910,000 in the Interceptor System.

During the year, the District issued revenue refunding bonds in the amounts of \$181,285,000 in the Water System to refund a portion of the District's outstanding debt. The net proceeds of the refunding of \$212,191,922 were deposited with an escrow agent to purchase direct obligations of the United States. As a result of the current refunding, the District decreased its aggregate debt service payment to maturity by \$28,269,338 and realized an economic gain (difference between the present value of debt service payments of the old debt and the new debt) of \$18,669,200.

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 8. LONG-TERM DEBT – CONTINUED**

During the year, the District issued revenue refunding bonds in the amounts of \$13,945,000 in the Wastewater System to refund a portion of the District's outstanding debt. The net proceeds of the refunding of \$16,028,752 were deposited with an escrow agent to purchase direct obligations of the United States. As a result of the current refunding, the District decreased its aggregate debt service payment to maturity by \$1,449,913 and realized an economic gain (difference between the present value of debt service payments of the old debt and the new debt) of \$1,295,670 .

During the year, the District issued revenue refunding bonds in the amounts of \$32,540,000 in the Sewer System to refund a portion of the District's outstanding debt. The net proceeds of the refunding of \$35,953,025 were deposited with an escrow agent to purchase direct obligations of the United States. As a result of the current refunding, the District decreased its aggregate debt service payment to maturity by \$4,140,592 and realized an economic gain (difference between the present value of debt service payments of the old debt and the new debt) of \$3,287,467.

During the year, the District issued revenue refunding bonds in the amounts of \$11,910,000 in the Interceptor System to refund a portion of the District's outstanding debt. The net proceeds of the refunding of \$14,571,163 were deposited with an escrow agent to purchase direct obligations of the United States. As a result of the current refunding, the District decreased its aggregate debt service payment to maturity by \$2,036,568 and realized an economic gain (difference between the present value of debt service payments of the old debt and the new debt) of \$2,079,323.

At September 30, 2015, defeased bonds outstanding totaled \$346,915,000.

For current and advance refunding resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. At September 30, 2015, the amount of the unamortized deferred amount on refundings is \$23,871,778.

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 8. LONG-TERM DEBT – CONTINUED**

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

	Water Fund			Regional Wastewater Fund		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 41,205,000	\$ 57,204,448	\$ 98,409,448	\$ 11,665,000	\$ 6,911,960	\$ 18,576,960
2017	42,225,000	55,401,293	97,626,293	11,030,000	7,408,026	18,438,026
2018	44,100,000	53,473,992	97,573,992	11,560,000	6,915,926	18,475,926
2019	47,055,000	51,537,679	98,592,679	10,650,000	6,416,126	17,066,126
2020	49,055,000	49,417,989	98,472,989	11,120,000	5,942,076	17,062,076
2021-2025	260,380,000	210,316,017	470,696,017	51,475,000	22,446,411	73,921,411
2026-2030	292,460,000	143,844,506	436,304,506	39,665,000	11,775,605	51,440,605
2031-2035	273,105,000	73,671,791	346,776,791	14,330,000	6,159,444	20,489,444
2036-2040	113,125,000	21,330,190	134,455,190	10,710,000	4,062,800	14,772,800
2041-2045	26,270,000	2,691,000	28,961,000	13,680,000	1,695,000	15,375,000
	<u>\$ 1,188,980,000</u>	<u>\$ 718,888,905</u>	<u>\$ 1,907,868,905</u>	<u>\$ 185,885,000</u>	<u>\$ 79,733,374</u>	<u>\$ 265,618,374</u>

	Sewer Fund			Solid Waste Fund		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 9,320,000	\$ 4,842,271	\$ 14,162,271	\$ 2,880,000	\$ 1,471,988	\$ 4,351,988
2017	9,465,000	4,524,607	13,989,607	2,960,000	1,383,581	4,343,581
2018	9,220,000	4,200,594	13,420,594	3,065,000	1,272,069	4,337,069
2019	9,355,000	3,865,616	13,220,616	3,195,000	1,132,319	4,327,319
2020	9,235,000	3,490,011	12,725,011	3,305,000	1,017,594	4,322,594
2021-2025	45,770,000	11,190,958	56,960,958	14,505,000	3,093,650	17,598,650
2026-2030	15,860,000	3,229,304	19,089,304	5,355,000	542,044	5,897,044
2031-2035	5,460,000	1,381,088	6,841,088	-	-	-
2036-2040	2,685,000	527,900	3,212,900	-	-	-
2041-2045	1,270,000	69,600	1,339,600	-	-	-
	<u>\$ 117,640,000</u>	<u>\$ 37,321,949</u>	<u>\$ 154,961,949</u>	<u>\$ 35,265,000</u>	<u>\$ 9,913,245</u>	<u>\$ 45,178,245</u>

	Interceptor Fund			Total All Funds		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 8,455,000	\$ 7,485,372	\$ 15,940,372	73,525,000	\$ 77,916,039	\$ 151,441,039
2017	9,235,000	6,690,411	15,925,411	74,915,000	75,407,918	150,322,918
2018	9,665,000	6,240,574	15,905,574	77,610,000	72,103,155	149,713,155
2019	9,035,000	5,746,136	14,781,136	79,290,000	68,697,876	147,987,876
2020	9,430,000	5,312,911	14,742,911	82,145,000	65,180,581	147,325,581
2021-2025	52,770,000	19,123,931	71,893,931	424,900,000	266,170,967	691,070,967
2026-2030	44,450,000	7,436,463	51,886,463	397,790,000	166,827,922	564,617,922
2031-2035	16,120,000	1,336,275	17,456,275	309,015,000	82,548,598	391,563,598
2036-2040	-	-	-	126,520,000	25,920,890	152,440,890
2041-2045	-	-	-	41,220,000	4,455,600	45,675,600
	<u>\$ 159,160,000</u>	<u>\$ 59,372,073</u>	<u>\$ 218,532,073</u>	<u>\$ 1,686,930,000</u>	<u>\$ 905,229,546</u>	<u>\$ 2,592,159,546</u>

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 8. LONG-TERM DEBT – CONTINUED**

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

	Water Fund		
	Principal	Interest	Total
2016	\$ 1,406,824	\$ 1,051,777	\$ 2,458,601
2017	1,452,271	1,006,330	2,458,601
2018	1,499,186	959,414	2,458,600
2019	1,547,617	910,983	2,458,600
2020	1,597,613	860,988	2,458,601
2021-2025	8,796,393	3,496,610	12,293,003
2026-2030	3,296,627	2,355,438	5,652,065
2031-2035	2,379,641	1,941,760	4,321,401
2036-2040	2,792,703	1,528,698	4,321,401
2041-2045	3,277,466	1,043,935	4,321,401
2046-2050	3,707,405	475,027	4,182,432
2051	702,459	22,851	725,310
	<u>\$ 32,456,205</u>	<u>\$ 15,653,811</u>	<u>\$ 48,110,016</u>

**NOTE 9. 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. All employees who have two years of continuous service and have reached 21 years of age are eligible to participate in the Plan.

**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 earnings plus 1% of earnings in excess of covered compensation while an active member.
- *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.
- *Late Retirement (after normal retirement date)*—The benefit accrued to the late retirement date.



**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 9. RETIREMENT PLAN – CONTINUED**

**Benefits Provided – continued**

- *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, 2015, the participants comprised the following:

Active participants	479
Terminated vested participants	57
Disabled Participants	3
Retired participants	84
Beneficiaries	12
Total number of participants	<u>635</u>

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 above. The unfunded actuarial accrued liability is amortized over a closed period of 30 years. Employees make no contributions to the Plan.

For the plan years ended December 31, 2014, 2013, and 2012, the District made contributions of \$5,595,000, \$4,945,000, and \$5,022,000, respectively which represent 21.0%, 19.1% and 20.4%, respectively of annual covered payroll. These contributions were based on actuarially determined contribution requirements through an actuarial valuation performed at January 1, 2015, 2014, and 2013.

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 9. RETIREMENT PLAN – CONTINUED**

**Actuarial Assumptions**

Valuation date	January 1, 2014	January 1, 2015
Measurement date	December 31, 2013	December 31, 2014
Inflation	2.50%	2.50%
Salary increases including inflation	4.00%	4.00%
Mortality	IRS Stutory Static tables for 2014 based on RP-2000 tables projected to anticipate greater future longevity, with separate rates for non-annuitants and annuitants	IRS Stutory Static tables for 2014 based on RP-2000 tables projected to anticipate greater future longevity, with separate rates for non-annuitants and annuitants
Actuarial cost method	Entry Age Normal	Entry Age Normal

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

**Discount Rate**

	<u>December 31, 2013</u>	<u>December 31, 2014</u>
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.

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9. RETIREMENT PLAN – CONTINUED**

**Discount Rate – 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, 2014.

Asset Class	Target Allocation*	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Cash	3.38%	0.50%	0.49%
Core Fixed Income	22.87%	2.20%	1.95%
Core Bonds	0.00%	1.87%	1.61%
Short-Term Bonds	0.00%	1.05%	0.98%
Intermediate-Term Bonds	0.00%	1.62%	1.46%
Long-Term Bonds	0.00%	2.99%	2.34%
Mortgages	0.00%	2.85%	2.54%
High Yield Bonds	0.00%	4.49%	3.90%
Non-US Fixed Income	0.00%	1.32%	0.73%
Inflation-Indexed Bonds	0.00%	0.96%	0.88%
Broad US Equities	73.75%	6.12%	4.49%
Large Cap US Equities	0.00%	5.86%	4.39%
Mid Cap US Equities	0.00%	6.63%	4.49%
Small Cap US Equities	0.00%	7.64%	4.63%
Developed Foreign Equities	0.00%	6.29%	4.39%
Emerging Market Equities	0.00%	8.94%	4.88%
Private Equity	0.00%	9.15%	5.37%
Hedge Funds / Absolute Return	0.00%	3.37%	2.93%
Real Estate (Property)	0.00%	4.43%	3.66%
Real Estate (REITS)	0.00%	5.59%	3.90%
Commodities	0.00%	4.57%	2.93%
Long Credit Bonds	0.00%	3.74%	3.17%
Assumed Inflation - Mean		2.52%	2.52%
Assumed Inflation - Standard Deviation		2.00%	2.00%
Portfolio Real Mean Return		5.26%	4.36%
Portfolio Nominal Mean Return		7.58%	6.64%
Portfolio Standard Deviation		14.46%	14.46%
<b>Long-Term Expected Rate of Return</b>			<b>8.00%</b>

\* As outlined in the Plan's investment policy dated December 15, 2005.

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9. RETIREMENT PLAN – CONTINUED**

**Discount Rate – continued**

*Sensitivity Analysis*

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

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Total pension liability	\$ 93,860,228	\$ 82,486,111	\$ 72,970,868
Fiduciary net position	61,827,706	61,827,706	61,827,706
Net pension liability	32,032,522	20,658,405	11,143,162

**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended September 30, 2015, the District recognized pension expense of \$3,347,264. The breakdown of the components of pension expense are as follows:

	<b>January 1, 2015 to December 31, 2015</b>
<b>Pension Expense</b>	
Service cost	\$ 2,165,706
Interest on total pension liability	6,386,555
Effect of plan changes	-
Administrative expenses	180,449
Member contributions	-
Expected investment income (net of expense)	(4,514,101)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(1,036,320)
Recognition of assumptions changes or inputs	-
Recognition of investment gains or losses	164,975
Pension expense	\$ 3,347,264

At September 30, 2015, 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	\$ (3,834,386)	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings	-	659,899
Contributions made subsequent to measurement date	-	2,134,008
Total	\$ (3,834,386)	\$ 2,793,907

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9. RETIREMENT PLAN – CONTINUED**

**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions – continued**

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	
2015	\$ 1,262,662
2016	(871,346)
2017	(871,346)
2018	(560,449)
	<u>\$ (1,040,479)</u>

**Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2013	\$ 80,859,318	\$ 54,778,690	\$ 26,080,628
Changes for the year:			
Service cost	2,165,706		2,165,706
Interest on total pension liability	6,386,555		6,386,555
Effect of plan changes	-		-
Effect of economic/demographic gains or losses	(4,870,706)		(4,870,706)
Effect of assumptions changes or inputs	-		-
Benefit payments	(2,054,762)	(2,054,762)	-
Employer contributions		5,595,000	(5,595,000)
Member contributions		-	-
Net investment income		3,689,227	(3,689,227)
Administrative expenses		(180,449)	180,449
Balances as of December 31, 2014	\$ 82,486,111	\$ 61,827,706	\$ 20,658,405

	December 31, 2013	December 31, 2014
Total pension liability	\$ 80,859,318	\$ 82,486,111
Fiduciary net position	54,778,690	61,827,706
Net pension liability	26,080,628	20,658,405
Fiduciary net position as a % of total pension liability	67.75%	74.96%
Covered payroll	25,929,444	26,654,832
Net pension liability as a % of covered payroll	100.58%	77.50%

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 below. There have been no significant changes between the valuation date and the fiscal year end. Any significant changes during this period must be reflected as prescribed by GASB 67 and 68.

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9. RETIREMENT PLAN – CONTINUED**

*Pension plan fiduciary net position*

	December 31, 2013	December 31, 2014
<b>Assets</b>		
Cash and cash equivalents	\$ 1,549,090	\$ 2,090,755
Receivables and prepaid expenses	-	-
Investments:		
Fixed income	12,776,311	14,140,493
Stocks	40,453,289	45,596,458
Total investments	53,229,600	59,736,951
Total assets	54,778,690	61,827,706
<b>Liabilities</b>		
Total liabilities	-	-
<b>Net position restricted for pensions</b>	<b>\$ 54,778,690</b>	<b>\$ 61,827,706</b>

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

	Original Amount	Date Established	Original Recognition Period	Amount Recognized in 12/31/2014 Expense	Balance of Deferred Inflows 12/31/2014	Balance of Deferred Outflows 12/31/2014
Investment (gains) or losses	\$ 824,874	12/31/2014	5.0	\$ 164,975	\$ -	\$ 659,899
Economic/demographic (gains) or losses	(4,870,706)	12/31/2014	4.7	(1,036,320)	(3,834,386)	-

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

For the year ended September 30, 2015, the District recorded OPEB expense of \$1,275,000, related to these benefits, of which \$778,585 was allocated to the Water System, \$210,250 was allocated to the Wastewater System, \$78,130 was allocated to the Sewer System, \$192,750 was allocated to the Solid Waste System, \$15,285 was allocated to the Interceptor System. See Note 13 for additional disclosure information related to the District's post employment benefits.

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 10. COMMITMENTS AND CONTINGENCIES**

**Commitments**

Remaining commitments under water, wastewater, and interceptor construction contracts as of September 30, 2015 were \$59,559,764, \$4,425,040, and \$30,552,238 respectively.

**Contingencies**

The District is party to an arrangement with the City of Irving involving the construction of various infrastructure projects including a pump station, pipeline, a building and other facilities, a portion of which benefit the District. A substantial amount of work on the construction of these projects, estimated to be approximately \$5,000,000, took place as of September 30, 2013. As of the date of these financial statements, there is no contractual arrangement outlining the District's share of these costs, and the parties have not come to agreement on the amount of costs which will ultimately be the District's responsibility. As the amount of final settlement cannot be reasonably estimated, these costs have not been accrued in the financial statements.

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, 2015.

**NOTE 11. CLOSURE AND POSTCLOSURE CARE COSTS**

State and Federal laws and regulations require the District to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the District accrues a portion of these estimated closure and postclosure care costs in each period based on landfill capacity used as of each balance sheet date. At September 30, 2015, a liability of \$5,099,313 for landfill closure and postclosure care costs has been accrued in the Solid Waste System Fund in the accompanying statement of net position.

<u>Beginning Liability</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Liability</u>
\$ 4,837,170	\$ 262,143	\$ -	\$ 5,099,313

The \$5,099,313 reported as landfill closure and postclosure care liability at September 30, 2015, includes \$201,951 for Transfer Stations, \$1,445,274 for the Maxwell Creek Landfill, \$2,693,992 for the McKinney Landfill and \$758,096 for the 121 Regional Disposal Facility, which represents the cumulative amount reported to date based on the use of 10.6% 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 \$6,414,052 for the 121 Regional Disposal Facility as the remaining estimated capacity is filled.

