



NORTH  
TEXAS  
MUNICIPAL  
WATER  
DISTRICT

## Annual Comprehensive Financial Report

For the fiscal year ended  
September 30, 2024



WATER  
SERVICES



WASTEWATER  
SERVICES



SOLID WASTE  
SERVICES



Leonard Water  
Treatment Plant



North McKinney  
Lift Station



121 Regional  
Disposal Facility

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

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2024**

**AS PREPARED BY THE  
NTMWD ACCOUNTING DEPARTMENT**

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# TABLE OF CONTENTS

NORTH TEXAS MUNICIPAL WATER DISTRICT

## INTRODUCTORY SECTION (UNAUDITED)

North Texas Municipal Water District Board of Directors . . . . .	i
Organizational Structure . . . . .	ii
Letter of Transmittal . . . . .	iii
Certificate of Achievement for Excellence . . . . .	viii
The District's Operating Systems . . . . .	ix

## FINANCIAL SECTION

Independent Auditor's Report . . . . .	1
Management's Discussion and Analysis (Unaudited) . . . . .	5
Basic Financial Statements:	
Fund Financial Statements:	
Statement of Net Position . . . . .	12
Statement of Revenues, Expenses and Changes in Net Position . . . . .	16
Statement of Cash Flows . . . . .	18
Statement of Fiduciary Net Position - Fiduciary Funds . . . . .	20
Statement of Changes in Fiduciary Net Position - Fiduciary Funds . . . . .	21
Notes to the Basic Financial Statements . . . . .	22
Required Supplementary Information (Unaudited):	
Schedule of Changes in Net Pension Liability and Related Ratios . . . . .	62
Schedule of Employer Contributions . . . . .	63
Money-Weighted Rate of Return - Retirement Plan . . . . .	64
Schedule of Changes in Net OPEB Liability and Related Ratios . . . . .	65
Schedule of NTMWD Contributions . . . . .	67
Money-Weighted Rate of Return - OPEB . . . . .	68
Other Supplementary Information:	
Combining and Individual Fund Financial Schedules - Small Systems:	
Schedules of Net Position . . . . .	74
Schedules of Revenues, Expenses and Changes in Net Position . . . . .	90
Schedules of Cash Flows . . . . .	98
Fiduciary Fund Combining Statements:	
Combining Statement of Fiduciary Net Position - Fiduciary Funds . . . . .	108
Combining Statement of Changes in Fiduciary Net Position - Fiduciary Funds . . . . .	109

## STATISTICAL SECTION (UNAUDITED)

Schedule 1 — Net Position by Component . . . . .	113
Schedule 2 — Changes in Net Position . . . . .	114
Schedule 3 — Total Revenues by Source . . . . .	115
Schedule 4 — Total Expenses by Function . . . . .	116
Schedule 5 — Total Revenues by System . . . . .	117
Schedule 6 — Total Expenses by System . . . . .	118
Schedule 7 — Operating Revenues . . . . .	119
Schedule 8 — Operating Expenses . . . . .	120
Schedule 9 — Nonoperating Revenues and Expenses . . . . .	121
Schedule 10 — Net Additions to Capital Assets Excluding Construction in Progress . . . . .	122
Schedule 11 — Water Produced and Consumed, Wastewater Treated and Solid Waste Disposed . . . . .	123

# TABLE OF CONTENTS

NORTH TEXAS MUNICIPAL WATER DISTRICT

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Schedule 12 — Historic Service Use . . . . .	124
Schedule 13 — Number of Water, Wastewater and Solid Waste Customers . . . . .	126
Schedule 14 — Water Rates. . . . .	127
Schedule 15 — Largest Customers . . . . .	128
Schedule 16 — Outstanding Debt by Type . . . . .	129
Schedule 17 — Revenue Coverage . . . . .	130
Schedule 18 — Demographic Statistics. . . . .	131
Schedule 19 — Principal Employers . . . . .	132
Schedule 20 — Number of Employees by Function . . . . .	133
Schedule 21 — Miscellaneous Statistical Data. . . . .	135
Schedule 22 — Operating and Capital Indicators . . . . .	138
Schedule 23 — Insurance in Force. . . . .	139

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# INTRODUCTORY

SECTION (UNAUDITED)

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## North Texas Municipal Water District Board of Directors



ORGANIZATIONAL STRUCTURE  
AS OF SEPTEMBER 30, 2024

Executive Director/General Manager	Jennafer P. Covington
Assistant General Manager - Chief Financial Officer	Jeanne Chipperfield
Director of Human Resources	Ike Obi
Controller	Holly Matthews
Finance Manager	Drew Farris
Procurement Manager	Nicole Mucha
Assistant General Manager - Planning & Engineering	Cesar Baptista
Director of Planning	R. J. Muraski
Director of Engineering	Mark Simon
Assistant General Manager - Water & Wastewater	Billy George
Director of Water Treatment & Conveyance	Zeke Campbell
Director of Water Resources	Galen Roberts
Director of Wastewater	Hunter Stephens
Operations Technical Support Manager	Ellen Musallam
Assistant General Manager - Solid Waste & Integrated Services	Jeff Mayfield
Director of Maintenance	Dave Patton
Director of Solid Waste	Michael Friesen
Director of Information Technology	Taylor Prentice
Environmental Services Manager	Brooke Noack
Health & Safety Manager	David Milligan
Director of Communications	Alex Johnson
General Counsel	Vacant
Director of Executive and Board Services	Brian Brooks



*Regional. Reliable. Everyday.*

**February 12, 2025**

**TO THE BOARD OF DIRECTORS OF THE NORTH TEXAS MUNICIPAL WATER DISTRICT,  
MEMBER CITIES AND CUSTOMERS**

Per the Texas Administrative Code, the North Texas Municipal Water District (the “District”) is required to publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and audited in accordance with generally accepted auditing standards by a firm of licensed, certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the North Texas Municipal Water District for the fiscal year ended September 30, 2024.

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

The District's financial statements have been audited by Crowe LLP, independent auditors. The goal of an independent audit is to provide reasonable assurance that the financial statements of the District, as of and for the fiscal year ended September 30, 2024, 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, 2024, 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 item of the financial section of this report.

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

**Profile of the District**

The District, a conservation and reclamation district and political subdivision of the state of Texas created in 1951, provides treated water, wastewater, and solid waste service to over 2 million people

in north Texas. The District currently serves a 2,200 square-mile service area located in ten counties adjacent to the north and east 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 Regional Water System member city with a population of 5,000 or more is represented by two Directors and each member city with 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 best understood when it is considered from the broader perspective of the specific environment within which the District operates.

**Local Economy.** According to the Federal Reserve Bank of Dallas, the Dallas/Fort Worth job market continues to be resilient, though recent data has shown some softening. The District's service area has seen ongoing migration of new residents from across the U.S., driven by several factors, including business relocations and a suburban housing boom. While inflationary pressures were lower in 2024 compared to recent years, and the Federal Reserve began to lower interest rates, some concerns remain about lingering inflation, and the Fed is now projecting a slower pace of interest rate cuts in 2025. Overall, it is expected that the region will continue to see long-term increases in economic activity and residential growth.

**Budgeting.** Each year, the District sets forth budget guidance, which guides the District's preparation of operating budgets.

The FY24 budget guidance included the following:

- Planning for operating and maintenance (O&M) increases of no more than 3% (excluding personnel and new facility O&M)
- Strategic Financial Plans (SFPs) serve as the upper limit for total increases to the operating systems
- Limiting staff increases and repurposing existing vacancies to critically needed positions, where possible, to limit the growth in headcount.
- Accounting for inflation and market-based pricing of select commodities.

**Long-term financial planning.** The District's planning incorporates both an annual budgeting process and long-term forecasts referred to as Strategic Financial Plans (SFPs). The annual budgeting process is based on yearly budget guidance and training that sets forth the priorities for a given year. The following financial controls are maintained as part of the budgeting process:

- Insurance coverages are reviewed to ensure that policy limits are adequate and in compliance with revenue bond covenants.
- Fund balances are maintained in accordance with the District's Fund Balance Policy.

- Expenses are reviewed to ensure they are reasonable and fall within the budget guidance.
- Debt Service transfers are calculated based on existing and projected debt service as well as adequate funds to maintain required debt service reserves.

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

- Current year budgets plus standard cost escalations for future years
- Forecasted solid waste tonnage and water/wastewater flow estimates
- Escrow funding/use of escrow proceeds to smooth annual cost increases / defray major expenses
- Capital Improvement Projects plus standard cost escalations for future years
  - Funding Sources (Cash or Debt)
  - Bonds are sold as 20- or 30-year debt
- Fully utilize Extendable Commercial Paper (ECP) to manage cash flow and funding needs
- Fund balances are maintained in accordance with the Fund Balance Policy

The objective of long-term planning is to provide sufficient resources to fund needed capital projects, cover O&M expenses, manage debt incurred from bond sales, and notify the District's Members and Customers of projected future cost changes.

The May 2024 Water System rate projection included funding for capital projects to operate, maintain, and expand the Regional Water System over the next twenty-year period. The projection assumed the District will finance \$6.1 billion of capital projects between FY2025 and 2034 for several projects, including the expansions to the Leonard Water Treatment Plant. Also, between FY 2035 and 2044, it is projected that the District will finance approximately \$2.0 billion of capital projects for additional system improvements, including several future water supply projects.

The May 2024 rate projection for the wholesale water sold by the District indicates there will need to be adjustments to the current rate in order to fully fund all operations and needed expansions. It is expected the rate will grow an additional \$4.29 per 1,000 gallons 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 May 2024 Regional Wastewater System (RWWS), Upper East Fork Interceptor System (UEFIS), and 25 Small Systems' cost projections included funding for the District's rapidly growing region. The District's wastewater systems comprise more than 242 miles of large diameter pipelines, 25 lift stations, and 14 wastewater treatment plants. These facilities convey and treat approximately 179+ million gallons of wastewater daily. The Regional Wastewater Systems (RWWS) consists of four regional plants, which provide wholesale wastewater services for thirteen member cities.

The RWWS Capital Improvement Plan includes funding for approximately \$1.4 billion of capital projects over the next ten years, which includes the expansion of Sister Grove Regional Water Resource Recovery Facility (RWRRF) in 2024. Over the next five years, other major projects in the RWWS include the Rowlett Creek Regional Wastewater Treatment Plant (RWWTP) Peak Flow Management Project, South Mesquite RWWTP Expansion to 49 million gallons per day capacity and improvements to the Wilson Creek RWWTP and South Mesquite RWWTP.

The Upper East Fork Interceptor System (UEFIS) is responsible for the conveyance of wastewater for 18 member cities and four customer cities. The UEFIS Capital Improvement Plan includes funding for approximately \$911 million of capital projects over the next ten years, which includes SH 121 Force Main Improvements, North McKinney Parallel Transfer Force Main, Preston Road Lift Station Expansion, Princeton Lift Station Expansion, Lower Tickey Creek Force Main and Lift Station and Stover Creek Force Main Construction.

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

Below is a summary of actions and activities which the District has undertaken to address water supply needs in both the short and long term:

- Constructed Bois d'Arc Lake, which began delivering water in 2023.
- Contracted with the Trinity River Authority to purchase up to 50,060 acre-feet per year of reuse water to be withdrawn from the Trinity River at the Main Stem Pump Station, which began in 2019.
- Participates in the statewide water planning process through the TWDB Region C Water Planning Group. There are a number of recommended and alternative water management strategies for the District included in the 2021 Region C Water Plan that are intended to help meet long-term needs, including:
  - Conservation
  - Additional Lake Texoma water with blending
  - Additional measures to access the full Lavon Lake yield
  - Additional Lavon watershed reuse
  - Expanded wetland reuse
  - Marvin Nichols Reservoir
  - Wright Patman reallocation
  - Oklahoma water resources
  - Infrastructure to treat and deliver existing water supplies
  - Toledo Bend Reservoir
  - Lake O' the Pines
  - Lake Texoma with desalination rather than blending
  - Carrizo Wilcox groundwater
  - Aquifer Storage and Recovery
  - George Parkhouse Reservoir (North)
  - George Parkhouse Reservoir (South)

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

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Texas Municipal Water District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2023. This was the thirty-fourth consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the accounting and finance departments. We would like to express our appreciation to all members of the organization who assisted and contributed to the preparation of this report. In particular, our appreciation is extended to Holly Matthews, Controller, Eric Clein,

Accounting Manager; Tammy Turner, Financial Reporting and Compliance Manager, and Randy Heidelberg, CIP & Fixed Asset Supervisor, 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,

A handwritten signature in black ink, reading "Jennafer Covington". The signature is written in a cursive style with a large, stylized 'J' and 'C'.

JENNAFER P. COVINGTON  
Executive Director/General Manager

A handwritten signature in black ink, reading "Jeanne Chipperfield". The signature is written in a cursive style with a large, stylized 'J' and 'C'.

JEANNE CHIPPERFIELD  
Assistant General Manager – Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**North Texas Municipal Water District**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2023

*Christopher P. Morill*

Executive Director/CEO



# THE FABRIC OF NORTH TEXAS

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

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





## 2022–2027 STRATEGIC PLAN

### OUR VISION

Regional service through unity:  
meeting our region's needs  
today and tomorrow

### OUR MISSION

Provide high quality and dependable  
water, wastewater and solid waste  
services in a cost efficient manner

GOAL  
01

### SERVICE

Provide superior  
water, wastewater  
and solid waste  
services today and  
tomorrow

GOAL  
02

### STEWARDSHIP

Responsibly  
manage public  
resources to ensure  
responsiveness,  
effectiveness and  
efficiency

GOAL  
03

### PARTNERSHIP

Actively collaborate  
with members,  
customers,  
partners,  
employees and  
stakeholders

GOAL  
04

### PEOPLE

Build a talented,  
competent and  
committed team

#### OBJECTIVE 1.1

High Quality  
Services

#### OBJECTIVE 2.1

Efficient Business  
Practices

#### OBJECTIVE 3.1

Well-Informed and  
Educated Public

#### OBJECTIVE 4.1

Highly Skilled  
Workforce

#### OBJECTIVE 1.2

Successfully Deliver  
Capital Program

#### OBJECTIVE 2.2

Conscientious  
Environmental  
Stewardship

#### OBJECTIVE 3.2

Engaged Members,  
Customers and  
Stakeholders

#### OBJECTIVE 4.2

Safe and Healthy  
Employees

#### OBJECTIVE 1.3

Proactive Asset and  
Maintenance  
Management

#### OBJECTIVE 2.3

Rigorous Financial  
Management

#### OBJECTIVE 3.3

Durable Strategic  
Partnerships

#### OBJECTIVE 4.3

Performance-Driven  
Culture

#### OBJECTIVE 1.4

Reliable and  
Resilient Systems

#### OBJECTIVE 2.4

Systematic Risk  
Management

#### OBJECTIVE 3.4

Effective  
Organizational  
Communication

#### OBJECTIVE 4.4

Employer of  
Choice

## OUR CORE VALUES



### INTEGRITY

WE ARE HONEST,  
TRUSTWORTHY,  
TRANSPARENT AND  
RELIABLE IN OUR WORDS  
AND ACTIONS AND  
ACCOUNTABLE FOR WHAT  
WE SAY AND DO.



### TRUST

WE ARE RELIED ON TO BE  
EFFECTIVE, HONEST,  
OPEN AND CONSISTENT,  
AND TO SERVE OUR  
CUSTOMERS' BEST  
INTERESTS.



### RESPECT

WE TREAT OUR  
CUSTOMERS AND  
EACH OTHER WITH  
COURTESY, KINDNESS  
AND FAIRNESS.



### UNITY

WE DO WHAT'S BEST  
FOR OUR CUSTOMERS  
AND THE REGION  
—ALL-IN TOGETHER.



### SAFETY

WE MITIGATE RISKS IN  
OUR DAILY ACTIVITIES TO  
MINIMIZE ACCIDENTS AND  
INJURIES, AND PROTECT  
OUR PUBLIC HEALTH AND  
ENVIRONMENT; WE TAKE  
CARE OF EACH OTHER  
SO WE CAN FULFILL OUR  
MISSION.



### TEAMWORK

WE COOPERATE AND  
COLLABORATE WITH  
EACH OTHER, OUR  
CUSTOMERS AND  
PARTNERS TO MEET OUR  
REGION'S NEEDS TODAY  
AND TOMORROW.

2024-2025 PLAN YEAR

WWW.NTMWD.COM

<b>GOAL 01</b> <b>SERVICE</b> Provide superior water, wastewater and solid waste services today and tomorrow	<b>GOAL 02</b> <b>STEWARDSHIP</b> Responsibly manage public resources to ensure responsiveness, effectiveness and efficiency	<b>GOAL 03</b> <b>PARTNERSHIP</b> Actively collaborate with members, customers, partners, employees and stakeholders	<b>GOAL 04</b> <b>PEOPLE</b> Build a talented, competent and committed team
<b>OBJECTIVE 1.1</b> <b>High Quality Services</b> <b>1.1.1</b> Complete Wylie WTP Conversion to Biologically Active Filtration <b>1.1.2</b> Pursue Treatment Plant Optimization Recognition <b>1.1.3</b> Develop and Implement Infrastructure Shutdown Policies and Protocols	<b>OBJECTIVE 2.1</b> <b>Efficient Business Practices</b> <b>2.1.1</b> Develop a Formal Vendor Management and Contract Performance Program <b>2.1.2</b> Develop and Implement a Technology Modernization Program <b>2.1.3</b> Evaluate Laboratory Services and Develop Plan for Future Laboratory Capabilities <b>2.1.4</b> Standardize Documentation of Processes and Standard Operating Procedures	<b>OBJECTIVE 3.1</b> <b>Well-Informed and Educated Public</b> <b>3.1.1</b> Enhance Regional Education Initiatives <b>3.1.2</b> Amplify Impact of Water is Awesome Regional Campaign <b>3.1.3</b> Develop Strategic Communications Plan for Stewardship	<b>OBJECTIVE 4.1</b> <b>Highly Skilled Workforce</b> <b>4.1.1</b> Establish a Comprehensive Employee Training and Development Program <b>4.1.2</b> Develop District Wide Compensation Strategy and Guidelines <b>4.1.3</b> Develop a Talent Recruitment and Acquisition Program <b>4.1.4</b> Evaluate and Redesign the District's Performance Evaluation Program
<b>OBJECTIVE 1.2</b> <b>Successfully Deliver Capital Program</b> <b>1.2.1</b> Complete Phase Two of Bois d'Arc Lake Program <b>1.2.2</b> Complete Phases One and Two of the Sister Grove RWRFF <b>1.2.3</b> Implement Plan and Complete Permitting for Lower East Fork Wastewater System <b>1.2.4</b> Finalize Plan and Permitting for North Transfer Station	<b>OBJECTIVE 2.2</b> <b>Conscientious Environmental Stewardship</b> <b>2.2.1</b> Continue Implementation of Comprehensive Energy Program <b>2.2.2</b> Implement Watershed Protection Plans for District Lakes <b>2.2.3</b> Develop and Implement Additional Conservation Strategies	<b>OBJECTIVE 3.2</b> <b>Engaged Members, Customers and Stakeholders</b> <b>3.2.1</b> Address Customer City Surcharge Recommendation by Independent Review of RWS <b>3.2.2</b> Enhance Engagement Opportunities with Key Stakeholders <b>3.2.3</b> Complete Red River Boundary Commission Process in Oklahoma	<b>OBJECTIVE 4.2</b> <b>Safe and Healthy Employees</b> <b>4.2.1</b> Reduce Safety Incidents Through Employee and Leadership Engagement <b>4.2.2</b> Optimize Employee Benefits, Health, and Wellness Program
<b>OBJECTIVE 1.3</b> <b>Proactive Asset and Maintenance Management</b> <b>1.3.1</b> Complete Creation of a Comprehensive Real Estate Catalog and Inventory <b>1.3.2</b> Develop a Risk Based Condition Monitoring Program for Critical Asset Types <b>1.3.3</b> Complete Right Of Way Clearing Program <b>1.3.4</b> Implement Inventory Control System in Maximo	<b>OBJECTIVE 2.3</b> <b>Rigorous Financial Management</b> <b>2.3.1</b> Transform and Modernize Financial Management Systems <b>2.3.2</b> Analyze Purchase Card Spending to Maximize Savings Opportunities <b>2.3.3</b> Evaluate and Consider Changes to Cost Allocation Approaches for Pretreatment Services	<b>OBJECTIVE 3.3</b> <b>Durable Strategic Partnerships</b> <b>3.3.1</b> Open Bois d'Arc Lake to the Public <b>3.3.2</b> Implement the Bois d'Arc Lake Shoreline Management Plan <b>3.3.3</b> Support Strategic Initiatives at JBS Wetland Center <b>3.3.4</b> Work With Peer Organizations on Water Supply and Environmental Initiatives	<b>OBJECTIVE 4.3</b> <b>Performance-Driven Culture</b> <b>4.3.1</b> Develop Clear Career Paths to Allow all Employees to Advance Their Careers <b>4.3.2</b> Develop and Implement a Water and Wastewater Operator Competency Program
<b>OBJECTIVE 1.4</b> <b>Reliable and Resilient Systems</b> <b>1.4.1</b> Implement Water Supply Strategies to Accommodate Regional Growth <b>1.4.2</b> Comply With Regulations for PFAS Substances <b>1.4.3</b> Implement an Inflow and Infiltration Monitoring and Communication Plan	<b>OBJECTIVE 2.4</b> <b>Systematic Risk Management</b> <b>2.4.1</b> Implement an Operational Risk Management Program <b>2.4.2</b> Enhance District-wide Cybersecurity Program <b>2.4.3</b> Integrate and Standardize the Security System Approach for District-wide Facilities	<b>OBJECTIVE 3.4</b> <b>Effective Organizational Communication</b> <b>3.4.1</b> Develop Strategic Communications Plan for Internal Audiences <b>3.4.2</b> Improve the Project Design and Asset Handover Process <b>3.4.3</b> Advance Utility Management Practices Through Enterprise Performance Reporting	<b>OBJECTIVE 4.4</b> <b>Employer of Choice</b> <b>4.4.1</b> Support Employee Development Through Engagement in Industry Wide Activities <b>4.4.2</b> Foster Engagement to Enhance the Employee Experience <b>4.4.3</b> Ensure Resilience of District Retirement Offerings

## Strategic Plan

The District's Strategic Plan provides guidance for the decisions of the Board of Directors, executive leadership and staff over the next five years to effectively address the issues challenging the District.

The District developed its first strategic plan in 2015, by setting a long-range vision, establishing a focused Vision and Mission, as well as articulating a set of core values, summarized by the acronym I TRUST (Integrity, Trust, Respect, Unity, Safety, Teamwork).

In 2019, the District's leadership determined that an update and extension of the strategic plan for the coming five-year period was a high-priority need. The District engaged a third-party consultant to support the design and facilitation of an intensive and collaborative strategic planning process.

The consultant enabled open discussion of the District's strengths and weaknesses, opportunities and threats and then forged an agreement around the highest order priorities that needed to be addressed over the following five years. These priorities established a foundation for defining more specific action steps, budgets and performance measures for the District's staff. The District's executive leadership and the Board confirmed the continued accuracy and validity of the previously developed and adopted statements of vision, mission and values as critical elements in the strategic plan.

In late 2021, staff undertook a multi-phase process of reevaluating and rewriting the plan's initiatives associated with the Objectives and Goals. In March of 2022 the Board approved those changes, including changes to some Objectives. Managers were engaged and asked to submit initiatives for consideration and inclusion in the plan.

District staff regularly update the Board on the progress of the Strategic Plan. Annually, staff will update objectives and initiatives as execution of the strategic plan dictates and seek Board approval as appropriate. District management details how the departments' work functions and yearly spending support the strategic goals in departmental summaries within the annual budget document. Staff tracks progress on all of the plan's initiatives and the organization is held accountable for the results.

# FINANCIAL

SECTION

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of each major fund and the aggregate remaining fund information for the North Texas Municipal Water District (the District), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the District, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Employer Contributions, Money-Weighted Rate of Return – Retirement Plan, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of NTMWD Contributions and Money-Weighted Rate of Return - OPEB* on pages 5-10, 62, 63, 64, 65, 67 and 68, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2025, on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe LLP". The signature is stylized, with the "C" being large and looping, and the "LLP" being written in a more straightforward, blocky style.

Crowe LLP

Plano, Texas  
February 12, 2025

# FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

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## Management's Discussion and Analysis (Unaudited)

As management of the North Texas Municipal Water District ("the District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District as of and for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished with our letter of transmittal, which can be found in the Introductory section of this report.

### Financial Highlights

As of September 30, 2024:

- Total assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources by \$2.31 billion.
- The District's total net position increased approximately \$202 million, or 9.56%.
- During the year, the District's total operating revenues increased by approximately \$64 million or 8.36%, and total operating expenses increased by approximately \$35 million, or 6.35%.
- The District issued \$776 million in revenue bonds for various projects. The District also added \$85 million in Extended Commercial Paper (ECP) debt and paid off \$52 million in ECP debt during FY24.
- Construction of the Bois d'Arc Lake, Leonard Water Treatment Plant (WTP), Wylie WTP Improvements, Sister Grove Wastewater Treatment Plant (WWTP) and various other WWTP improvements led the way in capital expenditures totaling over \$205 million.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements, which are comprised of two components: 1) fund financial statements and 2) notes to the financial statements. This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements.

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

**Proprietary Funds.** The District maintains two different types of proprietary funds: enterprise funds and internal service funds.

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

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

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

The basic proprietary fund financial statements can be found on pages 12 through 19 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources that are under the District's control, but are for the benefit of parties outside the District. The District's pension and OPEB trust are reported under the fiduciary funds. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 20 through 21 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 22 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 62 of this report.

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

	As of September 30			
	2024	2023	Increase/ (Decrease)	Percent Change
ASSETS:				
Current assets - unrestricted	\$ 331,698,400	\$ 272,159,938	\$ 59,538,462	21.9%
Current assets - restricted	140,646,175	91,080,914	49,565,261	54.4%
Noncurrent assets - restricted	1,512,215,156	964,980,541	547,234,615	56.7%
Capital assets-net	5,631,165,237	5,384,491,490	246,673,747	4.6%
Total assets	7,615,724,968	6,712,712,883	903,012,085	13.5%
Total deferred outflows of resources	64,261,729	76,305,470	(12,043,741)	-15.8%
Total assets and deferred outflows of resources	7,679,986,697	6,789,018,353	890,968,344	13.1%
LIABILITIES:				
Long-term liabilities outstanding	4,721,091,412	4,145,144,728	575,946,684	13.9%
Current and other liabilities	645,168,158	530,964,290	114,203,868	21.5%
Total liabilities	5,366,259,570	4,676,109,018	690,150,552	14.8%
Total deferred inflows of resources	4,461,572	5,181,412	(719,840)	-13.9%
Total liabilities and deferred inflows of resources	5,370,721,142	4,681,290,430	689,430,712	14.7%
NET POSITION:				
Net investment in capital assets	1,840,638,282	1,734,270,828	106,367,454	6.1%
Restricted	315,470,369	262,426,104	53,044,265	20.2%
Unrestricted	153,156,904	111,030,991	42,125,913	37.9%
Total net position	\$ 2,309,265,555	\$ 2,107,727,923	\$ 201,537,632	9.6%

The largest portion of the District's net position (79.7%) 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 Cities and Customers; 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 (13.7%) 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 (6.6%) and may be used to meet the District's ongoing obligations. The overall increase in net position of \$201,537,632, or 9.6%, during the current fiscal year indicates an improved financial position.

While the Statement of Net Position provides the components of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at year-end, the Statement of Revenues, Expenses and Changes in Net Position provides information on the source of the change during the year.

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

	Year Ended September 30		Increase	Percent
	2024	2023	(Decrease)	Change
Operating Revenues:				
Water sales	\$ 451,251,338	\$ 420,935,131	\$ 30,316,207	7.2%
Wastewater service fees	225,462,439	198,930,141	26,532,298	13.3%
Solid waste service fees	43,600,382	40,894,421	2,705,961	6.6%
Intragovernmental	79,910,858	77,422,127	2,488,731	3.2%
Insurance premiums	23,255,429	20,601,527	2,653,902	12.9%
Other operating revenues	3,645,137	4,524,592	(879,455)	-19.44%
Total Operating Revenues	827,125,583	763,307,939	63,817,644	8.4%
Operating Expenses:				
Personnel	129,223,264	116,792,740	12,430,524	10.6%
Claims paid	18,387,069	18,535,644	(148,575)	-0.8%
Administrative charges	960,660	1,905,769	(945,109)	-49.6%
Operating supplies	106,135,935	108,095,080	(1,959,145)	-1.8%
Operating services	201,931,339	201,500,453	430,886	0.2%
Depreciation/amortization	137,606,358	111,945,502	25,660,856	22.9%
Total Operating Expenses	594,244,625	558,775,188	35,469,437	6.3%
Operating Income	232,880,958	204,532,751	28,348,207	13.9%
Nonoperating Revenues (Expenses):				
Investment income (expense)	86,368,626	60,313,933	26,054,693	43.2%
Miscellaneous revenue (expense)	380,428	127,617	252,811	198.1%
Grant income	-	33,508	88,409	263.8%
Gain (loss) on sale of capital assets	4,840,328	833,606	4,006,722	480.6%
Contribution revenue (expense)	8,489,443	61,070	8,428,373	13801.2%
Interest expense	(131,544,068)	(111,502,521)	(20,041,547)	18.0%
Net Nonoperating Revenues (Expenses)	(31,465,243)	(50,132,787)	18,789,461	-37.2%
Capital contributions	121,917	-	121,917	100.0%
Change in Net Position	201,537,632	154,399,964	47,137,668	30.5%
Net Position - Beginning	2,107,727,923	1,953,327,959	154,399,964	7.9%
Net Position - Ending	\$ 2,309,265,555	\$ 2,107,727,923	\$ 201,537,632	9.6%

Total operating revenues for the District for the years ended September 30, 2024 and 2023 were \$827,125,583 and \$763,307,939, respectively. The \$63,817,644 increase in total revenues was primarily driven by increases in water sales and wastewater service fees. The Member City water rate for FY24 increased to \$3.64 per 1,000 gallons, an increase of \$.25 from FY23. The Member City cost for wastewater services increased from \$2.57 in FY23 to \$2.85 in FY24.

Total operating expenses for the District for the years ended September 30, 2024 and 2023 were \$594,244,625 and \$558,775,188, respectively. Several key factors, primarily increased personnel and depreciation expense, account for the \$35,469,437 increase in total expenses from 2023 to 2024. The increase in personnel expense is attributed to 26 net new budgeted positions, average 5% merit increases, retirement plan funding increases and rising health insurance costs. A portion of these increased expenses were offset by lower operating supplies, primarily related to reduced chemical pricing and optimization efforts at the Leonard Water Treatment Plant.

The District's Internal Service Fund accounts for support services, as well as insurance benefits to District employees, participating dependents, and eligible retirees. Intragovernmental revenues are derived from direct and indirect allocations based on historical costs and trends. The allocation amounts and percentages are calculated based on a multi-faceted review including department specific metrics and manager input. These revenues are offset by specific operating expenses including personnel, supplies and services, including shared services which increased in FY24.

The District's operating revenues are derived from charges to Member Cities and Customers, primarily for the sale and treatment of water and wastewater. Member Cities and Customers generally contract to pay amounts equal to

the District's operating and maintenance expenses, debt service requirements and any other obligations payable from the revenues of the District.

In the Regional Wastewater System, Small Systems, Solid Waste System and Interceptor System, the charges for services are adjusted accordingly at the end of each year on a break-even basis. In the Water System, variable costs, that are below budget, are rebated to the Member Cities and Customers that consume less than their annual minimum on a proportionate basis. Each Member City's or Customer's share of the variable rebate is determined by actual use compared to their annual minimum requirements. Any Water System excess or shortage, after accounting for variable rebate costs, can be transferred to or from the Operating and/or the Contingency Fund subject to Fund Balance Policy limits. Surplus budgeted funds are returned to Member Cities in accordance with the contract when applicable.

### **Financial Analysis of the District's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

The District's capital assets as of September 30, 2024, amounted to \$5,631,165,237 (net of accumulated depreciation). These capital assets include land and land improvements, reservoir facilities, water treatment and transmission facilities, wastewater treatment facilities, buildings and other equipment and water rights. The total increase in the District's investment in capital assets for the current year was 4.6%.

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

- Completion of the Wylie Water Treatment Plant (WTP) II Mechanical improvements totaling approximately \$63 million;
- Improvements, including WTP II Structural improvements, filter improvements to WTP IV, and improvements to the Wylie WTP Ammonia Systems, the cost of these additions was \$38 million;
- Improvements to McKinney Lift Stations, Transfer Stations, Interceptors and Force Mains; the cost of additions to construction-in-progress was approximately \$40 million;
- Sister Grove WWTP and Plant Site development totaling more than \$51 million;
- Construction of the treated water pipeline from Leonard WTP to McKinney No. 4, Leonard Water Treatment Plant and Leonard High Service Pump Station; the cost of additions to construction-in-progress during the fiscal year was approximately \$27 million;
- Bois d'Arc raw water pipeline, raw water pump station, reservoir and dam, archaeological survey, boat ramps, Fannin County road and bridge improvements, and mitigation property; the cost of additions to construction-in-progress during the fiscal year were approximately \$22 million;
- Capitalized improvements of Upper East Fork Lift Stations and Interceptor Lines, including North McKinney and FM 2551 Relocation totaling approximately \$70.8 million.

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

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

	As of September 30		Increase (Decrease)	Percent Change
	2024	2023		
Land	\$ 354,034,223	\$ 349,496,699	\$ 4,537,524	1.3%
Easements	97,450,431	93,174,510	4,275,921	4.6%
Land improvements	266,304,836	274,745,693	(8,440,857)	-3.1%
Water treatment, storage and transmission facilities	2,471,948,067	2,387,670,666	84,277,401	3.5%
Wastewater treatment facilities	953,888,382	879,460,774	74,427,608	8.5%
Solid waste transfer and disposal facilities	51,242,194	52,958,316	(1,716,122)	-3.2%
Reservoir facilities and water rights	344,570,476	352,200,693	(7,630,217)	-2.2%
Buildings	67,756,148	69,563,046	(1,806,898)	-2.6%
Automobiles and trucks	9,782,415	8,886,120	896,295	10.1%
Office furniture and fixtures	458,492	230,839	227,653	98.6%
Other equipment	36,712,163	38,699,941	(1,987,778)	-5.1%
Lease and subscription right-of-use assets	3,272,937	1,807,238	1,465,699	81.1%
Construction in progress	973,744,473	875,596,955	98,147,518	11.2%
Total	<u>\$ 5,631,165,237</u>	<u>\$ 5,384,491,490</u>	<u>\$ 246,673,747</u>	<u>4.6%</u>

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

### Debt Administration

At the end of the current fiscal year, the District had total outstanding debt of \$4,737,575,000. Of this amount 62% is reflected in the Water System revenue bonds and 18% is reflected in the Regional Wastewater System revenue bonds. For the Extendable Commercial Paper, 58% is reflected in the Water System and 42% in the Wastewater System.

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

	As of September 30		Increase (Decrease)	Percent Change
	2024	2023		
Revenue bonds	\$ 4,600,575,000	\$ 3,997,070,000	\$ 603,505,000	15.1%
Extendable commercial paper	137,000,000	104,000,000	33,000,000	31.7%
Total	<u>\$ 4,737,575,000</u>	<u>\$ 4,101,070,000</u>	<u>\$ 636,505,000</u>	<u>15.1%</u>

The District's revenue bonds have been rated as follows for both FY24 and FY23:

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

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

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

The Annual Budget outlines the District's plans to provide high-quality, cost-effective service to its Member Cities and Customers. According to the Dallas Federal Reserve, the local economy moderated toward more normal growth in 2024. The Dallas Fed's Texas Employment Forecast suggests job growth would be steady for the remainder of the year. Inflation has continued to slow with Texas CPI down to 2.5% in August. The State of Texas and our local economy surrounding the Dallas/Forth Worth Metroplex is known for its traditionally lower cost of living which has attracted a large migration of new residents from across the U.S. to now call our service area home.

The District increased the Regional Water System rates for Member Cities by \$0.21/1,000 gallons to \$3.85/1,000 gallons for FY25. This represented a 5.8% increase and was necessary to cover increasing operating and capital costs. The District's Board of Directors goal of meeting the contractual obligation of the participating cities, within state and federal laws while protecting the environment, continues to be accomplished with reasonable cost in all systems.

## **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 Accounting Department, P.O. Box 2408, Wylie, Texas 75098 or [Accounting@NTMWD.com](mailto:Accounting@NTMWD.com).

# FINANCIAL SECTION

## BASIC FINANCIAL STATEMENTS

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## STATEMENT OF NET POSITION - PROPRIETARY FUNDS SEPTEMBER 30, 2024

	Water System	Regional Wastewater System
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 123,258,736	\$ 17,430,413
Investments	73,593,680	1,990,680
Accounts receivable	14,577,144	4,111,015
Contracts receivable	-	-
Due from other funds	5,110,653	36,905
Prepaid expenses	6,613,022	928,595
Unbilled receivables	118,699	1,799,525
<b>Total current unrestricted assets</b>	<b>223,271,934</b>	<b>26,297,133</b>
Restricted assets:		
Cash and cash equivalents	45,289,759	16,339,745
Interest receivable	1,692,335	308,533
Accounts receivable	455,861	-
Due from other funds	24,934,275	4,663,583
Prepaid expenses	507,796	-
Unbilled receivables	-	-
<b>Total current restricted assets</b>	<b>72,880,026</b>	<b>21,311,861</b>
<b>TOTAL CURRENT ASSETS</b>	<b>296,151,960</b>	<b>47,608,994</b>
<b>NONCURRENT ASSETS:</b>		
Restricted assets:		
Cash and cash equivalents	580,346,995	221,624,947
Investments	259,239,507	37,042,128
<b>Total noncurrent restricted assets</b>	<b>839,586,502</b>	<b>258,667,075</b>
Capital assets:		
Land	319,300,038	20,854,911
Easements	78,903,302	40,598
Construction-in-progress	260,603,728	435,187,929
Land improvements	289,347,849	1,472,029
Water treatment, storage, and transmission facilities	3,036,240,048	-
Wastewater treatment facilities	-	577,070,045
Solid waste transfer and disposal facilities	-	-
Reservoir facilities and water rights	497,014,397	-
Buildings	17,109,622	3,763,888
Automobiles and trucks	2,397,202	3,772,447
Office furniture and fixtures	106,697	101,610
Other equipment	31,003,929	15,908,506
Lease and subscription right-of-use assets	92,015	1,626,135
Less: accumulated depreciation/amortization	(808,860,099)	(179,094,088)
<b>Net capital assets</b>	<b>3,723,258,728</b>	<b>880,704,010</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>4,562,845,230</b>	<b>1,139,371,085</b>
<b>TOTAL ASSETS</b>	<b>4,858,997,190</b>	<b>1,186,980,079</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred loss on refunding	1,992,985	926,608
Deferred pension outflow	7,149,280	8,167,408
Deferred OPEB outflow	878,303	935,739
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>10,020,568</b>	<b>10,029,755</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 4,869,017,758</b>	<b>\$ 1,197,009,834</b>

See notes to the basic financial statements.

Small Systems	Solid Waste System	Interceptor System	Total Enterprise Funds	Internal Service Fund
\$ 14,599,022	\$ 15,319,826	\$ 7,152,735	\$ 177,760,732	\$ 19,677,139
-	6,959,890	988,490	83,532,740	-
1,297,147	433,179	1,873,996	22,292,481	543,927
-	-	-	-	30,000
1,936,047	433,849	2,706	7,520,160	1,167,014
499,496	452,205	201,844	8,695,162	972,641
573,324	1,391,620	274,975	4,158,143	5,348,261
18,905,036	24,990,569	10,494,746	303,959,418	27,738,982
15,355,792	1,040,900	12,150,153	90,176,349	-
535,605	94,072	185,051	2,815,596	-
-	-	-	455,861	-
2,898,915	1,806,664	950,000	35,253,437	1,356,555
-	-	-	507,796	-
-	10,080,581	-	10,080,581	-
18,790,312	13,022,217	13,285,204	139,289,620	1,356,555
37,695,348	38,012,786	23,779,950	443,249,038	29,095,537
129,444,429	37,177,137	160,841,398	1,129,434,906	-
58,642,125	7,894,264	19,962,226	382,780,250	-
188,086,554	45,071,401	180,803,624	1,512,215,156	-
436,498	13,089,142	353,634	354,034,223	-
6,027,264	-	12,479,267	97,450,431	-
92,346,056	20,353,560	165,253,200	973,744,473	-
417,138	10,890,996	-	302,128,012	1,910,708
46,501,712	-	-	3,082,741,760	-
275,859,908	-	452,241,116	1,305,171,069	-
-	96,236,981	-	96,236,981	-
-	-	-	497,014,397	-
192,616	43,852,730	1,673,848	66,592,704	27,806,360
885,353	6,661,560	1,301,940	15,018,502	10,228,520
-	-	-	208,307	1,226,494
5,788,613	37,291,935	6,802,389	96,795,372	14,478,711
74,615	24,729	-	1,817,494	3,338,593
(101,713,083)	(87,581,613)	(109,745,658)	(1,286,994,541)	(29,783,333)
326,816,690	140,820,020	530,359,736	5,601,959,184	29,206,053
514,903,244	185,891,421	711,163,360	7,114,174,340	29,206,053
552,598,592	223,904,207	734,943,310	7,557,423,378	58,301,590
494,911	539,258	858,887	4,812,649	-
3,690,119	7,221,340	1,155,802	27,383,949	25,416,160
498,218	738,688	176,408	3,227,356	3,421,615
4,683,248	8,499,286	2,191,097	35,423,954	28,837,775
\$ 557,281,840	\$ 232,403,493	\$ 737,134,407	\$ 7,592,847,332	\$ 87,139,365

(Continued)

## STATEMENT OF NET POSITION - PROPRIETARY FUNDS SEPTEMBER 30, 2024

	Water System	Regional Wastewater System
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 32,950,614	\$ 6,507,829
Due to other funds	25,443,960	5,050,125
Customers' advance payments	14,205,079	4,346,155
<b>Total payable from unrestricted assets</b>	<b>72,599,653</b>	<b>15,904,109</b>
Payable from restricted assets:		
Accounts payable and accrued liabilities	58,620,987	44,857,873
Due to other funds	5,297,650	51,727
Accrued landfill closure and post-closure care cost	-	-
Accrued interest payable on notes	638,475	482,533
Accrued interest payable on revenue bonds	8,497,604	4,406,940
Accrued interest payable on lease and SBITA liability	-	31,742
Current portion of note payable	79,000,000	58,000,000
Current portion of lease and SBITA payable	18,586	415,084
Current portion of revenue bonds	110,205,000	24,195,000
<b>Total payable from restricted assets</b>	<b>262,278,302</b>	<b>132,440,899</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>334,877,955</b>	<b>148,345,008</b>
<b>NONCURRENT LIABILITIES:</b>		
Accrued landfill closure costs	-	-
Accrued vacation—less current portion	483,478	577,140
Accrued sick—less current portion	539,250	764,270
Net pension liability	15,565,499	15,622,036
Net OPEB liability	1,691,019	1,836,722
Lease and SBITA liability	25,291	785,989
Deferred compensation	-	-
Long-term debt—less current portion	2,852,376,346	805,927,179
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>2,870,680,883</b>	<b>825,513,336</b>
<b>TOTAL LIABILITIES</b>	<b>3,205,558,838</b>	<b>973,858,344</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred pension inflow	(8,142)	374,235
Deferred OPEB inflow	266,468	325,127
Deferred grant income	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>258,326</b>	<b>699,362</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>3,205,817,164</b>	<b>974,557,706</b>
<b>NET POSITION:</b>		
Net investment in capital assets	1,321,752,125	168,311,443
Restricted for debt service	188,785,878	49,500,446
Unrestricted	152,662,591	4,640,239
<b>TOTAL NET POSITION</b>	<b>\$ 1,663,200,594</b>	<b>\$ 222,452,128</b>

See notes to the basic financial statements.

Small Systems	Solid Waste System	Interceptor System	Total Enterprise Funds	Internal Service Fund
\$ 11,127,157	\$ 3,171,363	\$ 3,479,142	\$ 57,236,105	\$ 16,140,248
2,849,676	1,825,723	1,043,122	36,212,606	1,422,742
1,336,384	185,211	1,774,952	21,847,781	-
15,313,217	5,182,297	6,297,216	115,296,492	17,562,990
9,523,110	22,000,658	25,839,986	160,842,614	-
2,246,385	-	66,056	7,661,818	-
-	6,983,097	-	6,983,097	-
-	-	-	1,121,008	-
4,763,171	246,461	4,753,808	22,667,984	-
-	-	-	31,742	13,976
-	-	-	137,000,000	-
15,024	1,740	-	450,434	886,003
15,255,000	4,980,000	20,015,000	174,650,000	-
31,802,690	34,211,956	50,674,850	511,408,697	899,979
47,115,907	39,394,253	56,972,066	626,705,189	18,462,969
-	3,097,484	-	3,097,484	-
193,214	432,532	102,035	1,788,399	1,606,289
298,352	676,967	129,144	2,407,983	2,167,545
7,136,788	13,385,845	2,330,814	54,040,982	47,559,866
952,156	1,438,936	338,691	6,257,524	6,579,538
29,440	-	-	840,720	853,264
-	-	-	-	105,000
369,983,706	69,881,192	495,618,395	4,593,786,818	-
378,593,656	88,912,956	498,519,079	4,662,219,910	58,871,502
425,709,563	128,307,209	555,491,145	5,288,925,099	77,334,471
(30,757)	396,035	(49,963)	681,408	613,639
157,153	265,855	47,012	1,061,615	1,104,910
1,000,000	-	-	1,000,000	-
1,126,396	661,890	(2,951)	2,743,023	1,718,549
426,835,959	128,969,099	555,488,194	5,291,668,122	79,053,020
93,140,558	83,927,045	146,054,301	1,813,185,472	27,452,810
38,579,529	6,528,555	32,075,961	315,470,369	-
(1,274,206)	12,978,794	3,515,951	172,523,369	(19,366,465)
\$ 130,445,881	\$ 103,434,394	\$ 181,646,213	\$ 2,301,179,210	\$ 8,086,345

(Concluded)

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS YEAR ENDED SEPTEMBER 30, 2024

	Water System	Regional Wastewater System
<b>OPERATING REVENUES:</b>		
Water sales	\$ 451,251,338	\$ -
Wastewater service fees	-	107,316,826
Solid waste service fees	-	-
Intragovernmental	-	-
Insurance premiums	-	-
Other operating revenues	257,999	105,198
<b>Total operating revenues</b>	<b>451,509,337</b>	<b>107,422,024</b>
<b>OPERATING EXPENSES:</b>		
Personnel	18,788,363	19,418,767
Claims paid	-	-
Administrative charges	-	-
Operating supplies:		
Chemicals	61,320,488	6,405,892
Other supplies	6,241,190	5,763,350
Operating services:		
Electric power	22,313,416	4,176,112
Wholesale water purchases	5,421,527	-
Consulting	4,515,015	955,755
Maintenance	23,354,184	2,696,786
Shared services	41,924,404	14,467,271
Other services	5,369,757	9,882,264
Depreciation/amortization	92,579,095	16,145,251
<b>Total operating expenses</b>	<b>281,827,439</b>	<b>79,911,448</b>
<b>OPERATING INCOME</b>	<b>169,681,898</b>	<b>27,510,576</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income (expense)	56,207,072	13,524,580
Miscellaneous revenue (expense)	-	-
Gain (loss) on sale of capital assets	(683,386)	124,287
Contribution revenue (expense)	6,489,443	-
Interest expense	(92,094,157)	(13,813,978)
<b>Total nonoperating revenues (expenses)</b>	<b>(30,081,028)</b>	<b>(165,111)</b>
<b>Income (loss) before contributions and transfers</b>	<b>139,600,870</b>	<b>27,345,465</b>
Capital Contributions	121,917	-
<b>CHANGE IN NET POSITION</b>	<b>139,722,787</b>	<b>27,345,465</b>
<b>NET POSITION AT OCTOBER 1, 2023</b>	<b>1,523,477,807</b>	<b>195,106,663</b>
<b>NET POSITION AT SEPTEMBER 30, 2024</b>	<b>\$ 1,663,200,594</b>	<b>\$ 222,452,128</b>

See notes to the basic financial statements.

Small Systems	Solid Waste System	Interceptor System	Total Enterprise Funds	Internal Service Fund
\$ -	\$ -	\$ -	\$ 451,251,338	\$ -
63,242,546	-	54,903,067	225,462,439	-
-	43,600,382	-	43,600,382	-
-	-	-	-	79,910,858
-	-	-	-	23,255,429
414,650	2,664,677	9,321	3,451,845	193,292
63,657,196	46,265,059	54,912,388	723,766,004	103,359,579
9,582,935	15,825,043	3,529,600	67,144,708	62,078,556
-	-	-	-	18,387,069
-	-	-	-	960,660
3,005,928	174,402	4,906,790	75,813,500	32
2,622,533	5,503,554	1,106,314	21,236,941	9,085,462
2,819,672	263,844	1,674,998	31,248,042	167,266
-	-	-	5,421,527	-
2,141,479	494,578	1,026,325	9,133,152	2,688,534
1,541,944	1,242,553	5,922,087	34,757,554	3,446,508
8,239,544	4,095,499	7,034,890	75,761,608	-
9,249,443	4,833,075	5,365,974	34,700,513	4,606,635
8,526,504	7,360,933	9,120,986	133,732,769	3,873,589
47,729,982	39,793,481	39,687,964	488,950,314	105,294,311
15,927,214	6,471,578	15,224,424	234,815,690	(1,934,732)
8,376,332	2,974,603	5,082,749	86,165,336	203,290
-	-	-	-	380,428
14,846	5,164,565	43,012	4,663,324	177,004
-	-	2,000,000	8,489,443	-
(10,625,454)	(2,845,081)	(12,165,398)	(131,544,068)	-
(2,234,276)	5,294,087	(5,039,637)	(32,225,965)	760,722
13,692,938	11,765,665	10,184,787	202,589,725	(1,174,010)
-	-	-	121,917	-
13,692,938	11,765,665	10,184,787	202,711,642	(1,174,010)
116,752,943	91,668,729	171,461,426	2,098,467,568	9,260,355
\$ 130,445,881	\$ 103,434,394	\$ 181,646,213	\$ 2,301,179,210	\$ 8,086,345

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS YEAR ENDED SEPTEMBER 30, 2024

	Water System	Regional Wastewater System
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 477,025,211	\$ 105,265,406
Cash received from other funds	-	506,199
Cash received from (paid to) others	315,170	163,827
Cash paid to suppliers for goods and services	(144,859,371)	(31,144,296)
Cash paid for employee services	(11,420,219)	(11,172,484)
Cash paid to other funds	(42,117,873)	(17,857,169)
Net cash provided by operating activities	278,942,918	45,761,483
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of bonds	533,473,000	-
Cash paid for capital assets	(160,571,872)	(89,767,460)
Proceeds from extended commercial paper	25,000,000	25,000,000
Interest paid on long-term debt	(101,005,179)	(13,888,196)
Interest paid on notes	(2,874,092)	(1,696,982)
Principal payments on long-term debt	(115,540,000)	(22,525,000)
Principal payments on notes	-	-
Payments for bond issue costs	(1,083,000)	-
Arbitrage rebate and service fees	-	(57,070)
Capital contribution	121,917	-
Net cash provided by (used for) capital and related financing activities	177,520,774	(102,934,708)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Sale and maturity of investments	219,766,087	76,190,692
Purchases of investments	(298,020,036)	(34,960,861)
Interest received	53,193,356	16,983,939
Net cash provided by (used for) investing activities	(25,060,593)	58,213,770
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	431,403,099	1,040,545
<b>CASH AND CASH EQUIVALENTS—Beginning of year</b>	317,492,391	254,354,560
<b>CASH AND CASH EQUIVALENTS—End of year</b>	<u>\$ 748,895,490</u>	<u>\$ 255,395,105</u>
<b>RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION</b>		
Unrestricted cash and cash equivalents	\$ 123,258,736	\$ 17,430,413
Restricted cash and cash equivalents	625,636,754	237,964,692
	<u>\$ 748,895,490</u>	<u>\$ 255,395,105</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ 169,681,898	\$ 27,510,576
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortization	92,579,095	16,145,251
Change in operating assets and liabilities:		
Accounts receivable and unbilled receivable	1,045,693	(1,387,524)
Prepaid expenses	(121,743)	(135,890)
Pension related deferred outflows of resources	1,343,403	1,365,100
OPEB related deferred outflows of resources	247,083	251,018
Net pension liability	(8,095)	(8,227)
Pension related deferred inflows of resources	(166,771)	(169,463)
OPEB related deferred inflows of resources	61,064	62,037
Net OPEB liability	(166,050)	(168,695)
Subscription liability	(1,441)	1,202,212
Due to/from other funds	(172,325)	(227,643)
Accounts payable, accrued liabilities, and developers' deposits	12,889,531	2,091,472
Accrued vacation and accrued sick	84,677	127,702
Landfill liability	-	-
Customers' advance payments	1,646,899	(896,443)
	<u>109,261,020</u>	<u>18,250,907</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 278,942,918</u>	<u>\$ 45,761,483</u>
<b>NONCASH TRANSACTION DISCLOSURES</b>		
Change in landfill liability	\$ -	\$ -
Gain (loss) on disposal of capital assets	(79,432)	-
Amortization of bond-related items	(13,428,416)	(1,795,843)
Change in fair value of investments	(6,029,174)	(1,179,588)
Change in liabilities related to capital assets	(26,119,616)	(18,406,165)
Change in actuarial value of net pension liability	8,095	8,227

See notes to the basic financial statements

Small Systems	Solid Waste System	Interceptor System	Total Enterprise Funds	Internal Service Fund
\$ 63,123,006	\$ 38,649,739	\$ 53,695,523	\$ 737,758,885	\$ -
-	4,430,569	56,092	4,992,860	75,988,386
72,413	2,090,621	24,079	2,666,110	4,398,798
(19,861,727)	(17,751,826)	(21,059,816)	(234,677,036)	(37,465,722)
(5,578,511)	(9,298,458)	(2,129,226)	(39,598,898)	(36,141,758)
(10,245,644)	(4,095,121)	(6,568,646)	(80,884,453)	(96,797)
27,509,537	14,025,524	24,018,006	390,257,468	6,682,907
97,753,402	-	159,127,601	790,354,003	-
(47,247,717)	(15,793,571)	(56,057,637)	(369,438,257)	(3,128,129)
-	-	35,000,000	85,000,000	-
(10,444,135)	(3,321,047)	(12,518,718)	(141,177,275)	-
-	-	(1,367,379)	(5,938,453)	-
(13,605,000)	(4,635,000)	(16,095,000)	(172,400,000)	-
-	-	(52,000,000)	(52,000,000)	-
(1,492,182)	-	(1,665,344)	(4,240,526)	-
(11,909)	-	-	(68,979)	-
-	-	-	121,917	-
24,952,459	(23,749,618)	54,423,523	130,212,430	(3,128,129)
69,695,063	27,005,051	42,638,127	435,295,020	-
(64,631,881)	(32,571,675)	(25,649,168)	(455,833,621)	-
10,211,734	4,055,636	5,969,851	90,414,516	583,719
15,274,916	(1,510,988)	22,958,810	69,875,915	583,719
67,736,912	(11,235,082)	101,400,339	590,345,813	4,138,497
91,662,331	64,772,945	78,743,947	807,026,174	15,538,642
\$ 159,399,243	\$ 53,537,863	\$ 180,144,286	\$ 1,397,371,987	\$ 19,677,139
\$ 14,599,022	\$ 15,319,826	\$ 7,152,735	\$ 177,760,732	\$ 19,677,139
144,800,221	38,218,037	172,991,551	1,219,611,255	-
\$ 159,399,243	\$ 53,537,863	\$ 180,144,286	\$ 1,397,371,987	\$ 19,677,139
\$ 15,927,214	\$ 6,471,578	\$ 15,224,424	\$ 234,815,690	\$ (1,934,732)
8,526,504	7,360,933	9,120,986	133,732,769	3,873,589
287,913	(1,187,316)	(1,035,881)	(2,277,115)	(988,807)
(87,982)	(1,127)	(68,590)	(415,332)	(187,432)
682,564	1,158,419	233,002	4,782,488	4,469,647
125,468	178,196	48,977	850,742	883,989
(4,101)	(6,982)	(1,401)	(28,806)	(26,948)
(84,734)	(143,805)	(28,931)	(593,704)	(554,858)
31,007	44,039	12,104	210,251	218,471
(84,321)	(119,754)	(32,914)	(571,734)	(594,075)
13,345	(7,687)	-	1,206,429	187,883
(118,989)	270,189	2,327	(246,441)	228,076
3,126,294	135,490	734,701	18,977,488	950,430
57,466	229,890	35,617	535,352	246,744
-	598,571	-	598,571	-
(888,111)	(955,110)	(226,415)	(1,319,180)	(89,070)
11,582,323	7,553,946	8,793,582	155,441,778	8,617,639
\$ 27,509,537	\$ 14,025,524	\$ 24,018,006	\$ 390,257,468	\$ 6,682,907
\$ -	\$ 598,571	\$ -	\$ 598,571	\$ -
-	635,287	-	555,855	-
(1,125,979)	(434,692)	(2,180,318)	(18,965,248)	-
(514,231)	(115,908)	(412,578)	(8,251,479)	-
(3,693,435)	(1,287,143)	(11,218,639)	(60,724,998)	-
4,101	6,982	1,401	28,806	26,948

**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2024**

	Total <sup>(1)</sup>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 6,247,603
Investments	137,454,833
<b>TOTAL ASSETS</b>	<u>143,702,436</u>
<b>LIABILITIES</b>	
Accrued expenses and benefits payable	-
<b>TOTAL LIABILITIES</b>	<u>-</u>
<b>NET POSITION:</b>	
Restricted for pensions	131,893,557
Restricted for postemployment benefits other than pensions	11,808,879
<b>TOTAL NET POSITION</b>	<u>\$ 143,702,436</u>

(1) Information presented for the Pension Trust Fund is as of December 31, 2023.  
Information presented for the OPEB Trust Fund is as of September 30, 2024.