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 11. CLOSURE AND POSTCLOSURE CARE COSTS – CONTINUED**

These amounts are based on what it would cost to perform all closure and postclosure care at September 30, 2015. Based upon the current utilization of capacity, the remaining expected life of the 121 Regional Disposal Facility is estimated to be 33 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 12. 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 \$5,000 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, 2015 and 2014 were:

<u>Fiscal Year</u>	<u>Liability Beginning of Year</u>	<u>Claims Incurred and Change in Estimates</u>	<u>Current Year Claim Payments</u>	<u>Liability End of Year</u>
2014	\$ 1,031,090	\$ 7,339,650	\$ 7,351,895	\$ 1,018,845
2015	1,018,845	9,196,111	8,985,151	1,229,805



**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 13. OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description**

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

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

**Funding Policy**

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's annual OPEB cost, percentage of annual OPEB costs contributed to its plan and net OPEB obligation for fiscal year 2015 and the two preceding years were as follows:

	2015	2014	2013
Annual required contribution	\$ 602,729	\$ 734,169	\$ 1,209,731
Interest on prior year Net OPEB obligation	15,623	57,563	116,718
Adjustment to annual required contribution	(17,501)	(63,914)	(168,746)
Annual OPEB cost	600,851	727,818	1,157,703
Contributions made	1,246,083	1,252,058	3,356,135
Increase (decrease) in net OPEB obligation	(645,232)	(524,240)	(2,198,432)
Net OPEB obligation - beginning of year	195,286	719,526	2,917,958
Net OPEB (asset) obligation - end of year	(449,946)	195,286	719,526
Percentage of annual OPEB costs contributed	207%	172%	290%

**Funded Status and Funding Progress**

The funded status of other postemployment benefits as of October 1, 2015, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 8,125,924
Actuarial value of plan assets	4,641,528
Unfunded actuarial accrued liability	<u>\$ 3,484,396</u>
Funded ratio (actuarial value of plan asset/AAL)	57.1%
Covered Payroll	26,654,832
Unfunded actuarial accrued liability as a percentage of covered payroll	13.07%

**NOTE 13. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED**

**Actuarial Methods and Assumptions**

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, mortality, and the healthcare cost trend. The unfunded actuarial accrued liability is being amortized assuming 30 level annual payments on a closed basis. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2014, actuarial valuation, the entry age actuarial cost method was used. The key actuarial assumptions include: (a) Benefit liabilities as of October 1, 2014, (b) Discount rate of valuing liabilities of 8% per annum, compounded annually, (c) 60% of active members are assumed to elect coverage for a spouse upon retirement, (d) 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, and (e) Inflation rate set at a sliding scale of medical inflation from a 5.7% rate in 2015 to 6.9% by 2027.

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 14. PRIOR YEAR RESTATEMENT**

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 has been made to record the District's net pension liability as of September 30, 2015.

	Water System	Regional Wastewater System	Sewer System	Solid Waste System	Interceptor System	Total Enterprise Funds
September 30, 2014 net position (as previously stated)	\$ 752,557,960	\$ 101,752,306	\$ 40,317,532	\$ 40,386,000	\$ 87,449,579	\$ 1,022,463,377
Implementation of GASB 68	(15,538,445)	(4,136,478)	(1,558,696)	(3,326,882)	(463,683)	(25,024,184)
September 30, 2014 net position (as restated)	<u>\$ 737,019,515</u>	<u>\$ 97,615,828</u>	<u>\$ 38,758,836</u>	<u>\$ 37,059,118</u>	<u>\$ 86,985,896</u>	<u>\$ 997,439,193</u>

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## **REQUIRED SUPPLEMENTAL INFORMATION**

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

	Fiscal Year Ending December 31,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Total Pension Liability</b>										
Service cost	\$2,166	\$2,005								
Interest on total pension liability	6,387	5,854								
Effect of plan changes	0	N/A								
Effect of economic/demographic gains or (losses)	(4,871)	1,527								
Effect of assumptions changes or inputs	0	154								
Benefit payments	(2,055)	(1,700)								
Net change in total pension liability	1,627	N/A								
Total pension liability, beginning	80,860	73,020	55,436	47,048	39,331	34,596	30,059	26,041	22,809	19,480
Total pension liability, ending (a)	82,487	80,860	73,020	55,436	47,048	39,331	34,596	30,059	26,041	22,809
<b>Fiduciary Net Position</b>										
Employer contributions	\$5,595	\$4,945								
Member contributions	0	N/A								
Investment income net of investment expenses	3,689	7,436								
Benefit payments	(2,055)	(1,700)								
Administrative expenses	(180)	(159)								
Net change in fiduciary net position	7,049	10,522								
Fiduciary net position, beginning	54,779	44,257	35,949	32,430	27,146	19,735	25,072	21,866	17,252	15,161
Fiduciary net position, ending (b)	61,828	54,779	44,257	35,949	32,430	27,146	19,735	25,072	21,866	17,252
Net pension liability, ending = (a) - (b)	20,659	26,081	28,763	19,487	14,618	12,185	14,861	4,987	4,175	5,557
Fiduciary net position as a % of total pension liability	74.95%	67.75%	60.61%	64.85%	68.93%	69.02%	57.04%	83.41%	83.97%	75.64%
Covered payroll	\$26,655	\$25,929	\$24,859	\$24,256	\$23,572	\$22,514	\$20,010	\$18,036	\$15,283	\$13,954
Net pension liability as a % of covered payroll	77.51%	100.59%	115.70%	80.34%	62.02%	54.12%	74.27%	27.65%	27.31%	39.82%

**North Texas Municipal Employee Retirement System**  
**Schedule of Employer Contributions**

Plan Year December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2005	\$ 1,505,730	\$ 1,505,902	\$ (172)	\$ 13,954,127	10.79%
2006	1,808,035	1,982,950	(174,915)	15,283,344	12.97%
2007	1,846,575	1,981,000	(134,425)	18,035,938	10.98%
2008	2,156,712	2,206,525	(49,813)	20,009,776	11.03%
2009	3,332,543	3,351,291	(18,748)	22,514,217	14.89%
2010	3,290,731	3,345,000	(54,269)	23,571,504	14.19%
2011	3,841,410	3,925,000	(83,590)	24,256,075	16.18%
2012	4,555,190	5,022,000	(466,810)	24,859,093	20.20%
2013	4,504,291	4,945,000	(440,709)	25,929,444	19.07%
2014	4,385,987	5,595,000	(1,209,013)	26,654,832	20.99%

**North Texas Municipal Employee Other Postemployment Benefits Plan**

**Schedule of Funding Progress**

	(1)			(2)		(3)		(4)
Actuarial Valuation Date, October 1,	Actuarial Value of Plan Assets	Discount Rate		Actuarial Accrued Liability (AAL)		Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)		Funded Ratio (1) / (2)
2007	\$	-	4.00%	\$	4,050,859	\$	4,050,859	0.0%
2008		-	4.00%		5,277,469		5,277,469	0.0%
2009		-	4.00%		6,722,277		6,722,277	0.0%
2010		-	4.00%		7,324,430		7,324,430	0.0%
2011		-	4.00%		9,801,016		9,801,016	0.0%
2012		-	4.00%		10,670,501		10,670,501	0.0%
2013	3,070,768	8.00%			7,279,057		4,208,289	42.2%
2014	4,204,220	8.00%			7,132,628		2,928,408	58.9%
2015	4,641,528	7.50%			8,125,924		3,484,396	57.1%

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## **SEWER SYSTEM SUPPLEMENTAL SCHEDULES**

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

	<b>Little Elm Water Transmission Facilities</b>	<b>Plano Water Transmission Facilities</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Unrestricted assets:		
Cash and cash equivalents	\$ 3,256	\$ 4,019
Accounts receivable	-	-
Due from other funds	-	-
Prepaid expenses	-	-
Unbilled receivable	-	-
<b>Total unrestricted assets</b>	<b>3,256</b>	<b>4,019</b>
Restricted assets:		
Cash and cash equivalents	187,796	461,309
Investments	395,066	526,754
Interest and accounts receivable	1,972	2,629
<b>Total restricted assets</b>	<b>584,834</b>	<b>990,692</b>
<b>TOTAL CURRENT ASSETS</b>	<b>588,090</b>	<b>994,711</b>
<b>LONG-TERM ASSETS:</b>		
Nondepreciable:		
Land	-	-
Easements	1,148,574	-
Construction-in-progress	-	-
<b>Total nondepreciable assets</b>	<b>1,148,574</b>	<b>-</b>
Depreciable:		
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	-	-
<b>Total depreciable assets</b>	<b>4,140,774</b>	<b>9,233,771</b>
Less accumulated depreciation	(819,528)	(3,466,395)
<b>Net capital assets</b>	<b>4,469,820</b>	<b>5,767,376</b>
Accrued OPEB asset	-	-
<b>TOTAL LONG-TERM ASSETS</b>	<b>4,469,820</b>	<b>5,767,376</b>
<b>TOTAL ASSETS</b>	<b>5,057,910</b>	<b>6,762,087</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred loss on refunding	109,202	-
Deferred pension outflow	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>109,202</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 5,167,112</b>	<b>\$ 6,762,087</b>

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Kaufman 4-1 Water Distribution Facilities	Rockwall-Heath Water Storage Facilities
\$ 6,214	\$ 3
5,423	1,057
5,423	-
49	-
-	-
17,109	1,060
54,143	84,512
-	222,858
-	1,112
54,143	308,482
71,252	309,542
-	-
-	-
-	-
-	-
-	-
-	-
-	2,600,259
-	-
-	-
-	-
-	-
-	2,600,259
-	(429,042)
-	2,171,217
-	-
-	2,171,217
71,252	2,480,759
-	-
-	-
-	-
\$ 71,252	\$ 2,480,759
(Continued)	

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

	<b>Terrell Water Transmission Facilities</b>	<b>Rockwall Water Pump Station Facilities</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Unrestricted assets:		
Cash and cash equivalents	\$ (844)	\$ 2
Accounts receivable	844	-
Due from other funds	-	-
Prepaid expenses	-	-
Unbilled receivable	-	-
<b>Total unrestricted assets</b>	<b>-</b>	<b>2</b>
Restricted assets:		
Cash and cash equivalents	315,804	64,197
Investments	709,093	162,078
Interest and accounts receivable	3,539	809
<b>Total restricted assets</b>	<b>1,028,436</b>	<b>227,084</b>
<b>TOTAL CURRENT ASSETS</b>	<b>1,028,436</b>	<b>227,086</b>
<b>LONG-TERM ASSETS:</b>		
Nondepreciable:		
Land	-	-
Easements	-	-
Construction-in-progress	-	-
<b>Total nondepreciable assets</b>	<b>-</b>	<b>-</b>
Depreciable:		
Land improvements	-	-
Water treatment, storage, and transmission facilities	12,039,133	1,932,237
Wastewater treatment and disposal facilities	-	-
Buildings	-	-
Automobiles and trucks	-	-
Other equipment	-	-
<b>Total depreciable assets</b>	<b>12,039,133</b>	<b>1,932,237</b>
Less accumulated depreciation	(2,307,500)	(386,452)
<b>Net capital assets</b>	<b>9,731,633</b>	<b>1,545,785</b>
Accrued OPEB asset	-	-
<b>TOTAL LONG-TERM ASSETS</b>	<b>9,731,633</b>	<b>1,545,785</b>
<b>TOTAL ASSETS</b>	<b>10,760,069</b>	<b>1,772,871</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred loss on refunding	144,738	-
Deferred pension outflow	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>144,738</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 10,904,807</b>	<b>\$ 1,772,871</b>

<b>Murphy WWTP/ Interceptor</b>	<b>Wylie WWTP</b>	<b>South Rockwall (Buffalo Creek) WWTP</b>	<b>North Rockwall (Squabble Creek) WWTP</b>
\$ 3,154	\$ 12,093	\$ 224,580	\$ 93,047
-	-	-	-
-	162	3	54
-	132	6,495	5,866
-	-	953	-
<u>3,154</u>	<u>12,387</u>	<u>232,031</u>	<u>98,967</u>
8,806	23,525	250,602	66,512
-	-	243,118	-
-	-	1,213	-
<u>8,806</u>	<u>23,525</u>	<u>494,933</u>	<u>66,512</u>
<u>11,960</u>	<u>35,912</u>	<u>726,964</u>	<u>165,479</u>
33,017	-	60,724	-
-	-	243,045	-
-	-	-	-
<u>33,017</u>	<u>-</u>	<u>303,769</u>	<u>-</u>
-	-	-	-
-	-	-	-
75,144	2,149,480	8,214,580	1,576,459
-	-	-	-
-	3,366	20,051	20,051
-	53,402	117,903	253,272
<u>75,144</u>	<u>2,206,248</u>	<u>8,352,534</u>	<u>1,849,782</u>
<u>(75,144)</u>	<u>(1,934,255)</u>	<u>(5,104,830)</u>	<u>(1,326,379)</u>
<u>33,017</u>	<u>271,993</u>	<u>3,551,473</u>	<u>523,403</u>
-	46	1,527	796
<u>33,017</u>	<u>272,039</u>	<u>3,553,000</u>	<u>524,199</u>
<u>44,977</u>	<u>307,951</u>	<u>4,279,964</u>	<u>689,678</u>
-	-	-	-
-	230	7,643	3,988
-	230	7,643	3,988
<u>\$ 44,977</u>	<u>\$ 308,181</u>	<u>\$ 4,287,607</u>	<u>\$ 693,666</u>

(Continued)

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

<b>ASSETS</b>	<b>Panther Creek WWTP</b>	<b>Sabine Creek WWTP</b>
<b>CURRENT ASSETS:</b>		
Unrestricted assets:		
Cash and cash equivalents	\$ 253,326	\$ 146,954
Accounts receivable	-	438,820
Due from other funds	4,219	3
Prepaid expenses	86,268	2,994
Unbilled receivable	18,146	-
<b>Total unrestricted assets</b>	<b>361,959</b>	<b>588,771</b>
Restricted assets:		
Cash and cash equivalents	1,657,456	589,733
Investments	3,583,720	698,963
Interest and accounts receivable	1,565	3,488
<b>Total restricted assets</b>	<b>5,242,741</b>	<b>1,292,184</b>
<b>TOTAL CURRENT ASSETS</b>	<b>5,604,700</b>	<b>1,880,955</b>
<b>LONG-TERM ASSETS:</b>		
Nondepreciable:		
Land	-	375,774
Easements	19,042	-
Construction-in-progress	24,978	-
<b>Total nondepreciable assets</b>	<b>44,020</b>	<b>375,774</b>
Depreciable:		
Land improvements	-	-
Water treatment, storage, and transmission facilities	-	-
Wastewater treatment and disposal facilities	51,820,475	7,803,906
Buildings	-	-
Automobiles and trucks	64,100	20,051
Other equipment	41,615	305,981
<b>Total depreciable assets</b>	<b>51,926,190</b>	<b>8,129,938</b>
Less accumulated depreciation	(7,835,935)	(2,035,755)
<b>Net capital assets</b>	<b>44,134,275</b>	<b>6,469,957</b>
Accrued OPEB asset	7,515	995
<b>TOTAL LONG-TERM ASSETS</b>	<b>44,141,790</b>	<b>6,470,952</b>
<b>TOTAL ASSETS</b>	<b>49,746,490</b>	<b>8,351,907</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred loss on refunding	810,962	177,052
Deferred pension outflow	41,928	4,987
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>852,890</b>	<b>182,039</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 50,599,380</b>	<b>\$ 8,533,946</b>

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Stewart Creek WWTP	Muddy Creek WWTP	Seis Lagos WWTP	Royse City WWTP
\$ 2,410,555	\$ 219,438	\$ 26,309	\$ 14,941
-	114,272	-	-
249	4,111	26	126
43,455	32,238	1,428	77
-	85,134	-	-
<u>2,454,259</u>	<u>455,193</u>	<u>27,763</u>	<u>15,144</u>
3,246,024	898,035	7,210	9,909
-	1,408,904	-	-
-	894	-	-
<u>3,246,024</u>	<u>2,307,833</u>	<u>7,210</u>	<u>9,909</u>
<u>5,700,283</u>	<u>2,763,026</u>	<u>34,973</u>	<u>25,053</u>
-	-	-	-
-	9,421	-	-
<u>3,101,613</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,101,613</u>	<u>9,421</u>	<u>-</u>	<u>-</u>
-	417,138	-	-
-	-	-	-
6,896,732	28,265,888	-	-
9,698	-	-	-
45,368	32,494	20,051	-
481,181	34,669	21,366	7,324
<u>7,432,979</u>	<u>28,750,189</u>	<u>41,417</u>	<u>7,324</u>
<u>(3,533,241)</u>	<u>(8,297,833)</u>	<u>(32,089)</u>	<u>(7,324)</u>
<u>7,001,351</u>	<u>20,461,777</u>	<u>9,328</u>	<u>-</u>
<u>3,084</u>	<u>8,006</u>	<u>331</u>	<u>46</u>
<u>7,004,435</u>	<u>20,469,783</u>	<u>9,659</u>	<u>46</u>
<u>12,704,718</u>	<u>23,232,809</u>	<u>44,632</u>	<u>25,099</u>
10,970	300,025	-	-
<u>27,007</u>	<u>49,764</u>	<u>1,660</u>	<u>230</u>
<u>37,977</u>	<u>349,789</u>	<u>1,660</u>	<u>230</u>
<u>\$ 12,742,695</u>	<u>\$ 23,582,598</u>	<u>\$ 46,292</u>	<u>\$ 25,329</u>

(Continued)

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

<b>ASSETS</b>	<b>Farmersville WWTP</b>	<b>Frisco Cottonwood Creek WWTP</b>
<b>CURRENT ASSETS:</b>		
Unrestricted assets:		
Cash and cash equivalents	\$ 17,882	\$ 24,256
Accounts receivable	-	-
Due from other funds	128	24
Prepaid expenses	3,857	451
Unbilled receivable	10,995	-
<b>Total unrestricted assets</b>	<b>32,862</b>	<b>24,731</b>
Restricted assets:		
Cash and cash equivalents	17,694	11,440
Investments	-	-
Interest and accounts receivable	-	-
<b>Total restricted assets</b>	<b>17,694</b>	<b>11,440</b>
<b>TOTAL CURRENT ASSETS</b>	<b>50,556</b>	<b>36,171</b>
<b>LONG-TERM ASSETS:</b>		
Nondepreciable:		
Land	-	-
Easements	-	-
Construction-in-progress	-	-
<b>Total nondepreciable assets</b>	<b>-</b>	<b>-</b>
Depreciable:		
Land improvements	-	-
Water treatment, storage, and transmission facilities	-	-
Wastewater treatment and disposal facilities	-	-
Buildings	-	-
Automobiles and trucks	20,051	-
Other equipment	399,655	-
<b>Total depreciable assets</b>	<b>419,706</b>	<b>-</b>
Less accumulated depreciation	(404,693)	-
<b>Net capital assets</b>	<b>15,013</b>	<b>-</b>
Accrued OPEB asset	497	584
<b>TOTAL LONG-TERM ASSETS</b>	<b>15,510</b>	<b>584</b>
<b>TOTAL ASSETS</b>	<b>66,066</b>	<b>36,755</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred loss on refunding	-	-
Deferred pension outflow	2,493	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>2,493</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 68,559</b>	<b>\$ 36,755</b>