See notes to the basic financial statements.

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS

### YEAR ENDED SEPTEMBER 30, 2024

	<b>Total <sup>(1)</sup></b>
<b>Additions:</b>	
Contributions:	
Employer	\$ 13,471,420
Member	3,371,026
Total contributions	<u>16,842,446</u>
Net investment income:	
Interest and dividends	4,288,707
Equity fund income, net	-
Net increase in fair value of investments	11,543,874
Less investment expenses:	
Direct investment expense	<u>367,677</u>
Total investment expenses	<u>367,677</u>
Net investment income	<u>15,464,904</u>
Other income	<u>-</u>
<b>Total Additions</b>	<u>32,307,350</u>
<b>Deductions:</b>	
Service benefits	<u>10,807,991</u>
<b>Total Deductions</b>	<u>10,807,991</u>
<b>Net increase (decrease)</b>	21,499,359
<b>Net position</b>	
Beginning of year	122,203,077
End of year	<u><u>\$ 143,702,436</u></u>

(1) Information presented for the Pension Trust Fund is as of December 31, 2023.

Information presented for the OPEB Trust Fund is as of September 30, 2024.

See notes to the basic financial statements.

## NOTES TO FINANCIAL STATEMENTS

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

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

**Reporting Entity**

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

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

**Basis of Presentation - Fund Financial Statements**

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

The District reports the following proprietary fund types:

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

The Water System owns and operates a wholesale water treatment and transmission system consisting of raw water facilities, water treatment works and water transmission facilities and provides treated water to municipalities, water supply corporations, and individual customers.

The Regional Wastewater System, Small Systems, and Interceptor System own and operate wastewater treatment and disposal systems consisting of facilities to receive, treat and dispose of wastewater.

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

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

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

**Pension and Other Employee Benefit Trust Funds.** These funds account for the operations of the retirement and other postemployment benefits. The Pension Trust is reported on a calendar year basis as of December 31, 2023 and the OPEB Trust is reported on a fiscal year basis, which reflects each of the trusts measurement dates respectively.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Measurement Focus and Basis of Accounting**

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

**Cash and Cash Equivalents**

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

**Deposits**

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

**Investments**

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

**Accounts Receivable**

Management considers accounts receivable to be fully collectible as of September 30, 2024; accordingly, no allowance for doubtful accounts is deemed necessary. As of September 30, 2024, 57% of total accounts receivable was attributed to the Member Cities and 26% was attributable to Customers.

**Material and Supplies Inventory**

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

**Capital Assets**

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

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

According to the District's capitalization policy, assets with a useful life greater than one year with an original cost over the below thresholds will be capitalized.

## NOTES TO FINANCIAL STATEMENTS

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Capital Assets (continued)**

Land, right-of-way and easements	Capitalize all
Water treatment, storage and transmission facilities	\$ 50,000
Wastewater treatment facilities	50,000
Solid waste transfer and disposal facilities	50,000
Land improvements	20,000
Water rights	50,000
Reservoir facilities	50,000
Buildings and building improvements	50,000
Automobiles and trucks	15,000
Office furniture and fixtures	10,000
Other equipment and machinery	10,000

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 facilities	40 to 50 years
Solid waste transfer and disposal facilities	40 years
Land improvements	20 years
Water rights	50 years
Reservoir facilities	50 years
Buildings	40 years
Automobiles and trucks	5 years
Office furniture and fixtures	10 years
Other equipment	5 to 20 years

**Leases and Subscription-Based Information Technology Arrangements (SBITA)**

In accordance with GASB Statement No. 87, *Leases*, a lessee is required to recognize an intangible right-to-use lease asset and a lease liability, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be during the lease term. The right-to-use leased asset is initially measured as the initial amount of the lease liability, adjusted for certain indirect costs and amortized on a straight-line basis over the shorter of the lease term or its useful life.

**District as Lessee.** The District is a lessee for noncancelable leases of land and equipment. The District recognizes a lease liability, reported with noncurrent liabilities, and a right-to-use leased asset reported with other capital assets, on the Statement of Net Position. The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the right-to-use leased asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

**District as Lessor.** As of September 30, 2024, the District is not a lessor that meets the pronouncement requirement.

In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the District is required to recognize an intangible right-to-use subscription asset and a SBITA liability. At the commencement of a SBITA contract, the District initially measures the SBITA liability at the present value of payments expected to be made during the subscription term. Subsequently, the SBITA liability is reduced by the principal portion of subscription payments made. The right-to-use subscription asset is initially measured as the initial amount of the SBITA liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. The SBITA asset is amortized on a straight-line basis over its useful life.

The District monitors changes in circumstances that would require a remeasurement of its SBITA arrangement and will remeasure the SBITA right-to-use subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability. SBITA right-of-use assets are reported with other capital assets and SBITA liabilities are reported with noncurrent liabilities on the Statement of Net Position.

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

**Deferred Inflow/Outflow of Resources**

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

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

**Compensated Absences**

Employees are allowed to accumulate vacation within certain limitations. Payment for accrued vacation (within limits) is payable upon termination. Payment for accrued sick leave (within limits) is paid upon retirement. As of September 30, 2024, a liability of \$7,234,640 for unused vacation and \$7,004,623 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, 2024 is as follows:

	Beginning Liability	Additions	Reductions	Ending Liability	Amount due within one year
Vacation	\$ 6,510,813	\$ 1,272,423	\$ 548,596	\$ 7,234,640	\$ 3,839,953
Sick	6,575,255	742,421	313,053	7,004,623	2,429,095

**Pensions**

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

**Postemployment Benefits Other Than Pensions (OPEB)**

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

**Net Position**

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is reported as (1) net investment in capital assets; (2) restricted for debt service and; (3) unrestricted. When both restricted and unrestricted net position are available for use, it is the District's policy to use restricted net position first, then unrestricted net position.

**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 64% of its revenues from the cities of Allen, Frisco, Garland, McKinney, Mesquite, Plano, and Richardson. Such revenues derived directly from the respective systems are defined by the District as operating revenues. All other revenues not directly related to the operations of the systems are reported as non-operating revenues. Revenues are shown net of rebates and/or excess billings.

## NOTES TO FINANCIAL STATEMENTS

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

Direct charges attributable to the operations of the District's systems, including depreciation and amortization, are reported as operating expenses. Interest expense and other similar charges are reported as non-operating expenses.

**Intragovernmental Transactions**

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. Transactions that would be treated as revenue or expense if they involved organizations external to the District are similarly treated when involving funds of the District. Major transactions that fall into this category include payments for support services and payments in lieu of insurance premiums to the Internal Service Fund.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP 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.

**Subsequent Events**

The District issued \$23,735,000 of Series 2024 Bonds for the Mustang Creek Interceptor System. The District also issued Extendable Commercial Paper of \$25,000,000 in the Regional Water System and \$15,000,000 in the Regional Wastewater System.

**NOTE 2. RESTRICTED ASSETS**

Restricted assets represent amounts reserved for:

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

**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:

<b>Funds</b>	<b>Cash and Cash Equivalents</b>	<b>Investments</b>	<b>Interest Receivable</b>
Water:			
Construction	\$ 540,735,079	\$ 111,827,860	\$ 466,510
Interest and Sinking	45,289,759	-	-
Reserve	3,994,727	147,411,647	1,225,825
Contingency	32,764,717	-	-
Arbitrage	2,290,686	-	-
Reserve for Maintenance	561,786	-	-
	<u>625,636,754</u>	<u>259,239,507</u>	<u>1,692,335</u>
Regional Wastewater:			
Construction	211,565,900	-	-
Interest and Sinking	16,339,745	-	-
Reserve	731,254	37,042,128	308,533
Arbitrage	4,450,380	-	-
Reserve for Maintenance	4,877,413	-	-
	<u>237,964,692</u>	<u>37,042,128</u>	<u>308,533</u>
Small Systems:			
Construction	120,630,773	37,190,330	271,945
Interest and Sinking	15,355,793	-	-
Reserve	6,271,458	21,451,795	263,660
Arbitrage	1,060,048	-	-
Reserve for Maintenance	1,482,149	-	-
	<u>144,800,221</u>	<u>58,642,125</u>	<u>535,605</u>
Solid Waste:			
Construction	16,553,193	2,991,465	34,861
Interest and Sinking	1,040,900	-	-
Reserve	772,106	4,902,799	59,211
Arbitrage	187,007	-	-
Reserve for Maintenance	1,446,208	-	-
Reserve for Equipment Replacement	18,218,623	-	-
	<u>38,218,037</u>	<u>7,894,264</u>	<u>94,072</u>
Interceptor:			
Construction	150,379,131	2,477,135	18,635
Interest and Sinking	12,150,153	-	-
Reserve	7,028,110	17,485,091	166,416
Arbitrage	555,473	-	-
Reserve for Maintenance	2,878,684	-	-
	<u>172,991,551</u>	<u>19,962,226</u>	<u>185,051</u>
Total	<u>\$ 1,219,611,255</u>	<u>\$ 382,780,250</u>	<u>\$ 2,815,596</u>

Unbilled receivables of \$10,080,581 that are reflected as restricted assets in the Solid Waste System represent Member Cities' obligations for closure and postclosure costs related to solid waste landfills. Based on the contracts for services, Member Cities will be billed for the actual costs incurred to close the landfills.

## NOTES TO FINANCIAL STATEMENTS

**NOTE 3. CASH AND INVESTMENTS**

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

**A. Deposits**

At September 30, 2024, the carrying amount of cash deposits was \$8,484,235 and total bank balance was \$8,455,940. During 2023-2024, 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, 2024, the District also held petty cash of \$500.

**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, 2024, the District did not own any types of securities other than those permitted by statute.

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

**LOGIC**

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

**Texas CLASS**

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

**NOTE 3. CASH AND INVESTMENTS (CONTINUED)****TexPool**

The Comptroller of Public Accounts (the "Comptroller") is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company (the "Trust Company"), which is authorized to operate TexPool. Federated Investors, Inc. ("Federated"), under an agreement with the Comptroller, acting on behalf of the Trust Company, provides administrative and investment services to TexPool. The Texas Local Government Investment Pools (the "TexPool Portfolios") have been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Comptroller maintains oversight of the services provided to the TexPool Portfolios by Federated. In addition, the TexPool Advisory Board advises on the Investment Policies for the TexPool Portfolios. The Advisory Board is composed equally of participants in the TexPool Portfolios and other persons who do not have a business relationship with the TexPool Portfolios who are qualified to advise the TexPool Portfolios. TexPool uses amortized cost rather than the market value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the net asset value of TexPool shares.

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

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

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. CASH AND INVESTMENTS (CONTINUED)

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

	September 30, 2024	Fair Value Measurements Using Significant Other Observable Inputs (Level 2)	Percent Total Investments	Weighted Average Maturity (Days)
<i>Investments not Subject to Level Reporting:</i>				
Investment Pools*:				
LOGIC	\$ 332,381,321	\$ -	17.73%	48
Texas CLASS - CP	714,687,126	-	38.12%	36
Texas CLASS - Government	115,502,686	-	6.16%	12
TexPool	245,993,258	-	13.12%	31
<i>Investments by Fair Value Level:</i>				
U. S. Government Agency Securities:				
Fannie Mae Note	10,643,710	10,643,710	0.57%	329
Federal Farm Credit Bank Note	13,000,000	13,000,000	0.69%	1
Federal Home Loan Mortgage Corp. Note	44,193,000	44,193,000	2.36%	174
Federal Home Loan Bank Note	60,203,830	60,203,830	3.21%	663
U. S. Treasury Note	338,272,450	338,272,450	18.04%	621
<i>Total Value</i>	<u>\$ 1,874,877,381</u>	<u>\$ 466,312,990</u>		

#### Portfolio Weighted Average Maturity

166

\*Investment Pools are exempt for level reporting.

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

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

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

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

**NOTE 3. CASH AND INVESTMENTS (CONTINUED)**

Concentration of credit risk is the risk associated with holding investments that are not pools and full faith credit securities in excess of 5% of the total portfolio. The investment policy of the District specifies the following limitations on the amount that can be invested in any one instrument at the time of purchase.

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

At September 30, 2024, investments, other than external investment pools, that represent 5% or more of the District's investments are as follows:

Issue	Investment Type	Reported Amount
U.S. TREASURY NOTE	Treasury note	\$ 338,272,450

The District held a total of \$466,312,990 in securities that equated to 24.87% 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, 2024, \$226,410,270 of the District's portfolio had a weighted average maturity of greater than one year.

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

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

	Water System	Regional Wastewater System	Small Systems	Solid Waste System	Interceptor System	Internal Service Funds	Total
Investment income:							
Interest	\$ 52,412,710	\$ 15,717,223	\$ 8,908,154	\$ 3,041,141	\$ 5,536,615	\$ 203,290	\$ 85,819,133
Arbitrage rebate	(2,234,812)	(3,372,231)	(1,046,053)	(182,446)	(866,444)	-	(7,701,986)
Net changes in the fair value of investments	6,029,174	1,179,588	514,231	115,908	412,578	-	8,251,479
Investment income:	<u>\$ 56,207,072</u>	<u>\$ 13,524,580</u>	<u>\$ 8,376,332</u>	<u>\$ 2,974,603</u>	<u>\$ 5,082,749</u>	<u>\$ 203,290</u>	<u>\$ 86,368,626</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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. CASH AND INVESTMENTS (CONTINUED)

#### C. Summary of Cash and Investments

	<b>Water System</b>	<b>Regional Wastewater System</b>	<b>Small Systems</b>	<b>Solid Waste System</b>	<b>Interceptor System</b>	<b>Internal Service Funds</b>	<b>Total</b>
Unrestricted:							
Cash and cash equivalents	\$ 123,258,736	\$ 17,430,413	\$ 14,599,022	\$ 15,319,826	\$ 7,152,735	\$ 19,677,139	\$ 197,437,871
Investments	73,593,680	1,990,680	-	6,959,890	988,490	-	83,532,740
Total unrestricted	196,852,416	19,421,093	14,599,022	22,279,716	8,141,225	19,677,139	280,970,611
Restricted-current:							
Cash and cash equivalents	45,289,759	16,339,745	15,355,792	1,040,900	12,150,153	-	90,176,349
Total restricted-current	45,289,759	16,339,745	15,355,792	1,040,900	12,150,153	-	90,176,349
Restricted -non-current:							
Cash and cash equivalents	580,346,995	221,624,947	129,444,429	37,177,137	160,841,398	-	1,129,434,906
Investments	259,239,507	37,042,128	58,642,125	7,894,264	19,962,226	-	382,780,250
Total restricted-non-current	839,586,502	258,667,075	188,086,554	45,071,401	180,803,624	-	1,512,215,156
Total Restricted	884,876,261	275,006,820	203,442,346	46,112,301	192,953,777	-	1,602,391,505
	\$						
Total	1,081,728,677	\$ 294,427,913	\$ 218,041,368	\$ 68,392,017	\$ 201,095,002	\$ 19,677,139	\$ 1,883,362,116

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

	<b>Water System</b>	<b>Regional Wastewater System</b>	<b>Small Systems</b>	<b>Solid Waste System</b>	<b>Interceptor System</b>	<b>Internal Service Funds</b>	<b>Total</b>
Unrestricted:							
Operating Funds	\$ 92,869,587	\$ 9,893,196	\$ 3,339,611	\$ 3,652,567	\$ 3,005,546	\$ 6,838,212	\$ 119,598,719
Petty Cash	500	-	-	-	-	-	500
Capital Improvement Funds	103,982,329	9,022,583	3,100,704	18,627,149	3,965,578	-	138,698,343
Contingency Funds	-	-	-	-	-	4,558,233	4,558,233
Preventative Maintenance	-	505,313	8,158,707	-	1,170,101	-	9,834,122
Employee Insurance Funds	-	-	-	-	-	4,638,906	4,638,906
Retiree Insurance Funds	-	-	-	-	-	3,641,788	3,641,788
Total unrestricted	\$ 196,852,416	\$ 19,421,093	\$ 14,599,022	\$ 22,279,716	\$ 8,141,225	\$ 19,677,139	\$ 280,970,611

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

**NOTE 3. CASH AND INVESTMENTS (CONTINUED)**

At September 30, 2024, the District had the following deposits and investments:

	<b>Credit Quality Ratings</b>	<b>Fair Value</b>	<b>Weighted Average Maturity</b>
<b>Unrestricted Cash and Investments</b>			
Cash and cash equivalents:			
Deposits with a financial institution	Not Rated	\$ 8,484,202	N/A
Cash on hand	Not Rated	500	N/A
Texas CLASS - CP	AAAm	63,216,562	36 Days
Texas CLASS - Government	AAAm	14,392,355	12 Days
TexPool	AAAm	111,344,252	31 Days
Total cash and cash equivalents		197,437,871	
Investments—Securities of U.S. Government Agencies:			
Treasury Note - US Treasuries	Aaa	56,527,360	173 Days
FFCB - Federal Farm Credit Bank	Aaa	10,000,000	1 Day
FHLB - Federal Home Loan Bank	Aaa	17,005,380	187 Days
Total Securities of U.S. Government Agencies		83,532,740	
Total Unrestricted Investments and Cash Equivalents		280,970,611	
<b>Restricted Cash and Investments</b>			
Cash and cash equivalents:			
Deposits with a financial institution	Not Rated	33	N/A
LOGIC	AAAm	332,381,321	48 Days
Texas CLASS - CP	AAAm	651,470,564	36 Days
Texas CLASS - Government	AAAm	101,110,331	12 Days
TexPool	AAAm	134,649,006	31 Days
Total cash and cash equivalents		1,219,611,255	
Investments—Securities of U.S. Government Agencies:			
Treasury Note - US Treasuries	Aaa	281,745,090	710 Days
FFCB - Federal Farm Credit Bank	Aaa	3,000,000	1 Day
FHLB - Federal Home Loan Bank	Aaa	43,198,450	851 Days
FHLMC - Federal Home Loan Mortgage Corp.	Aaa	44,193,000	174 Days
FNMA - Fannie Mae	Aaa	10,643,710	329 Days
Total Securities of U.S. Government Agencies		382,780,250	
Total Restricted Investments and Cash Equivalents		1,602,391,505	
Total Cash and Investments		\$ 1,883,362,116	

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. CASH AND INVESTMENTS (CONTINUED)

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

GASB 84 establishes criteria for identifying fiduciary activities of all state and local governments. The balance per bank of cash on deposit in the Pension Trust Fund and the carrying value was \$165,062 as of December 31, 2023. The balance per bank of cash on deposit in the OPEB Trust Fund and the carrying value was \$23,632 as of September 30, 2024. Additional cash in the amount of \$3,184,664 was held by Aetna as of December 31, 2023 to cover the monthly benefit payments. See below for the detail of investments held.

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

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

Investments	Pension Trust Fund <sup>(1)</sup>	OPEB Trust Fund	Quoted Prices in Active Markets for Identical Assets
			(Level 1)
Money Market Funds			
Fidelity Government Money Market Capital Reserves	\$ 33,884(2)	\$ -	N/A
Equity Funds			
American Capital Income Builder	30,848,247	-	30,848,247
American Income Fund of America	35,018,305	-	35,018,305
Largecap Value Equity - EB	6,289,091	1,425,810	7,714,901
LSV Emerg Mrkts Eqty - I	-	237,516	237,516
Baron Emerging Markets Fund Institutional Shares	3,816,527	-	3,816,527
RBC Emerg Mkts Equity - I	-	479,891	479,891
Pgim Jennison Growth Fund R6	6,268,784	902,612	7,171,395
Smidcap Value Equity - EB	3,142,777	598,027	3,740,804
Smallcap Value Equity - EB	3,153,987	602,042	3,756,029
Vanguard FTSE Developed Markets Index Fund ETF Shares	5,718,972	1,411,189	7,130,161
Vanguard Scottsdal Vng Rus2000grw	4,448,518	831,073	5,279,590
Fixed Income Funds			
Core Investment Grade Bond - EB	11,790,598	2,471,472	14,262,070
iShares 20 Year Treasury Bond ETF	1,842,332	357,280	2,199,612
Westwood High Income Fund Instl	3,725,395	702,852	4,428,247
Specialty Funds			
Westwood Total Return Fund Instl	6,210,190	-	6,210,190
Westwood Alternative Income Fund Ultra	615,711	116,173	731,885
Income Opportunity - EB	5,620,512	1,649,310	7,269,822
<b>Total Investments and Cash Equivalents</b>	<b>\$ 128,543,831</b>	<b>\$ 11,785,247</b>	<b>\$ 140,295,193</b>

(1) Information presented for the Pension Trust Fund is as of December 31, 2023.

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

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

### NOTE 4. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance at October 1, 2023	Additions and Transfers	Disposals and Transfers	Balance at September 30, 2024
Nondepreciable:				
Land	\$ 349,496,699	\$ 5,111,213	\$ 573,689	\$ 354,034,223
Easements	93,174,510	4,275,921	-	97,450,431
Construction in progress	875,596,955	375,258,203	277,110,685	973,744,473
Total nondepreciable assets	1,318,268,164	384,645,337	277,684,374	1,425,229,127
Depreciable:				
Land improvements	297,717,691	6,321,029	-	304,038,720
Water treatment, storage and transmission facilities	2,936,371,464	149,624,851	3,254,555	3,082,741,760
Wastewater treatment facilities	1,201,347,237	103,823,832	-	1,305,171,069
Solid waste transfer and disposal facilities	96,192,501	44,480	-	96,236,981
Reservoir facilities and water rights	494,380,821	2,633,576	-	497,014,397
Buildings	93,949,185	449,879	-	94,399,064
Automobiles and trucks	23,598,084	4,076,414	2,427,476	25,247,022
Office furniture and fixtures	1,130,331	304,470	-	1,434,801
Other equipment	106,225,656	7,709,466	2,661,039	111,274,083
Total depreciable assets	5,250,912,970	274,987,997	8,343,070	5,517,557,897
Amortizable:				
Equipment lease assets	974,916	989,869	53,465	1,911,320
Subscription assets	1,688,543	1,768,599	212,375	3,244,767
Total amortizable assets	2,663,459	2,758,468	265,840	5,156,087
Total depreciable/amortizable assets	5,253,576,429	277,746,465	8,608,910	5,522,713,984
Less accumulated depreciation/amortization on:				
Land improvements, depreciation	(22,971,998)	(14,761,886)	-	(37,733,884)
Water treatment, storage and transmission facilities, depreciation	(548,700,798)	(65,268,017)	(3,175,122)	(610,793,693)
Wastewater treatment facilities, depreciation	(321,886,463)	(29,396,224)	-	(351,282,687)
Solid waste transfer and disposal facilities, depreciation	(43,234,185)	(1,760,602)	-	(44,994,787)
Reservoir facilities and water rights, depreciation	(142,180,128)	(10,263,793)	-	(152,443,921)
Buildings, depreciation	(24,386,139)	(2,256,777)	-	(26,642,916)
Automobiles and trucks, depreciation	(14,711,964)	(3,063,141)	(2,310,498)	(15,464,607)
Office furniture and fixtures, depreciation	(899,492)	(76,817)	-	(976,309)
Other equipment, depreciation	(67,525,715)	(9,466,330)	(2,430,125)	(74,561,920)
Equipment lease assets, amortization	(297,514)	(398,132)	53,467	(642,179)
Subscription assets, amortization	(558,707)	(894,635)	(212,371)	(1,240,971)
Total accumulated depreciation/amortization	(1,187,353,103)	(137,606,354)	(8,074,649)	(1,316,777,874)
Total depreciable/amortizable assets—net	4,066,223,326	140,140,111	534,261	4,205,936,110
TOTAL CAPITAL ASSETS—NET	\$ 5,384,491,490	\$ 524,785,448	\$ 278,218,635	\$ 5,631,165,237

## NOTES TO FINANCIAL STATEMENTS

## NOTE 4. CAPITAL ASSETS, CONTINUED

At September 30, 2024, capital assets by system were the following:

	Net Depreciable Assets	Net Amortizable Assets	Total Net Capital Assets
Water System	\$ 3,723,214,749	\$ 43,979	\$ 3,723,258,728
Regional Wastewater System	879,357,918	1,346,092	880,704,010
Small Systems	326,772,964	43,726	326,816,690
Solid Waste System	140,817,938	2,082	140,820,020
Interceptor System	530,359,736	-	530,359,736
Internal Service Fund	27,368,995	1,837,058	29,206,053
Total	<u>\$ 5,627,892,300</u>	<u>\$ 3,272,937</u>	<u>\$ 5,631,165,237</u>

### NOTE 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At September 30, 2024, accounts payable and accrued liabilities consisted of the following:

	<b>Water System</b>	<b>Regional Wastewater System</b>	<b>Small Systems</b>	<b>Solid Waste System</b>	<b>Interceptor System</b>	<b>Internal Service Fund</b>	<b>Total</b>
Payable to vendors/ contractors	\$ 79,206,309	\$ 40,079,145	\$ 9,369,014	\$ 3,920,347	\$ 24,145,528	\$ 3,382,088	\$ 160,102,431
Insurance claims liability	-	-	-	-	-	2,335,483	2,335,483
Arbitrage liability	-	4,256,809	-	-	-	-	4,256,809
Escrow liability	10,896,598	5,382,727	10,674,999	19,847,276	4,915,229	5,101,693	56,818,522
Compensated absences	757,687	939,999	257,616	578,555	143,769	3,591,422	6,269,048
Accrued payroll and related benefits	711,007	707,022	348,638	825,843	114,602	1,729,562	4,436,674
<b>Total</b>	<b>\$ 91,571,601</b>	<b>\$ 51,365,702</b>	<b>\$ 20,650,267</b>	<b>\$ 25,172,021</b>	<b>\$ 29,319,128</b>	<b>\$ 16,140,248</b>	<b>\$ 234,218,967</b>
Payable from unrestricted assets	\$ 32,950,614	\$ 6,507,829	\$ 11,127,157	\$ 3,171,363	\$ 3,479,142	\$ 16,140,248	\$ 73,376,353
Payable from restricted assets	58,620,987	44,857,873	9,523,110	22,000,658	25,839,986	-	160,842,614
<b>Total</b>	<b>\$ 91,571,601</b>	<b>\$ 51,365,702</b>	<b>\$ 20,650,267</b>	<b>\$ 25,172,021</b>	<b>\$ 29,319,128</b>	<b>\$ 16,140,248</b>	<b>\$ 234,218,967</b>