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<u>Lavon WWTP</u>	<u>Crandall WWTP</u>	<u>Forney Interceptor</u>	<u>Lower East Fork Interceptor</u>
\$ 659	\$ 585	\$ (9,392)	\$ (9,775)
4,140	-	35,003	27,012
26	-	545	369
1,428	-	19,646	12,945
243	-	7,420	376
<u>6,496</u>	<u>585</u>	<u>53,222</u>	<u>30,927</u>
3,503	-	19,467	681,715
-	-	-	1,334,660
-	-	-	36
<u>3,503</u>	<u>-</u>	<u>19,467</u>	<u>2,016,411</u>
<u>9,999</u>	<u>585</u>	<u>72,689</u>	<u>2,047,338</u>
-	-	-	-
-	-	48,877	193,687
-	-	-	-
<u>-</u>	<u>-</u>	<u>48,877</u>	<u>193,687</u>
-	-	-	-
-	-	-	-
-	-	1,856,524	15,137,968
-	-	-	-
20,051	-	-	-
30,102	-	189,025	-
<u>50,153</u>	<u>-</u>	<u>2,045,549</u>	<u>15,137,968</u>
<u>(18,491)</u>	<u>-</u>	<u>(1,174,664)</u>	<u>(2,194,975)</u>
<u>31,662</u>	<u>-</u>	<u>919,762</u>	<u>13,136,680</u>
<u>331</u>	<u>-</u>	<u>182</u>	<u>186</u>
<u>31,993</u>	<u>-</u>	<u>919,944</u>	<u>13,136,866</u>
<u>41,992</u>	<u>585</u>	<u>992,633</u>	<u>15,184,204</u>
-	-	-	-
1,660	-	935	935
1,660	-	935	935
<u>\$ 43,652</u>	<u>\$ 585</u>	<u>\$ 993,568</u>	<u>\$ 15,185,139</u>

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

<b>ASSETS</b>	<b>Muddy Creek Interceptor</b>	<b>Parker Creek Interceptor</b>
<b>CURRENT ASSETS:</b>		
Unrestricted assets:		
Cash and cash equivalents	\$ 18,606	\$ 17,670
Accounts receivable	-	(15,212)
Due from other funds	-	-
Prepaid expenses	8,282	-
Unbilled receivable	-	-
<b>Total unrestricted assets</b>	<b>26,888</b>	<b>2,458</b>
Restricted assets:		
Cash and cash equivalents	141,492	98,314
Investments	238,727	205,487
Interest and accounts receivable	6	6
<b>Total restricted assets</b>	<b>380,225</b>	<b>303,807</b>
<b>TOTAL CURRENT ASSETS</b>	<b>407,113</b>	<b>306,265</b>
<b>LONG-TERM ASSETS:</b>		
Nondepreciable:		
Land	-	-
Easements	49,232	104,204
Construction-in-progress	-	-
<b>Total nondepreciable assets</b>	<b>49,232</b>	<b>104,204</b>
Depreciable:		
Land improvements	-	-
Water treatment, storage, and transmission facilities	-	-
Wastewater treatment and disposal facilities	3,411,083	2,465,984
Buildings	-	-
Automobiles and trucks	-	-
Other equipment	-	-
<b>Total depreciable assets</b>	<b>3,411,083</b>	<b>2,465,984</b>
Less accumulated depreciation	(1,069,613)	(427,438)
<b>Net capital assets</b>	<b>2,390,702</b>	<b>2,142,750</b>
Accrued OPEB asset	-	-
<b>TOTAL LONG-TERM ASSETS</b>	<b>2,390,702</b>	<b>2,142,750</b>
<b>TOTAL ASSETS</b>	<b>2,797,815</b>	<b>2,449,015</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred loss on refunding	(13,552)	-
Deferred pension outflow	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>(13,552)</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,784,263</b>	<b>\$ 2,449,015</b>

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<u>Sabine Creek Interceptor</u>	<u>Buffalo Creek Interceptor</u>	<u>McKinney Interceptor</u>	<u>Mustang Creek Interceptor</u>
\$ (16,270)	\$ 50,520	\$ 1,475	\$ 1,298
16,772	75,483	-	-
-	-	-	-
-	9,189	-	-
-	439	-	-
<u>502</u>	<u>135,631</u>	<u>1,475</u>	<u>1,298</u>
68,987	861,820	5,979	1,364,232
177,283	1,006,360	-	-
5	639	-	-
<u>246,275</u>	<u>1,868,819</u>	<u>5,979</u>	<u>1,364,232</u>
<u>246,777</u>	<u>2,004,450</u>	<u>7,454</u>	<u>1,365,530</u>
-	-	-	-
70,341	1,253,590	16,150	915,950
-	-	-	10,000
<u>70,341</u>	<u>1,253,590</u>	<u>16,150</u>	<u>925,950</u>
-	-	-	-
-	-	-	-
1,697,812	18,008,418	1,551,439	8,564,343
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,697,812</u>	<u>18,008,418</u>	<u>1,551,439</u>	<u>8,564,343</u>
<u>(271,653)</u>	<u>(5,243,579)</u>	<u>(1,006,603)</u>	<u>(14,274)</u>
<u>1,496,500</u>	<u>14,018,429</u>	<u>560,986</u>	<u>9,476,019</u>
-	183	-	-
<u>1,496,500</u>	<u>14,018,612</u>	<u>560,986</u>	<u>9,476,019</u>
<u>1,743,277</u>	<u>16,023,062</u>	<u>568,440</u>	<u>10,841,549</u>
-	487,145	-	-
-	935	-	-
-	488,080	-	-
<u>\$ 1,743,277</u>	<u>\$ 16,511,142</u>	<u>\$ 568,440</u>	<u>\$ 10,841,549</u>

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

<b>ASSETS</b>	<b>Small Plants Clearing</b>	<b>Dewatering Operations</b>
<b>CURRENT ASSETS:</b>		
Unrestricted assets:		
Cash and cash equivalents	\$ 399,450	\$ 18,248
Accounts receivable	-	-
Due from other funds	20,898	-
Prepaid expenses	526	-
Unbilled receivable	-	-
<b>Total unrestricted assets</b>	<b>420,874</b>	<b>18,248</b>
Restricted assets:		
Cash and cash equivalents	-	176,260
Investments	-	-
Interest and accounts receivable	-	-
<b>Total restricted assets</b>	<b>-</b>	<b>176,260</b>
<b>TOTAL CURRENT ASSETS</b>	<b>420,874</b>	<b>194,508</b>
<b>LONG-TERM ASSETS:</b>		
Nondepreciable:		
Land	-	-
Easements	-	-
Construction-in-progress	-	-
<b>Total nondepreciable assets</b>	<b>-</b>	<b>-</b>
Depreciable:		
Land improvements	-	-
Water treatment, storage, and transmission facilities	-	-
Wastewater treatment and disposal facilities	-	-
Buildings	-	-
Automobiles and trucks	-	-
Other equipment	-	-
<b>Total depreciable assets</b>	<b>-</b>	<b>-</b>
Less accumulated depreciation	-	-
<b>Net capital assets</b>	<b>-</b>	<b>-</b>
Accrued OPEB asset	-	-
<b>TOTAL LONG-TERM ASSETS</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>420,874</b>	<b>194,508</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred loss on refunding	-	-
Deferred pension outflow	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 420,874</b>	<b>\$ 194,508</b>

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<b>Wastewater Pretreatment Program</b>	<b>Total Sewer System</b>
\$ 112,306	\$ 4,044,565
(10,710)	692,904
-	36,366
6,395	241,721
-	123,706
<u>107,991</u>	<u>5,139,262</u>
-	11,376,476
-	10,913,071
-	17,913
<u>-</u>	<u>22,307,460</u>
<u>107,991</u>	<u>27,446,722</u>
-	469,515
-	4,072,113
-	3,136,591
<u>-</u>	<u>7,678,219</u>
-	417,138
-	29,946,174
-	159,496,235
-	9,698
44,753	310,387
18,726	1,954,221
<u>63,479</u>	<u>192,133,853</u>
<u>(59,375)</u>	<u>(49,477,060)</u>
<u>4,104</u>	<u>150,335,012</u>
<u>4,370</u>	<u>28,679</u>
<u>8,474</u>	<u>150,363,691</u>
<u>116,465</u>	<u>177,810,413</u>
-	2,026,542
<u>36,716</u>	<u>181,111</u>
<u>36,716</u>	<u>2,207,653</u>
<u>\$ 153,181</u>	<u>\$ 180,018,066</u>

(Continued)

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

	<b>Little Elm Water Transmission Facilities</b>	<b>Plano Water Transmission Facilities</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ -	\$ 1
Due to other funds	-	11,000
Customers' advance payments	3,256	4,019
<b>Total payable from unrestricted assets</b>	<b>3,256</b>	<b>15,020</b>
Payable from restricted assets:		
Accounts payable and accrued liabilities	41,308	75,255
Due to other funds	-	-
Accrued interest payable on revenue bonds	17,133	19,867
Current portion of revenue bonds	325,000	765,000
<b>Total payable from restricted assets</b>	<b>383,441</b>	<b>860,122</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>386,697</b>	<b>875,142</b>
<b>LONG-TERM LIABILITIES:</b>		
Accrued vacation—less current portion	-	-
Accrued sick—less current portion	-	-
Net pension liability	-	-
Long-term debt—less current portion	2,606,533	1,029,619
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>2,606,533</b>	<b>1,029,619</b>
<b>TOTAL LIABILITIES</b>	<b>2,993,230</b>	<b>1,904,761</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred pension inflow	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>2,993,230</b>	<b>1,904,761</b>
<b>NET POSITION:</b>		
Net investment in capital assets	1,647,489	3,972,757
Restricted for debt service	526,393	895,570
Unrestricted	-	(11,001)
<b>TOTAL NET POSITION</b>	<b>\$ 2,173,882</b>	<b>\$ 4,857,326</b>

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Kaufman 4-1 Water Distribution Facilities	Rockwall-Heath Water Storage Facilities
\$ 5,866	\$ 1,059
817	-
10,426	-
17,109	1,059
34,143	-
-	-
-	24,872
-	150,000
34,143	174,872
51,252	175,931
-	-
-	-
-	-
-	1,690,000
-	1,690,000
51,252	1,865,931
-	-
-	-
51,252	1,865,931
-	331,217
-	283,610
20,000	1
\$ 20,000	\$ 614,828

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

	<b>Terrell Water Transmission Facilities</b>	<b>Rockwall Water Pump Station Facilities</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ -	\$ -
Due to other funds	-	-
Customers' advance payments	-	2
<b>Total payable from unrestricted assets</b>	-	2
Payable from restricted assets:		
Accounts payable and accrued liabilities	-	-
Due to other funds	-	-
Accrued interest payable on revenue bonds	119,194	21,665
Current portion of revenue bonds	365,000	100,000
<b>Total payable from restricted assets</b>	484,194	121,665
<b>TOTAL CURRENT LIABILITIES</b>	484,194	121,667
<b>LONG-TERM LIABILITIES:</b>		
Accrued vacation—less current portion	-	-
Accrued sick—less current portion	-	-
Net pension liability	-	-
Long-term debt—less current portion	10,341,179	1,338,133
<b>TOTAL LONG-TERM LIABILITIES</b>	10,341,179	1,338,133
<b>TOTAL LIABILITIES</b>	10,825,373	1,459,800
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred pension inflow	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	-	-
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	10,825,373	1,459,800
<b>NET POSITION:</b>		
Net investment in capital assets	(829,808)	107,652
Restricted for debt service	909,242	205,419
Unrestricted	-	-
<b>TOTAL NET POSITION</b>	\$ 79,434	\$ 313,071



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<b>Murphy WWTP/ Interceptor</b>	<b>Wylie WWTP</b>	<b>South Rockwall (Buffalo Creek) WWTP</b>	<b>North Rockwall (Squabble Creek) WWTP</b>
\$ 7	\$ 881	\$ 60,721	\$ 47,871
340	22	9,468	5,158
2,606	11,683	138,629	51,966
2,953	12,586	208,818	104,995
8,807	23,525	35,002	66,512
-	-	-	-
-	-	44,309	-
-	-	270,000	-
8,807	23,525	349,311	66,512
11,760	36,111	558,129	171,507
-	173	5,781	3,016
-	25	834	435
-	1,695	56,511	29,460
-	-	2,089,836	-
-	1,893	2,152,962	32,911
11,760	38,004	2,711,091	204,418
-	314	10,489	5,468
-	314	10,489	5,468
11,760	38,318	2,721,580	209,886
33,017	271,993	1,191,637	523,403
-	-	445,622	-
200	(2,130)	(71,232)	(39,623)
<u>\$ 33,217</u>	<u>\$ 269,863</u>	<u>\$ 1,566,027</u>	<u>\$ 483,780</u>

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

<b>LIABILITIES</b>	<b>Panther Creek WWTP</b>	<b>Sabine Creek WWTP</b>
<b>CURRENT LIABILITIES:</b>		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 281,264	\$ 80,582
Due to other funds	31,879	23,669
Customers' advance payments	57,122	61,879
<b>Total payable from unrestricted assets</b>	<b>370,265</b>	<b>166,130</b>
Payable from restricted assets:		
Accounts payable and accrued liabilities	16,052	790,269
Due to other funds	-	-
Accrued interest payable on revenue bonds	580,429	41,350
Current portion of revenue bonds	2,515,000	525,000
<b>Total payable from restricted assets</b>	<b>3,111,481</b>	<b>1,356,619</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,481,746</b>	<b>1,522,749</b>
<b>LONG-TERM LIABILITIES:</b>		
Accrued vacation—less current portion	26,073	3,771
Accrued sick—less current portion	37,850	544
Net pension liability	310,020	36,870
Long-term debt—less current portion	37,510,532	4,445,972
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>37,884,475</b>	<b>4,487,157</b>
<b>TOTAL LIABILITIES</b>	<b>41,366,221</b>	<b>6,009,906</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred pension inflow	57,543	6,844
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>57,543</b>	<b>6,844</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>41,423,764</b>	<b>6,016,750</b>
<b>NET POSITION:</b>		
Net investment in capital assets	5,054,942	1,237,225
Restricted for debt service	4,511,023	899,376
Unrestricted	(390,349)	380,595
<b>TOTAL NET POSITION</b>	<b>\$ 9,175,616</b>	<b>\$ 2,517,196</b>

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<b>Stewart Creek WWTP</b>	<b>Muddy Creek WWTP</b>	<b>Seis Lagos WWTP</b>	<b>Royse City WWTP</b>
\$ 160,792	\$ 285,492	\$ 8,335	\$ 1,187
24,681	21,654	2,500	58
2,306,930	126,287	18,462	14,101
<u>2,492,403</u>	<u>433,433</u>	<u>29,297</u>	<u>15,346</u>
4,027,937	17,813	7,210	9,909
-	-	-	-
10,665	198,855	-	-
490,000	1,315,000	-	-
<u>4,528,602</u>	<u>1,531,668</u>	<u>7,210</u>	<u>9,909</u>
<u>7,021,005</u>	<u>1,965,101</u>	<u>36,507</u>	<u>25,255</u>
14,863	35,688	1,257	173
1,257	70,889	181	25
199,668	367,971	12,280	1,695
1,535,000	13,424,430	-	-
<u>1,750,788</u>	<u>13,898,978</u>	<u>13,718</u>	<u>1,893</u>
<u>8,771,793</u>	<u>15,864,079</u>	<u>50,225</u>	<u>27,148</u>
37,060	68,299	2,279	314
37,060	68,299	2,279	314
<u>8,808,853</u>	<u>15,932,378</u>	<u>52,504</u>	<u>27,462</u>
1,890,984	6,022,372	9,328	-
2,303,759	2,091,165	-	-
(260,901)	(463,317)	(15,540)	(2,133)
<u>\$ 3,933,842</u>	<u>\$ 7,650,220</u>	<u>\$ (6,212)</u>	<u>\$ (2,133)</u>

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

	<b>Farmersville WWTP</b>	<b>Frisco Cottonwood Creek WWTP</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 32,295	\$ 4,728
Due to other funds	4,719	82
Customers' advance payments	4,873	20,504
<b>Total payable from unrestricted assets</b>	<b>41,887</b>	<b>25,314</b>
Payable from restricted assets:		
Accounts payable and accrued liabilities	17,694	11,440
Due to other funds	-	-
Accrued interest payable on revenue bonds	-	-
Current portion of revenue bonds	-	-
<b>Total payable from restricted assets</b>	<b>17,694</b>	<b>11,440</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>59,581</b>	<b>36,754</b>
<b>LONG-TERM LIABILITIES:</b>		
Accrued vacation—less current portion	1,885	-
Accrued sick—less current portion	272	-
Net pension liability	18,433	-
Long-term debt—less current portion	-	-
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>20,590</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>80,171</b>	<b>36,754</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred pension inflow	3,421	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,421</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>83,592</b>	<b>36,754</b>
<b>NET POSITION:</b>		
Net investment in capital assets	15,013	-
Restricted for debt service	-	-
Unrestricted	(30,046)	1
<b>TOTAL NET POSITION</b>	<b>\$ (15,033)</b>	<b>\$ 1</b>

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<b>Lavon WWTP</b>	<b>Crandall WWTP</b>	<b>Forney Interceptor</b>	<b>Lower East Fork Interceptor</b>
\$ 5,443	\$ 102	\$ 47,536	\$ 28,300
2,585	-	4,825	2,754
-	-	-	-
8,028	102	52,361	31,054
3,503	-	19,467	21,887
-	-	-	-
-	-	-	179,712
-	-	-	895,000
3,503	-	19,467	1,096,599
11,531	102	71,828	1,127,653
1,257	-	1,503	1,503
181	-	-	-
12,280	-	6,916	6,916
-	-	-	11,756,655
13,718	-	8,419	11,765,074
25,249	102	80,247	12,892,727
2,279	-	1,284	1,284
2,279	-	1,284	1,284
27,528	102	81,531	12,894,011
31,662	-	919,762	485,025
-	-	-	1,814,812
(15,538)	483	(7,725)	(8,709)
<u>\$ 16,124</u>	<u>\$ 483</u>	<u>\$ 912,037</u>	<u>\$ 2,291,128</u>

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

	<b><u>Muddy Creek Interceptor</u></b>	<b><u>Parker Creek Interceptor</u></b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 16,735	\$ 1,591
Due to other funds	-	147
Customers' advance payments	10,153	722
<b>Total payable from unrestricted assets</b>	<b>26,888</b>	<b>2,460</b>
Payable from restricted assets:		
Accounts payable and accrued liabilities	22,297	3,002
Due to other funds	-	-
Accrued interest payable on revenue bonds	20,250	23,805
Current portion of revenue bonds	185,000	150,000
<b>Total payable from restricted assets</b>	<b>227,547</b>	<b>176,807</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>254,435</b>	<b>179,267</b>
<b>LONG-TERM LIABILITIES:</b>		
Accrued vacation—less current portion	-	-
Accrued sick—less current portion	-	-
Net pension liability	-	-
Long-term debt—less current portion	1,861,096	1,270,000
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>1,861,096</b>	<b>1,270,000</b>
<b>TOTAL LIABILITIES</b>	<b>2,115,531</b>	<b>1,449,267</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred pension inflow	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>2,115,531</b>	<b>1,449,267</b>
<b>NET POSITION:</b>		
Net investment in capital assets	331,054	722,750
Restricted for debt service	337,678	277,000
Unrestricted	-	(2)
<b>TOTAL NET POSITION</b>	<b>\$ 668,732</b>	<b>\$ 999,748</b>

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<u>Sabine Creek Interceptor</u>	<u>Buffalo Creek Interceptor</u>	<u>McKinney Interceptor</u>	<u>Mustang Creek Interceptor</u>
\$ -	\$ 26,686	\$ 44	\$ 513
500	1,068	390	-
-	107,953	1,040	785
<u>500</u>	<u>135,707</u>	<u>1,474</u>	<u>1,298</u>
5,126	152,022	5,126	15,002
-	-	-	-
19,199	165,431	-	127,356
120,000	965,000	-	185,000
<u>144,325</u>	<u>1,282,453</u>	<u>5,126</u>	<u>327,358</u>
<u>144,825</u>	<u>1,418,160</u>	<u>6,600</u>	<u>328,656</u>
-	1,548	-	-
-	-	-	-
-	6,916	-	-
1,025,000	11,150,662	-	10,170,798
<u>1,025,000</u>	<u>11,159,126</u>	<u>-</u>	<u>10,170,798</u>
<u>1,169,825</u>	<u>12,577,286</u>	<u>6,600</u>	<u>10,499,454</u>
-	1,284	-	-
-	1,284	-	-
<u>1,169,825</u>	<u>12,578,570</u>	<u>6,600</u>	<u>10,499,454</u>
351,500	2,389,912	560,986	(325,458)
221,950	1,551,366	853	667,553
2	(8,706)	1	-
<u>\$ 573,452</u>	<u>\$ 3,932,572</u>	<u>\$ 561,840</u>	<u>\$ 342,095</u>

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

<b>LIABILITIES</b>	<b>Small Plants Clearing</b>	<b>Dewatering Operations</b>
<b>CURRENT LIABILITIES:</b>		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 986	\$ -
Due to other funds	565	-
Customers' advance payments	-	-
<b>Total payable from unrestricted assets</b>	<b>1,551</b>	<b>-</b>
Payable from restricted assets:		
Accounts payable and accrued liabilities	-	176,263
Accrued interest payable on revenue bonds	-	-
Current portion of revenue bonds	-	-
<b>Total payable from restricted assets</b>	<b>-</b>	<b>176,263</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,551</b>	<b>176,263</b>
<b>LONG-TERM LIABILITIES:</b>		
Accrued vacation—less current portion	-	-
Accrued sick—less current portion	-	-
Net pension liability	-	-
Long-term debt—less current portion	-	-
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>1,551</b>	<b>176,263</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred pension inflow	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>1,551</b>	<b>176,263</b>
<b>NET POSITION:</b>		
Net investment in capital assets	-	-
Restricted for debt service	-	-
Unrestricted	419,323	18,245
<b>TOTAL NET POSITION</b>	<b>\$ 419,323</b>	<b>\$ 18,245</b>



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<b>Wastewater Pretreatment Program</b>	<b>Total Sewer System</b>
\$ 67,505	\$ 1,166,522
192	149,073
<u>81,909</u>	<u>3,035,307</u>
<u>149,606</u>	<u>4,350,902</u>
-	5,606,571
-	1,614,092
<u>-</u>	<u>9,320,000</u>
<u>-</u>	<u>16,540,663</u>
<u>149,606</u>	<u>20,891,565</u>
19,429	117,920
-	112,493
271,495	1,339,126
<u>-</u>	<u>113,245,445</u>
<u>290,924</u>	<u>114,814,984</u>
<u>440,530</u>	<u>135,706,549</u>
<u>50,392</u>	<u>248,554</u>
50,392	248,554
<u>490,922</u>	<u>135,955,103</u>
4,104	26,950,518
-	17,942,391
<u>(341,845)</u>	<u>(829,946)</u>
<u>\$ (337,741)</u>	<u>\$ 44,062,963</u>

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2015**

	<b>Little Elm Water Transmission Facilities</b>	<b>Plano Water Transmission Facilities</b>
<b>OPERATING REVENUES:</b>		
Wastewater service fees	\$ 366,419	\$ 823,886
Other operating revenues	-	-
<b>Total operating revenues</b>	<b>366,419</b>	<b>823,886</b>
<b>OPERATING EXPENSES:</b>		
Personnel	-	-
Operating Supplies:		
Chemicals	-	-
Other supplies	-	-
Operating Services:		
Electric power	-	-
Other services	4,431	4,906
Depreciation	103,519	231,466
<b>Total operating expenses</b>	<b>107,950</b>	<b>236,372</b>
<b>OPERATING INCOME (LOSS)</b>	<b>258,469</b>	<b>587,514</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income	3,472	4,829
Gain (loss) on sale of capital assets	-	-
Interest expense	(60,857)	(60,928)
<b>Total nonoperating revenues (expenses)</b>	<b>(57,385)</b>	<b>(56,099)</b>
<b>CHANGE IN NET POSITION</b>	<b>201,084</b>	<b>531,415</b>
<b>NET POSITION AT OCTOBER 1, 2014 (As Previously Stated)</b>	<b>1,972,798</b>	<b>4,325,911</b>
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE</b>	<b>-</b>	<b>-</b>
<b>NET POSITION AT OCTOBER 1, 2014</b>	<b>1,972,798</b>	<b>4,325,911</b>
<b>NET POSITION AT SEPTEMBER 30, 2015</b>	<b>\$ 2,173,882</b>	<b>\$ 4,857,326</b>

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Kaufman 4-1 Water Distribution Facilities		Rockwall-Heath Water Storage Facilities	
\$	52,123	\$	226,467
	118		-
	52,241		226,467
	-		-
	-		-
	5,310		-
	34,287		-
	(7,353)		5,571
	-		52,005
	32,244		57,576
	19,997		168,891
	3		1,969
	-		-
	-		(78,815)
	3		(76,846)
	20,000		92,045
			522,783
	-		-
			522,783
\$	20,000	\$	614,828

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2015**

	<b>Terrell Water Transmission Facilities</b>	<b>Rockwall Water Pump Station Facilities</b>
<b>OPERATING REVENUES:</b>		
Wastewater service fees	\$ 798,344	\$ 172,758
Other operating revenues	-	-
<b>Total operating revenues</b>	<b>798,344</b>	<b>172,758</b>
<b>OPERATING EXPENSES:</b>		
Personnel	-	-
Operating Supplies:		
Chemicals	-	-
Other supplies	-	-
Operating Services:		
Electric power	-	-
Other services	328,491	4,511
Depreciation	300,978	48,306
<b>Total operating expenses</b>	<b>629,469</b>	<b>52,817</b>
<b>OPERATING INCOME (LOSS)</b>	<b>168,875</b>	<b>119,941</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income	6,287	1,431
Gain (loss) on sale of capital assets	-	-
Interest expense	(322,140)	(66,822)
<b>Total nonoperating revenues (expenses)</b>	<b>(315,853)</b>	<b>(65,391)</b>
<b>CHANGE IN NET POSITION</b>	<b>(146,978)</b>	<b>54,550</b>
<b>NET POSITION AT OCTOBER 1, 2014 (As Previously Stated)</b>	<b>226,412</b>	<b>258,521</b>
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE</b>	<b>-</b>	<b>-</b>
<b>NET POSITION AT OCTOBER 1, 2014</b>	<b>226,412</b>	<b>258,521</b>
<b>NET POSITION AT SEPTEMBER 30, 2015</b>	<b>\$ 79,434</b>	<b>\$ 313,071</b>

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<b>Murphy WWTP/ Interceptor</b>	<b>Wylie WWTP</b>	<b>South Rockwall (Buffalo Creek) WWTP</b>	<b>North Rockwall (Squabble Creek) WWTP</b>
\$ 6,454	\$ 24,521	\$ 1,239,649	\$ 384,801
1	-	23,050	881
<u>6,455</u>	<u>24,521</u>	<u>1,262,699</u>	<u>385,682</u>
-	5,449	182,145	94,961
-	-	32,572	85,391
31	56	33,017	29,714
269	582	204,700	46,505
6,157	18,598	465,573	126,832
-	78,474	177,858	42,822
<u>6,457</u>	<u>103,159</u>	<u>1,095,865</u>	<u>426,225</u>
<u>(2)</u>	<u>(78,638)</u>	<u>166,834</u>	<u>(40,543)</u>
2	3	2,410	80
-	-	-	-
-	-	(144,575)	-
<u>2</u>	<u>3</u>	<u>(142,165)</u>	<u>80</u>
-	(78,635)	24,669	(40,463)
<u>33,217</u>	<u>350,470</u>	<u>1,607,134</u>	<u>558,532</u>
-	(1,972)	(65,776)	(34,289)
<u>33,217</u>	<u>348,498</u>	<u>1,541,358</u>	<u>524,243</u>
<u>\$ 33,217</u>	<u>\$ 269,863</u>	<u>\$ 1,566,027</u>	<u>\$ 483,780</u>

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2015**

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	<b>Panther Creek WWTP</b>	<b>Sabine Creek WWTP</b>
<b>OPERATING REVENUES:</b>		
Wastewater service fees	\$ 7,140,095	\$ 1,247,285
Other operating revenues	13,321	3,066
<b>Total operating revenues</b>	<b>7,153,416</b>	<b>1,250,351</b>
<b>OPERATING EXPENSES:</b>		
Personnel	864,456	118,772
Operating Supplies:		
Chemicals	474,326	17,415
Other supplies	173,391	59,708
Operating Services:		
Electric power	462,284	138,463
Other services	1,543,002	239,337
Depreciation	1,305,082	267,986
<b>Total operating expenses</b>	<b>4,822,541</b>	<b>841,681</b>
<b>OPERATING INCOME (LOSS)</b>	<b>2,330,875</b>	<b>408,670</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income	50,678	6,291
Gain (loss) on sale of capital assets	-	-
Interest expense	(1,439,183)	(136,734)
<b>Total nonoperating revenues (expenses)</b>	<b>(1,388,505)</b>	<b>(130,443)</b>
<b>CHANGE IN NET POSITION</b>	<b>942,370</b>	<b>278,227</b>
<b>NET POSITION AT OCTOBER 1, 2014 (As Previously Stated)</b>	<b>8,594,098</b>	<b>2,281,883</b>
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE</b>	<b>(360,852)</b>	<b>(42,914)</b>
<b>NET POSITION AT OCTOBER 1, 2014</b>	<b>8,233,246</b>	<b>2,238,969</b>
<b>NET POSITION AT SEPTEMBER 30, 2015</b>	<b>\$ 9,175,616</b>	<b>\$ 2,517,196</b>

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<b>Stewart Creek WWTP</b>	<b>Muddy Creek WWTP</b>	<b>Seis Lagos WWTP</b>	<b>Royse City WWTP</b>
\$ 3,881,017	\$ 4,712,277	\$ 137,785	\$ 11,290
23,365	345,181	144	4
<u>3,904,382</u>	<u>5,057,458</u>	<u>137,929</u>	<u>11,294</u>
398,226	906,159	39,536	5,451
334,391	184,257	3,220	-
108,917	192,187	22,936	265
314,804	338,817	13,213	452
604,938	1,589,984	55,086	5,293
260,979	961,455	2,674	-
<u>2,022,255</u>	<u>4,172,859</u>	<u>136,665</u>	<u>11,461</u>
<u>1,882,127</u>	<u>884,599</u>	<u>1,264</u>	<u>(167)</u>
3,312	19,779	53	6
-	-	-	-
<u>(39,794)</u>	<u>(524,542)</u>	<u>-</u>	<u>-</u>
<u>(36,482)</u>	<u>(504,763)</u>	<u>53</u>	<u>6</u>
1,845,645	379,836	1,317	(161)
<u>2,320,602</u>	<u>7,698,691</u>	<u>6,765</u>	
<u>(232,405)</u>	<u>(428,307)</u>	<u>(14,294)</u>	<u>(1,972)</u>
<u>2,088,197</u>	<u>7,270,384</u>	<u>(7,529)</u>	<u>(1,972)</u>
<u>\$ 3,933,842</u>	<u>\$ 7,650,220</u>	<u>\$ (6,212)</u>	<u>\$ (2,133)</u>

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2015**

	<b>Farmersville WWTP</b>	<b>Frisco Cottonwood Creek WWTP</b>
<b>OPERATING REVENUES:</b>		
Wastewater service fees	\$ 236,460	\$ 118,286
Other operating revenues	248	51
<b>Total operating revenues</b>	<b>236,708</b>	<b>118,337</b>
<b>OPERATING EXPENSES:</b>		
Personnel	59,305	44,059
Operating Supplies:		
Chemicals	13,485	4,043
Other supplies	21,269	6,377
Operating Services:		
Electric power	48,906	26,455
Other services	90,397	37,415
Depreciation	3,748	-
<b>Total operating expenses</b>	<b>237,110</b>	<b>118,349</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(402)</b>	<b>(12)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income	59	13
Gain (loss) on sale of capital assets	-	-
Interest expense	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>59</b>	<b>13</b>
<b>CHANGE IN NET POSITION</b>	<b>(343)</b>	<b>1</b>
<b>NET POSITION AT OCTOBER 1, 2014 (As Previously Stated)</b>	<b>6,766</b>	
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE</b>	<b>(21,456)</b>	<b>-</b>
<b>NET POSITION AT OCTOBER 1, 2014</b>	<b>(14,690)</b>	
<b>NET POSITION AT SEPTEMBER 30, 2015</b>	<b>\$ (15,033)</b>	<b>\$ 1</b>



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<b>Lavon WWTP</b>	<b>Crandall WWTP</b>	<b>Forney Interceptor</b>	<b>Lower East Fork Interceptor</b>
\$ 147,612	\$ -	\$ 227,701	\$ 1,630,959
167	-	626	624
147,779	-	228,327	1,631,583
39,534	-	21,856	22,354
2,769	-	59,534	57,260
31,251	-	17,780	4,064
-	-	39,984	36,712
65,041	-	89,851	84,905
5,563	-	67,513	302,760
144,158	-	296,518	508,055
3,621	-	(68,191)	1,123,528
47	-	21	19,305
-	-	-	-
-	-	-	(555,061)
47	-	21	(535,756)
3,668	-	(68,170)	587,772
26,750	483	988,258	1,711,407
(14,294)	-	(8,051)	(8,051)
12,456	483	980,207	1,703,356
\$ 16,124	\$ 483	\$ 912,037	\$ 2,291,128