### NOTE 6. INTERFUND BALANCES

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

	<b>Due From Other Funds</b>	<b>Due To Other Funds</b>
Water System	\$ 30,044,928	\$ 30,741,610
Regional Wastewater System	4,700,488	5,101,852
Small Systems	4,834,962	5,096,061
Solid Waste System	2,240,513	1,825,723
Interceptor System	952,706	1,109,178
Internal Service Fund	2,523,569	1,422,742
<b>Total</b>	<b>\$ 45,297,166</b>	<b>\$ 45,297,166</b>

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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. DEFERRED OUTFLOWS OF RESOURCES

At September 30, 2024, deferred outflows of resources consisted of the following:

	Balance at October 1, 2023	Additions	Deletions	Balance at September 30, 2024
Water System:				
Deferred loss on refunded debt	\$ 2,103,686	\$ -	\$ (110,701)	\$ 1,992,985
Deferred pension outflow	8,492,683	-	(1,343,403)	7,149,280
Deferred OPEB outflow	1,125,386	-	(247,083)	878,303
	<u>11,721,755</u>	<u>-</u>	<u>(1,701,187)</u>	<u>10,020,568</u>
Regional Wastewater:				
Deferred loss on refunded debt	1,237,103	-	(310,495)	926,608
Deferred pension outflow	9,532,508	-	(1,365,100)	8,167,408
Deferred OPEB outflow	1,186,757	-	(251,018)	935,739
	<u>11,956,368</u>	<u>-</u>	<u>(1,926,613)</u>	<u>10,029,755</u>
Small Systems:				
Deferred loss on refunded debt	712,831	-	(217,920)	494,911
Deferred pension outflow	4,372,683	-	(682,564)	3,690,119
Deferred OPEB outflow	623,686	-	(125,468)	498,218
	<u>5,709,200</u>	<u>-</u>	<u>(1,025,952)</u>	<u>4,683,248</u>
Solid Waste System:				
Deferred loss on refunded debt	683,834	-	(144,576)	539,258
Deferred pension outflow	8,379,759	-	(1,158,419)	7,221,340
Deferred OPEB outflow	916,884	-	(178,196)	738,688
	<u>9,980,477</u>	<u>-</u>	<u>(1,481,191)</u>	<u>8,499,286</u>
Interceptor System:				
Deferred loss on refunded debt	1,132,070	-	(273,183)	858,887
Deferred pension outflow	1,388,804	-	(233,002)	1,155,802
Deferred OPEB outflow	225,385	-	(48,977)	176,408
	<u>2,746,259</u>	<u>-</u>	<u>(555,162)</u>	<u>2,191,097</u>
Internal Service Fund:				
Deferred pension outflow	29,885,807	-	(4,469,647)	25,416,160
Deferred OPEB outflow	4,305,604	-	(883,989)	3,421,615
	<u>34,191,411</u>	<u>-</u>	<u>(5,353,636)</u>	<u>28,837,775</u>
Total deferred outflows of resources	<u>\$ 76,305,470</u>	<u>\$ -</u>	<u>\$ (12,043,741)</u>	<u>\$ 64,261,729</u>

**NOTE 8. LONG -TERM DEBT**

At September 30, 2024, long-term debt consisted of the following:

	Original Borrowing	Balance at October 1, 2023	Issued	Retired or Refunded	Balance at September 30, 2024	Amounts due Within One Year
<b>Water System:</b>						
Water revenue bonds 3/23-9/51, 2.00-5.00%	\$ 2,629,713,000	\$ 1,150,010,000	\$ -	\$ 61,535,000	\$ 1,088,475,000	\$ 59,595,000
Water direct placement 3/23-9/49, 1.060-3.43%	2,009,370,000	1,292,320,000	532,390,000	54,005,000	1,770,705,000	50,610,000
Total Water System	4,639,083,000	2,442,330,000	532,390,000	115,540,000	2,859,180,000	110,205,000
<b>Regional Wastewater:</b>						
Wastewater revenue bonds, 12/22-6/51, 2.00-5.00%	451,360,000	349,675,000	-	14,820,000	334,855,000	15,490,000
Wastewater direct placement 12/22-6/50, .020-.170%	496,535,000	480,405,000	-	7,705,000	472,700,000	8,705,000
Total Regional Wastewater System	947,895,000	830,080,000	-	22,525,000	807,555,000	24,195,000
<b>Small Systems:</b>						
Rockwall contract revenue bonds, 12/22-6/28, 5.75%	2,960,000	1,055,000	-	190,000	865,000	200,000
Mustang Creek Interceptor System revenue bonds, 12/22-6/50, 2.50- 5.125%	34,455,000	29,965,000	-	800,000	29,165,000	840,000
Rockwall-Heath contract revenue bonds 12/22-6/25, 4.20-4.25%	3,020,000	440,000	-	215,000	225,000	225,000
Terrell contract revenue bonds 12/22-6/35, 3.25-5.00%	10,465,000	7,110,000	-	475,000	6,635,000	495,000
Stewart Creek contract revenue bonds, 12/22-6/35, 3.00-5.00%	69,685,000	45,200,000	-	2,890,000	42,310,000	3,005,000
Sabine Creek Wastewater System revenue bonds, 12/22-6/52, 2.00- 5.00%	101,710,000	92,810,000	-	640,000	92,170,000	660,000
Muddy Creek Wastewater System revenue bonds 12/22-6/40, 2.00- 4.00%	116,930,000	17,185,000	84,300,000	1,325,000	100,160,000	2,550,000
Muddy Creek Interceptor revenue bonds 12/22-6/24, 3.00%	2,135,000	250,000	-	250,000	-	-
Buffalo Creek Interceptor revenue bonds 12/22-6/50, 2.00-5.00%	58,995,000	37,275,000	8,470,000	1,625,000	44,120,000	1,365,000
Rockwall Water Pumping Facilities bonds 12/22-6/26, 4.55-4.60%	2,145,000	470,000	-	150,000	320,000	155,000
Panther Creek Wastewater System bonds 12/22-6/40, 2.50-5.00%	36,190,000	18,825,000	-	3,480,000	15,345,000	3,640,000
Lower East Fork Interceptor bonds 12/22-6/26, 3.00-4.00%	10,745,000	3,695,000	-	1,180,000	2,515,000	1,230,000
Parker Creek Parallel Interceptor bonds 12/21-6/36, 2.00-3.00%	3,045,000	2,210,000	-	135,000	2,075,000	140,000
Total Small Systems revenue bonds	452,480,000	256,490,000	92,770,000	13,355,000	335,905,000	14,505,000

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG -TERM DEBT (CONTINUED)

	Original Borrowing	Balance at October 1, 2023	Issued	Retired or Refunded	Balance at September 30, 2024	Amounts due Within One Year
Small Systems direct placement:						
Buffalo Creek Interceptor direct placement 12/21-6/52, 1.10-2.52%	38,615,000	38,365,000	-	250,000	38,115,000	750,000
Total Small Systems	491,095,000	294,855,000	92,770,000	13,605,000	374,020,000	15,255,000
Solid Waste System - revenue						
bonds, 3/23-9/43, 3.00-5.00%	116,435,000	75,310,000	-	4,635,000	70,675,000	4,980,000
Interceptor System - revenue						
bonds, 12/22-6/51, 2.00-6.25%	687,680,000	354,495,000	150,745,000	16,095,000	489,145,000	20,015,000
Total	<u>\$ 6,882,188,000</u>	<u>\$ 3,997,070,000</u>	<u>\$ 775,905,000</u>	<u>\$ 172,400,000</u>	<u>\$ 4,600,575,000</u>	<u>\$ 174,650,000</u>

#### **Pledged Revenue**

Throughout the years, the District has issued revenue bonds and U.S. Government Notes with pledged revenues as collateral.

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

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

For the year ended September 30, 2024, bond debt service of \$318,148,348 was fully secured by 100% of pledged revenues of \$723,766,004 and interest earned on accounts restricted for debt service. Also, the Interceptor System ECP Debt service amount of \$782,654 was paid directly from Operating and is not included in the pledged revenues.

#### **Arbitrage Rebate**

The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to certain long-term obligations. Arbitrage rebate rules, under the Internal Revenue Code Section 148 and related Treasury Regulations, require generally that a tax-exempt bond issuer forward to the federal government any profits made from investing bond proceeds at a yield above the bond yield, when investing in a taxable market. Payments based on cumulative profits earned by bonds are due, in general, every five years. For the year ended September 30, 2024, the District accrued a yield restriction/arbitrage rebate of \$8,629,123, based on the most recent calculation. Future calculations might result in adjustments to this determination.

**NOTE 8. LONG -TERM DEBT (CONTINUED)**

In the Statement of Net Position, the long-term liabilities include premiums net of discounts of \$103,401,346 in the Water System, \$22,567,179 in the Regional Wastewater System, \$11,218,706 in the Small Systems, \$4,186,192 in the Solid Waste System and \$26,488,395 in the Interceptor System.

Other premiums and discounts related to long term debt activity for the year ended September 30, 2024, were as follows:

	Balance at October 1, 2023	Additions	Deletions	Balance at September 30, 2024
Water System:				
Premiums	\$ 116,940,463	\$ -	\$ (13,539,117)	\$ 103,401,346
	116,940,463	-	(13,539,117)	103,401,346
Regional Wastewater:				
Premiums	24,673,517	-	(2,106,338)	22,567,179
	24,673,517	-	(2,106,338)	22,567,179
Small Systems:				
Premiums	9,076,135	3,491,220	(1,345,429)	11,221,926
Discounts	(4,750)	-	1,530	(3,220)
	9,071,385	3,491,220	(1,343,899)	11,218,706
Solid Waste System:				
Premiums	4,765,460	-	(579,268)	4,186,192
	4,765,460	-	(579,268)	4,186,192
Interceptor System:				
Premiums	22,224,638	6,717,258	(2,453,501)	26,488,395
	22,224,638	6,717,258	(2,453,501)	26,488,395
Total	\$ 177,675,463	\$ 10,208,478	\$ (20,022,123)	\$ 167,861,818

Revenue bonds outstanding at September 30, 2024 are secured as follows:

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

## NOTES TO FINANCIAL STATEMENTS

**NOTE 8. LONG -TERM DEBT (CONTINUED)**

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

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

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

During the year, the District issued revenue bonds in the amounts of \$532,390,000 in the Water System primarily for improving the District's Water System, including paying construction costs relating to the Lower Bois D'Arc Creek Reservoir and the Leonard WTP expansion, \$150,745,000 in the Interceptor System primarily for refunding a portion of the District's outstanding Extendable Commercial Paper, the acquisition, construction, and inspection of the Wilson Creek Transfer Force Main, the McKinney East Side extension, Sloan Creek Force Main, Beck Branch Parallel Interceptor, Spring Creek Force Main and the Plano-McKinney Pipeline and systems relocations, \$92,770,000 in the Small Systems primarily for constructing the Muddy Creek WWTP expansion to 12.5 MGD, constructing the Muddy Creek WWTP Operations Building operation improvements, preliminary design of Buffalo Creek Parallel Interceptor Phase II, final design of Buffalo Creek Lift Station No. 2, final design and easements of Buffalo Creek Parallel Force Main and other system improvements.

At September 30, 2024, defeased bonds outstanding totaled \$0.

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, 2024, the amount of the unamortized deferred amount on refundings is \$4,812,649.

**Additional debt information**

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

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

The District's outstanding revenue bonds from direct placements of \$1,770,705,000 for the Water System, \$472,700,000 for the Wastewater System, and \$38,115,000 for Small Systems contain a provision that if the District defaults on the payment of the principal and interest of the bond when due, there is no right to the acceleration of maturity of the Bonds. The District is eligible to seek relief from its creditors under chapter 9 of the U.S. Bankruptcy Code.

The Board has authorized using Extendable Commercial Paper (ECP) in the Water System (not to exceed \$700M), Regional Wastewater System (not to exceed \$400M), and Interceptor System (not to exceed \$150M). As of September 30, 2024, the District has outstanding ECP notes of \$79,000,000 in the Water System, \$58,000,000 in the Wastewater System, and \$0 in the Interceptor System.

**NOTE 8. LONG -TERM DEBT (CONTINUED)**

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

	<b>Water System</b>			<b>Water System - Direct Placement</b>		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 59,595,000	\$ 45,708,508	\$ 105,303,508	\$ 50,610,000	\$ 56,262,736	\$ 106,872,736
2026	61,430,000	42,943,859	104,373,859	51,705,000	55,137,416	106,842,416
2027	64,510,000	39,940,059	104,450,059	52,850,000	53,966,851	106,816,851
2028	64,690,000	36,784,358	101,474,358	54,025,000	52,752,040	106,777,040
2029	66,940,000	33,724,208	100,664,208	55,265,000	51,467,467	106,732,467
2030-2034	339,665,000	122,442,406	462,107,406	297,885,000	234,730,619	532,615,619
2035-2039	217,420,000	59,315,981	276,735,981	342,740,000	188,307,040	531,047,040
2040-2044	137,840,000	27,413,174	165,253,174	401,165,000	128,110,274	529,275,274
2045-2049	71,730,000	6,067,461	77,797,461	357,410,000	55,884,432	413,294,432
2050-2053	4,655,000	171,745	4,826,745	107,050,000	11,652,830	118,702,830
	<u>\$ 1,088,475,000</u>	<u>\$ 414,511,759</u>	<u>\$ 1,502,986,759</u>	<u>\$ 1,770,705,000</u>	<u>\$ 888,271,705</u>	<u>\$ 2,658,976,705</u>

  

	<b>Regional Wastewater System</b>			<b>Regional Wastewater System - Direct Placement</b>		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 15,490,000	\$ 13,042,181	\$ 28,532,181	\$ 8,705,000	\$ 178,641	\$ 8,883,641
2026	16,190,000	12,316,500	28,506,500	12,665,000	178,641	12,843,641
2027	15,770,000	11,587,825	27,357,825	18,310,000	178,641	18,488,641
2028	16,485,000	10,872,687	27,357,687	18,310,000	178,641	18,488,641
2029	13,865,000	10,124,462	23,989,462	18,310,000	178,641	18,488,641
2030-2034	60,040,000	42,432,102	102,472,102	91,625,000	893,201	92,518,201
2035-2039	63,605,000	30,157,245	93,762,245	92,635,000	893,201	93,528,201
2040-2044	78,210,000	17,423,524	95,633,524	94,680,000	874,181	95,554,181
2045-2049	51,165,000	4,167,538	55,332,538	97,560,000	527,072	98,087,072
2050-2053	4,035,000	125,456	4,160,456	19,900,000	30,110	19,930,110
	<u>\$ 334,855,000</u>	<u>\$ 152,249,520</u>	<u>\$ 487,104,520</u>	<u>\$ 472,700,000</u>	<u>\$ 4,110,970</u>	<u>\$ 476,810,970</u>

  

	<b>Small Systems</b>			<b>Small Systems - Direct Placement</b>		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 14,505,000	\$ 13,458,225	\$ 27,963,225	\$ 750,000	\$ 743,822	\$ 1,493,822
2026	16,590,000	12,720,903	29,310,903	1,115,000	735,572	1,850,572
2027	12,625,000	12,041,750	24,666,750	1,125,000	723,307	1,848,307
2028	13,010,000	11,533,313	24,543,313	1,140,000	710,932	1,850,932
2029	13,350,000	10,935,332	24,285,332	1,150,000	698,392	1,848,392
2030-2034	68,680,000	46,728,457	115,408,457	5,965,000	3,286,716	9,251,716
2035-2039	56,285,000	33,663,257	89,948,257	6,455,000	2,805,451	9,260,451
2040-2044	49,845,000	23,925,907	73,770,907	7,135,000	2,117,551	9,252,551
2045-2049	52,155,000	14,473,331	66,628,331	7,995,000	1,253,029	9,248,029
2050-2053	38,860,000	4,393,738	43,253,738	5,285,000	267,114	5,552,114
	<u>\$ 335,905,000</u>	<u>\$ 183,874,213</u>	<u>\$ 519,779,213</u>	<u>\$ 38,115,000</u>	<u>\$ 13,341,886</u>	<u>\$ 51,456,886</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG -TERM DEBT (CONTINUED)

	Solid Waste System			Interceptor System		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 4,980,000	\$ 2,957,531	\$ 7,937,531	\$ 20,015,000	\$ 16,390,827	\$ 36,405,827
2026	5,205,000	2,708,531	7,913,531	20,035,000	17,555,905	37,590,905
2027	4,895,000	2,448,281	7,343,281	22,120,000	16,610,955	38,730,955
2028	5,105,000	2,203,531	7,308,531	23,210,000	15,564,680	38,774,680
2029	3,670,000	1,983,281	5,653,281	22,050,000	14,489,655	36,539,655
2030-2034	20,890,000	7,696,114	28,586,114	97,350,000	59,455,563	156,805,563
2035-2039	16,740,000	3,665,806	20,405,806	80,000,000	41,773,805	121,773,805
2040-2044	9,190,000	894,600	10,084,600	71,865,000	29,599,419	101,464,419
2045-2049	-	-	-	81,150,000	17,268,625	98,418,625
2050-2053	-	-	-	51,350,000	5,414,050	56,764,050
	<u>\$ 70,675,000</u>	<u>\$ 24,557,675</u>	<u>\$ 95,232,675</u>	<u>\$ 489,145,000</u>	<u>\$ 234,123,484</u>	<u>\$ 723,268,484</u>
	Total All Systems					
	Principal	Interest	Total			
2025	\$ 174,650,000	\$ 148,742,471	\$ 323,392,471			
2026	184,935,000	144,297,327	329,232,327			
2027	192,205,000	137,497,669	329,702,669			
2028	195,975,000	130,600,182	326,575,182			
2029	194,600,000	123,601,438	318,201,438			
2030-2034	982,100,000	517,665,178	1,499,765,178			
2035-2039	875,880,000	360,581,786	1,236,461,786			
2040-2044	849,930,000	230,358,630	1,080,288,630			
2045-2049	719,165,000	99,641,488	818,806,488			
2050-2053	231,135,000	22,055,043	253,190,043			
	<u>\$ 4,600,575,000</u>	<u>\$ 1,915,041,212</u>	<u>\$ 6,515,616,212</u>			

**NOTE 8. LONG -TERM DEBT (CONTINUED)**

As of September 30, 2024, the District's total lease liability is \$1,245,120. The total lease liability payable within one year is \$367,266.

As of September 30, 2024, the District's total SBITA liability is \$1,785,301, plus \$45,718 accrued interest payable. The total SBITA liability payable within one year is \$969,171.

Lease and SBITA liabilities consist of the following at September 30, 2024:

	Balance at October 1, 2023	Additions	Deletions	Balance at September 30, 2024
Water System:				
Lease liability	\$ 45,318	\$ 18,397	\$ (19,838)	\$ 43,877
	45,318	18,397	(19,838)	43,877
Regional Wastewater:				
Lease liability	30,603	-	(12,119)	18,484
Subscription liability	-	1,571,478	(388,889)	1,182,589
	30,603	1,571,478	(401,008)	1,201,073
Small Systems:				
Lease liability	31,119	27,722	(14,377)	44,464
	31,119	27,722	(14,377)	44,464
Solid Waste System:				
Lease liability	9,427	-	(7,687)	1,740
	9,427	-	(7,687)	1,740
Internal Service Fund:				
Lease liability	539,114	943,752	(346,311)	1,136,555
Subscription liability	1,000,398	222,967	(620,653)	602,712
	1,539,512	1,166,719	(966,964)	1,739,267
Total	\$ 1,655,979	\$ 2,784,316	\$ (1,409,874)	\$ 3,030,421

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG -TERM DEBT (CONTINUED)

The following is a summary schedule of future lease and SBITA payments by fund type as of September 30, 2024:

	Internal Service Fund - Leases			Internal Service Fund - SBITA		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 320,462	\$ 24,703	\$ 345,165	\$ 565,541	\$ 18,025	\$ 583,566
2026	315,125	18,288	333,413	37,171	1,229	38,400
2027	302,202	11,817	314,019	-	-	-
2028	196,360	5,305	201,665	-	-	-
2029	2,406	18	2,424	-	-	-
	<u>\$ 1,136,555</u>	<u>\$ 60,131</u>	<u>\$ 1,196,686</u>	<u>\$ 602,712</u>	<u>\$ 19,254</u>	<u>\$ 621,966</u>

  

	Water System - Leases			Water System - SBITA		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 18,586	\$ 736	\$ 19,322	\$ -	\$ -	\$ -
2026	14,096	462	14,558	-	-	-
2027	6,949	232	7,181	-	-	-
2028	3,914	85	3,999	-	-	-
2029	332	-	332	-	-	-
	<u>\$ 43,877</u>	<u>\$ 1,515</u>	<u>\$ 45,392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

  

	Wastewater System - Leases			Wastewater System - SBITA		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 11,454	\$ 77	\$ 11,531	\$ 403,630	\$ 40,811	\$ 444,441
2026	7,030	23	7,053	250,896	26,882	277,778
2027	-	-	-	259,553	18,223	277,776
2028	-	-	-	268,510	9,265	277,775
2029	-	-	-	-	-	-
	<u>\$ 18,484</u>	<u>\$ 100</u>	<u>\$ 18,584</u>	<u>\$ 1,182,589</u>	<u>\$ 95,181</u>	<u>\$ 1,277,770</u>

  

	Solid Waste System - Leases			Solid Waste System - SBITA		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,740	\$ 1	\$ 1,741	\$ -	\$ -	\$ -
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
	<u>\$ 1,740</u>	<u>\$ 1</u>	<u>\$ 1,741</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

  

	Small Systems - Leases			Small Systems - SBITA		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 15,024	\$ 728	\$ 15,752	\$ -	\$ -	\$ -
2026	14,470	429	14,899	-	-	-
2027	6,204	277	6,481	-	-	-
2028	6,348	134	6,482	-	-	-
2029	2,418	13	2,431	-	-	-
	<u>\$ 44,464</u>	<u>\$ 1,581</u>	<u>\$ 46,045</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 8. LONG -TERM DEBT (CONTINUED)**

	Total All Systems - Leases			Total All Systems - SBITA		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 367,266	\$ 26,245	\$ 393,511	\$ 969,171	\$ 58,836	\$ 1,028,007
2026	350,721	19,202	369,923	288,067	28,111	316,178
2027	315,355	12,326	327,681	259,553	18,223	277,776
2028	206,622	5,524	212,146	268,510	9,265	277,775
2029	5,156	31	5,187	-	-	-
	<u>\$ 1,245,120</u>	<u>\$ 63,328</u>	<u>\$ 1,308,448</u>	<u>\$ 1,785,301</u>	<u>\$ 114,435</u>	<u>\$ 1,899,736</u>

**NOTE 9. DEFERRED INFLOWS OF RESOURCES**

At September 30, 2024, deferred inflows of resources consisted of the following:

	Balance at October 1, 2023	Additions	Deletions	Balance at September 30, 2024
Water System:				
Deferred pension inflow	\$ 158,629	\$ -	\$ (166,771)	\$ (8,142)
Deferred OPEB inflow	205,404	61,064		266,468
	<u>364,033</u>	<u>61,064</u>	<u>(166,771)</u>	<u>258,326</u>
Regional Wastewater:				
Deferred pension inflow	543,698	-	(169,463)	374,235
Deferred OPEB inflow	263,090	62,037		325,127
	<u>806,788</u>	<u>62,037</u>	<u>(169,463)</u>	<u>699,362</u>
Small Systems:				
Deferred pension inflow	53,977	-	(84,734)	(30,757)
Deferred OPEB inflow	126,146	31,007		157,153
Deferred grant revenue	1,000,000	-	-	1,000,000
	<u>1,180,123</u>	<u>31,007</u>	<u>(84,734)</u>	<u>1,126,396</u>
Solid Waste System:				
Deferred pension inflow	539,840	-	(143,805)	396,035
Deferred OPEB inflow	221,816	44,039		265,855
	<u>761,656</u>	<u>44,039</u>	<u>(143,805)</u>	<u>661,890</u>
Interceptor System:				
Deferred pension inflow	(21,032)	-	(28,931)	(49,963)
Deferred OPEB inflow	34,908	12,104		47,012
	<u>13,876</u>	<u>12,104</u>	<u>(28,931)</u>	<u>(2,951)</u>
Internal Service Fund:				
Deferred pension inflow	1,168,497	-	(554,858)	613,639
Deferred OPEB inflow	886,439	218,471		1,104,910
	<u>2,054,936</u>	<u>218,471</u>	<u>(554,858)</u>	<u>1,718,549</u>
Total	<u>\$ 5,181,412</u>	<u>\$ 428,722</u>	<u>\$ (1,148,562)</u>	<u>\$ 4,461,572</u>

As of September 30, 2024, the Buffalo Creek Interceptor Fund had deferred grant income of \$1,000,000 that represents the Clean Water Principal Grant income received in May 2022.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. RETIREMENT PLAN

#### Plan Description

The District provides a Retirement Plan for Employees of North Texas Municipal Water District (the Plan), a single employer defined benefit pension plan, for all of its eligible full-time employees. Prior to May 1, 1990, the Plan was funded by an Aetna Group Annuity Contract, a deferred annuity contract between Aetna Life Insurance Company and the District. All benefits accrued prior to May 1, 1990 remain guaranteed. Effective May 1, 1990, the Plan's method of funding changed from a deferred annuity basis to a defined benefit fund basis. The Plan is administered by the District's Executive Director/General Manager. The Plan does not issue separate financial statements. An employee will become a participant in the Plan on the date of full-time employment.

#### Benefits Provided

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

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

#### Employees Covered by Benefit Terms

As of January 1, 2024, the following numbers of employees were covered by the benefit terms:

Active employees	887
Inactive employees entitled to but not yet receiving benefits (Vested Terminated)	189
Inactive employees entitled to but not yet receiving benefits (Nonvested Terminated)	122
Inactive employees or beneficiaries currently receiving benefits	285
Total	1,483

#### Contributions

The District's annual minimum contribution is actuarially calculated. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the actuarial accrued liability as set forth below. Effective January 1, 2023, the unfunded actuarial liability is amortized using a closed period, layered amortization approach. The unfunded actuarial liability comprises various sources, and under the layered amortization approach each component source of unfunded actuarial liability is amortized over a separated closed period.

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

For the Plan year ended December 31, 2023, the District made contributions of \$13,471,420, which represent 18.4% of annual covered payroll. These contributions were based on actuarially determined contribution requirements through an actuarial valuation performed at January 1, 2023. For the fiscal year ended September 30, 2024, the District made contributions of \$13,700,000 of which contributions subsequent to the measurement date through September 30, 2024 were \$10,274,987.

#### Net Pension Liability

The District's Net Pension Liability reported for the fiscal year ending September 30, 2024 was measured as of December 31, 2023, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that same date.

**NOTE 10. RETIREMENT PLAN (CONTINUED)****Actuarial Assumptions**

The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	January 1, 2023	January 1, 2024
Measurement date	December 31, 2022	December 31, 2023
Actuarial cost method	Entry Age Normal	Entry Age Normal
Inflation	2.50%	2.50%
Salary increases including inflation	2.50% to 6.5%, including inflation	2.50% to 6.5%, including inflation
	Amount-weighted General Tables (i.e., PubG-2010) projected generationally using Scale MP-2021.	Amount-weighted General Tables (i.e., PubG-2010) projected generationally using Scale MP-2021.
Mortality		

Many of the actuarial assumptions used in this valuation were based on the results of an actuarial experience study performed as of December 31, 2022. No assumptions or other inputs have been updated since the prior valuation.