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2015**

	<b>Muddy Creek Interceptor</b>	<b>Parker Creek Interceptor</b>
<b>OPERATING REVENUES:</b>		
Wastewater service fees	\$ 299,184	\$ 229,853
Other operating revenues	318	-
<b>Total operating revenues</b>	<b>299,502</b>	<b>229,853</b>
<b>OPERATING EXPENSES:</b>		
Personnel	-	-
Operating Supplies:		
Chemicals	25,805	-
Other supplies	217	1,575
Operating Services:		
Electric power	-	252
Other services	115,711	6,034
Depreciation	111,943	49,320
<b>Total operating expenses</b>	<b>253,676</b>	<b>57,181</b>
<b>OPERATING INCOME (LOSS)</b>	<b>45,826</b>	<b>172,672</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income	3,556	2,970
Gain (loss) on sale of capital assets	-	-
Interest expense	(45,650)	(75,886)
<b>Total nonoperating revenues (expenses)</b>	<b>(42,094)</b>	<b>(72,916)</b>
<b>CHANGE IN NET POSITION</b>	<b>3,732</b>	<b>99,756</b>
<b>NET POSITION AT OCTOBER 1, 2014 (As Previously Stated)</b>	<b>665,000</b>	<b>899,992</b>
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE</b>	<b>-</b>	<b>-</b>
<b>NET POSITION AT OCTOBER 1, 2014</b>	<b>665,000</b>	<b>899,992</b>
<b>NET POSITION AT SEPTEMBER 30, 2015</b>	<b>\$ 668,732</b>	<b>\$ 999,748</b>

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<u>Sabine Creek Interceptor</u>	<u>Buffalo Creek Interceptor</u>	<u>McKinney Interceptor</u>	<u>Mustang Creek Interceptor</u>
\$ 184,098	\$ 1,575,392	\$ 5,370	\$ 575,825
7	520	7	-
<u>184,105</u>	<u>1,575,912</u>	<u>5,377</u>	<u>575,825</u>
-	21,982	-	-
-	51,932	-	-
1,473	4,841	-	-
-	44,359	288	-
5,135	53,503	5,090	8,841
33,956	610,271	54,941	14,274
<u>40,564</u>	<u>786,888</u>	<u>60,319</u>	<u>23,115</u>
<u>143,541</u>	<u>789,024</u>	<u>(54,942)</u>	<u>552,710</u>
2,550	14,008	43	1,173
-	-	-	-
(61,142)	(413,447)	(4,667)	(368,821)
<u>(58,592)</u>	<u>(399,439)</u>	<u>(4,624)</u>	<u>(367,648)</u>
84,949	389,585	(59,566)	185,062
<u>488,503</u>	<u>3,551,038</u>	<u>621,406</u>	<u>157,033</u>
-	(8,051)	-	-
<u>488,503</u>	<u>3,542,987</u>	<u>621,406</u>	<u>157,033</u>
<u>\$ 573,452</u>	<u>\$ 3,932,572</u>	<u>\$ 561,840</u>	<u>\$ 342,095</u>

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SEWER SYSTEM SUPPLEMENTAL SCHEDULES  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2015**

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	<u>Small Plants Clearing</u>	<u>Dewatering Operations</u>
<b>OPERATING REVENUES:</b>		
Wastewater service fees	\$ -	\$ -
Other operating revenues	-	-
	<hr/>	<hr/>
<b>Total operating revenues</b>	<hr/> -	<hr/> -
<b>OPERATING EXPENSES:</b>		
Personnel	-	-
Operating Supplies:		
Chemicals	20	-
Other supplies	(20)	-
Operating Services:		
Electric power	-	-
Other services	-	-
Depreciation	-	-
	<hr/>	<hr/>
<b>Total operating expenses</b>	<hr/> -	<hr/> -
<b>OPERATING INCOME (LOSS)</b>	<hr/> -	<hr/> -
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income	-	-
Interest expense	-	-
	<hr/>	<hr/>
<b>Total nonoperating revenues (expenses)</b>	<hr/> -	<hr/> -
<b>CHANGE IN NET POSITION</b>	-	-
<b>NET POSITION AT OCTOBER 1, 2014 (As Previously Stated)</b>	<hr/> 419,323	<hr/> 18,245
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE</b>	<hr/> -	<hr/> -
<b>NET POSITION AT OCTOBER 1, 2014</b>	<hr/> 419,323	<hr/> 18,245
<b>NET POSITION AT SEPTEMBER 30, 2015</b>	<u><u>\$ 419,323</u></u>	<u><u>\$ 18,245</u></u>

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<b>Wastewater Pretreatment Program</b>	<b>Total Sewer System</b>
\$ 611,139	\$ 27,067,050
131	411,830
<u>611,270</u>	<u>27,478,880</u>
462,357	3,286,602
-	1,346,420
28,727	743,086
-	1,751,332
146,091	5,703,371
1,407	5,089,300
<u>638,582</u>	<u>17,920,111</u>
<u>(27,312)</u>	<u>9,558,769</u>
72	144,422
-	(4,399,064)
<u>72</u>	<u>(4,254,642)</u>
(27,240)	5,304,127
<u>5,511</u>	<u>40,317,532</u>
<u>(316,012)</u>	<u>(1,558,696)</u>
<u>(310,501)</u>	<u>38,758,836</u>
<u>\$ (337,741)</u>	<u>\$ 44,062,963</u>

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SEWER SYSTEM SUPPLEMENTAL SCHEDULES**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	<b>Little Elm Water Transmission Facilities</b>	<b>Plano Water Transmission Facilities</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 353,802	\$ 823,917
Cash received from other funds		
Cash received from (paid to) others		
Cash paid to suppliers for goods and services	(6,029)	(53,068)
Cash paid for employee services		(703)
Cash paid to other funds	(170)	(225)
Net cash provided by (used for) operating activities	<u>347,603</u>	<u>769,921</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of bonds	-	-
Cash paid for capital assets	-	-
Interest paid	(54,600)	(79,950)
Principal payments on long-term debt and capital leases	(320,000)	(740,000)
Payments for bond issue costs	-	-
Net cash provided by (used for) capital and related financing activities	<u>(374,600)</u>	<u>(819,950)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Sale and maturity of investments	239,117	629,308
Purchases of investments	(396,745)	(528,993)
Interest received	5,125	6,981
Net cash provided by (used for) investing activities	<u>(152,503)</u>	<u>107,296</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(179,500)</u>	<u>57,267</u>
<b>CASH AND CASH EQUIVALENTS—Beginning of year</b>	<u>370,552</u>	<u>408,061</u>
<b>CASH AND CASH EQUIVALENTS—End of year</b>	<u>\$ 191,052</u>	<u>\$ 465,328</u>
<b>RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION</b>		
Unrestricted cash and cash equivalents	\$ 3,256	\$ 4,019
Restricted cash and cash equivalents	187,796	461,309
	<u>\$ 191,052</u>	<u>\$ 465,328</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ 258,469	\$ 587,514
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	103,519	231,466
Change in current assets and liabilities:		
Accounts receivable and deferred billings	(1,768)	(2,091)
Prepaid expenses	-	-
Net pension liability	-	-
Due to/from other funds	-	(47,000)
Accounts payable, accrued liabilities, and developers' deposits	-	1
Accrued vacation and Accrued sick	-	-
Accrued OPEB	-	-
Customers' advance payments	(12,617)	31
Total adjustments	<u>89,134</u>	<u>182,407</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 347,603</u>	<u>\$ 769,921</u>
<b>NONCASH TRANSACTION DISCLOSURES</b>		
Interest capitalized on construction	-	-
Amortization of bond-related items	7,324	(12,239)
Change in fair value of investments	(957)	(1,234)
Change in actuarial value of net pension liability	-	-
Refunding bonds issued	-	-
Refunding proceeds deposited in escrow	-	-

<b>Royse City Water Transmission Facilities</b>	<b>Kaufman 4-1 Water Distribution Facilities</b>	<b>Rockwall-Heath Water Storage Facilities</b>
\$ 2,500	\$ 65,403	\$ 225,857
-	119 (43,684)	(5,428)
	(15,059)	
<u>2,500</u>	<u>6,779</u>	<u>220,429</u>
	(20,000)	
-		(80,916)
-		(140,000)
<u>-</u>	<u>(20,000)</u>	<u>(220,916)</u>
-	-	229,046
-		(223,805)
-	32	2,938
<u>-</u>	<u>32</u>	<u>8,179</u>
2,500	(13,189)	7,692
<u>(2,500)</u>	<u>73,546</u>	<u>76,823</u>
<u>\$ -</u>	<u>\$ 60,357</u>	<u>\$ 84,515</u>
\$ -	\$ 6,214	\$ 3
-	54,143	84,512
<u>\$ -</u>	<u>\$ 60,357</u>	<u>\$ 84,515</u>
<u>\$ -</u>	<u>\$ 19,997</u>	<u>\$ 168,891</u>
-	-	52,005
2,500	8,277	(1,526)
-	(1)	-
-	-	-
-	(8,659)	-
-	(23,261)	1,059
-	-	-
-	-	-
-	10,426	-
<u>2,500</u>	<u>(13,218)</u>	<u>51,538</u>
<u>\$ 2,500</u>	<u>\$ 6,779</u>	<u>\$ 220,429</u>
-	-	-
-	-	-
-	-	(496)
-	-	-
-	-	-

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SEWER SYSTEM SUPPLEMENTAL SCHEDULES**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	<b>Terrell Water Transmission Facilities</b>	<b>Rockwall Water Pump Station Facilities</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 797,504	\$ 173,204
Cash received from other funds		
Cash received from (paid to) others		
Cash paid to suppliers for goods and services	(331,330)	(5,184)
Cash paid for employee services		
Cash paid to other funds		
Net cash provided by (used for) operating activities	<u>466,174</u>	<u>168,020</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of bonds	484,442	
Cash paid for capital assets	-	
Interest paid	(391,827)	(69,746)
Principal payments on long-term debt and capital leases	(400,000)	(100,000)
Payments for bond issue costs	(238,777)	
Net cash provided by (used for) capital and related financing activities	<u>(546,162)</u>	<u>(169,746)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Sale and maturity of investments	819,163	159,032
Purchases of investments	(712,106)	(162,767)
Interest received	9,376	2,134
Net cash provided by (used for) investing activities	<u>116,433</u>	<u>(1,601)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>36,445</u>	<u>(3,327)</u>
<b>CASH AND CASH EQUIVALENTS—Beginning of year</b>	<u>278,515</u>	<u>67,526</u>
<b>CASH AND CASH EQUIVALENTS—End of year</b>	<u>\$ 314,960</u>	<u>\$ 64,199</u>
<b>RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION</b>		
Unrestricted cash and cash equivalents	\$ (844)	\$ 2
Restricted cash and cash equivalents	315,804	64,197
	<u>\$ 314,960</u>	<u>\$ 64,199</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	<u>\$ 168,875</u>	<u>\$ 119,941</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	300,978	48,306
Change in current assets and liabilities:		
Accounts receivable and deferred billings	(3,674)	(229)
Prepaid expenses	-	-
Net pension liability	-	-
Due to/from other funds	-	-
Accounts payable, accrued liabilities, and developers' deposits	(5)	-
Accrued vacation and Accrued sick	-	-
Accrued OPEB	-	-
Customers' advance payments	-	2
Total adjustments	<u>297,299</u>	<u>48,079</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 466,174</u>	<u>\$ 168,020</u>
<b>NONCASH TRANSACTION DISCLOSURES</b>		
Gain (loss) on disposal of capital assets	-	-
Interest capitalized on construction	-	-
Amortization of bond-related items	(24,056)	(1,340)
Change in fair value of investments	(1,553)	(363)
Change in actuarial value of net pension liability	-	-
Refunding bonds issued	10,465,000	-
Refunding proceeds deposited in escrow	10,674,268	-



<b>Murphy</b>		<b>South Rockwall</b>	<b>North Rockwall</b>
<b>WWTP/</b>	<b>Wylie</b>	<b>(Buffalo Creek)</b>	<b>(Squabble Creek)</b>
<b>Interceptor</b>	<b>WWTP</b>	<b>WWTP</b>	<b>WWTP</b>
\$ 5,052	\$ 35,355	\$ 1,275,071	\$ 388,989
1	3	23,026	843
(5,281)	(18,885)	(595,468)	(202,107)
	(3,783)	(126,347)	(65,918)
(816)	(2,472)	(180,590)	(140,574)
(1,044)	10,218	395,692	(18,767)
5,000	-	29,839	(2,614)
-		(145,276)	
-		(250,000)	
5,000	-	(365,437)	(2,614)
		388,077	-
		(244,151)	
4	16	3,478	115
4	16	147,404	115
3,960	10,234	177,659	(21,266)
8,000	25,384	297,523	180,825
\$ 11,960	\$ 35,618	\$ 475,182	\$ 159,559
\$ 3,154	\$ 12,093	\$ 224,580	\$ 93,047
8,806	23,525	250,602	66,512
\$ 11,960	\$ 35,618	\$ 475,182	\$ 159,559
\$ (2)	\$ (78,638)	\$ 166,834	\$ (40,543)
-	78,474	177,858	42,822
-	370	5,719	6,173
-	(29)	(1,020)	(1,172)
-	(193)	(6,419)	(3,347)
340	(164)	945	(43,210)
20	(53)	23,553	22,755
-	50	1,586	849
-	(62)	(2,049)	(1,069)
(1,402)	10,463	28,685	(2,025)
(1,042)	88,856	228,858	21,776
\$ (1,044)	\$ 10,218	\$ 395,692	\$ (18,767)
-	-	-	-
-	-	-	-
-	-	3,416	-
-	-	(504)	-
-	193	6,419	3,347
-	-	-	-
-	-	-	-

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SEWER SYSTEM SUPPLEMENTAL SCHEDULES**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	<b>Panther Creek WWTP</b>	<b>Sabine Creek WWTP</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 7,203,760	\$ 1,302,198
Cash received from other funds		-
Cash received from (paid to) others	13,386	3,021
Cash paid to suppliers for goods and services	(2,298,042)	(1,081,011)
Cash paid for employee services	(592,451)	(82,415)
Cash paid to other funds	(685,876)	(206,048)
Net cash provided by (used for) operating activities	<u>3,640,777</u>	<u>(64,255)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of bonds	663,177	-
Cash paid for capital assets	(29,960)	929,934
Interest paid	(1,868,090)	(133,050)
Principal payments on long-term debt and capital leases	(2,515,000)	(450,000)
Payments for bond issue costs	(327,393)	-
Net cash provided by (used for) capital and related financing activities	<u>(4,077,266)</u>	<u>346,884</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Sale and maturity of investments	1,227,329	689,137
Purchases of investments	(1,167,069)	(701,933)
Interest received	37,217	9,349
Net cash provided by (used for) investing activities	<u>97,477</u>	<u>(3,447)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(339,012)</u>	<u>279,182</u>
<b>CASH AND CASH EQUIVALENTS—Beginning of year</b>	<u>2,249,794</u>	<u>457,505</u>
<b>CASH AND CASH EQUIVALENTS—End of year</b>	<u><u>\$ 1,910,782</u></u>	<u><u>\$ 736,687</u></u>
<b>RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION</b>		
Unrestricted cash and cash equivalents	\$ 253,326	\$ 146,954
Restricted cash and cash equivalents	1,657,456	589,733
	<u><u>\$ 1,910,782</u></u>	<u><u>\$ 736,687</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	<u>\$ 2,330,875</u>	<u>\$ 408,670</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,305,082	267,986
Change in current assets and liabilities:		
Accounts receivable and deferred billings	74,119	(730,580)
Prepaid expenses	19,232	(1,067)
Net pension liability	(35,217)	(4,187)
Due to/from other funds	(400)	(22,021)
Accounts payable, accrued liabilities, and developers' deposits	(12,686)	(25,292)
Accrued vacation and Accrued sick	295	1,055
Accrued OPEB	(10,565)	(1,336)
Customers' advance payments	(29,958)	42,517
Total adjustments	<u>1,309,902</u>	<u>(472,925)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ 3,640,777</u></u>	<u><u>\$ (64,255)</u></u>
<b>NONCASH TRANSACTION DISCLOSURES</b>		
Gain (loss) on disposal of capital assets	-	-
Interest capitalized on construction	958	-
Amortization of bond-related items	(349,734)	6,684
Change in fair value of investments	(14,424)	(1,563)
Change in actuarial value of net pension liability	35,217	4,187
Refunding bonds issued	19,940,000	-
Refunding proceeds deposited in escrow	23,092,739	-

<b>Stewart Creek WWTP</b>	<b>Muddy Creek WWTP</b>	<b>Seis Lagos WWTP</b>	<b>Royse City WWTP</b>
\$ 5,000,352	\$ 4,663,531	\$ 157,406	\$ 24,242
9,411	256	87	4
(1,042,690)	(1,608,150)	(61,906)	(6,021)
(297,367)	(669,674)	(27,468)	(3,783)
(423,085)	(639,864)	(44,075)	(1,396)
<u>3,246,621</u>	<u>1,746,099</u>	<u>24,044</u>	<u>13,046</u>
9,500	-		
(867,060)	(11,368)	(2,661)	-
(39,580)	(631,100)		
(480,000)	(1,270,000)		
(9,500)	-		
<u>(1,386,640)</u>	<u>(1,912,468)</u>	<u>(2,661)</u>	<u>-</u>
-	-	-	
<u>3,361</u>	<u>14,851</u>	<u>54</u>	<u>10</u>
<u>3,361</u>	<u>14,851</u>	<u>54</u>	<u>10</u>
1,863,342	(151,518)	21,437	13,056
<u>3,793,237</u>	<u>1,268,991</u>	<u>12,082</u>	<u>11,794</u>
<u>\$ 5,656,579</u>	<u>\$ 1,117,473</u>	<u>\$ 33,519</u>	<u>\$ 24,850</u>
\$ 2,410,555	\$ 219,438	\$ 26,309	\$ 14,941
3,246,024	898,035	7,210	9,909
<u>\$ 5,656,579</u>	<u>\$ 1,117,473</u>	<u>\$ 33,519</u>	<u>\$ 24,850</u>
<u>\$ 1,882,127</u>	<u>\$ 884,599</u>	<u>\$ 1,264</u>	<u>\$ (167)</u>
260,979	961,455	2,674	-
44,643	(31,354)	2,492	370
(14,373)	16,678	(245)	(28)
(22,682)	(41,801)	(1,395)	(193)
(6,483)	2,154	543	(44)
10,676	(8,625)	1,762	542
8,887	6,951	361	50
(4,550)	(11,631)	(445)	(62)
<u>1,087,397</u>	<u>(32,327)</u>	<u>17,033</u>	<u>12,578</u>
<u>1,364,494</u>	<u>861,500</u>	<u>22,780</u>	<u>13,213</u>
<u>\$ 3,246,621</u>	<u>\$ 1,746,099</u>	<u>\$ 24,044</u>	<u>\$ 13,046</u>
-	-	-	-
-	-	-	-
2,743	(95,046)	-	-
-	(4,805)	-	-
22,682	41,801	1,395	193
-	-		
-	-		

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SEWER SYSTEM SUPPLEMENTAL SCHEDULES**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	<b>Farmersville WWTP</b>	<b>Frisco Cottonwood Creek WWTP</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 223,677	\$ 126,706
Cash received from other funds		
Cash received from (paid to) others	190	51
Cash paid to suppliers for goods and services	(114,963)	(91,306)
Cash paid for employee services	(41,205)	
Cash paid to other funds	(69,107)	(27,332)
Net cash provided by (used for) operating activities	(1,408)	8,119
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of bonds		
Cash paid for capital assets	(9,919)	1,000
Interest paid		
Principal payments on long-term debt and capital leases		
Payments for bond issue costs		
Net cash provided by (used for) capital and related financing activities	(9,919)	1,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Sale and maturity of investments	-	
Purchases of investments		
Interest received	69	19
Net cash provided by (used for) investing activities	69	19
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(11,258)</b>	<b>9,138</b>
<b>CASH AND CASH EQUIVALENTS—Beginning of year</b>	<b>46,834</b>	<b>26,558</b>
<b>CASH AND CASH EQUIVALENTS—End of year</b>	<b>\$ 35,576</b>	<b>\$ 35,696</b>
<b>RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION</b>		
Unrestricted cash and cash equivalents	\$ 17,882	\$ 24,256
Restricted cash and cash equivalents	17,694	11,440
	<b>\$ 35,576</b>	<b>\$ 35,696</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ (402)	\$ (12)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,748	-
Change in current assets and liabilities:		
Accounts receivable and deferred billings	(7,570)	816
Prepaid expenses	(2,962)	(451)
Net pension liability	(2,095)	-
Due to/from other funds	(13,860)	82
Accounts payable, accrued liabilities, and developers' deposits	25,688	445
Accrued vacation and Accrued sick	537	-
Accrued OPEB	(667)	(816)
Customers' advance payments	(3,825)	8,055
Total adjustments	(1,006)	8,131
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ (1,408)</b>	<b>\$ 8,119</b>
<b>NONCASH TRANSACTION DISCLOSURES</b>		
Gain (loss) on disposal of capital assets	-	-
Interest capitalized on construction	-	-
Amortization of bond-related items	-	-
Change in fair value of investments	-	-
Change in actuarial value of net pension liability	2,095	-
Refunding bonds issued	-	-
Refunding proceeds deposited in escrow	-	-

<b>Lavon WWTP</b>	<b>Crandall WWTP</b>	<b>Forney Interceptor</b>	<b>Lower East Fork Interceptor</b>
\$ 137,912	\$ -	\$ 162,725	\$ 1,606,235
109	-	690	655
(63,982)	(520)	(158,477)	(142,014)
(27,465)	-	(16,281)	(16,281)
(49,444)	-	(21,921)	(38,824)
(2,870)	(520)	(33,264)	1,409,771
(9,398)	-	2,000	2,000
			(573,336)
			(855,000)
(9,398)	-	2,000	(1,426,336)
-	-	-	1,332,959
			(1,333,075)
47	-	31	13,815
47	-	31	13,699
(12,221)	(520)	(31,233)	(2,866)
16,383	1,105	41,308	674,806
\$ 4,162	\$ 585	\$ 10,075	\$ 671,940
\$ 659	\$ 585	\$ (9,392)	\$ (9,775)
3,503	-	19,467	681,715
\$ 4,162	\$ 585	\$ 10,075	\$ 671,940
\$ 3,621	\$ -	\$ (68,191)	\$ 1,123,528
5,563	-	67,513	302,760
(2,096)	-	(40,750)	(21,658)
(245)	-	(8,932)	(2,822)
(1,395)	-	(786)	(786)
(1,417)	-	2,362	(446)
886	(17)	30,503	8,967
361	-	496	496
(445)	-	(264)	(268)
(7,703)	(503)	(15,215)	-
(6,491)	(520)	34,927	286,243
\$ (2,870)	\$ (520)	\$ (33,264)	\$ 1,409,771
-	-	-	-
-	-	-	-
-	-	-	(6,875)
-	-	-	(6,938)
1,395	-	786	786
-	-	-	-
-	-	-	-

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SEWER SYSTEM SUPPLEMENTAL SCHEDULES**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	<b>Muddy Creek Interceptor</b>	<b>Parker Creek Interceptor</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 290,508	\$ 245,227
Cash received from other funds		
Cash received from (paid to) others	318	
Cash paid to suppliers for goods and services	(139,838)	(7,262)
Cash paid for employee services	989	
Cash paid to other funds	(2,631)	(377)
Net cash provided by (used for) operating activities	<u>149,346</u>	<u>237,588</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of bonds	174,069	
Cash paid for capital assets		1,000
Interest paid	(78,813)	(78,122)
Principal payments on long-term debt and capital leases	(185,000)	(145,000)
Payments for bond issue costs	(83,260)	
Net cash provided by (used for) capital and related financing activities	<u>(173,004)</u>	<u>(222,122)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Sale and maturity of investments	258,544	205,225
Purchases of investments	(238,444)	(205,243)
Interest received	2,526	2,123
Net cash provided by (used for) investing activities	<u>22,626</u>	<u>2,105</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(1,032)</u>	<u>17,571</u>
<b>CASH AND CASH EQUIVALENTS—Beginning of year</b>	<u>161,130</u>	<u>98,413</u>
<b>CASH AND CASH EQUIVALENTS—End of year</b>	<u>\$ 160,098</u>	<u>\$ 115,984</u>
<b>RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION</b>		
Unrestricted cash and cash equivalents	\$ 18,606	\$ 17,670
Restricted cash and cash equivalents	141,492	98,314
	<u>\$ 160,098</u>	<u>\$ 115,984</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ 45,826	\$ 172,672
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	111,943	49,320
Change in current assets and liabilities:		
Accounts receivable and deferred billings	1	15,212
Prepaid expenses	(172)	-
Net pension liability	-	-
Due to/from other funds	-	147
Accounts payable, accrued liabilities, and developers' deposits	252	75
Accrued vacation and Accrued sick	-	-
Accrued OPEB	-	-
Customers' advance payments	(8,504)	162
Total adjustments	<u>103,520</u>	<u>64,916</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 149,346</u>	<u>\$ 237,588</u>
<b>NONCASH TRANSACTION DISCLOSURES</b>		
Gain (loss) on disposal of capital assets	-	-
Interest capitalized on construction	-	-
Amortization of bond-related items	(21,160)	-
Change in fair value of investments	(1,279)	(1,068)
Change in actuarial value of net pension liability	-	-
Refunding bonds issued	2,135,000	-
Refunding proceeds deposited in escrow	2,186,019	-

<u>Sabine Creek Interceptor</u>	<u>Buffalo Creek Interceptor</u>	<u>McKinney Interceptor</u>	<u>Mustang Creek Interceptor</u>
\$ 167,870	\$ 1,584,219	\$ 5,094	\$ 577,184
1,297		499	
8	628	7	
(5,977)	(134,390)	(4,887)	(8,608)
(1,422)	(16,326)		
	(20,784)	(599)	(5)
<u>161,776</u>	<u>1,413,347</u>	<u>114</u>	<u>568,571</u>
	-		-
	-		(101,205)
(62,914)	(526,252)	(7,000)	(392,568)
(115,000)	(925,000)	(140,000)	(175,000)
	-		-
<u>(177,914)</u>	<u>(1,451,252)</u>	<u>(147,000)</u>	<u>(668,773)</u>
-	-	-	599,119
-	-		-
<u>1,798</u>	<u>10,556</u>	<u>44</u>	<u>1,226</u>
<u>1,798</u>	<u>10,556</u>	<u>44</u>	<u>600,345</u>
(14,340)	(27,349)	(146,842)	500,143
<u>67,057</u>	<u>939,689</u>	<u>154,296</u>	<u>865,387</u>
<u>\$ 52,717</u>	<u>\$ 912,340</u>	<u>\$ 7,454</u>	<u>\$ 1,365,530</u>
\$ (16,270)	\$ 50,520	\$ 1,475	\$ 1,298
<u>68,987</u>	<u>861,820</u>	<u>5,979</u>	<u>1,364,232</u>
<u>\$ 52,717</u>	<u>\$ 912,340</u>	<u>\$ 7,454</u>	<u>\$ 1,365,530</u>
<u>\$ 143,541</u>	<u>\$ 789,024</u>	<u>\$ (54,942)</u>	<u>\$ 552,710</u>
33,956	610,271	54,941	14,274
(16,230)	(68,108)	-	1,087
-	(1,042)	-	89
-	(786)	-	-
500	481	390	-
9	5,147	1	(374)
-	541	-	-
-	(265)	-	-
-	78,084	(276)	785
<u>18,235</u>	<u>624,323</u>	<u>55,056</u>	<u>15,861</u>
<u>\$ 161,776</u>	<u>\$ 1,413,347</u>	<u>\$ 114</u>	<u>\$ 568,571</u>
-	-	-	-
-	-	-	-
-	(102,819)	-	(20,248)
(1,092)	(3,432)	-	162
-	786	-	-
-	-	-	-
-	-	-	-

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SEWER SYSTEM SUPPLEMENTAL SCHEDULES**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	<b>Small Plants Clearing</b>	<b>Dewatering Operations</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers		\$ -
Cash received from other funds	3,058	91,023
Cash received from (paid to) others	452	54
Cash paid to suppliers for goods and services	37,438	29,141
Cash paid for employee services	19,047	(28,409)
Cash paid to other funds	(5,887)	-
Net cash provided by (used for) operating activities	<u>54,108</u>	<u>91,809</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of bonds		18,247
Cash paid for capital assets		
Interest paid		
Principal payments on long-term debt and capital leases		
Payments for bond issue costs		
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>18,247</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Sale and maturity of investments		-
Purchases of investments		
Interest received		92
Net cash provided by (used for) investing activities	<u>-</u>	<u>92</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>54,108</u>	<u>110,148</u>
<b>CASH AND CASH EQUIVALENTS—Beginning of year</b>	<u>345,342</u>	<u>84,360</u>
<b>CASH AND CASH EQUIVALENTS—End of year</b>	<u>\$ 399,450</u>	<u>\$ 194,508</u>
<b>RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION</b>		
Unrestricted cash and cash equivalents	\$ 399,450	\$ 18,248
Restricted cash and cash equivalents	-	176,260
	<u>\$ 399,450</u>	<u>\$ 194,508</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ -	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	-	-
Change in current assets and liabilities:		
Accounts receivable and unbilled receivable	-	349
Prepaid expenses	2,069	4,706
Net pension liability	-	-
Due to/from other funds	52,587	91,023
Accounts payable, accrued liabilities, and developers' deposits	(548)	(3,869)
Accrued vacation and Accrued sick	-	-
Accrued OPEB	-	(400)
Customers' advance payments	-	-
Total adjustments	<u>54,108</u>	<u>91,809</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 54,108</u>	<u>\$ 91,809</u>
<b>NONCASH TRANSACTION DISCLOSURES</b>		
Gain (loss) on disposal of capital assets	-	-
Interest capitalized on construction	-	-
Amortization of bond-related items	-	-
Change in fair value of investments	-	-
Change in actuarial value of net pension liability	-	-
Refunding bonds issued	-	-
Refunding proceeds deposited in escrow	-	-



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<b>Wastewater Pretreatment Program</b>	<b>Total Sewer System</b>
\$ 685,417	\$ 28,310,917
	95,877
154	53,473
(219,730)	(8,389,659)
(347,277)	(2,343,117)
<u>(120,131)</u>	<u>(2,698,714)</u>
<u>(1,567)</u>	<u>15,028,777</u>
	1,331,188
-	(65,165)
	(5,213,140)
	(9,205,000)
	<u>(658,930)</u>
<u>-</u>	<u>(13,811,047)</u>
-	6,776,056
	(5,914,331)
71	127,458
<u>71</u>	<u>989,183</u>
(1,496)	2,206,913
113,802	13,214,128
<u>\$ 112,306</u>	<u>\$ 15,421,041</u>
\$ 112,306	4,044,565
-	11,376,476
<u>\$ 112,306</u>	<u>\$ 15,421,041</u>
<u>\$ (27,312)</u>	<u>9,558,769</u>
1,407	5,089,300
62,278	(703,228)
(2,290)	5,923
(30,841)	(152,123)
5	7,855
(22,124)	35,487
11,264	33,779
(5,978)	(40,872)
<u>12,024</u>	<u>1,193,887</u>
<u>25,745</u>	<u>5,470,008</u>
<u>\$ (1,567)</u>	<u>\$ 15,028,777</u>
-	-
-	958
-	(613,350)
-	(39,546)
30,841	152,123
-	32,540,000
-	35,953,026

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## **STATISTICAL SECTION**

*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.*

<b><u>Contents</u></b>	<b><u>Schedule #s</u></b>
<b>Financial Trends</b> These tables contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	<b>1 thru 9</b>
<b>Revenue Capacity</b> These tables contain information to help the reader assess the District's various revenue sources.	<b>10 thru 15</b>
<b>Debt Capacity</b> These tables present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	<b>16 &amp; 17</b>
<b>Economic and Demographic Information</b> These tables offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place.	<b>18 thru 20</b>
<b>Operating Information</b>  These tables contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides.	<b>21 thru 23</b>

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 1**  
**NET POSITION BY COMPONENT (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

	<b>2006</b>	<b>2007</b>	<b>2008</b>
Net investment in capital assets	\$ 454,831,973	\$ 521,050,336	\$ 563,070,109
Restricted for debt service	60,987,506	67,639,424	84,276,605
Unrestricted	129,337,359	125,347,868	126,874,912
<b>Total</b>	<b>\$ 645,156,838</b>	<b>\$ 714,037,628</b>	<b>\$ 774,221,626</b>
	<b>2009</b>	<b>2010</b>	<b>2011</b>
Net investment in capital assets	\$ 600,921,714	\$ 642,592,189	\$ 655,040,848
Restricted for debt service	95,516,877	98,617,167	102,802,273
Unrestricted	104,395,902	86,328,779	108,197,769
<b>Total</b>	<b>\$ 800,834,493</b>	<b>\$ 827,538,135</b>	<b>\$ 866,040,890</b>
	<b>2012</b>	<b>2013</b>	<b>2014</b>
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
<b>Total</b>	<b>\$ 919,747,737</b>	<b>\$ 965,529,463</b>	<b>\$ 1,022,463,377</b>
	<b>2015</b>		
Net investment in capital assets	\$ 864,338,873		
Restricted for debt service	142,275,759		
Unrestricted	77,655,896		
<b>Total</b>	<b>\$ 1,084,270,528</b>		

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 2**  
**CHANGES IN NET POSITION (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>		<b>Operating Revenues</b>	<b>Operating Expenses</b>	<b>Operating Income</b>	<b>Nonoperating Revenues/ (Expenses)</b>	<b>Change in Net Position</b>	<b>Prior Period Adjustment</b>
2006	\$	168,857,045	\$ 114,996,849	\$ 53,860,196	\$ (3,043,011)	\$ 50,817,185	\$ -
2007		180,723,392	112,404,186	68,319,206	561,584	68,880,790	-
2008		200,461,423	135,201,435	65,259,988	(5,075,990)	60,183,998	-
2009		220,001,152	174,371,455	45,629,697	(19,016,830)	26,612,867	-
2010		230,990,723	169,457,931	61,532,792	(31,244,507)	30,288,285	(3,584,643)
2011		247,247,717	168,185,081	79,062,636	(40,559,881)	38,502,755	-
2012		266,482,345	172,604,883	93,877,462	(40,170,615)	53,706,847	-
2013		294,318,335	185,544,056	108,774,279	(49,877,698)	58,896,581	(13,114,855)
2014		310,571,544	206,640,634	103,930,910	(46,996,996)	56,933,914	-
2015		338,513,458	208,587,026	129,926,432	(43,095,097)	86,831,335	(25,024,184)