**Long-Term Expected Rate of Return**

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage which is based on the nature and mix of current and expected plan investments. This weighted-return is then increased by expected inflation and reduced by assumed investment expenses. Best estimates of geometric real rates of return for each major asset class included in the Plan's asset allocation as of December 31, 2023 are summarized in the following tables:

Asset Class	Allocation	Long-Term Expected Real Rate of Return	Target Allocation Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	5.00%	0.25%	0.013%
Fixed Income	24.00%	2.00%	0.480%
U.S. Equities	48.00%	7.25%	3.480%
International Equities	13.00%	5.25%	0.683%
Alternative Income	10.00%	4.10%	0.410%
Total	100.00%		5.066%
Real Rate of Investment Return Assumption			5.066%
Assumed Inflation			2.500%
Assumed Investment Expenses			-0.200%
Unrounded Expected Long-Term Rate of Return			7.366%
<b>Selected Rounded Expected Long-Term Rate of Return</b>			<b>7.25%</b>

**Discount Rate**

The discount rate used to measure the Total Pension Liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rate and that employer contributions will be made in amounts equal to the actuarially determined contribution amounts. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	December 31, 2022	December 31, 2023
Discount rate	7.25%	7.25%
Long-term expected rate of return, net of investment expense	7.25%	7.25%

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. RETIREMENT PLAN (CONTINUED)

#### Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of September 30, 2023	\$ 214,156,359	\$ 112,499,757	\$ 101,656,602
Changes for the year:			
Service cost	6,910,378	-	6,910,378
Interest on Total Pension Liability	15,718,982	-	15,718,982
Differences between expected and actual experience	5,366,556	-	5,366,556
Contributions - Employer	-	13,471,420	(13,471,420)
Contributions - Member	-	1,220,906	(1,220,906)
Net investment income	-	13,359,344	(13,359,344)
Benefit payments, including refunds of employee contributions	(8,657,870)	(8,657,870)	-
Administrative expenses	-	-	-
Assumption changes	-	-	-
Balances as of September 30, 2024	\$ 233,494,405	\$ 131,893,557	\$ 101,600,848

#### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability, calculated using the discount rate of 7.25%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 136,232,353	\$ 101,600,848	\$ 73,201,605

#### Pension Expense

For the year ended September 30, 2024, the District recognized pension expense of \$21,747,819 of which \$10,506,237 was allocated to the Support Fund, \$3,157,769 was allocated to the Water System, \$3,208,768 was allocated to the Wastewater System, \$1,604,411 was allocated to the Small Systems, \$2,722,947 was allocated to the Solid Waste System, and \$547,687 was allocated to the Interceptor System.

The components of pension expense for the fiscal year ended September 30, 2024 are as follows:

	October 1, 2023 to September 30, 2024
Pension Expense	
Service cost	\$ 6,910,378
Interest on Total Pension Liability	15,718,982
Amortization of differences between expected and actual experience	4,148,116
Amortization of changes of assumptions	3,912,941
Member contributions	(1,220,906)
Projected earnings on Plan investments	(8,371,154)
Amortization of differences between projected and actual earnings on Plan investments	649,462
Pension Plan administrative expense	-
Pension expense	\$ 21,747,819

**NOTE 10. RETIREMENT PLAN (CONTINUED)****Deferred Outflows/Inflows of Resources Related to Pensions**

At September 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 15,432,274	\$ (451,246)
Changes of assumptions	19,743,002	(843,801)
Net difference between projected and actual earnings	7,349,846	-
Contributions made subsequent to measurement date	10,274,987	-
Total	<u>\$ 52,800,109</u>	<u>\$ (1,295,047)</u>

<b>Year Ended September 30</b>	<b>Net Outflows/(Inflows) of Resources</b>
2025	\$ 10,487,583
2026	9,996,654
2027	11,088,370
2028	5,268,422
2029	3,662,164
Thereafter*	726,882
	<u>\$ 41,230,075</u>

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

**Pension Plan Fiduciary Net Position**

	<b>January 1, 2023</b>	<b>January 1, 2024</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 7,719,253	\$ 6,223,971
Receivables and prepaid expenses	-	-
Investments:		
Fixed income	28,733,195	31,547,940
Alternative Investments	12,625,277	13,215,203
Stocks	63,422,032	80,906,443
Total investments	<u>104,780,504</u>	<u>125,669,586</u>
Total assets	<u>112,499,757</u>	<u>131,893,557</u>
<b>Liabilities</b>		
Total liabilities	<u>-</u>	<u>-</u>
<b>Net position restricted for pensions</b>	<u>\$ 112,499,757</u>	<u>\$ 131,893,557</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. RETIREMENT PLAN (CONTINUED)

#### Changes in Pension Plan Fiduciary Net Position

	January 1, 2023	January 1, 2024
<b>Additions:</b>		
Contributions:		
Employer	\$ 9,203,590	\$ 13,471,420
Member	977,896	1,220,906
Total contributions	10,181,486	14,692,326
Net investment income:		
Interest and dividends	4,964,784	4,288,707
Net appreciation in market value of investments	(17,830,025)	9,407,631
Less investment expenses:		
Direct investment expense	333,688	336,994
Total investment expenses	333,688	336,994
Net investment income	(13,198,929)	13,359,344
<b>Total Additions</b>	(3,017,443)	28,051,670
<b>Deductions:</b>		
Benefit payments including refunds of employee contributions	8,307,489	8,657,870
Administrative expenses	-	-
Other	-	-
<b>Total Deductions</b>	8,307,489	8,657,870
<b>Net increase (decrease) in market value</b>	(11,324,932)	19,393,800
<b>Net position</b>		
Beginning of year	123,824,689	112,499,757
End of year	<u>\$ 112,499,757</u>	<u>\$ 131,893,557</u>

### NOTE 11. COMMITMENTS AND CONTINGENCIES

#### Commitments

Remaining commitments under construction contracts as of September 30, 2024 were as follows:

Payable from:	Capital Improvement Funds	Restricted Bond Funds	Total Commitments
Water System	\$ 61,745,251	\$ 801,294,043	\$ 863,039,294
Regional Wastewater System	1,148,222	242,783,771	243,931,993
Sewer System	1,364,454	122,350,055	123,714,509
Solid Waste System	11,352,662	14,120,783	25,473,445
Interceptor System	2,798,343	158,378,284	161,176,627
	<u>\$ 78,408,932</u>	<u>\$ 1,338,926,936</u>	<u>\$ 1,417,335,868</u>

#### Contingencies

The District is involved in threatened litigation and lawsuits arising in the ordinary course of business, including claims involving contract disputes. In the opinion of the District's management, potential liability in these matters will not have a material impact on the financial statements as of September 30, 2024.

### NOTE 12. CLOSURE AND POSTCLOSURE CARE COSTS

State and Federal laws and regulations require the District to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the District accrues a portion of these estimated closure and postclosure care costs in each period based on landfill capacity used as of each Statement of Net Position date. At September 30, 2024, a liability of \$10,080,581 for landfill closure and postclosure care costs has been accrued in the Solid Waste System Fund in the accompanying statement of net position.

Beginning Liability	Additions	Reductions	Ending Liability
\$ 9,482,010	\$ 598,571	\$ -	\$ 10,080,581

The \$10,080,581 reported as landfill closure and postclosure care liability at September 30, 2024, includes \$256,059 for Transfer Stations, \$1,832,500 for the Maxwell Creek Landfill, \$3,415,780 for the McKinney Landfill and \$4,576,242 for the 121 Regional Disposal Facility, which represents the cumulative amount reported to date based on the use of 20% 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 \$17,790,534 for the 121 Regional Disposal Facility as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care at September 30, 2024. Based upon the current utilization of capacity, the remaining expected life of the 121 Regional Disposal Facility is estimated to be 99.3 years. Actual costs may be higher due to inflation, changes in technology, or changes in laws or regulations.

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 13. RISK MANAGEMENT

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

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

The liability for insurance claims is based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities are based upon the insurance company's figures for the District's liability for termination claims upon the termination of the policy year and the stop loss premium for any claims above the District's liability. Additionally, the liability for unpaid claims includes the effects of specific incremental claims, adjustment expenses, and if probable and material, salvage, and subrogation. The liability is reported with accounts payable and accrued liabilities in the Statement of Net Position. Changes in the employees' health claims liability amount in fiscal September 30, 2024 and 2023 were:

<b>Fiscal Year</b>	<b>Liability Beginning of Year</b>	<b>Claims Incurred and Change in Estimates</b>	<b>Current Year Claim Payments</b>	<b>Liability End of Year</b>
2023	\$ 1,897,894	\$ 18,853,579	\$ 18,535,644	\$ 2,215,829
2024	2,215,829	18,506,723	18,387,069	2,335,483

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS

Plan Description and Benefits Provided

The District’s defined benefit other postemployment benefits (OPEB) plan provides OPEB in the form of health and dental insurance benefits for certain retirees and their spouses up to age 65 through a single-employer defined medical plan. These benefits are funded 100 percent by the District for the currently eligible retirees and their spouses, if the retiree had 20 years of District service. For those with less than 20 years of service, the retiree receives a 5% discount off of the total cost of the premium for each year of District service they have. A third-party administrator is utilized to provide claims administration and the District pays claims directly to the insurance provider. Insurance is purchased to provide specific stop loss and aggregate stop loss protection.

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

Employees Covered by Benefit Terms

As of September 30, 2024, the participants comprised of the following:

	Medical	Dental
Active plan participants	916	916
Inactive plan participants, retirees and retiree spouses	116	118
Total number of participants	1,032	1,034

Contributions

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

Net OPEB Liability

The District’s Net OPEB Liability reported for the fiscal year ending September 30, 2024 was measured as of September 30, 2024, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that same date.

Actuarial Assumptions

The total OPEB liability in the September 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Valuation date	October 1, 2022	October 1, 2023
Measurement date	September 30, 2023	September 30, 2024
Actuarial cost method	Entry Age Normal	Entry Age Normal
Inflation	2.50%	2.50%
Salary increases including inflation	2.5% to 6.5% including inflation	2.5% to 6.5% including inflation
Long -Term Expected Rate of Return	7.25%	7.25%
Healthcare Cost Trend Rates ( Medical)	6.5% for FY24 decreasing .50% per year to 4.50% for later years (medical)	6.5% for FY25 decreasing .25% per year to 4.50% for later years (medical)
Healthcare Cost Trend Rates ( Dental)	3.30% each year for all years	3.30% each year for all years

Mortality rates (pre-retirement) were based on the Pub-2010 General Employees amount-weighted mortality tables with MP-2021 Projection Scale projected generationally from the year 2010. Mortality rates (post-retirement) were based on the Pub-2010 General Healthy Retiree mortality tables with MP-2021 projected generationally from the year 2010. Mortality rates (retirees) were based on the Pub-2010 General Healthy Retiree amount-weighted mortality tables with MP-2021 Projection Scale projected generationally from the year 2010. Mortality rates (retiree spouses) were based on the Pub-2010 General Contingent Survivor amount-weighted mortality tables with MP-2021 Projection Scale projected generationally from the year 2010. Mortality rates (disabled retirees) were based on the Pub-2010 General Disabled Retiree amount-weighted mortality tables with MP-2021 Projection Scale projected generationally from the year 2010.

## NOTES TO FINANCIAL STATEMENTS

**NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)****Discount Rate**

Discount Rate: 7.25% in the current and previous year.

Projected Cash Flows: Projected cash flows into the plan are equal to the greater of projected benefit payments out of the plan or the projected actuarially determined contribution in accordance with Paragraph No. 50 of GASB No. 74 and Paragraph No. 30 of GASB No. 75.

Long-Term Expected Rate of Return: 7.25%; The plan operates on a pay-as-you-go (PAYGO) basis and accumulates assets in a trust in addition to the PAYGO amount.

Municipal Bond Rate: 3.81% as of September 30, 2024; the source of the municipal bond rate is the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. In describing their index, the Bond Buyer notes that the bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

Years of Projected Benefit Payments to which Long-Term Expected Rate of Return Applies: All years

**Long-Term Expected Rate of Return**

In accordance with Paragraph No. 48 of GASB No. 74 and Paragraph No. 36 of GASB No. 75, the discount rate should be the single rate that reflects the following: (a) the long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that (i) the OPEB plan's fiduciary net position (i.e., plan assets) is projected to be sufficient to make projected benefit payments and (ii) OPEB plan assets are expected to be invested using a strategy to achieve that return, and (b) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that the conditions in (a) are not met.

For each future period, if the amounts of the OPEB plan's fiduciary net position is projected to be greater than or equal to the benefit payments that are projected to be made in that period and OPEB plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, the actuarial present value of benefit payments projected to be made in the period should be determined using the long-term expected rate of return on those investments discussed in (a) above. Per paragraph No. 40 of GASB No. 75, the long-term expected rate of return should be based on the mix of current and expected OPEB plan investments over a period representative of the expected length of time between (1) the point at which a plan member begins to provide service to the employer and (2) the point at which all benefits to the plan member have been paid. For this purpose, the long-term expected rate of return should be determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense. The municipal bond discussed in (b) above should be used to calculate the actuarial present value of all other benefit payments. The discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present values determined using the long-term rate of return and the municipal bond rate applied to the appropriate periods as described above.

Based on guidance in Illustration B2 of Appendix B to GASB Implementation Guide 2017-3, Accounting and Financial Reporting for Postemployment, Benefit Plans other than Pensions, as of September 30, 2024, the accumulated funds and expected contributions are projected to be sufficient to cover benefit payments in all future years. Therefore, the discount rate at the end of the measurement year must be based solely on the long-term expected rate of return on OPEB plan investments, discussed in (a) above. Discount rate information is summarized in the table.

<b>Equivalent Single Discount Rate Determination</b>	<b>Beginning of Fiscal Year</b>	<b>End of Fiscal year</b>
Measurement Date	09/30/2023	09/30/2024
Long-term Expected Rate of return (LTROR)	7.25%	7.25%
Bond Buyer Index of general obligation 20-year bonds	4.09%	3.81%
Projected year of asset depletion	None*	None*
Single Discount Rate equivalent to using:		
(a) LTROR for years prior to depletion date and		
(b) the 20-year bond rate for years on and after depletion date	7.25%	7.25%

\* Accumulated Funds and expected contributions are projected to cover benefit payments in all future years.

**NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)****Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability as of September 30, 2024, as well as what the Net OPEB liability would be if were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Increase 8.25%</b>
Net OPEB liability	\$ 14,937,141	\$ 12,837,062	\$ 10,937,744

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB liability as of September 30, 2024, as well as what the Net OPEB liability would be if were calculated using the healthcare cost trend rates that are 1-percentage point lower (5.50% for FY24 decreasing to 3.5% by FY32) or 1-percentage-point higher (7.5% for FY25 decreasing to 5.50% by FY32) than the current healthcare cost trend rates:

	<b>1% Decrease (5.50% decreasing to 3.50%)</b>	<b>Current Healthcare Cost Trend Rates (6.5% decreasing to 4.50%)</b>	<b>1% Increase (7.50% decreasing to 5.50%)</b>
Net OPEB liability	\$ 10,401,467	\$ 12,837,062	\$ 15,698,882

**Deferred Outflows/Inflows of Resources Related to OPEB**

At September 30, 2024, the District reported deferred inflows and outflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 4,705,040	\$ (931,423)
Changes of assumptions	1,943,931	(731,064)
Net difference between projected and actual earnings	-	(504,038)
Total	<u>\$ 6,648,971</u>	<u>\$ (2,166,525)</u>

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

<b>Year Ended September 30</b>	<b>Net Outflows/ (Inflows) of Resources</b>
2025	\$ 788,134
2026	1,082,693
2027	698,609
2028	853,932
2029	720,387
Thereafter*	338,691
	<u>\$ 4,482,446</u>

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

#### Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of September 30, 2023	\$ 23,706,191	\$ 9,703,320	\$ 14,002,871
Changes for the year:			
Service cost	1,316,301	-	1,316,301
Interest on total OPEB liability	1,736,189	-	1,736,189
Changes of benefit terms	-	-	-
Differences between expected and actual experience	575,215	-	575,215
Effect of assumptions changes or inputs	(537,835)	-	(537,835)
Benefit payments	(2,150,120)	2,150,120	(4,300,240)
Employer contributions	-	(2,150,120)	2,150,120
Member contributions	-	-	-
Net investment income	-	2,105,559	(2,105,559)
Administrative expenses	-	-	-
Balances as of September 30, 2024	<u>\$ 24,645,941</u>	<u>\$ 11,808,879</u>	<u>\$ 12,837,062</u>

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

	September 30, 2023	September 30, 2024
Total OPEB liability	\$ 23,706,191	\$ 24,645,941
Fiduciary net position	9,703,320	11,808,879
Net OPEB liability	<u>\$ 14,002,871</u>	<u>\$ 12,837,062</u>
Fiduciary net position as a % of total OPEB liability	40.93%	47.91%

#### OPEB Plan Fiduciary Net Position

	September 30, 2023	September 30, 2024
<b>Assets</b>		
Cash and cash equivalents	\$ 90,648	\$ 23,632
Receivables and prepaid expenses	-	-
Investments:		
Fixed income	2,911,166	3,531,604
Stocks	4,504,289	6,488,160
Real estate	-	-
Alternative investments	2,197,217	1,765,483
Total investments	<u>9,612,672</u>	<u>11,785,247</u>
Total assets	<u>9,703,320</u>	<u>11,808,879</u>
<b>Liabilities</b>		
Total liabilities	<u>-</u>	<u>-</u>
<b>Net position restricted for OPEB</b>	<u>\$ 9,703,320</u>	<u>\$ 11,808,879</u>

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

	<u>September 30, 2023</u>	<u>September 30, 2024</u>
<b>Additions:</b>		
Contributions:		
Member	\$ 2,704,625	\$ 2,150,120
Total contributions	2,704,625	2,150,120
Net investment income:		
Interest and dividends	-	-
Net increase in fair value of investments	1,045,986	2,136,242
Less investment expenses:		
Direct investment expense	30,306	30,683
Total investment expenses	30,306	30,683
Net investment income	1,015,680	2,105,559
Other income	-	-
<b>Total Additions</b>	<b>3,720,305</b>	<b>4,255,679</b>
<b>Deductions:</b>		
Service benefits	2,704,625	2,150,120
<b>Total Deductions</b>	<b>2,704,625</b>	<b>2,150,120</b>
<b>Net increase (decrease)</b>	<b>1,015,680</b>	<b>2,105,559</b>
<b>Net position</b>		
Beginning of year	8,687,640	9,703,320
End of year	<u>\$ 9,703,320</u>	<u>\$ 11,808,879</u>

**NOTE 15. RECENTLY ISSUED GASB STATEMENTS**

The District has implemented the following new accounting pronouncements:

GASB Statement No. 99, *Omnibus 2022*. The standard addresses a number of practice issues for certain previously issued GASB statements, as well as providing additional guidance for accounting and reporting for financial guarantees. This statement was implemented in the current year with no material impact on the District's financial statements.

GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, effective for periods beginning after June 15, 2023. The standard is intended to improve the clarity of accounting and financial reporting for accounting changes and error corrections in order to provide greater consistency of application in practice with more understandable and relevant information.

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# FINANCIAL SECTION

## REQUIRED SUPPLEMENTARY INFORMATION

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### PENSION & OPEB TREND INFORMATION ( UNAUDITED)

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

	As of the Measurement Date December 31 for the Fiscal Year Ended September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability (TPL)</b>										
Service cost	\$ 6,911	\$ 4,949	\$ 3,726	\$ 3,726	\$ 3,712	\$ 3,428	\$ 2,897	\$ 2,517	\$ 3,058	\$ 2,166
Interest on total pension liability	15,719	13,718	12,449	12,542	10,062	9,451	8,582	7,643	6,614	6,387
Effect of plan changes	-	-	-	13,026	-	-	(843)	-	-	-
Effect of economic/ demographic gains or (losses)	5,367	9,111	3,480	2,104	(1,312)	5,496	6,366	(2,503)	8,442	(4,871)
Effect of assumptions changes or inputs	-	18,540	8,389	4,794	(243)	(3,039)	(1,928)	(1,115)	(6,899)	-
Benefit payments	(8,658)	(8,307)	(7,424)	(5,057)	(4,749)	(4,517)	(3,507)	(3,092)	(2,617)	(2,055)
Net change in TPL	19,339	38,011	20,620	31,135	7,469	10,819	11,568	3,450	8,599	1,627
TPL, beginning	214,156	176,145	155,525	124,390	116,921	106,102	94,534	91,085	82,486	80,859
TPL, ending (a)	\$233,495	\$214,156	\$176,145	\$155,525	\$124,390	\$116,921	\$106,102	\$94,535	\$91,085	\$82,486
<b>Fiduciary Net Position (FNP)</b>										
Employer contributions	\$ 13,472	\$ 9,203	\$ 6,300	\$ 8,108	\$ 6,808	\$ 6,450	\$ 6,765	\$ 5,957	\$ 4,999	\$ 5,595
Member contributions	1,221	978	783	577	347	98	-	-	-	-
Investment income net of investment expenses	13,359	(13,199)	14,387	8,101	15,158	(5,315)	9,686	5,284	(1,337)	3,689
Benefit payments	(8,658)	(8,307)	(7,424)	(5,057)	(4,749)	(4,517)	(3,507)	(3,092)	(2,617)	(2,055)
Administrative expenses	-	-	-	-	-	-	-	-	(195)	(180)
Net change in FNP	19,394	(11,325)	14,046	11,729	17,564	(3,284)	12,944	8,149	850	7,049
FNP, beginning	112,500	123,825	109,779	98,050	80,486	83,770	70,827	62,678	61,828	54,779
FNP, ending (b)	131,894	112,500	123,825	109,779	98,050	80,486	83,771	70,827	62,678	61,828
Net Pension Liability, ending = (a) - (b)	\$101,601	\$101,656	\$ 52,320	\$ 45,746	\$ 26,340	\$ 36,435	\$ 22,331	\$23,708	\$28,407	\$20,658
FNP as a % of TPL	56.49%	52.53%	70.30%	70.59%	78.82%	68.84%	78.95%	74.92%	68.81%	74.96%
Covered payroll	\$ 73,399	\$ 66,021	\$ 49,341	\$ 53,290	\$ 42,877	\$ 41,022	\$ 33,587	\$31,778	\$30,085	\$26,655
Net pension liability as a % of covered payroll	138.42%	153.98%	106.04%	85.85%	61.43%	88.82%	66.49%	74.61%	94.42%	77.50%

NOTE: The District implemented GASB Statement No. 68 in FY2015. Information in this table has been determined as of the measurement date (December 31) of the Net Pension Liability.

## North Texas Municipal Employee Retirement System

## Schedule of Employer Contributions

## Last 10 Fiscal Years

(Dollar amounts in 1,000s)

	Fiscal Year Ended September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 13,324	\$ 11,762	\$ 9,478	\$ 7,599	\$ 6,510	\$ 5,195	\$ 5,213	\$ 5,034	\$ 4,600	\$ 4,386
Actual Employer Contribution	13,700	12,500	6,300	8,108	6,808	6,450	6,765	5,957	4,999	5,595
Contribution Deficiency (Excess)	(376)	(738)	3,178	(249)	(1,598)	(1,255)	(1,552)	(923)	(399)	(1,209)
Covered Payroll*	\$ 77,774	\$ 72,059	\$ 58,287	\$ 53,444	\$ 54,413	\$ 47,598	\$ 33,587	\$ 31,778	\$ 30,085	\$ 26,655
Contributions as a % of Covered Payroll	17.62%	17.35%	10.81%	15.17%	12.51%	13.55%	20.14%	18.75%	16.62%	20.99%

**Notes to Schedule:**

Valuation Date January 1, 2024

Actuarially determined contribution rates are calculated as of January 1, which is the most recent valuation date prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates for 2024:

Actuarial cost method	Entry age
Amortization method	Level percent, layered closed periods
Remaining amortization period	Layered amortization with 20 years remaining on unfunded accrued liability at date of transition to layered approach
Asset valuation method	5-year smoother market value
Inflation	2.50%
Salary increases	2.50% to 6.50%, including inflation
Investment rate of return	7.25% net of pension plan investment expenses, including inflation
Retirement age	Rates that vary by age
Mortality	Amount-weighted General Tables (i.e. PubG-2010) projected generationally using Scale MP-2021 mortality improvement rates

\* Covered payroll for 2019-2024 is for the fiscal year period ended September 30. Covered payroll for 2015-2018 is for the fiscal year period ending December 31 within each year.

North Texas Municipal Employee Retirement System

Money-Weighted Rate of Return

Fiscal Year Ended September 30

Fiscal Year Ended September 30	Net Money-Weighted Rate of Return
2015	6.64%
2016	-2.15%
2017	8.36%
2018	13.48%
2019	-6.29%
2020	18.56%
2021	8.18%
2022	13.16%
2023	-10.58%
2024	11.64%

## North Texas Municipal Employee Other Postemployment Benefits Plan

## Schedule of Changes in Net OPEB Liability and Related Ratios

Last 10 Fiscal Years

(Dollar amounts in 1,000s)

	Fiscal Year Ended September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total OPEB Liability</b>										
Service cost	\$ 1,317	\$ 917	\$ 482	\$ 473	\$ 405	\$ 374	\$ 406	\$ 432	N/A	N/A
Interest on total OPEB liability	1,736	1,573	1,405	1,015	923	953	832	826	N/A	N/A
Changes on benefit terms	-	(817)	2,267	-	-	-	-	-	N/A	N/A
Effect of economic/demographic gains or (losses)	575	1,390	732	4,782	(828)	(1,677)	1,046	(1,258)	N/A	N/A
Effect of assumptions changes or inputs	(538)	1,935	(164)	481	662	(83)	(634)	104	N/A	N/A
Benefit payments	(2,150)	(2,705)	(3,125)	(1,963)	-	-	-	-	N/A	N/A
Employer contributions	-	-	-	2,128	-	-	-	-	N/A	N/A
Member contributions	-	-	-	29	-	-	-	-	N/A	N/A
Administrative expenses	-	-	-	(194)	-	-	-	-	N/A	N/A
Net change in total OPEB liability	940	2,293	1,597	6,751	1,162	(433)	1,650	104	N/A	N/A
Total OPEB liability, beginning	23,706	21,413	19,816	13,065	11,902	12,335	10,685	10,581	N/A	N/A
Total OPEB liability, ending (a)	24,646	23,706	21,413	19,816	13,065	11,902	12,335	10,685	N/A	N/A
<b>Fiduciary Net Position (FNP)</b>										
Employer contributions	\$ 2,150	\$ 2,705	\$ 3,125	\$ -	\$ 50	\$ -	\$ 696	\$ 600	N/A	N/A
Net investment income	2,106	1,016	(1,798)	1,650	565	227	428	600	N/A	N/A
Benefit payments	(2,150)	(2,705)	(3,125)	-	-	-	-	-	N/A	N/A
Administrative expenses	-	-	-	-	-	-	-	-	N/A	N/A
Net change in FNP	2,106	1,016	(1,798)	1,650	615	227	1,124	1,200	N/A	N/A
FNP, beginning	9,703	8,687	10,485	8,835	8,220	7,993	6,869	5,669	N/A	N/A
FNP, ending (b)	11,809	9,703	8,687	10,485	8,835	8,220	7,993	6,869	N/A	N/A
Net OPEB liability, ending = (a) - (b)	\$ 12,837	\$ 14,003	\$ 12,726	\$ 9,331	\$ 4,230	\$ 3,682	\$ 4,342	\$ 3,816	N/A	N/A
FNP as a % of total OPEB liability	47.91%	40.93%	40.57%	52.91%	67.62%	69.06%	64.80%	64.28%	N/A	N/A
Covered-employee payroll (as reported with pension data)	\$ 77,774	\$ 72,059	\$ 58,287	\$ 62,977	\$ 54,413	\$ 47,598	\$ 33,587	\$ 31,778	N/A	N/A
Net OPEB liability as a % of covered-employee payroll	16.51%	19.43%	21.83%	14.82%	7.77%	7.74%	12.93%	12.01%	N/A	N/A

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

## **Notes to Schedule of Changes in OPEB and Related Ratios**

### **Changes in Assumptions**

The following assumptions have been updated since the previous valuation:

#### **Expenses:**

Current: For medical benefits, administration expenses directly related to the payment of benefits are \$55.87 per member per month for 2025. For dental benefits, administration expenses directly related to the payment of benefits are included in the assumed per capita claims costs.

Prior: For medical benefits, administration expenses directly related to the payment of benefits are \$76.46 per member per month for 2024. For dental benefits, administration expenses directly related to the payment of benefits are included in the assumed per capital claims costs.