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

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

<b>Year</b>	<b>Water Sales</b>	<b>Wastewater Service Fees</b>	<b>Solid Waste Service Fees</b>	<b>Investment Income</b>	<b>(1) Miscellaneous</b>	<b>Total</b>
2006	\$ 95,229,396	\$ 54,537,238	\$ 18,470,012	\$ 15,575,375	\$ 1,280,654	\$ 185,092,675
2007	100,901,474	58,988,815	19,263,463	29,045,305	1,801,388	210,000,445
2008	110,771,168	65,714,584	22,435,070	12,266,911	1,909,808	213,097,541
2009	122,135,437	73,823,795	22,146,863	6,874,381	5,535,297	230,515,773
2010	129,079,671	77,238,181	23,154,120	1,626,312	5,966,568	237,064,852
2011	148,712,453	73,550,031	23,526,336	2,039,519	6,734,417	254,562,756
2012	161,588,387	78,762,862	24,257,060	1,864,517	9,411,393	275,884,219
2013	184,641,152	83,357,407	24,553,966	1,261,442	6,686,736	300,500,703
2014	197,954,585	86,758,613	23,460,042	842,516	9,471,508	318,487,264
2015	215,871,181	93,754,382	27,603,397	2,034,940	5,685,793	344,949,693

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

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 4**  
**TOTAL EXPENSES BY FUNCTION (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

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<b>Year</b>	<b>Operating and Maintenance Expenses</b>	<b>Interest Expense</b>	<b>Depreciation</b>	<b>Amortization</b>	<b>Miscellaneous</b>	<b>Total</b>
2006	\$ 94,186,532	\$ 19,097,272	\$ 20,383,272	\$ 427,045	\$ 180,804	\$ 134,274,925
2007	89,407,742	28,707,108	22,429,175	567,269	8,361	141,119,655
2008	109,643,334	17,683,227	24,968,068	590,033	28,881	152,913,543
2009	139,032,903	29,525,984	34,678,755	659,797	5,467	203,902,906
2010	130,142,166	36,311,906	38,315,439	1,000,326	1,006,730	206,776,567
2011	127,804,481	47,874,920	39,262,832	1,117,768	-	216,060,001
2012	129,796,674	49,572,489	41,661,976	1,146,233	-	222,177,372
2013	140,151,618	56,060,066	45,392,438	-	-	241,604,122
2014	157,424,943	53,416,490	49,215,691	-	1,496,226	261,553,350
2015	158,078,403	49,531,332	50,508,623	-	-	258,118,358

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



**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 5**  
**TOTAL REVENUES BY SYSTEM (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

<b>Year</b>	<b>Water System</b>	<b>Regional Wastewater System</b>	<b>Sewer System</b>	<b>Solid Waste System</b>	<b>Interceptor System</b>	<b>Total</b>
2006	\$ 106,655,478	\$ 27,729,125	\$ 16,333,510	\$ 19,916,781	\$ 14,457,781	\$ 185,092,675
2007	122,957,373	29,888,091	22,399,276	20,612,617	14,143,088	210,000,445
2008	119,482,896	33,263,176	21,650,281	23,441,552	15,259,636	213,097,541
2009	128,499,761	38,483,393	22,297,706	23,448,502	17,786,411	230,515,773
2010	134,628,838	38,459,665	20,417,285	23,982,504	19,576,560	237,064,852
2011	155,773,667	38,475,101	18,866,637	24,196,146	17,251,205	254,562,756
2012	170,969,532	37,966,678	23,759,739	25,089,308	18,098,962	275,884,219
2013	189,952,267	41,092,579	25,238,821	25,893,780	18,323,256	300,500,703
2014	205,567,790	43,985,499	24,534,984	25,009,414	19,389,577	318,487,264
2015	221,944,473	45,406,393	27,623,302	28,193,176	21,782,349	344,949,693

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 6**  
**TOTAL EXPENSES BY SYSTEM (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

<b>Year</b>	<b>Water System</b>	<b>Regional Wastewater System</b>	<b>Sewer System</b>	<b>Solid Waste System</b>	<b>Interceptor System</b>	<b>Total</b>
2006	\$ 71,963,146	\$ 26,038,670	\$ 11,872,173	\$ 16,097,589	\$ 8,303,872	\$ 134,275,450
2007	75,810,118	25,728,557	13,957,739	17,724,536	7,898,705	141,119,655
2008	79,896,481	27,860,710	16,290,315	20,611,697	8,254,340	152,913,543
2009	120,636,425	32,916,158	20,362,370	20,481,786	9,506,167	203,902,906
2010	122,239,215	32,413,410	20,568,052	20,826,161	10,729,729	206,776,567
2011	131,111,892	32,066,017	20,190,437	21,740,087	10,951,568	216,060,001
2012	134,466,963	31,584,482	21,232,537	22,384,482	12,508,908	222,177,372
2013	145,776,078	36,087,104	21,926,891	23,261,880	14,552,169	241,604,122
2014	161,004,668	40,719,243	22,049,092	22,730,220	15,050,127	261,553,350
2015	153,916,103	41,678,405	22,319,175	23,317,420	16,887,255	258,118,358

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 7**  
**OPERATING REVENUES (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Water Sales</b>	<b>Wastewater Service Fees</b>	<b>Solid Waste Service Fees</b>	<b>Other Operating Revenues</b>	<b>Total</b>
2006	\$ 95,229,396	\$ 54,537,238	\$ 18,470,012	\$ 620,399	\$ 168,857,045
2007	100,901,474	58,988,815	19,263,463	1,569,640	180,723,392
2008	110,771,168	65,714,584	22,435,070	1,540,601	200,461,423
2009	122,135,437	73,823,795	22,146,863	1,895,057	220,001,152
2010	129,079,671	77,238,181	23,154,120	1,518,751	230,990,723
2011	148,712,453	73,550,031	23,526,336	1,458,897	247,247,717
2012	161,588,387	78,762,862	24,257,060	1,874,036	266,482,345
2013	184,641,152	83,357,407	24,553,966	1,765,810	294,318,335
2014	197,954,585	86,758,613	23,460,042	2,398,304	310,571,544
2015	215,871,181	93,754,382	27,603,397	1,284,498	338,513,458

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 8**  
**OPERATING EXPENSES (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Personnel</b>	<b>Electric Power</b>	<b>Chemicals</b>	<b>Operating Supplies and Services</b>	<b>Depreciation and Amortization</b>	<b>Total</b>
2006	\$ 20,894,927	\$ 29,319,772	\$ 15,615,734	\$ 28,356,099	\$ 20,810,317	\$ 114,996,849
2007	31,185,659	20,654,688	18,980,400	18,586,995	22,996,444	112,404,186
2008	35,174,646	25,504,019	21,266,391	27,698,278	25,558,101	135,201,435
2009	41,148,956	36,452,486	31,559,396	29,872,065	35,338,552	174,371,455
2010	43,373,126	31,396,882	26,431,408	28,940,750	39,315,765	169,457,931
2011	44,509,650	29,454,026	22,741,133	31,099,672	40,380,600	168,185,081
2012	46,772,079	24,705,243	23,490,278	34,829,074	42,808,209	172,604,883
2013	48,000,657	28,667,812	23,398,387	40,084,762	45,392,438	185,544,056
2014	53,252,470	26,628,105	24,178,928	53,365,440	49,215,691	206,640,634
2015	53,098,135	23,997,861	25,325,219	55,657,188	50,508,623	208,587,026

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

**Note:** Prior to 2007 Personnel only included Salaries & Wages. Personnel was re-stated beginning in 2007 to include all personnel related items (insurance, taxes, social security, retirement).

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 9**  
**NONOPERATING REVENUES AND EXPENSES (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Investment Income</b>	<b>Miscellaneous Revenue</b>	<b>Gain (Loss) on Sale of Capital Assets</b>	<b>Interest Expense</b>	<b>Total</b>
2006	\$ 15,575,375	\$ 4,450	\$ 475,001	\$ (19,097,837)	\$ (3,043,011)
2007	29,045,305	162,150	61,237	(28,707,108)	561,584
2008	12,266,911	360,509	(20,183)	(17,683,227)	(5,075,990)
2009	6,874,381	3,607,677	27,096	(29,525,984)	(19,016,830)
2010	1,626,312	4,395,324	(954,237)	(36,311,906)	(31,244,507)
2011	2,039,519	5,275,520	-	(47,874,920)	(40,559,881)
2012	1,864,517	7,372,696	164,661	(49,572,489)	(40,170,615)
2013	1,261,442	4,740,486	180,440	(56,060,066)	(49,877,698)
2014	842,516	6,748,435	(1,171,457)	(53,416,490)	(46,996,996)
2015	2,034,940	4,401,295	-	(49,531,332)	(43,095,097)

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 10**  
**NET ADDITIONS TO CAPITAL ASSETS EXCLUDING CONSTRUCTION IN PROGRESS**  
**(UNAUDITED)**  
**LAST TEN FISCAL YEARS**

<b>Year</b>	<b>Water System</b>	<b>Regional Wastewater System</b>	<b>Sewer System</b>	<b>Solid Waste System</b>	<b>Interceptor System</b>	<b>Total</b>
2006	\$ 746,334	\$ 646,637	\$ 36,980,457	\$ 2,192,358	\$ 122,809	\$ 40,688,595
2007	59,125,009	1,096,433	5,040,376	1,183,109	4,996,816	71,441,743
2008	217,271,666	915,563	53,426,921	9,861,935	26,790,287	308,266,372
2009	284,522,680	14,101,945	34,804,787	24,952,092	16,341,285	374,722,789
2010	59,428,177	787,189	904,541	4,048,279	2,739,993	67,908,179
2011	37,945,874	3,504,095	23,018,671	4,503,898	30,415,197	99,387,735
2012	97,175,728	900,820	610,798	1,708,150	17,550,394	117,945,890
2013	103,316,959	90,768,086	320,947	5,979,869	30,382,947	230,768,808
2014	25,269,744	7,857,071	(2,207,403)	1,450,082	2,557,388	34,926,882
2015	31,937,890	10,403,531	9,796,189	6,712,023	16,248,750	75,098,383

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 11**  
**WATER PRODUCED AND CONSUMED, WASTEWATER TREATED AND SOLID WASTE**  
**DISPOSED (UNAUDITED)**  
**LAST TEN FISCAL 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
2006	104,451,000,000	100,565,249,000	3,885,751,000	3.7%	\$ 0.97	\$ 1.02
2007	80,288,000,000	77,502,272,000	2,785,728,000	3.5%	\$ 1.02	\$ 1.07
2008	93,501,966,897	90,254,296,000	3,247,670,897	3.5%	\$ 1.08	\$ 1.13
2009	96,036,110,124	93,224,065,000	2,812,045,124	2.9%	\$ 1.18	\$ 1.23
2010	90,683,355,747	88,163,732,000	2,519,623,747	2.8%	\$ 1.25	\$ 1.30
2011	104,965,486,000	102,097,794,000	2,867,692,000	2.7%	\$ 1.37	\$ 1.42
2012	98,209,915,613	96,846,812,000	1,363,103,613	1.4%	\$ 1.49	\$ 1.54
2013	98,031,722,000	93,366,805,000	4,664,917,000	4.8%	\$ 1.70	\$ 1.75
2014	88,512,901,000	83,633,749,000	4,879,152,000	5.5%	\$ 1.87	\$ 1.92
2015	83,288,227,957	80,027,915,000	3,260,312,957	3.9%	\$ 2.06	\$ 2.11

**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
2006	28,585,109,000	699,238
2007	34,164,515,000	791,773
2008	32,065,925,000	816,994
2009	31,348,246,000	750,018
2010	36,263,799,000	743,171
2011	30,875,276,000	751,787
2012	32,789,293,000	722,813
2013	32,919,670,000	786,441
2014	32,546,937,000	835,224
2015	39,364,325,000	877,072

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

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SCHEDULE 12  
HISTORIC SERVICE USE (UNAUDITED)  
LAST TEN YEARS**

	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>
<b>WATER CONSUMPTION (GALLONS IN THOUSANDS):</b>				
Member cities	87,396,751	67,359,017	77,535,389	79,197,589
Customer cities	13,158,818	10,136,235	12,713,053	14,019,682
Individual meters	<u>9,680</u>	<u>7,020</u>	<u>5,854</u>	<u>6,794</u>
<b>Total</b>	<u>100,565,249</u>	<u>77,502,272</u>	<u>90,254,296</u>	<u>93,224,065</u>
<b>Total rainfall (in inches)</b>	<u>18.46</u>	<u>54.10</u>	<u>34.89</u>	<u>39.02</u>
<b>WASTEWATER VOLUME TREATED (GALLONS IN THOUSANDS):</b>				
Regional system	23,565,864	27,602,153	26,159,510	25,254,348
Small plant system	<u>5,019,245</u>	<u>6,562,362</u>	<u>5,906,415</u>	<u>6,093,898</u>
<b>Total</b>	<u>28,585,109</u>	<u>34,164,515</u>	<u>32,065,925</u>	<u>31,348,246</u>
<b>SOLID WASTE VOLUME (IN TONS):</b>				
Transfer stations	451,929	480,424	490,400	465,440
Landfill	<u>247,309</u>	<u>311,349</u>	<u>326,594</u>	<u>284,578</u>
<b>Total</b>	<u>699,238</u>	<u>791,773</u>	<u>816,994</u>	<u>750,018</u>

**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).



<b>2009-2010</b>	<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>
74,574,835	85,966,816	81,019,601	78,407,137	69,155,408	66,632,698
13,583,041	16,126,637	15,822,993	14,956,602	14,477,895	13,390,178
<u>5,856</u>	<u>4,341</u>	<u>4,218</u>	<u>3,066</u>	<u>3,216</u>	<u>5,039</u>
<u>88,163,732</u>	<u>102,097,794</u>	<u>96,846,812</u>	<u>93,366,805</u>	<u>83,636,519</u>	<u>80,027,915</u>
<u>41.45</u>	<u>31.18</u>	<u>35.16</u>	<u>29.17</u>	<u>29.08</u>	<u>44.54</u>
29,189,205	24,721,535	26,347,832	26,734,851	26,468,520	32,164,465
<u>7,074,594</u>	<u>6,153,841</u>	<u>6,441,461</u>	<u>6,184,819</u>	<u>6,078,417</u>	<u>7,199,860</u>
<u>36,263,799</u>	<u>30,875,376</u>	<u>32,789,293</u>	<u>32,919,670</u>	<u>32,546,937</u>	<u>39,364,325</u>
473,322	471,825	459,167	475,072	495,756	533,545
<u>269,849</u>	<u>279,962</u>	<u>263,646</u>	<u>311,369</u>	<u>339,468</u>	<u>343,527</u>
<u>743,171</u>	<u>751,787</u>	<u>722,813</u>	<u>786,441</u>	<u>835,224</u>	<u>877,072</u>

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 13**  
**NUMBER OF WATER, WASTEWATER AND SOLID WASTE CUSTOMERS (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Water</b>			<b>Wastewater Member Cities</b>	<b>Solid Waste Member Cities</b>
	<b>Member Cities</b>	<b>Customer Cities</b>	<b>Total Cities</b>		
2006	13	29	42	10	5
2007	13	30	43	11	5
2008	13	31	44	12	5
2009	13	32	45	12	5
2010	13	32	45	12	5
2011	13	32	45	12	5
2012	13	32	45	12	5
2013	13	33	46	12	5
2014	13	33	46	12	5
2015	13	33	46	12	5

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 14**  
**WATER RATES (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Water Rates (per 1,000 gallons)										
Member Cities	\$ 0.97	\$ 1.02	\$ 1.08	\$ 1.18	\$ 1.25	\$ 1.37	\$ 1.49	\$ 1.70	\$ 1.87	\$ 2.06
Customer Cities	\$ 1.02	\$ 1.07	\$ 1.13	\$ 1.23	\$ 1.30	\$ 1.42	\$ 1.54	\$ 1.75	\$ 1.92	\$ 2.11

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 15**  
**LARGEST CUSTOMERS (UNAUDITED)**  
**CURRENT YEAR AND NINE YEARS AGO**

Customer	Fiscal Year 2006					
	Water Sales		Wastewater Service Fees		Solid Waste Service Fees	
	Amount	%	Amount	%	Amount	%
Frisco	\$ 6,612,525	6.94%	\$ 4,476,087	8.22%	\$ 2,054,437	11.12%
Garland	13,264,459	13.93%	-	0.00%	-	0.00%
McKinney	7,232,155	7.59%	7,497,838	13.77%	3,627,237	19.64%
Mesquite	7,627,029	8.01%	4,693,160	8.62%	-	0.00%
Plano	25,813,620	27.11%	18,081,413	33.20%	6,484,963	35.11%
Richardson	10,465,811	10.99%	3,852,775	7.07%	3,202,401	17.34%
Subtotal	71,015,599	74.57%	38,601,273	70.87%	15,369,038	83.21%
Other Customers	24,213,797	25.43%	15,865,318	29.13%	3,100,974	16.79%
<b>Grand Total</b>	<b>\$ 95,229,396</b>	<b>100.00%</b>	<b>\$ 54,466,591</b>	<b>100.00%</b>	<b>\$ 18,470,012</b>	<b>100.00%</b>

Customer	Fiscal Year 2015					
	Water Sales		Wastewater Service Fees		Solid Waste Service Fees	
	Amount	%	Amount	%	Amount	%
Frisco	\$ 19,405,423	8.99%	\$ 14,058,454	14.82%	\$ 3,625,201	12.86%
Garland	25,901,319	12.00%	-	0.00%	-	0.00%
McKinney	20,322,537	9.41%	13,572,020	14.31%	5,001,834	17.74%
Mesquite	15,595,969	7.23%	7,754,508	8.17%	-	0.00%
Plano	50,563,812	23.42%	24,639,784	25.98%	7,659,694	27.15%
Richardson	20,750,908	9.61%	6,905,129	7.28%	3,696,921	13.11%
Subtotal	152,539,968	70.66%	66,929,895	70.56%	19,983,650	70.86%
Other Customers	63,331,213	29.34%	27,928,986	29.44%	8,216,371	29.14%
<b>Grand Total</b>	<b>\$ 215,871,181</b>	<b>100.00%</b>	<b>\$ 94,858,881</b>	<b>100.00%</b>	<b>\$ 28,200,021</b>	<b>100.00%</b>

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 16**  
**OUTSTANDING DEBT BY TYPE (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Revenue Bonds</b>	<b>U.S Government Notes</b>	<b>Capital Leases</b>	<b>Total</b>	<b>District Population</b>	<b>Per Capita Debt</b>
2006	\$ 659,565,000	\$ 43,293,094	\$ 36,320	\$ 702,894,414	690,500	1,018
2007	786,435,000	42,236,354	-	828,671,354	724,900	1,143
2008	950,630,000	41,145,477	-	991,775,477	748,500	1,325
2009	1,102,650,000	40,019,360	-	1,142,669,360	764,500	1,495
2010	1,181,140,000	75,497,946	-	1,256,637,946	786,250	1,598
2011	1,276,795,000	37,656,812	-	1,314,451,812	791,470	1,661
2012	1,617,810,000	36,417,993	-	1,654,227,993	834,642	1,982
2013	1,580,770,000	35,139,154	-	1,615,909,154	854,778	1,890
2014	1,580,030,000	33,819,003	-	1,613,849,003	885,241	1,823
2015	1,686,930,000	32,456,205	-	1,719,386,205	n/a	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, and Denton Counties. The majority of the District's population served resides in Collin County. Therefore, this schedule reflects data for Collin County only.