#### **Health Benefit Cost and Retiree Contribution Trend:**

Current: Medical rates of 6.50% from Fiscal Year 2024 to 2025. 6.25% from Fiscal Year 2025 to 2026. 6.00% from Fiscal Year 2026 to 2027. 5.75% from Fiscal Year 2027 to 2028. 5.5% from Fiscal Year to 2028 to 2029. 5.25% from Fiscal Year to 2029 to 2030. 5% from Fiscal Year to 2030 to 2031. 4.75% from Fiscal Year 2031 to 2032. 4.50% for all future years after 2032. Dental rates were 3.30% for each fiscal year.

Prior: Medical rates of 6.50% from Fiscal Year 2023 to 2024. 5.50% from Fiscal Year 2024 to 2025. 5.00% from Fiscal Year 2025 to 2026. 4.50% from Fiscal Year 2026 to 2027. 4.20% from Fiscal Year 2027 to 2028 and beyond. Dental rates are 3.00% for each fiscal year.

#### **Assumed Per Capita Claims:**

Current: Deductibles, copayments, coinsurance levels and retiree contribution levels are assumed to increase at the same rate as the health benefit cost trend, consistent with the expected operation of the substantive plan (i.e., the proportion of non-Medicare expenses covered by the employer/employee is assumed to remain constant).

Prior: Assumed per Capita Health Benefit Cost (Medical) by age for Fiscal Year 2024.

## North Texas Municipal Employee Other Postemployment Benefits Plan

## Schedule of NTMWD Contributions

## Last 10 Fiscal Years

(Dollar amounts in 1,000s)

	Fiscal Year Ended September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 3,037	\$ 2,428	\$ 1,539	\$ 905	\$ 819	\$ 864	\$ 832	\$ 669	N/A	N/A
Actual Employer Contribution	2,150	2,705	3,125	-	50	-	696	600	N/A	N/A
Contribution Deficiency (Excess)	887	(277)	(1,586)	905	769	864	137	69	N/A	N/A
Covered-employee Payroll	\$ 77,774	\$ 72,059	\$ 58,287	\$ 62,977	\$ 54,413	\$ 47,598	\$ 33,587	\$ 31,778	N/A	N/A
Contributions as a % of Covered-employee Payroll	2.76%	3.75%	5.36%	0.00%	0.09%	0.00%	2.07%	1.89%	N/A	N/A

**Notes to Schedule:**

Valuation Timing	Actuarial valuations for funding purposes are performed annually as of September 30.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of payroll; Closed
Amortization Period	14 years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	2.50% to 6.50% including inflation
Discount Rate	7.25%
Healthcare Cost Trend Rates (Medical)	6.5% for FY 2025, decreasing 0.25% per year to an ultimate rate of 4.50% for later years (medical)
Healthcare Cost Trend Rates (Dental)	3.30% each year for all years
Retirement age	Age-based table of rates upon attainment of eligibility for unreduced pension benefits.
Mortality	Pre-retirement: PUB-2010 General Employees Amount-Weighted Table with Mortality Improvement Scale MP-2021 Projection Scale projected generationally from the year 2010
	Post-retirement: Pub-2010 General Healthy Retiree amount-weighted mortality tables with MP-2021 Projection Scale projected generationally from the year 2010
	Disability retirement: Pub-2010 General Disabled Retiree amount-weighted mortality tables with MP-2021 Projection Scale projected generationally from the year 2010
	Retirees: Pub-2010 General Healthy Retiree amount-weighted mortality tables with MP-2021 Projection Scale projected generationally from year 2010.
	Retiree Spouses: PUB-2010 Contingent Survivors Amount-Weighted Table with MP-2021 Projection Scale projected generationally from the year 2010.

2017 and 2018 payroll as reported with pension data. 2019 through 2022 payroll shows fiscal year ending September 30 reported with OPEB data.

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

North Texas Municipal Employee Other Postemployment Benefits Plan

Money-Weighted Rate of Return

Fiscal Year Ended September 30

Fiscal Year Ended September 30	Net Money-Weighted Rate of Return
2015	NA
2016	NA
2017	10.68%
2018	5.94%
2019	3.41%
2020	0.50%
2021	19.15%
2022	-17.14%
2023	11.69%
2024	21.70%

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

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# FINANCIAL SECTION

OTHER SUPPLEMENTARY INFORMATION

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COMBINING STATEMENTS

**Plano Water Transmission Facilities**

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

**Kaufman Four-One Water Distribution Facilities**

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

**Rockwall-Heath Water Storage Facilities**

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

**Terrell Water Transmission Facilities**

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

**Rockwall Water Pump Station Facilities**

The Rockwall Water Pump Station was constructed by the NTMWD under a facilities contract with the City of Rockwall. The facilities consist of an 8 6 MGD potable water pump station, which includes three 2 88 MGD vertical turbine pumps, a backup generator, associated electrical and instrumentation components and yard piping.

**Wylie Wastewater Treatment Plant - Decommissioned**

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

**South Rockwall (Buffalo Creek) Wastewater Treatment Plant**

The South Rockwall (Buffalo Creek) WWTP treats wastewater for the southern portion of Rockwall. NTMWD owns and operates this extended air treatment plant that is located at 4920 Horizon Road in Rockwall. The plant has a design capacity of 2 25 MGD and consists of the Buffalo Creek WWTP, the Lakeside Lift Station and accompanying interceptor line. The plant discharges into Buffalo Creek, which flows into the East Fork of the Trinity River below Lake Ray Hubbard. The Buffalo Creek Golf Course utilizes a portion of the plant effluent for irrigation.

**North Rockwall (Squabble Creek) Wastewater Treatment Plant**

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

**Panther Creek Wastewater Treatment Plant**

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

**Sabine Creek Wastewater Treatment Plant**

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

## **Stewart Creek Wastewater Treatment Plant**

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

## **Muddy Creek Wastewater Treatment Plant**

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

## **Seis Lagos Wastewater Treatment Plant**

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

## **Royse City Wastewater Treatment Plant - Decommissioned**

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

## **Farmersville Wastewater Treatment Plant**

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

## **Lavon (Bear Creek) Wastewater Treatment Plant**

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

## **Forney Interceptor**

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

## **Lower East Fork Interceptor**

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

## **Muddy Creek Interceptor**

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

## **Parker Creek Interceptor**

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

## **Sabine Creek Interceptor**

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

## **Buffalo Creek Interceptor**

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

**McKinney Interceptor**

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

**Mustang Creek Interceptor**

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

**Parker Creek Parallel Interceptor**

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

**Wastewater Pretreatment Program**

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

## SMALL SYSTEMS SUPPLEMENTAL SCHEDULE OF NET POSITION SEPTEMBER 30, 2024

	Little Elm Water Transmission Facilities	Plano Water Transmission Facilities
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ -	\$ 235,074
Accounts receivable	-	-
Due from other funds	-	-
Prepaid expenses	-	-
Unbilled receivable	-	-
<b>Total current unrestricted assets</b>	-	235,074
Restricted assets:		
Cash and cash equivalents	-	-
Interest and accounts receivable	-	-
Due from other funds	-	218,973
<b>Total current restricted assets</b>	-	218,973
<b>TOTAL CURRENT ASSETS</b>	-	454,047
<b>NONCURRENT ASSETS</b>		
Restricted assets:		
Cash and cash equivalents	-	70,342
Investments	-	-
<b>Total noncurrent restricted assets</b>	-	70,342
Capital assets:		
Land	-	-
Easements	-	-
Construction-in-progress	-	-
Land improvements	-	-
Water treatment, storage, and transmission facilities	-	9,233,771
Wastewater treatment and disposal facilities	-	-
Buildings	-	-
Automobiles and trucks	-	-
Other equipment	-	-
Lease and subscription right-of-use assets	-	-
Less accumulated depreciation/amortization	-	(5,549,594)
<b>Net capital assets</b>	-	3,684,177
<b>TOTAL NONCURRENT ASSETS</b>	-	3,754,519
<b>TOTAL ASSETS</b>	-	4,208,566
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred loss on refunding	-	-
Deferred pension outflow	-	-
Deferred OPEB outflow	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	\$ -	\$ 4,208,566

Kaufman 4-1 Water Distribution Facilities	Rockwall-Heath Water Storage Facilities	Terrell Water Transmission Facilities	Rockwall Water Pump Station Facilities	South Rockwall (Buffalo Creek) WWTP
\$ 29,296	\$ 14,330	\$ 72	\$ 47	\$ 464,785
2,347	-	-	-	50,764
-	-	-	-	181,000
325	-	-	-	46,080
-	-	-	-	21,066
31,968	14,330	72	47	763,695
-	130	280,947	65,438	94,095
-	129	32	69	129
-	-	-	-	299,848
-	259	280,979	65,507	394,072
31,968	14,589	281,051	65,554	1,157,767
71,829	161,278	790,173	136,632	299,932
-	74,022	5,875	39,478	74,022
71,829	235,300	796,048	176,110	373,954
-	-	-	-	60,724
-	-	-	-	243,045
-	-	-	-	-
-	-	-	-	-
-	2,600,259	12,039,133	1,932,237	-
-	-	-	-	8,229,081
-	-	-	-	-
-	-	-	-	111,521
-	-	-	-	430,617
-	-	-	-	-
-	(897,089)	(5,016,306)	(821,204)	(6,780,307)
-	1,703,170	7,022,827	1,111,033	2,294,681
71,829	1,938,470	7,818,875	1,287,143	2,668,635
103,797	1,953,059	8,099,926	1,352,697	3,826,402
-	-	79,614	-	-
-	-	-	-	143,325
-	-	-	-	16,413
-	-	79,614	-	159,738
\$ 103,797	\$ 1,953,059	\$ 8,179,540	\$ 1,352,697	\$ 3,986,140

(Continued)

## SMALL SYSTEMS SUPPLEMENTAL SCHEDULE OF NET POSITION SEPTEMBER 30, 2024

	North Rockwall (Squabble Creek) WWTP	Panther Creek WWTP
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 77,510	\$ 1,403,998
Accounts receivable	-	164,542
Due from other funds	-	-
Prepaid expenses	41,352	64,778
Unbilled receivable	13,594	146,020
<b>Total current unrestricted assets</b>	<b>132,456</b>	<b>1,779,338</b>
Restricted assets:		
Cash and cash equivalents	-	1,657,599
Interest and accounts receivable	-	17,444
Due from other funds	14,225	75,025
<b>Total current restricted assets</b>	<b>14,225</b>	<b>1,750,068</b>
<b>TOTAL CURRENT ASSETS</b>	<b>146,681</b>	<b>3,529,406</b>
<b>NONCURRENT ASSETS</b>		
Restricted assets:		
Cash and cash equivalents	1,611	1,244,610
Investments	-	1,022,492
<b>Total noncurrent restricted assets</b>	<b>1,611</b>	<b>2,267,102</b>
Capital assets:		
Land	-	-
Easements	-	19,042
Construction-in-progress	-	5,847,736
Land improvements	-	-
Water treatment, storage, and transmission facilities	-	-
Wastewater treatment and disposal facilities	1,576,460	51,847,370
Buildings	-	-
Automobiles and trucks	65,177	102,653
Other equipment	113,003	862,773
Lease and subscription right-of-use assets	-	14,144
Less accumulated depreciation/amortization	(1,541,046)	(20,127,138)
<b>Net capital assets</b>	<b>213,594</b>	<b>38,566,580</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>215,205</b>	<b>40,833,682</b>
<b>TOTAL ASSETS</b>	<b>361,886</b>	<b>44,363,088</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred loss on refunding	-	352,648
Deferred pension outflow	93,122	937,883
Deferred OPEB outflow	10,787	130,654
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>103,909</b>	<b>1,421,185</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 465,795</b>	<b>\$ 45,784,273</b>

Sabine Creek WWTP	Stewart Creek WWTP	Muddy Creek WWTP	Seis Lagos WWTP	Farmersville WWTP
\$ 19,786	\$ 2,491,176	\$ 1,247,420	\$ (23,153)	\$ 68,387
457,996	-	182,251	52,147	-
600,000	-	-	-	-
51,483	102,693	96,930	6,393	13,533
25,691	179,693	91,100	8,926	15,467
1,154,956	2,773,562	1,617,701	44,313	97,387
1,691,377	1,738,722	5,116,708	-	-
192,006	41,925	191,711	-	-
-	296,594	272,530	-	-
1,883,383	2,077,241	5,580,949	-	-
3,038,339	4,850,803	7,198,650	44,313	97,387
13,389,645	693,934	60,503,628	21,573	25,085
18,847,619	4,430,993	25,371,145	-	-
32,237,264	5,124,927	85,874,773	21,573	25,085
375,774	-	-	-	-
-	-	9,421	-	-
64,617,207	3,395,133	15,071,447	-	-
-	-	417,138	-	-
-	-	-	-	-
18,770,683	77,329,614	35,565,666	-	-
-	9,698	161,583	5,110	16,225
127,391	134,740	103,077	38,563	60,593
713,360	827,025	2,219,762	34,347	289,083
15,328	28,905	16,238	-	-
(6,593,656)	(9,556,139)	(18,941,718)	(47,268)	(272,488)
78,026,087	72,168,976	34,622,614	30,752	93,413
110,263,351	77,293,903	120,497,387	52,325	118,498
113,301,690	82,144,706	127,696,037	96,638	215,885
-	-	18,195	-	-
140,880	736,278	975,182	39,663	84,412
19,653	108,151	120,191	5,765	12,171
160,533	844,429	1,113,568	45,428	96,583
\$ 113,462,223	\$ 82,989,135	\$ 128,809,605	\$ 142,066	\$ 312,468

(Continued)

## SMALL SYSTEMS SUPPLEMENTAL SCHEDULE OF NET POSITION SEPTEMBER 30, 2024

	Lavon WWTP	Forney Interceptor
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ (11,560)	\$ 927,105
Accounts receivable	82,924	-
Due from other funds	-	249,465
Prepaid expenses	12,818	10,958
Unbilled receivable	14,341	887
<b>Total current unrestricted assets</b>	<u>98,523</u>	<u>1,188,415</u>
Restricted assets:		
Cash and cash equivalents	-	-
Interest and accounts receivable	-	-
Due from other funds	-	296,930
<b>Total current restricted assets</b>	<u>-</u>	<u>296,930</u>
<b>TOTAL CURRENT ASSETS</b>	<u>98,523</u>	<u>1,485,345</u>
<b>NONCURRENT ASSETS</b>		
Restricted assets:		
Cash and cash equivalents	33,549	20,373
Investments	-	-
<b>Total noncurrent restricted assets</b>	<u>33,549</u>	<u>20,373</u>
Capital assets:		
Land	-	-
Easements	-	48,877
Construction-in-progress	-	-
Land improvements	-	-
Water treatment, storage, and transmission facilities	-	-
Wastewater treatment and disposal facilities	-	1,856,524
Buildings	-	-
Automobiles and trucks	54,370	-
Other equipment	58,133	216,874
Lease and subscription right-of-use assets	-	-
Less accumulated depreciation/amortization	(72,236)	(1,698,197)
<b>Net capital assets</b>	<u>40,267</u>	<u>424,078</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>73,816</u>	<u>444,451</u>
<b>TOTAL ASSETS</b>	<u>172,339</u>	<u>1,929,796</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred loss on refunding	-	-
Deferred pension outflow	61,904	2,776
Deferred OPEB outflow	12,378	(94)
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>74,282</u>	<u>2,682</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 246,621</u>	<u>\$ 1,932,478</u>

Lower East Fork Interceptor	Muddy Creek Interceptor	Parker Creek Interceptor	Sabine Creek Interceptor	Buffalo Creek Interceptor
\$ 1,584,157	\$ 501,971	\$ 1,218,531	\$ 512,285	\$ 1,789,300
-	-	-	-	295,001
468,907	-	-	100,460	-
12,356	9,588	47	3	14,515
1,009	167	752	51	2,355
2,066,429	511,726	1,219,330	612,799	2,101,171
475,497	-	-	-	1,950,845
2,475	-	-	-	73,948
740,860	-	-	-	200,000
1,218,832	-	-	-	2,224,793
3,285,261	511,726	1,219,330	612,799	4,325,964
878,848	47,384	104,536	160,950	49,076,419
530,999	-	-	-	7,017,491
1,409,847	47,384	104,536	160,950	56,093,910
-	-	-	-	-
193,687	49,232	104,203	70,341	4,201,063
-	-	(43,780)	(100,227)	1,371,665
-	-	-	-	-
-	-	-	-	-
15,137,968	3,411,083	2,521,170	1,697,813	45,233,378
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(4,919,816)	(2,077,098)	(871,406)	(577,259)	(10,781,395)
10,411,839	1,383,217	1,710,187	1,090,668	40,024,711
11,821,686	1,430,601	1,814,723	1,251,618	96,118,621
15,106,947	1,942,327	3,034,053	1,864,417	100,444,585
35,333	-	-	-	9,121
2,760	(21)	(98)	(8)	2,635
(108)	(22)	(119)	(9)	(223)
37,985	(43)	(217)	(17)	11,533
\$ 15,144,932	\$ 1,942,284	\$ 3,033,836	\$ 1,864,400	\$ 100,456,118

(Continued)

## SMALL SYSTEMS SUPPLEMENTAL SCHEDULE OF NET POSITION SEPTEMBER 30, 2024

	McKinney Interceptor	Mustang Creek Interceptor
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 397,543	\$ 1,297,254
Accounts receivable	-	-
Due from other funds	-	295,665
Prepaid expenses	123	2,720
Unbilled receivable	41	529
<b>Total current unrestricted assets</b>	<u>397,707</u>	<u>1,596,168</u>
Restricted assets:		
Cash and cash equivalents	-	2,203,794
Interest and accounts receivable	-	15,608
Due from other funds	-	471,930
<b>Total current restricted assets</b>	<u>-</u>	<u>2,691,332</u>
<b>TOTAL CURRENT ASSETS</b>	<u>397,707</u>	<u>4,287,500</u>
<b>NONCURRENT ASSETS</b>		
Restricted assets:		
Cash and cash equivalents	40,609	1,497,192
Investments	-	1,153,967
<b>Total noncurrent restricted assets</b>	<u>40,609</u>	<u>2,651,159</u>
Capital assets:		
Land	-	-
Easements	16,150	1,038,515
Construction-in-progress	-	2,186,875
Land improvements	-	-
Water treatment, storage, and transmission facilities	-	20,696,312
Wastewater treatment and disposal facilities	1,620,308	8,567,121
Buildings	-	-
Automobiles and trucks	-	-
Other equipment	-	-
Lease and subscription right-of-use assets	-	-
Less accumulated depreciation/amortization	(1,501,191)	(2,619,259)
<b>Net capital assets</b>	<u>135,267</u>	<u>29,869,564</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>175,876</u>	<u>32,520,723</u>
<b>TOTAL ASSETS</b>	<u>573,583</u>	<u>36,808,223</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred loss on refunding	-	-
Deferred pension outflow	(8)	(62)
Deferred OPEB outflow	(8)	(70)
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>(16)</u>	<u>(132)</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 573,567</u>	<u>\$ 36,808,091</u>

<b>Parker Creek Parallel WW Interceptor</b>	<b>Small Plants Clearing</b>	<b>Wastewater Pretreatment Program</b>	<b>Total Small Systems</b>
\$ 165,218	\$ (22,350)	\$ 210,840	\$ 14,599,022
-	-	9,175	1,297,147
-	40,550	-	1,936,047
74	-	12,727	499,496
76	-	51,559	573,324
165,368	18,200	284,301	18,905,036
80,640	-	-	15,355,792
129	-	-	535,605
12,000	-	-	2,898,915
92,769	-	-	18,790,312
258,137	18,200	284,301	37,695,348
174,297	-	-	129,444,429
74,022	-	-	58,642,125
248,319	-	-	188,086,554
-	-	-	436,498
33,688	-	-	6,027,264
-	-	-	92,346,056
-	-	-	417,138
-	-	-	46,501,712
2,495,669	-	-	275,859,908
-	-	-	192,616
-	-	87,268	885,353
-	-	23,636	5,788,613
-	-	-	74,615
(346,732)	-	(104,541)	(101,713,083)
2,182,625	-	6,363	326,816,690
2,430,944	-	6,363	514,903,244
2,689,081	18,200	290,664	552,598,592
-	-	-	494,911
(8)	-	469,504	3,690,119
(7)	-	62,715	498,218
(15)	-	532,219	4,683,248
\$ 2,689,066	\$ 18,200	\$ 822,883	\$ 557,281,840

(Continued)

## SMALL SYSTEMS SUPPLEMENTAL SCHEDULE OF NET POSITION SEPTEMBER 30, 2024

	Little Elm Water Transmission Facilities	Plano Water Transmission Facilities
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ -	\$ 5,446
Due to other funds	-	229,627
Customers' advance payments	-	-
<b>Total payable from unrestricted assets</b>	-	235,073
Payable from restricted assets:		
Accounts payable and accrued liabilities	-	70,342
Due to other funds	-	-
Accrued interest payable on revenue bonds	-	-
Current portion of lease and SBITA payable	-	-
Current portion of revenue bonds	-	-
<b>Total payable from restricted assets</b>	-	70,342
<b>TOTAL CURRENT LIABILITIES</b>	-	305,415
<b>LONG-TERM LIABILITIES:</b>		
Accrued vacation—less current portion	-	-
Accrued sick—less current portion	-	-
Net pension liability	-	-
Net OPEB liability	-	-
Lease and SBITA liability	-	-
Long-term debt—less current portion	-	-
<b>TOTAL LONG-TERM LIABILITIES</b>	-	-
<b>TOTAL LIABILITIES</b>	-	305,415
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred pension inflow	-	-
Deferred OPEB inflow	-	-
Deferred grant income	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	-	-
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	-	305,415
<b>NET POSITION:</b>		
Net investment in capital assets	-	3,684,177
Restricted for debt service	-	-
Unrestricted	-	218,974
<b>TOTAL NET POSITION</b>	\$ -	\$ 3,903,151

Kaufman 4-1 Water Distribution Facilities	Rockwall-Heath Water Storage Facilities	Terrell Water Transmission Facilities	Rockwall Water Pump Station Facilities	South Rockwall (Buffalo Creek) WWTP
\$ 4,669	\$ -	\$ (1)	\$ (1)	\$ 425,636
5,208	-	-	-	317,424
22,091	14,330	72	47	-
31,968	14,330	71	46	743,060
71,829	-	-	-	119,166
-	-	-	-	181,000
-	3,188	81,606	4,907	16,579
-	-	-	-	-
-	225,000	495,000	155,000	200,000
71,829	228,188	576,606	159,907	516,745
103,797	242,518	576,677	159,953	1,259,805
-	-	-	-	8,541
-	-	-	-	12,094
-	-	-	-	269,405
-	-	-	-	34,277
-	-	-	-	-
-	-	6,258,777	165,425	661,780
-	-	6,258,777	165,425	986,097
103,797	242,518	6,835,454	325,378	2,245,902
-	-	-	-	6,229
-	-	-	-	6,310
-	-	-	-	-
-	-	-	-	12,539
103,797	242,518	6,835,454	325,378	2,258,441
-	1,478,170	348,664	790,608	1,432,901
-	232,371	995,421	236,710	332,433
-	-	1	1	(37,635)
\$ -	\$ 1,710,541	\$ 1,344,086	\$ 1,027,319	\$ 1,727,699

(Continued)

## SMALL SYSTEMS SUPPLEMENTAL SCHEDULE OF NET POSITION SEPTEMBER 30, 2024

	North Rockwall (Squabble Creek) WWTP	Panther Creek WWTP
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 95,747	\$ 779,869
Due to other funds	23,265	129,510
Customers' advance payments	-	-
<b>Total payable from unrestricted assets</b>	<b>119,012</b>	<b>909,379</b>
Payable from restricted assets:		
Accounts payable and accrued liabilities	1,611	595,958
Due to other funds	-	-
Accrued interest payable on revenue bonds	-	226,553
Current portion of lease and SBITA payable	-	3,285
Current portion of revenue bonds	-	3,640,000
<b>Total payable from restricted assets</b>	<b>1,611</b>	<b>4,465,796</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>120,623</b>	<b>5,375,175</b>
<b>LONG-TERM LIABILITIES:</b>		
Accrued vacation—less current portion	5,584	30,461
Accrued sick—less current portion	7,861	81,949
Net pension liability	170,667	1,785,045
Net OPEB liability	21,358	254,171
Lease and SBITA liability	-	1,098
Long-term debt—less current portion	-	12,517,377
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>205,470</b>	<b>14,670,101</b>
<b>TOTAL LIABILITIES</b>	<b>326,093</b>	<b>20,045,276</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred pension inflow	(815)	(4,983)
Deferred OPEB inflow	3,193	43,731
Deferred grant income	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,378</b>	<b>38,748</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>328,471</b>	<b>20,084,024</b>
<b>NET POSITION:</b>		
Net investment in capital assets	213,594	22,720,970
Restricted for debt service	-	3,156,119
Unrestricted	(76,270)	(176,840)
<b>TOTAL NET POSITION</b>	<b>\$ 137,324</b>	<b>\$ 25,700,249</b>

Sabine Creek WWTP	Stewart Creek WWTP	Muddy Creek WWTP	Seis Lagos WWTP	Farmersville WWTP
\$ 713,075	\$ 1,110,480	\$ 772,105	\$ 28,114	\$ 49,566
61,983	333,261	283,891	7,223	14,314
354,598	163,694	187,105	-	18,218
1,129,656	1,607,435	1,243,101	35,337	82,098
4,759,958	482,444	1,615,831	21,573	25,085
611,563	3,054	14,271	-	-
1,301,684	535,812	1,539,289	-	-
2,967	5,474	3,298	-	-
660,000	3,005,000	2,550,000	-	-
7,336,172	4,031,784	5,722,689	21,573	25,085
8,465,828	5,639,219	6,965,790	56,910	107,183
10,663	61,515	33,802	3,739	6,370
15,080	91,115	34,045	5,237	8,919
271,424	1,448,659	1,845,658	78,517	160,775
36,720	193,219	235,134	11,865	21,389
10,391	14,696	3,255	-	-
93,702,490	41,105,226	100,902,461	-	-
94,046,768	42,914,430	103,054,355	99,358	197,453
102,512,596	48,553,649	110,020,145	156,268	304,636
(6,130)	(58,083)	19,286	(1,161)	(7,126)
5,156	27,055	45,084	1,574	3,004
-	-	-	-	-
(974)	(31,028)	64,370	413	(4,122)
102,511,622	48,522,621	110,084,515	156,681	300,514
5,317,901	27,651,560	9,566,513	30,752	93,413
6,391,343	6,274,338	9,643,353	-	-
(758,643)	540,616	(484,776)	(45,367)	(81,459)
\$ 10,950,601	\$ 34,466,514	\$ 18,725,090	\$ (14,615)	\$ 11,954

(Continued)

## SMALL SYSTEMS SUPPLEMENTAL SCHEDULE OF NET POSITION SEPTEMBER 30, 2024

	Lavon WWTP	Forney Interceptor
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 66,122	\$ 888,265
Due to other funds	18,212	299,328
Customers' advance payments	-	-
<b>Total payable from unrestricted assets</b>	<b>84,334</b>	<b>1,187,593</b>
Payable from restricted assets:		
Accounts payable and accrued liabilities	33,549	20,373
Due to other funds	-	249,465
Accrued interest payable on revenue bonds	-	-
Current portion of lease and SBITA payable	-	-
Current portion of revenue bonds	-	-
<b>Total payable from restricted assets</b>	<b>33,549</b>	<b>269,838</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>117,883</b>	<b>1,457,431</b>
<b>LONG-TERM LIABILITIES:</b>		
Accrued vacation—less current portion	5,914	259
Accrued sick—less current portion	8,275	563
Net pension liability	123,275	7,035
Net OPEB liability	21,567	745
Lease and SBITA liability	-	-
Long-term debt—less current portion	-	-
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>159,031</b>	<b>8,602</b>
<b>TOTAL LIABILITIES</b>	<b>276,914</b>	<b>1,466,033</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred pension inflow	(7,844)	2,260
Deferred OPEB inflow	1,171	295
Deferred grant income	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>(6,673)</b>	<b>2,555</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>270,241</b>	<b>1,468,588</b>
<b>NET POSITION:</b>		
Net investment in capital assets	40,267	424,078
Restricted for debt service	-	-
Unrestricted	(63,887)	39,812
<b>TOTAL NET POSITION</b>	<b>\$ (23,620)</b>	<b>\$ 463,890</b>

Lower East Fork Interceptor	Muddy Creek Interceptor	Parker Creek Interceptor	Sabine Creek Interceptor	Buffalo Creek Interceptor
\$ 1,468,132	\$ 434,484	\$ 632,361	\$ 609,398	\$ 1,582,214
597,358	1,450	5,342	3,347	203,062
-	75,630	16,870	-	313,420
2,065,490	511,564	654,573	612,745	2,098,696
29,534	47,384	30,938	44,040	1,477,704
615,907	-	-	100,460	-
25,150	-	-	-	674,528
-	-	-	-	-
1,230,000	-	-	-	2,115,000
1,900,591	47,384	30,938	144,500	4,267,232
3,966,081	558,948	685,511	757,245	6,365,928
297	49	415	29	937
642	113	300	25	1,538
7,010	-	(1)	-	7,027
714	(14)	(80)	(6)	768
-	-	-	-	-
1,352,606	-	-	-	82,189,920
1,361,269	148	634	48	82,200,190
5,327,350	559,096	686,145	757,293	88,566,118
2,262	(3)	(12)	(1)	2,243
291	5	29	2	365
-	-	-	-	1,000,000
2,553	2	17	1	1,002,608
5,329,903	559,098	686,162	757,294	89,568,726
7,864,598	1,383,217	1,783,785	1,207,579	6,147,990
1,833,103	-	-	(1)	5,547,393
117,328	(31)	563,889	(100,472)	(807,991)
\$ 9,815,029	\$ 1,383,186	\$ 2,347,674	\$ 1,107,106	\$ 10,887,392

(Continued)

## SMALL SYSTEMS SUPPLEMENTAL SCHEDULE OF NET POSITION SEPTEMBER 30, 2024

	McKinney Interceptor	Mustang Creek Interceptor
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 363,877	\$ 838,242
Due to other funds	-	298,514
Customers' advance payments	33,785	-
<b>Total payable from unrestricted assets</b>	<b>397,662</b>	<b>1,136,756</b>
Payable from restricted assets:		
Accounts payable and accrued liabilities	17,305	22,325
Due to other funds	-	470,665
Accrued interest payable on revenue bonds	-	335,423
Current portion of lease and SBITA payable	-	-
Current portion of revenue bonds	-	840,000
<b>Total payable from restricted assets</b>	<b>17,305</b>	<b>1,668,413</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>414,967</b>	<b>2,805,169</b>
<b>LONG-TERM LIABILITIES:</b>		
Accrued vacation—less current portion	29	288
Accrued sick—less current portion	17	271
Net pension liability	-	-
Net OPEB liability	(5)	(47)
Lease and SBITA liability	-	-
Long-term debt—less current portion	-	29,173,090
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>41</b>	<b>29,173,602</b>
<b>TOTAL LIABILITIES</b>	<b>415,008</b>	<b>31,978,771</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred pension inflow	(1)	(8)
Deferred OPEB inflow	2	17
Deferred grant income	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1</b>	<b>9</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>415,009</b>	<b>31,978,780</b>
<b>NET POSITION:</b>		
Net investment in capital assets	158,571	703,866
Restricted for debt service	-	3,665,421
Unrestricted	(13)	460,024
<b>TOTAL NET POSITION</b>	<b>\$ 158,558</b>	<b>\$ 4,829,311</b>

<b>Parker Creek Parallel WW Interceptor</b>	<b>Small Plants Clearing</b>	<b>Wastewater Pretreatment Program</b>	<b>Total Small Systems</b>
\$ 152,502	\$ 13,487	\$ 93,368	\$ 11,127,157
12,329	4,713	315	2,849,676
447	-	136,077	1,336,384
165,278	18,200	229,760	15,313,217
36,161	-	-	9,523,110
-	-	-	2,246,385
18,452	-	-	4,763,171
-	-	-	15,024
140,000	-	-	15,255,000
194,613	-	-	31,802,690
359,891	18,200	229,760	47,115,907
35	-	24,287	193,214
54	-	30,254	298,352
-	-	962,292	7,136,788
(5)	-	120,386	952,156
-	-	-	29,440
1,954,554	-	-	369,983,706
1,954,638	-	1,137,219	378,593,656
2,314,529	18,200	1,366,979	425,709,563
(1)	-	23,131	(30,757)
2	-	19,867	157,153
-	-	-	1,000,000
1	-	42,998	1,126,396
2,314,530	18,200	1,409,977	426,835,959
91,021	-	6,363	93,140,558
271,525	-	-	38,579,529
11,990	-	(593,457)	(1,274,206)
\$ 374,536	\$ -	\$ (587,094)	\$ 130,445,881
(Concluded)			

**SMALL SYSTEMS SUPPLEMENTAL  
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2024**

	<b>Little Elm Water Transmission Facilities</b>	<b>Plano Water Transmission Facilities</b>
<b>OPERATING REVENUES:</b>		
Wastewater service fees	\$ -	\$ 1,747,580
Other operating revenues	-	56
<b>Total operating revenues</b>	-	1,747,636
<b>OPERATING EXPENSES:</b>		
Personnel	-	-
Operating Supplies:		
Chemicals	-	-
Other supplies	-	395
Operating Services:		
Electric power	-	-
Consulting	2,258	1,464,799
Maintenance	-	-
Shared services	-	124,067
Other services	10,964	7,717
Depreciation/Amortization	-	231,467
<b>Total operating expenses</b>	13,222	1,828,445
<b>OPERATING INCOME (LOSS)</b>	(13,222)	(80,809)
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income (expense)	-	53,317
Gain (loss) on sale of capital assets	-	-
Interest expense	-	-
<b>Total nonoperating revenues (expenses)</b>	-	53,317
<b>CHANGE IN NET POSITION</b>	(13,222)	(27,492)
<b>NET POSITION AT OCTOBER 1, 2023</b>	13,222	3,930,643
<b>NET POSITION AT SEPTEMBER 30, 2024</b>	\$ -	\$ 3,903,151

Kaufman 4-1 Water Distribution Facilities	Rockwall-Heath Water Storage Facilities	Terrell Water Transmission Facilities	Rockwall Water Pump Station Facilities	South Rockwall (Buffalo Creek) WWTP
\$ 141,599	\$ 145,906	\$ 741,218	\$ 174,788	\$ 2,094,383
2	-	-	-	29,688
141,601	145,906	741,218	174,788	2,124,071
-	-	-	-	360,976
-	-	-	-	132,265
43,864	-	-	-	229,503
39,448	-	-	-	145,632
-	-	-	-	16,247
2,340	-	-	-	185,623
46,585	1,050	1,155	1,160	426,173
41,645	4,766	4,777	4,766	259,847
-	52,006	300,978	48,305	186,251
173,882	57,822	306,910	54,231	1,942,517
(32,281)	88,084	434,308	120,557	181,554
2,281	19,492	62,709	14,967	40,659
-	-	-	-	2,178
-	(15,583)	(244,751)	(18,858)	(58,550)
2,281	3,909	(182,042)	(3,891)	(15,713)
(30,000)	91,993	252,266	116,666	165,841
30,000	1,618,548	1,091,820	910,653	1,561,858
\$ -	\$ 1,710,541	\$ 1,344,086	\$ 1,027,319	\$ 1,727,699

(Continued)

**SMALL SYSTEMS SUPPLEMENTAL  
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2024**

	<b>North Rockwall (Squabble Creek) WWTP</b>	<b>Panther Creek WWTP</b>
<b>OPERATING REVENUES:</b>		
Wastewater service fees	\$ 984,828	\$ 11,250,670
Other operating revenues	1,026	3,559
<b>Total operating revenues</b>	<b>985,854</b>	<b>11,254,229</b>
<b>OPERATING EXPENSES:</b>		
Personnel	241,820	2,296,721
Operating Supplies:		
Chemicals	315,421	645,833
Other supplies	54,933	372,951
Operating Services:		
Electric power	85,149	804,198
Consulting	7,610	19,657
Maintenance	7,486	175,776
Shared services	196,083	1,767,611
Other services	54,357	1,195,767
Depreciation/Amortization	49,703	1,391,352
<b>Total operating expenses</b>	<b>1,012,562</b>	<b>8,669,866</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(26,708)</b>	<b>2,584,363</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income (expense)	7,770	332,828
Gain (loss) on sale of capital assets	1,449	1,434
Interest expense	-	(589,715)
<b>Total nonoperating revenues (expenses)</b>	<b>9,219</b>	<b>(255,453)</b>
<b>CHANGE IN NET POSITION</b>	<b>(17,489)</b>	<b>2,328,910</b>
<b>NET POSITION AT OCTOBER 1, 2023</b>	<b>154,813</b>	<b>23,371,339</b>
<b>NET POSITION AT SEPTEMBER 30, 2024</b>	<b>\$ 137,324</b>	<b>\$ 25,700,249</b>

Sabine Creek WWTP	Stewart Creek WWTP	Muddy Creek WWTP	Seis Lagos WWTP	Farmersville WWTP
\$ 6,902,479	\$ 11,676,807	\$ 11,012,018	\$ 437,486	\$ 814,930
5,502	6,240	363,688	882	1,184
6,907,981	11,683,047	11,375,706	438,368	816,114
463,890	2,240,360	2,201,947	158,881	264,935
156,824	1,037,414	275,426	15,181	28,992
558,803	559,277	360,500	61,415	131,334
272,501	744,811	392,485	26,940	66,391
52,299	14,927	31,978	12,552	11,076
61,797	199,447	326,372	16,587	22,604
499,459	1,363,945	1,750,753	105,295	216,156
960,117	1,157,267	2,409,311	43,604	75,690
686,704	2,093,352	1,452,799	6,318	15,504
3,712,394	9,410,800	9,201,571	446,773	832,682
3,195,587	2,272,247	2,174,135	(8,405)	(16,568)
2,266,164	596,475	2,189,428	3,805	7,302
2,758	2,682	-	1,019	1,717
(3,774,090)	(1,407,074)	(1,676,392)	-	-
(1,505,168)	(807,917)	513,036	4,824	9,019
1,690,419	1,464,330	2,687,171	(3,581)	(7,549)
9,260,182	33,002,184	16,037,919	(11,034)	19,503
\$ 10,950,601	\$ 34,466,514	\$ 18,725,090	\$ (14,615)	\$ 11,954

(Continued)

## SMALL SYSTEMS SUPPLEMENTAL SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION YEAR ENDED SEPTEMBER 30, 2024

	Lavon WWTP	Forney Interceptor
<b>OPERATING REVENUES:</b>		
Wastewater service fees	\$ 669,598	\$ 601,456
Other operating revenues	1,230	123
<b>Total operating revenues</b>	<b>670,828</b>	<b>601,579</b>
<b>OPERATING EXPENSES:</b>		
Personnel	257,507	6,605
Operating Supplies:		
Chemicals	20,331	175,829
Other supplies	66,443	14,173
Operating Services:		
Electric power	-	19,666
Consulting	10,744	75,436
Maintenance	25,309	10,216
Shared services	178,380	76,297
Other services	113,395	268,856
Depreciation/Amortization	10,135	51,097
<b>Total operating expenses</b>	<b>682,244</b>	<b>698,175</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(11,416)</b>	<b>(96,596)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income (expense)	4,371	7,799
Gain (loss) on sale of capital assets	1,609	-
Interest expense	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>5,980</b>	<b>7,799</b>
<b>CHANGE IN NET POSITION</b>	<b>(5,436)</b>	<b>(88,797)</b>
<b>NET POSITION AT OCTOBER 1, 2023</b>	<b>(18,184)</b>	<b>552,687</b>
<b>NET POSITION AT SEPTEMBER 30, 2024</b>	<b>\$ (23,620)</b>	<b>\$ 463,890</b>

Lower East Fork Interceptor	Muddy Creek Interceptor	Parker Creek Interceptor	Sabine Creek Interceptor	Buffalo Creek Interceptor
\$ 2,527,701	\$ 111,120	\$ 422,238	\$ 86,129	\$ 5,282,830
102	25	18	9	367
2,527,803	111,145	422,256	86,138	5,283,197
7,432	1,256	6,647	482	15,438
56,700	52,772	-	-	60,407
34,196	1,990	23,227	14,120	20,579
46,504	863	625	-	83,378
203,676	4,768	19,073	35,203	46,489
302,214	2,000	17,600	95,353	36,456
134,764	58,510	68,598	19,413	309,628
539,239	41,441	80,198	40,344	1,567,596
302,760	111,944	49,412	33,956	655,646
1,627,485	275,544	265,380	238,871	2,795,617
900,318	(164,399)	156,876	(152,733)	2,487,580
141,687	12,457	32,252	7,443	2,251,266
-	-	-	-	-
(62,379)	(1,199)	-	-	(1,755,948)
79,308	11,258	32,252	7,443	495,318
979,626	(153,141)	189,128	(145,290)	2,982,898
8,835,403	1,536,327	2,158,546	1,252,396	7,904,494
\$ 9,815,029	\$ 1,383,186	\$ 2,347,674	\$ 1,107,106	\$ 10,887,392

(Continued)

**SMALL SYSTEMS SUPPLEMENTAL  
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2024**

	<b>McKinney Interceptor</b>	<b>Mustang Creek Interceptor</b>
<b>OPERATING REVENUES:</b>		
Wastewater service fees	\$ 18,294	\$ 3,489,081
Other operating revenues	5	501
<b>Total operating revenues</b>	<b>18,299</b>	<b>3,489,582</b>
<b>OPERATING EXPENSES:</b>		
Personnel	435	4,122
Operating Supplies:		
Chemicals	-	30,502
Other supplies	564	19,190
Operating Services:		
Electric power	324	90,757
Consulting	-	89,740
Maintenance	300	38,808
Shared services	11,845	257,610
Other services	11,054	333,864
Depreciation/Amortization	55,056	689,147
<b>Total operating expenses</b>	<b>79,578</b>	<b>1,553,740</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(61,279)</b>	<b>1,935,842</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income (expense)	3,723	283,672
Gain (loss) on sale of capital assets	-	-
Interest expense	-	(966,756)
<b>Total nonoperating revenues (expenses)</b>	<b>3,723</b>	<b>(683,084)</b>
<b>CHANGE IN NET POSITION</b>	<b>(57,556)</b>	<b>1,252,758</b>
<b>NET POSITION AT OCTOBER 1, 2023</b>	<b>216,114</b>	<b>3,576,553</b>
<b>NET POSITION AT SEPTEMBER 30, 2024</b>	<b>\$ 158,558</b>	<b>\$ 4,829,311</b>

<b>Parker Creek Parallel WW Interceptor</b>	<b>Small Plants Clearing</b>	<b>Wastewater Pretreatment Program</b>	<b>Total Small Systems</b>
\$ 262,813	\$ -	\$ 1,646,594	\$ 63,242,546
-	-	443	414,650
262,813	-	1,647,037	63,657,196
461	-	1,053,020	9,582,935
-	2,031	-	3,005,928
1,533	(2,031)	55,574	2,622,533
-	-	-	2,819,672
4,768	-	18,179	2,141,479
-	15,228	428	1,541,944
4,422	67,559	553,026	8,239,544
49,926	(82,787)	55,722	9,249,443
49,292	-	3,320	8,526,504
110,402	-	1,739,269	47,729,982
152,411	-	(92,232)	15,927,214
19,146	-	15,319	8,376,332
-	-	-	14,846
(54,159)	-	-	(10,625,454)
(35,013)	-	15,319	(2,234,276)
117,398	-	(76,913)	13,692,938
257,138	-	(510,181)	116,752,943
\$ 374,536	\$ -	\$ (587,094)	\$ 130,445,881
			(Concluded)

## SMALL SYSTEMS SUPPLEMENTAL SCHEDULES OF CASH FLOWS YEAR ENDED SEPTEMBER 30, 2024

	Little Elm Water Transmission Facilities	Plano Water Transmission Facilities
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ -	\$ 1,725,206
Cash received from (paid to) others	-	56
Cash paid to suppliers for goods and services	(68,634)	(1,456,812)
Cash paid for employee services	-	-
Cash paid to other funds	-	(124,067)
Net cash provided by (used for) operating activities	(68,634)	144,383
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the issuance of bonds	-	-
Cash paid for capital assets	-	7,717
Interest paid on long-term debt	-	-
Principal payments on long-term debt	-	-
Payments for bond issue costs	-	-
Arbitrage rebate and service fees	-	-
Net cash provided by (used for) capital and related financing activities	-	7,717
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale and maturity of investments	-	-
Purchases of investments	-	-
Interest received	-	57,387
Net cash provided by (used for) investing activities	-	57,387
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(68,634)	209,487
CASH AND CASH EQUIVALENTS—Beginning of year	68,634	95,929
CASH AND CASH EQUIVALENTS—End of year	\$ 0	\$ 305,416
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION		
Unrestricted cash and cash equivalents	\$ -	\$ 235,074
Restricted cash and cash equivalents	0	70,342
	\$ 0	\$ 305,416
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ (13,222)	\$ (80,809)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and Amortization	-	231,467
Change in operating assets and liabilities:		
Accounts receivable and deferred billings	-	-
Prepaid expenses	-	-
Pension related deferred outflows of resources	-	-
OPEB related deferred outflows of resources	-	-
Net pension liability	-	-
Pension related deferred inflows of resources	-	-
OPEB related deferred inflows of resources	-	-
Net OPEB liability	-	-
Subscription liability	-	-
Due to/from other funds	-	10,653
Accounts payable, accrued liabilities, and developers' deposits	-	5,446
Accrued vacation and accrued sick	-	-
Customers' advance payments	(55,412)	(22,374)
Total adjustments	(55,412)	225,192
NET CASH PROVIDED BY OPERATING ACTIVITIES	-\$68,634	\$ 144,383
NONCASH TRANSACTION DISCLOSURES		
Amortization of bond-related items	-	-
Change in fair value of investments	-	-
Change in liabilities related to capital assets	-	-
Change in actuarial value of net pension liability	-	-

Kaufman 4-1 Water Distribution Facilities	Rockwall Heath Water Storage Facilities	Terrell Water Transmission Facilities	Rockwall Water Pump Station Facilities	South Rockwall (Buffalo Creek) WWTP
\$ 163,530	\$ 159,342	\$ 738,466	\$ 174,070	\$ 1,987,887
2	-	-	-	29,689
(154,141)	(4,688)	(4,308)	(4,702)	(1,243,009)
-	-	-	-	(204,768)
(45,390)	(1,050)	(1,155)	(1,160)	(464,370)
(35,999)	153,604	733,003	168,208	105,429
-	-	-	-	-
40,505	-	-	-	14,915
-	(18,592)	(263,818)	(21,546)	(60,663)
-	(215,000)	(475,000)	(150,000)	(190,000)
-	-	-	-	-
-	-	-	-	-
40,505	(233,592)	(738,818)	(171,546)	(235,748)
-	139,950	958,652	94,963	147,441
-	-	(296,044)	-	-
5,563	11,054	57,067	9,823	46,292
5,563	151,004	719,675	104,786	193,733
10,069	71,016	713,860	101,448	63,414
91,056	104,722	357,332	100,669	795,398
\$ 101,125	\$ 175,738	\$ 1,071,192	\$ 202,117	\$ 858,812
\$ 29,296	\$ 14,330	\$ 72	\$ 47	464,785
71,829	161,408	1,071,120	202,070	394,027
\$ 101,125	\$ 175,738	\$ 1,071,192	\$ 202,117	\$ 858,812
\$ (32,281)	\$ 88,084	\$ 434,308	\$ 120,557	\$ 181,554
-	52,006	300,978	48,305	186,251
(160)	80	474	64	(54,534)
(159)	-	-	-	(9,352)
-	-	-	-	24,706
-	-	-	-	4,417
-	-	-	-	(148)
-	-	-	-	(3,067)
-	-	-	-	1,092
-	-	-	-	(2,969)
-	-	-	-	-
1,195	-	-	-	(14,471)
(4,765)	(3)	(5)	-	(164,716)
-	-	-	-	2,653
171	13,437	(2,752)	(718)	(45,987)
(3,718)	65,520	298,695	47,651	(76,125)
\$ (35,999)	\$ 153,604	\$ 733,003	\$ 168,208	\$ 105,429
-	-	(12,734)	(412)	1,530
-	(8,476)	(9,918)	(5,175)	(9,057)
-	-	-	-	-
-	-	-	-	148
				(Continued)

## SMALL SYSTEMS SUPPLEMENTAL SCHEDULES OF CASH FLOWS YEAR ENDED SEPTEMBER 30, 2024

	N. Rockwall (Squabble Creek) WWTP	Panther Creek WWTP
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 1,104,847	\$ 11,032,270
Cash received from (paid to) others	1,026	3,558
Cash paid to suppliers for goods and services	(569,711)	(3,227,675)
Cash paid for employee services	(136,701)	(1,363,422)
Cash paid to other funds	(234,358)	(2,372,890)
Net cash provided by (used for) operating activities	165,103	4,071,841
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of bonds	-	-
Cash paid for capital assets	(39,040)	(2,072,305)
Interest paid on long-term debt	-	(851,606)
Principal payments on long-term debt	-	(3,480,000)
Payments for bond issue costs	-	-
Arbitrage rebate and service fees	-	-
Net cash provided by (used for) capital and related financing activities	(39,040)	(6,403,911)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Sale and maturity of investments	-	3,106,399
Purchases of investments	-	(1,586,071)
Interest received	7,852	392,676
Net cash provided by (used for) investing activities	7,852	1,913,004
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	133,915	(419,066)
<b>CASH AND CASH EQUIVALENTS—Beginning of year</b>	(54,794)	4,725,273
<b>CASH AND CASH EQUIVALENTS—End of year</b>	<u>\$ 79,121</u>	<u>\$ 4,306,207</u>
<b>RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION</b>		
Unrestricted cash and cash equivalents	\$ 77,510	\$ 1,403,998
Restricted cash and cash equivalents	1,611	2,902,209
	<u>\$ 79,121</u>	<u>\$ 4,306,207</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ (26,708)	\$ 2,584,363
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and Amortization	49,703	1,391,352
Change in operating assets and liabilities:		
Accounts receivable and deferred billings	126,739	(238,181)
Prepaid expenses	(10,054)	6,820
Pension related deferred outflows of resources	15,870	168,053
OPEB related deferred outflows of resources	2,947	29,472
Net pension liability	(95)	(1,012)
Pension related deferred inflows of resources	(1,970)	(20,862)
OPEB related deferred inflows of resources	728	7,284
Net OPEB liability	(1,980)	(19,807)
Subscription liability	-	(3,269)
Due to/from other funds	(26,886)	(14,087)
Accounts payable, accrued liabilities, and developers' deposits	35,150	173,223
Accrued vacation and accrued sick	1,659	11,712
Customers' advance payments	-	(3,220)
Total adjustments	191,811	1,487,478
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 165,103</u>	<u>\$ 4,071,841</u>
<b>NONCASH TRANSACTION DISCLOSURES</b>		
Amortization of bond-related items	-	(204,574)
Change in fair value of investments	-	(28,310)
Change in liabilities related to capital assets	-	(163,561)
Change in actuarial value of net pension liability	95	1,012

Sabine Creek WWTP	Stewart Creek WWTP	Muddy Creek WWTP	Seis Lagos WWTP	Farmersville WWTP
\$ 7,089,593	\$ 11,809,235	\$ 10,969,643	\$ 383,173	\$ 827,900
5,502	8,886	18,794	882	1,185
(1,552,546)	(3,693,305)	(4,047,886)	(217,967)	(409,254)
(262,077)	(1,249,087)	(1,344,568)	(91,549)	(153,248)
(764,841)	(1,790,623)	(1,788,075)	(115,211)	(239,203)
4,515,631	5,085,106	3,807,908	(40,672)	27,380
-	-	88,209,249	-	-
(31,985,666)	(2,810,144)	(7,656,088)	(10,255)	(25,915)
(3,930,651)	(1,751,938)	(550,650)	-	-
(640,000)	(2,890,000)	(1,325,000)	-	-
-	-	(1,205,938)	-	-
-	-	(11,909)	-	-
(36,556,317)	(7,452,082)	77,459,664	(10,255)	(25,915)
48,110,448	3,923,376	2,570,725	-	-
(22,381,901)	(3,720,377)	(25,706,084)	-	-
3,296,247	484,902	2,165,435	5,115	8,907
29,024,794	687,901	(20,969,924)	5,115	8,907
(3,015,892)	(1,679,075)	60,297,648	(45,812)	10,372
18,116,700	6,602,907	6,570,108	44,232	83,100
\$ 15,100,808	\$ 4,923,832	\$ 66,867,756	\$ -1,580	\$ 93,472
\$ 19,786	\$ 2,491,176	\$ 1,247,420	\$ (23,153)	68,387
15,081,022	2,432,656	65,620,336	21,573	25,085
\$ 15,100,808	\$ 4,923,832	\$ 66,867,756	\$ -1,580	\$ 93,472
\$ 3,195,587	\$ 2,272,247	\$ 2,174,135	\$ (8,405)	\$ (16,568)
686,704	2,093,352	1,452,799	6,318	15,504
428,333	(54,596)	(271,612)	(53,583)	(2,116)
(6,217)	(35,302)	(22,201)	(792)	(4,001)
29,771	162,633	160,711	9,274	18,207
5,754	28,491	29,937	1,955	3,199
(178)	(979)	(967)	(55)	(109)
(3,696)	(20,189)	(19,951)	(1,151)	(2,260)
1,422	7,041	7,399	482	791
(3,867)	(19,147)	(20,119)	(1,313)	(2,150)
12,675	7,185	(3,246)	-	-
(11,875)	(63,446)	(11,404)	1,790	550
540,091	529,739	267,962	4,415	(3,192)
3,386	16,643	12,308	955	1,682
(362,259)	161,434	52,157	(562)	17,843
1,320,044	2,812,859	1,633,773	(32,267)	43,948
\$ 4,515,631	\$ 5,085,106	\$ 3,807,908	\$ -40,672	\$ 27,380
(148,027)	(296,696)	(229,998)	-	-
(137,600)	(121,840)	(64,406)	-	-
(1,353,606)	(302,488)	(1,236,650)	-	-
178	979	967	55	109

(Continued)

## SMALL SYSTEMS SUPPLEMENTAL SCHEDULES OF CASH FLOWS YEAR ENDED SEPTEMBER 30, 2024

	<b>Lavon WWTP</b>	<b>Forney Interceptor</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 629,582	\$ 605,656
Cash received from (paid to) others	1,230	123
Cash paid to suppliers for goods and services	(255,826)	(275,431)
Cash paid for employee services	(142,582)	(4,422)
Cash paid to other funds	(225,568)	(172,641)
Net cash provided by (used for) operating activities	<u>6,836</u>	<u>153,285</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of bonds	-	-
Cash paid for capital assets	(23,823)	-
Interest paid on long-term debt	-	-
Principal payments on long-term debt	-	-
Payments for bond issue costs	-	-
Arbitrage rebate and service fees	-	-
Net cash provided by (used for) capital and related financing activities	<u>(23,823)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Sale and maturity of investments	-	-
Purchases of investments	-	-
Interest received	6,642	48,579
Net cash provided by (used for) investing activities	<u>6,642</u>	<u>48,579</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(10,345)</u>	<u>201,864</u>
<b>CASH AND CASH EQUIVALENTS—Beginning of year</b>	<u>32,334</u>	<u>745,614</u>
<b>CASH AND CASH EQUIVALENTS—End of year</b>	<u>\$ 21,989</u>	<u>\$ 947,478</u>
<b>RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION</b>		
Unrestricted cash and cash equivalents	\$ (11,560)	\$ 927,105
Restricted cash and cash equivalents	33,549	20,373
	<u>\$ 21,989</u>	<u>\$ 947,478</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ (11,416)	\$ (96,596)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and Amortization	10,135	51,097
Change in operating assets and liabilities:		
Accounts receivable and deferred billings	(37,747)	(121)
Prepaid expenses	(2,612)	4,798
Pension related deferred outflows of resources	18,300	114
OPEB related deferred outflows of resources	3,049	114
Net pension liability	(109)	-
Pension related deferred inflows of resources	(2,272)	(14)
OPEB related deferred inflows of resources	754	28
Net OPEB liability	(2,050)	(77)
Subscription liability	-	-
Due to/from other funds	4,947	1,739
Accounts payable, accrued liabilities, and developers' deposits	24,351	192,394
Accrued vacation and accrued sick	1,506	303
Customers' advance payments	-	(494)
Total adjustments	<u>18,252</u>	<u>249,881</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 6,836</u>	<u>\$ 153,285</u>
<b>NONCASH TRANSACTION DISCLOSURES</b>		
Amortization of bond-related items	-	-
Change in fair value of investments	-	-
Change in liabilities related to capital assets	-	-
Change in actuarial value of net pension liability	109	-