The District was unable to obtain the 2015 "District Population" and the "Per Capita Debt" information at the time of publication of this report.

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**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	(b) Adjustment	Interest Paid	Total	
2006	\$ 185,092,675	\$ 94,186,532	\$ 90,906,143	\$ 24,816,760	\$ -	\$ 20,149,760	\$ 44,966,520	2.02
2007	210,000,445	89,407,742	120,592,703	36,141,740	-	37,476,257	73,617,997	1.64
2008	213,097,541	109,643,334	103,454,207	32,840,877	-	38,357,048	71,197,925	1.45
2009	230,515,773	139,032,903	91,482,870	36,471,117	-	48,520,843	84,991,960	1.08
2010	237,064,852	130,142,166	106,922,686	46,021,961	-	56,034,581	102,056,542	1.05
2011	254,562,756	127,804,481	126,758,275	83,806,133	(36,641,083)	61,388,483	108,553,533	1.17
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

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

**(a)** Amount represents operating revenue plus nonoperating revenues excluding interest expense and loss on disposal of capital assets.

**(b)** Advance payment of debt.

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 18**  
**DEMOGRAPHIC STATISTICS (UNAUDITED)**  
**LAST TEN CALENDAR YEARS**

<b>Calendar Year</b>	<b>District Population</b>	<b>Personal Income (thousand dollars)</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2005	653,000	\$ 23,155,318	\$ 35,460	5.1%
2006	690,500	24,788,079	35,899	5.6%
2007	724,900	26,345,030	36,343	6.0%
2008	748,500	27,539,359	36,793	6.4%
2009	764,500	28,476,127	37,248	6.9%
2010	786,250	29,648,689	37,709	7.3%
2011	791,470	30,214,869	38,176	7.3%
2012	834,642	30,941,848	37,072	4.5%
2013	854,778	32,401,215	37,906	5.2%
2014	885,241	34,148,172	38,575	5.5%

**Source:** Years 2005 - 2011 were based on information provided by North Central Texas Council of Governments.

Years 2012 - 2014 were based on information provided by the U.S. Census Bureau; however, the District was unable to obtain this information for 2015 at the time of publication of this report.

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 19**  
**PRINCIPAL EMPLOYERS (UNAUDITED)**  
**CURRENT YEAR AND EIGHT YEARS AGO**

Employer	2014	
	Employees	Percentage of Total
HP Enterprise Svc Llc	10,000	2.22%
Plano ISD	6,538	1.45%
Nortel	6,000	1.33%
Bank of America Home Loans-Corporate Dr.	4,646	1.03%
AT&T	4,300	0.95%
Toyota	4,000	0.89%
JC Penny (Corporate HQ)	3,800	0.84%
Capital One	3,500	0.78%
University of Texas at Dallas	3,500	0.78%
Blue Cross and Blue shield of Texas	3,100	0.69%
Medical Center of Plano (HCA Inc)	3,000	0.66%
GE Energy	2,300	0.51%
<b>Total</b>	<b>54,684</b>	<b>12.11%</b>
<b>Total Employed in the County</b>	<b>451,419</b>	

Employer	2006	
	Employees	Percentage of Total
Countrywide Home Loans	4,402	1.13%
EDS	4,310	1.11%
JC Penney	4,300	1.10%
University of Texas at Dallas	3,058	0.78%
Raytheon	2,850	0.73%
Perot Systems	2,732	0.70%
Raytheon Corp	2,400	0.62%
Alcatel	2,280	0.58%
AT&T Inc	2,140	0.55%
<b>Total</b>	<b>28,472</b>	<b>7.30%</b>

**Source:** Years 2006 and 2014 are based on information provided by North Central Texas Council of Governments; however, the District was unable to obtain this information for 2015 at the time of publication of this report.

**Note 1:** The District provides service to portions of Collin, Hunt, Rockwall, Dallas, Kaufman, Ellis, Rains, Fannin, and Denton Counties. The majority of the District's population served resides in Collin County. Therefore, this schedule reflects data for Collin County only.

**Note 2:** Data prior to 2006 is not available



**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 20**  
**NUMBER OF EMPLOYEES BY FUNCTION (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Water:										
General	10.0	13.0	14.0	18.0	18.0	29.0	29.0	31.0	31.0	30.0
Public Information	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Planning	8.0	8.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administration	18.0	20.0	22.0	22.0	23.0	21.0	21.0	21.0	25.0	28.0
Plant Operations	28.0	29.0	34.0	40.0	45.0	47.0	66.0	78.0	64.0	66.0
Tawakoni Raw Water Pump St	0.0	0.0	0.0	0.0	5.0	10.0	11.0	11.0	11.0	11.0
East Fork Raw Water Supply	0.0	0.0	5.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Bonham Water Treatment	0.0	0.0	8.0	10.0	11.0	11.0	11.0	11.0	11.0	11.0
Facilities Service	27.0	29.0	31.0	40.0	40.5	40.5	43.5	46.5	48.5	55.0
Technical Service	45.0	46.0	50.0	53.0	56.5	55.5	56.5	58.5	80.5	85.0
Laboratory	16.0	18.0	23.3	24.3	25.3	25.3	25.3	27.3	27.3	26.9
Engineering	30.0	34.0	35.0	40.0	40.0	40.0	43.0	44.0	50.0	62.0
Environmental Service	5.0	5.0	4.5	5.5	5.7	7.7	7.7	7.7	9.2	11.4
<b>Total</b>	<b>188.0</b>	<b>203.0</b>	<b>236.8</b>	<b>261.8</b>	<b>279.0</b>	<b>296.0</b>	<b>323.0</b>	<b>345.0</b>	<b>366.5</b>	<b>396.3</b>
Wastewater:										
Willson Creek WWTP	48.0	50.0	51.8	52.8	52.8	52.8	55.8	55.8	56.1	56.4
Floyd Branch WWTP	6.0	6.0	6.3	6.3	6.3	6.3	6.3	6.3	6.4	6.5
Rowlett Creek WWTP	21.0	21.0	20.8	21.8	21.8	21.8	21.8	21.8	23.1	23.4
Mesquite WWTP	22.5	24.5	27.8	29.8	29.8	29.8	32.8	32.8	34.1	35.4
Panther Creek WWTP	0.0	0.0	6.1	6.1	6.1	12.1	12.1	12.1	12.1	12.6
Muddy Creek WWTP	5.0	6.0	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1
Stewart Creek WWTP	5.0	6.0	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.6
Seagoville WWTP	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Small WWTPs	6.5	6.5	6.5	6.5	5.5	5.5	5.5	5.5	5.5	7.5
Pretreatment	4.0	4.0	5.2	5.2	5.0	5.0	5.0	5.0	5.5	6.7
Dewatering	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0
Upper East Fork Interceptor	6.0	6.0	5.9	6.9	6.9	6.9	7.9	8.9	8.9	11.9
<b>Total</b>	<b>129.0</b>	<b>135.0</b>	<b>150.2</b>	<b>155.2</b>	<b>154.0</b>	<b>160.0</b>	<b>167.0</b>	<b>168.0</b>	<b>171.6</b>	<b>178.7</b>
Solid Waste:										
Transfer Station	44.0	46.0	49.5	52.8	52.8	50.8	48.8	47.8	47.3	46.3
Landfills	35.0	36.0	8.3	8.3	2.5	0.0	0.0	0.0	0.0	0.0
Disposal Facility	0.0	0.0	30.3	33.0	37.8	39.3	40.3	39.3	36.8	32.8
Fleet Maintenance Shop	10.0	11.0	11.0	13.0	13.0	13.0	12.0	12.0	15.0	16.0
<b>Total</b>	<b>89.0</b>	<b>93.0</b>	<b>99.0</b>	<b>107.0</b>	<b>106.1</b>	<b>103.0</b>	<b>101.0</b>	<b>99.0</b>	<b>99.0</b>	<b>95.0</b>
<b>Total Employees</b>	<b>406</b>	<b>431</b>	<b>486</b>	<b>524</b>	<b>539</b>	<b>559</b>	<b>591</b>	<b>612</b>	<b>637</b>	<b>670</b>

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 21**  
**MISCELLANEOUS STATISTICAL DATA (UNAUDITED)**  
**YEAR ENDED SEPTEMBER 30, 2015**

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

Year of creation	1951
Domicile	Wylie, Texas
District population	1,600,000+
District service area	2,200 square miles
Water Treatment Plant	420 acres
Rain received at Lavon Lake during fiscal year	44.54 inches
Total employees	670

**REGIONAL WATER SYSTEM**

RAW WATER SUPPLY—SAFE YIELD:

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

Total	370.3	MGD
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WATER TREATMENT PLANTS:

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

Total	806.6	MGD
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TRANSMISSION PIPELINES:

12" to 24" diameter	115.6	Miles
30" to 54" diameter	171.0	
60" to 96" diameter	286.0	

Total	572.6	Miles
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RAW WATER PUMP STATIONS:

Lake Lavon—3 sites:		
Total water pumps	17	
Total raw water pumping capacity	940	MGD

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 21**  
**MISCELLANEOUS STATISTICAL DATA (UNAUDITED)**  
**YEAR ENDED SEPTEMBER 30, 2015**

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Lake Texoma—1 site:		
Total water pumps	4	
Total raw water pumping capacity	125	MGD
Jim Chapman Lake—1 site:		
Total water pumps	3	
Total raw water pumping capacity	165	MGD
East Fork Raw Water Supply—2 sites:		
Total water pumps	8	
Total raw water pumping capacity	270	MGD
Lake Tawakoni—2 sites:		
Total water pumps	7	MGD
Total raw water pumping capacity	168	
Wylie Water Plant - Treated Water Pump Stations	7	
Wylie Water Plant - Treated Water Pumping Capacity	953.5	MGD
TREATED WATER STORAGE RESERVOIRS:		
NTMWD Treatment plant storage	42.0	Million gallons
NTMWD Transmission system storage	368.0	
	<hr/>	
	410.0	Million gallons
	<hr/>	
TOTAL CITY DELIVERY POINTS	77	

**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	*	56.000

SEWER SYSTEM:

City:		
Farmersville	Farmersville No. 1 Plant	0.225
	Farmersville No. 2 Plant	0.530
Frisco	Cottonwood Creek Plant	0.300
	Panther Creek Plant	* 10.000
	Stewart Creek West Plant	* 5.000
Lavon	Bear Creek Plant	0.250
Rockwall	North Rockwall Plant	* 1.200
	South Rockwall Plant	* 2.250

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS  
SCHEDULE 21  
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)  
YEAR ENDED SEPTEMBER 30, 2015**

Royce City	Royse City Plant	0.500	
Royce City and Fate	Sabine Creek Plant	*	1.500
Seis Lagos MUD	Seis Lagos Plant		0.250
Wylie and Murphy	Muddy Creek Plant	*	10.000
Wylie	Wylie Plant	*	2.000
Total treatment capacity		151.755	MGD
Total number of plants		17	
*Number of plants owned by NTMWD		11	
<b>INTERCEPTOR SYSTEMS</b>		<u>Pipeline Length</u>	
Upper East Fork Interceptor System		193.6	Miles
Lakeside Interceptor (Rockwall)		4.3	
Muddy Creek Interceptor		4.1	
Forney Interceptor		14.4	
Sabine Creek Interceptor		3.2	
Parker Creek Interceptor		5.1	
Buffalo Creek Interceptor		16.2	
Lower East Fork Interceptor System		9.2	
Total		250.1	Miles
<b>SOLID WASTE SYSTEM</b>		<u>Permitted Capacity</u>	
TRANSFER STATIONS (3):			
Lookout Drive Transfer Station		625	Tons/day
Parkway Transfer Station		770	
Custer Road Transfer Station		1,900	
Total transfer capacity		3,295	Tons/day
LANDFILLS (3):			
121 Regional Disposal Facility			
Permit Boundary	673	Acres	
Landfillable	433	Acres	
Permitted Airspace	135	M yd3	
Maxwell Creek Landfill*			
Permit Boundary	193	Acres	
Landfillable	139	Acres	
Permitted Airspace	6	M yd3	
McKinney Landfill**			
Permit Boundary	169	Acres	
Landfillable	94	Acres	
Permitted Airspace	13	M yd3	

\* Closed in 2006.

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

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 22**  
**OPERATING AND CAPITAL INDICATORS (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Water:</b>										
Size of Service Area (square miles)	1,875	1,976	1,985	1,985	1,985	1,985	2,200	2,200	2,200	2,200
Water Supply (MGD)	276	276	298	333	369	369	369	370	370	370
Treatment Capacity (MGD)	630	630	777	777	777	777	807	807	807	807
Miles of Transmission Pipelines	395	408	482	482	482	487	518	518	566	573
Water Storage Capacity (MG)	385	387	443	314	400	400	400	403	403	410
City Delivery Points	63	59	59	78	78	78	78	77	77	77
Total Rainfall (Inches)	18	54	35	39	41	31	35	29	29	45
Annual Consumption (BG)	101	78	90	93	88	102	97	93	84	80
<b>Wastewater:</b>										
Miles of Interceptor Lines	132	165	188	210	210	226	243	243	250	250
Number of Treatment Plants	18	18	16	18	18	18	18	17	17	17
Treatment Capacity (MGD)	122	122	121	132	132	137	145	152	152	152
Annual Volume Treated (BG)	29	34	32	31	36	31	33	33	33	39
<b>Solid Waste:</b>										
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)	699	792	817	750	743	752	723	786	835	877

**Source:** Based on information provided in NTMWD Operation Report.

**NORTH TEXAS MUNICIPAL WATER DISTRICT, TEXAS**  
**SCHEDULE 23**  
**INSURANCE IN FORCE (UNAUDITED)**

Carrier	Policy No	Coverage	Policy Limits	Term	Approximate Annual Premium
Texas Water Conservation Association Risk Management Fund	7	Workers' compensation	Statutory up to \$100,000 (each accident)	7-01-15 to 7-01-16	\$ 454,762
Texas Water Conservation Association Risk Management Fund	7	General liability	\$10,000,000 per occurrence \$10,000,000 annual aggregate	7-01-15 to 7-01-16	\$ 131,424
Texas Water Conservation Association Risk Management Fund	7	Automobile liability	\$10,000,000 per occurrence \$10,000,000 annual aggregate	7-01-15 to 7-01-16	\$ 156,085
Texas Water Conservation Association Risk Management Fund	7	Directors' and officers' liability	\$10,000,000 per occurrence \$10,000,000 annual aggregate	7-01-15 to 7-01-16	\$ 98,295
Texas Water Conservation Association Risk Management Fund	7	Automobile physical damage	Actual cash value	7-01-15 to 7-01-16	\$ 119,989
USI	GN610	Fire and extended coverage	\$378,168,144 scheduled property	1-01-15 to 1-01-16	\$ 234,046
Chubb & Son Insurance	6615026	Commercial floater	\$24,669,649 scheduled & \$450,000 unscheduled property	5-01-15 to 5-01-16	\$ 71,428
USI	105874034	Fidelity bond	\$1,000,000 per occurrence	1-01-15 to 1-01-16	\$ 6,807
Anco Insurance B/CS	04T061309	General liability Environmental Insurance	\$6,300,000 per occurrence \$6,300,000 annual aggregate	4-1-13 to 4-1-16	\$ 11,802
Anco Insurance B/CS	04T061309	General liability Pollution storage tanks	\$1,000,000 per occurrence \$1,000,000 annual aggregate	12-01-14 to 12-01-15	\$ 819

**Source:** Based on information provided in NTMWD Insurance Policies.