Lower East Fork Interceptor	Muddy Creek Interceptor	Parker Creek Interceptor	Sabine Creek Interceptor	Buffalo Creek Interceptor
\$ 2,522,961	\$ 177,013	\$ 435,297	\$ 85,833	\$ 5,062,248
103	25	19	9	366
(439,247)	(80,535)	(60,506)	(80,602)	(1,348,155)
(4,963)	(844)	(4,617)	(337)	(9,546)
(240,472)	(70,933)	(93,768)	(21,374)	(464,464)
<u>1,838,382</u>	<u>24,726</u>	<u>276,425</u>	<u>(16,471)</u>	<u>3,240,449</u>
-	-	-	-	9,544,153
-	20,000	(30,185)	10,000	(2,262,710)
(122,650)	(7,500)	-	-	(1,761,759)
(1,180,000)	(250,000)	-	-	(1,875,000)
-	-	-	-	(286,244)
-	-	-	-	-
<u>(1,302,650)</u>	<u>(237,500)</u>	<u>(30,185)</u>	<u>10,000</u>	<u>3,358,440</u>
765,106	195,431	-	-	7,146,257
-	-	-	-	(9,365,686)
159,985	38,982	63,881	36,171	2,931,809
<u>925,091</u>	<u>234,413</u>	<u>63,881</u>	<u>36,171</u>	<u>712,380</u>
1,460,823	21,639	310,121	29,700	7,311,269
1,477,679	527,716	1,012,946	643,535	45,505,295
<u>\$ 2,938,502</u>	<u>\$ 549,355</u>	<u>\$ 1,323,067</u>	<u>\$ 673,235</u>	<u>\$ 52,816,564</u>
\$ 1,584,157	\$ 501,971	\$ 1,218,531	\$ 512,285	1,789,300
1,354,345	47,384	104,536	160,950	51,027,264
<u>\$ 2,938,502</u>	<u>\$ 549,355</u>	<u>\$ 1,323,067</u>	<u>\$ 673,235</u>	<u>\$ 52,816,564</u>
\$ 900,318	\$ (164,399)	\$ 156,876	\$ (152,733)	\$ 2,487,580
302,760	111,944	49,412	33,956	655,646
1,414	140	(87)	(5)	237,018
(1,511)	(5,927)	(20)	(1)	(761)
126	21	98	8	253
127	22	119	9	246
-	-	(1)	-	(1)
(16)	(3)	(12)	(1)	(31)
31	5	29	2	61
(85)	(14)	(80)	(6)	(166)
-	-	-	-	-
(466)	1,022	4,519	3,239	(4,012)
639,590	10,018	51,988	99,321	385,975
363	58	437	32	1,724
(4,269)	71,839	13,147	(292)	(523,083)
<u>938,064</u>	<u>189,125</u>	<u>119,549</u>	<u>136,262</u>	<u>752,869</u>
<u>\$ 1,838,382</u>	<u>\$ 24,726</u>	<u>\$ 276,425</u>	<u>(16,471)</u>	<u>\$ 3,240,449</u>
(44,538)	(3,801)	-	-	(118,593)
(27,413)	(12)	-	-	(68,184)
-	-	-	-	(637,130)
-	-	1	-	1

(Continued)

## SMALL SYSTEMS SUPPLEMENTAL SCHEDULES OF CASH FLOWS YEAR ENDED SEPTEMBER 30, 2024

	McKinney Interceptor	Mustang Creek Interceptor
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 49,006	\$ 3,466,266
Cash received from (paid to) others	5	505
Cash paid to suppliers for goods and services	(1,293)	(237,843)
Cash paid for employee services	(301)	(2,698)
Cash paid to other funds	(16,845)	(361,850)
Net cash provided by (used for) operating activities	30,572	2,864,380
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the issuance of bonds	-	-
Cash paid for capital assets	(33,393)	(357,209)
Interest paid on long-term debt	-	(1,044,706)
Principal payments on long-term debt	-	(800,000)
Payments for bond issue costs	-	-
Arbitrage rebate and service fees	-	-
Net cash provided by (used for) capital and related financing activities	(33,393)	(2,201,915)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale and maturity of investments	-	2,411,360
Purchases of investments	-	(1,575,718)
Interest received	23,120	319,329
Net cash provided by (used for) investing activities	23,120	1,154,971
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	20,299	1,817,436
CASH AND CASH EQUIVALENTS—Beginning of year	417,853	3,180,804
CASH AND CASH EQUIVALENTS—End of year	\$ 438,152	\$ 4,998,240
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION		
Unrestricted cash and cash equivalents	\$ 397,543	\$ 1,297,254
Restricted cash and cash equivalents	40,609	3,700,986
	\$ 438,152	\$ 4,998,240
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ (61,279)	\$ 1,935,842
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and Amortization	55,056	689,147
Change in operating assets and liabilities:		
Accounts receivable and deferred billings	1	220,065
Prepaid expenses	(122)	(355)
Pension related deferred outflows of resources	8	62
OPEB related deferred outflows of resources	8	70
Net pension liability	-	-
Pension related deferred inflows of resources	(1)	(8)
OPEB related deferred inflows of resources	2	17
Net OPEB liability	(5)	(47)
Subscription liability	-	-
Due to/from other funds	-	(1,841)
Accounts payable, accrued liabilities, and developers' deposits	6,162	276,749
Accrued vacation and accrued sick	31	423
Customers' advance payments	30,711	(255,744)
Total adjustments	91,851	928,538
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 30,572	\$ 2,864,380
NONCASH TRANSACTION DISCLOSURES		
Amortization of bond-related items	-	(65,139)
Change in fair value of investments	-	(25,772)
Change in liabilities related to capital assets	-	-
Change in actuarial value of net pension liability	-	-

Parker Creek Parallel WW Interceptor	Small Plants Clearing	Wastewater Pretreatment Program	Total Small Systems
\$ 263,023	\$ -	\$ 1,660,959	\$ 63,123,006
-	5	443	72,413
(9,828)	66,756	(484,579)	(19,861,727)
(267)	-	(602,514)	(5,578,511)
(11,894)	(69,516)	(553,926)	(10,245,644)
241,034	(2,755)	20,383	27,509,537
-	-	-	97,753,402
(34,121)	-	-	(47,247,717)
(58,056)	-	-	(10,444,135)
(135,000)	-	-	(13,605,000)
-	-	-	(1,492,182)
-	-	-	(11,909)
(227,177)	-	-	24,964,368
124,955	-	-	69,695,063
-	-	-	(64,631,881)
19,597	-	15,319	10,211,734
144,552	-	15,319	15,274,916
158,409	(2,755)	35,702	67,748,821
261,746	(19,595)	175,138	91,662,331
\$ 420,155	\$ (22,350)	\$ 210,840	\$ 159,399,243
\$ 165,218	\$ (22,350)	\$ 210,840	\$ 14,599,022
254,937	-	-	144,800,221
\$ 420,155	\$ (22,350)	\$ 210,840	\$ 159,399,243
\$ 152,411	\$ -	\$ (92,232)	\$ 15,927,214
49,292	-	3,320	8,526,504
17	-	(13,690)	287,913
24	-	(237)	(87,982)
8	-	74,341	682,564
7	-	15,525	125,468
-	-	(447)	(4,101)
(1)	-	(9,229)	(84,734)
2	-	3,837	31,007
(5)	-	(10,434)	(84,321)
-	-	-	13,345
327	46	(528)	(118,989)
38,618	(2,801)	20,584	3,126,294
74	-	1,517	57,466
260	-	28,056	(888,111)
88,623	(2,755)	112,615	11,582,323
\$ 241,034	\$ (2,755)	\$ 20,383	\$ 27,509,537
(2,997)	-	-	(1,125,979)
(8,072)	-	-	(514,235)
-	-	-	(3,693,435)
-	-	447	4,101
			(Concluded)

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**Fiduciary Funds**

These funds account for the operations of the retirement and other postemployment benefits. The Pension Trust is reported on a calendar year basis as of December 31, 2023 and the OPEB Trust is reported on a fiscal year basis, which reflects each of the trusts measurement dates respectively.

## COMBINING STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS SEPTEMBER 30, 2024

	Pension Trust Fund <sup>(1)</sup>	OPEB Trust Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,223,971	\$ 23,632	\$ 6,247,603
Investments	125,669,586	11,785,247	137,454,833
<b>TOTAL ASSETS</b>	<u>131,893,557</u>	<u>11,808,879</u>	<u>143,702,436</u>
<b>LIABILITIES</b>			
Accrued expenses and benefits payable	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION:</b>			
Restricted for pensions	131,893,557	-	131,893,557
Restricted for postemployment benefits other than pensions	-	11,808,879	11,808,879
<b>TOTAL NET POSITION</b>	<u>\$ 131,893,557</u>	<u>\$ 11,808,879</u>	<u>\$ 143,702,436</u>

(1) Information presented for the Pension Trust Fund is as of December 31, 2023.

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2024**

	<b>Pension Trust Fund <sup>(1)</sup></b>	<b>OPEB Trust Fund</b>	<b>Total</b>
<b>Additions:</b>			
Contributions:			
Employer	\$ 13,471,420	\$ -	\$ 13,471,420
Member	1,220,906	2,150,120	3,371,026
Total contributions	14,692,326	2,150,120	16,842,446
Net investment income:			
Interest and dividends	4,288,707	-	4,288,707
Equity fund income, net	-	-	-
Net increase in fair value of investments	9,407,631	2,136,242	11,543,873
Less investment expenses:			-
Direct investment expense	336,994	30,683	367,677
Total investment expenses	336,994	30,683	367,677
Net investment income	13,359,344	2,105,559	15,464,903
Other income	-	-	-
<b>Total Additions</b>	<b>28,051,670</b>	<b>4,255,679</b>	<b>32,307,349</b>
<b>Deductions:</b>			
Service benefits	8,657,870	2,150,120	10,807,990
<b>Total Deductions</b>	<b>8,657,870</b>	<b>2,150,120</b>	<b>10,807,990</b>
<b>Net increase (decrease)</b>	<b>19,393,800</b>	<b>2,105,559</b>	<b>21,499,359</b>
<b>Net position</b>			
Beginning of year	112,499,757	9,703,320	122,203,077
End of year	<u>\$ 131,893,557</u>	<u>\$ 11,808,879</u>	<u>\$ 143,702,436</u>

(1) Information presented for the Pension Trust Fund is as of December 31, 2023.

# STATISTICAL

SECTION (UNAUDITED)

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## STATISTICAL SECTION (UNAUDITED)

*This part of the North Texas Municipal Water District’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health. This information has not been audited by the independent auditor.*

**Financial Trends** ..... 113

- Schedule 1 — Net Position by Component
- Schedule 2 — Changes in Net Position
- Schedule 3 — Total Revenues by Source
- Schedule 4 — Total Expenses by Function
- Schedule 5 — Total Revenues by System
- Schedule 6 — Total Expenses by System
- Schedule 7 — Operating Revenues
- Schedule 8 — Operating Expenses
- Schedule 9 — Nonoperating Revenues and Expenses

**Revenue Capacity** ..... 122

- Schedule 10 — Net Additions to Capital Assets Excluding Construction in Progress
- Schedule 11 — Water Produced and Consumed, Wastewater Treated and Solid Waste Disposed
- Schedule 12 — Historic Service Use
- Schedule 13 — Number of Water, Wastewater and Solid Waste Customers
- Schedule 14 — Water Rates
- Schedule 15 — Largest Customers

**Debt Capacity** ..... 129

- Schedule 16 — Outstanding Debt by Type
- Schedule 17 — Revenue Coverage

**Economic and Demographic Information** ..... 131

- Schedule 18 — Demographic Statistics
- Schedule 19 — Principal Employers
- Schedule 20 — Number of Employees by Function

**Operating Information** ..... 135

- Schedule 21 — Miscellaneous Statistical Data
- Schedule 22 — Operating and Capital Indicators
- Schedule 23 — Insurance in Force

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

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

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Net investment in capital assets	\$ 864,338,873	\$ 942,119,408	\$ 1,055,668,099
Restricted for debt service	142,275,759	141,312,557	147,826,838
Unrestricted	77,655,896	126,729,695	130,713,207
<b>Total</b>	<b>\$ 1,084,270,528</b>	<b>\$ 1,210,161,660</b>	<b>\$ 1,334,208,144</b>
	<b>2018</b>	<b>2019</b>	<b>2020</b>
Net investment in capital assets	\$ 1,077,370,618	\$ 1,206,866,459	\$ 1,309,031,458
Restricted for debt service	192,006,392	221,897,098	242,546,402
Unrestricted	182,514,170	190,419,144	198,229,568
<b>Total</b>	<b>\$ 1,451,891,180</b>	<b>\$ 1,619,182,701</b>	<b>\$ 1,749,807,428</b>
	<b>2021</b>	<b>2022</b>	<b>2023</b>
Net investment in capital assets	\$ 1,430,006,844	\$ 1,585,820,870	\$ 1,734,270,828
Restricted for debt service	231,587,717	234,821,681	262,426,104
Unrestricted	162,992,241	132,685,408	111,030,991
<b>Total</b>	<b>\$ 1,824,586,802</b>	<b>\$ 1,953,327,959</b>	<b>\$ 2,107,727,923</b>
	<b>2024</b>		
Net investment in capital assets	\$ 1,840,638,282		
Restricted for debt service	315,470,369		
Unrestricted	153,156,904		
<b>Total</b>	<b>\$ 2,309,265,555</b>		

Source: Statement of Net Position for the NTMWD

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

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Nonoperating Revenues / (Expenses)	Change in Net Position	Prior Period Adjustment
2015	\$ 338,513,458	\$ 208,587,026	\$ 129,926,432	\$ (43,095,097)	\$ 86,831,335	\$ (25,024,184) (a)
2016	398,068,222	224,688,538	173,379,684	(47,488,552)	125,891,132	-
2017	439,923,445	253,691,088	186,232,357	(57,091,638)	129,140,719	(5,094,235) (b)
2018	484,209,991	264,672,663	219,537,328	(101,854,292)	117,683,036	-
2019	516,892,284	289,482,162	227,410,122	(60,118,601)	167,291,521	-
2020	616,687,602	394,966,412	221,721,190	(86,900,548)	134,820,642	(4,195,915) (c)
2021	644,002,832	458,971,448	185,031,384	(110,252,010)	74,779,374	-
2022	671,729,828	449,258,007	222,471,821	(93,730,664)	128,741,157	-
2023	763,307,939	558,775,188	204,532,751	(50,132,787)	154,399,964	-
2024	827,125,583	594,244,625	232,880,958	(31,465,243)	201,537,632	-

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

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

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

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

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

Fiscal Year	Water Sales	Wastewater Service Fees	Solid Waste Service Fees	(1)		Investment Income	(2)		Total
				Internal Service Fund			Miscellaneous		
2015	\$ 215,871,181	\$ 93,754,382	\$ 27,603,397	\$ -	\$ 2,034,940	\$ 5,685,793	\$ 344,949,693		
2016	252,591,522	113,132,055	30,760,383	-	3,059,347	6,465,868	406,009,175		
2017	282,595,391	120,803,096	34,206,532	-	7,981,554	6,576,178	452,162,751		
2018	316,133,827	131,381,838	34,592,091	-	20,129,032	17,500,389	519,737,177		
2019	335,832,842	143,817,640	34,242,029	-	52,093,577	7,639,127	573,625,215		
2020	351,608,930	149,364,600	34,789,150	76,499,319	29,796,188	7,330,721	649,388,908		
2021	358,703,567	160,257,679	35,456,934	78,803,502	1,928,909	12,852,423	648,003,014		
2022	370,408,583	173,430,008	38,586,524	84,104,262	22,994	25,772,326	692,324,697		
2023	420,935,131	198,930,141	40,894,421	98,023,654	60,313,933	6,124,920	825,222,200		
2024	451,251,338	225,462,439	43,600,382	103,166,287	86,368,626	18,160,639	928,009,711		

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

(1) The Internal Service Fund revenues are intragovernmental.

(2) Miscellaneous revenues includes capital contributions and other operating and nonoperating revenue.

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

<b>Fiscal Year</b>	<b>Operating and Maintenance Expenses</b>	<b>Interest Expense</b>	<b>Depreciation and Amortization</b>	<b>Miscellaneous</b>	<b>Total</b>
2015	\$ 158,078,403	\$ 49,531,332	\$ 50,508,623	\$ -	\$ 258,118,358
2016	171,021,459	54,997,252	54,099,332	-	280,118,043
2017	190,104,395	68,257,962	63,586,693	1,072,982	323,022,032
2018	197,014,560	90,004,570	67,658,103	47,376,908	402,054,141
2019	219,392,564	116,746,379	70,089,598	105,153	406,333,694
2020	320,017,085	119,601,854	74,949,327	-	514,568,266
2021	380,203,805	114,251,769	78,767,643	423	573,223,640
2022	363,131,408	106,863,739	86,126,599	7,461,794 (1)	563,583,540
2023	446,829,686	111,502,521	111,945,502	544,527	670,822,236
2024	456,638,267	131,544,068	137,606,358	683,386	726,472,079

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

(1) Includes investment loss

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

							(1)		
		Regional			Solid		Internal		
Year	Water	Wastewater		Small	Waste	Interceptor	Service		Total
	System	System		Systems	System	System	Fund		
2015	\$ 221,944,473	\$ 45,406,393	\$	27,623,302	\$ 28,193,176	\$ 21,782,349	\$ -	\$	344,949,693
2016	258,967,069	55,054,270		34,653,940	32,223,631	25,110,265	-		406,009,175
2017	292,601,342	59,123,075		35,907,347	35,340,336	29,190,651	-		452,162,751
2018	334,990,069	67,068,949		36,349,062	46,792,834	34,536,263	-		519,737,177
2019	382,738,816	73,888,631		42,592,552	37,226,358	37,178,858	-		573,625,215
2020	379,221,159	75,933,178		40,117,161	37,289,568	40,137,409	76,690,433		649,388,908
2021	368,686,451	80,204,478		42,962,606	38,540,612	38,636,523	78,972,344		648,003,014
2022	378,138,585	85,157,932		49,846,912	42,033,526	52,610,802	84,536,940		692,324,697
2023	450,051,067	111,121,260		64,588,613	46,568,166	54,233,597	98,659,497		825,222,200
2024	514,327,769	121,070,891		72,048,374	54,404,227	62,038,149	104,120,301		928,009,711

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

(1) The Internal Service Funds revenues are intragovernmental.

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

Fiscal Year	Water System	Regional Wastewater System	Small Systems	Solid Waste System	Interceptor System	Internal Service Fund	Total
2015	\$ 153,916,103	\$ 41,678,405	\$ 22,319,175	\$ 23,317,420	\$ 16,887,255	\$ -	\$ 258,118,358
2016	159,971,880	48,772,951	26,235,649	26,015,728	19,121,835	-	280,118,043
2017	194,027,288	52,302,307	27,167,227	26,479,241	23,045,969	-	323,022,032
2018	262,230,765	57,337,579	27,793,605	29,508,245	25,183,947	-	402,054,141
2019	254,951,283	61,449,275	31,218,894	32,193,397	26,520,845	-	406,333,694
2020	273,033,568	71,813,915	34,362,778	33,731,552	29,530,791	72,095,662	514,568,266
2021	309,405,597	74,049,533	36,981,418	36,488,492	31,222,269	85,076,331	573,223,640
2022	296,691,082	69,312,662	39,222,449	37,724,889	37,070,558	83,561,900	563,583,540
2023	360,458,072	78,086,562	51,026,129	39,405,298	40,251,945	101,594,230	670,822,236
2024	374,604,982	93,725,426	58,355,436	42,638,562	51,853,362	105,294,311	726,472,079

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

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

Fiscal Year	(1)						Total
	Water Sales	Wastewater Service Fees	Solid Waste Service Fees	Internal Service Fund	Other Operating Revenues		
2015	\$ 215,871,181	\$ 93,754,382	\$ 27,603,397	\$ -	\$ 1,284,498	\$	338,513,458
2016	252,591,522	113,132,055	30,760,383	-	1,584,262		398,068,222
2017	282,595,391	120,803,096	34,206,532	-	2,318,426		439,923,445
2018	316,133,827	131,381,838	34,592,091	-	2,102,235		484,209,991
2019	335,832,842	143,817,640	34,242,029	-	2,999,773		516,892,284
2020	351,608,930	149,364,600	34,789,150	76,499,319	4,425,603		616,687,602
2021	358,703,567	160,257,679	35,456,934	78,803,502	10,781,150		644,002,832
2022	370,408,583	173,430,008	38,586,524	84,104,262	5,200,451		671,729,828
2023	420,935,131	198,930,141	40,894,421	98,023,654	4,524,592		763,307,939
2024	451,251,338	225,462,439	43,600,382	103,166,287	3,645,137		827,125,583

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

(1) The Internal Service Funds revenues are intragovernmental.

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

<b>Fiscal Year</b>	<b>Personnel and Insurance</b>	<b>Electric Power</b>	<b>Chemicals</b>	<b>Operating Supplies and Services</b>	<b>Depreciation and Amortization</b>	<b>Total</b>
2015	\$ 53,098,135	\$ 23,997,861	\$ 25,325,219	\$ 55,657,188	\$ 50,508,623	\$ 208,587,026
2016	65,389,176	19,187,942	28,283,012	57,729,076	54,099,332	224,688,538
2017	70,226,647	19,894,130	27,629,538	72,354,080	63,586,693	253,691,088
2018	74,999,711	20,981,185	32,842,288	68,191,376	67,658,103	264,672,663
2019	86,314,412	18,042,370	38,265,482	76,770,300	70,089,598	289,482,162
2020	123,933,142	20,788,418	40,015,685	135,279,840	74,949,327	394,966,412
2021	121,833,115	49,290,390	46,989,599	162,090,701	78,767,643	458,971,448
2022	114,294,282	25,174,261	64,014,290	159,648,575	86,126,599	449,258,007
2023	137,234,153	29,820,960	80,483,436	199,291,137	111,945,502	558,775,188
2024	148,570,993	31,415,308	75,813,532	200,838,434	137,606,358	594,244,625

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

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

<b>Fiscal Year</b>	<b>Investment Income (Expense)</b>	<b>Miscellaneous Revenue</b>	<b>Gain (Loss) on Sale of Capital Assets</b>	<b>Interest Expense</b>	<b>Contribution Revenue (Expense)</b>	<b>Total</b>
2015	\$ 2,034,940	\$ 4,401,295	\$ -	\$ (49,531,332)	\$ -	\$ (43,095,097)
2016	3,059,347	3,573,729	875,624	(54,997,252)	-	(47,488,552)
2017	7,981,554	2,910,296	274,474	(68,257,962)	-	(57,091,638)
2018	20,129,032	3,987,226	11,377,911	(90,004,570)	(47,343,891)*	(101,854,292)
2019	52,093,577	3,907,246	732,108	(116,746,379)	-	(60,013,448)
2020	29,796,188	2,818,704	86,414	(119,601,854)	-	(86,900,548)
2021	1,928,909	597,949	1,472,901	(114,251,769)	-	(110,252,010)
2022	(7,398,800)	56,589	267,590	(106,863,739)	20,207,696 *	(93,730,664)
2023	60,313,933	161,125	833,606	(111,502,521)	61,070	(50,132,787)
2024	86,368,626	502,345	4,840,328	(131,544,068)	8,489,443	(31,343,326)

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

\* The District made a contribution of \$47,343,891 to the Fannin County Electric Cooperative related to the electric power agreements for the construction of the Bois d'Arc Lake. The scope of the agreement included the relocation of electric utility facilities, temporary power for the Leonard Water Treatment Plant (WTP) and Bois d'Arc Lake dam site, permanent power supply to dam and raw water pump stations, including a new substation and the Leonard WTP and High Service Pump Station, and to relocate electric facilities due to construction and inundation of Bois d'Arc Lake. In May 2022, the District received a reimbursement from Fannin County Electric Cooperative for funds not utilized.

## SCHEDULE - 10

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

Fiscal Year	Water System	Regional Wastewater System	Small Systems	Solid Waste System	Interceptor System	Internal Service Fund	Total
2015	\$ 31,937,890	\$ 10,403,531	\$ 9,796,189	\$ 6,712,023	\$ 16,248,750	\$ -	\$ 75,098,383
2016	398,312,927	11,077,703	721,164	4,078,101	29,053,254	-	443,243,149
2017	216,005,065	12,546,239	2,741,961	21,919,663	13,117,830	-	266,330,758
2018	57,840,911	4,140,754	990,455	16,333,754	12,822,617	-	92,128,491
2019	64,289,910	5,479,971	549,488	15,261,193	1,001,671	-	86,582,233
2020	50,185,768	62,929,670	11,551,067	10,449,405	12,458,564	47,678,006 *	195,252,480
2021	59,230,922	14,266,072	5,664,552	7,245,532	30,723,406	2,259,682	119,390,166
2022	646,247,226	57,972,992	89,158,539	5,842,575	19,990,180	2,690,974	821,902,486
2023	1,210,327,510	160,084,680	(4,094,540)	5,582,240	65,418,443	4,067,452	1,441,385,785
2024	163,475,492	7,410,656	30,629,358	1,342,458	72,799,764	2,293,272	277,951,000

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

\* Amount includes the transfer from the Water System to establish the Internal Service Funds.

**SCHEDULE - 11****WATER PRODUCED AND CONSUMED, WASTEWATER TREATED AND SOLID WASTE DISPOSED  
(UNAUDITED)****LAST TEN YEARS**

Water Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water Unbilled	Percent Unbilled	Water Rates (per 1,000 gallons)	
					Members	Customers
2015	83,288,227,957	80,027,915,000	3,260,312,957	3.9%	\$ 2.06	\$ 2.11
2016	100,282,548,000	97,345,239,000	2,937,309,000	2.9%	\$ 2.29	\$ 2.34
2017	97,942,133,000	95,123,951,000	2,818,182,000	2.9%	\$ 2.53	\$ 2.58
2018	106,625,709,000	103,273,501,000	3,352,208,000	3.1%	\$ 2.78	\$ 2.83
2019	95,027,289,000	92,691,956,000	2,335,333,000	2.5%	\$ 2.92	\$ 2.97
2020	108,773,163,000	106,274,528,000	2,498,635,000	2.3%	\$ 2.99	\$ 3.04
2021	105,003,880,000	103,586,223,000	1,417,657,000	1.4%	\$ 2.99	\$ 3.04
2022	119,164,500,000	117,316,142,000	1,848,358,000	1.6%	\$ 2.99	\$ 3.04
2023	118,987,069,000	117,547,424,000	1,439,645,000	1.2%	\$ 3.39	\$ 3.44
2024	127,498,030,000	126,199,028,000	1,299,002,000	1.0%	\$ 3.64	\$ 3.69

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
2015	39,364,325,000	877,072
2016	42,949,703,000	950,220
2017	37,569,619,000	1,009,236
2018	40,299,162,000	985,521
2019	47,223,091,000	1,010,166
2020	43,637,993,000	947,925
2021	44,283,500,000	967,522
2022	40,824,445,000	1,009,405
2023	46,497,307,000	1,043,430
2024	52,420,119,000	1,101,438

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

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

**SCHEDULE - 12  
HISTORIC SERVICE USE (UNAUDITED)  
LAST TEN YEARS**

	2014-2015	2015-2016	2016-2017	2017-2018
<b>WATER CONSUMPTION (GALLONS IN THOUSANDS):</b>				
Member Cities	66,632,698	80,685,320	78,723,004	84,799,369
Customers	13,390,178	16,655,941	16,398,007	18,471,203
Individual meters	5,039	3,978	2,940	2,929
<b>Total</b>	<b>80,027,915</b>	<b>97,345,239</b>	<b>95,123,951</b>	<b>103,273,501</b>
<b>Total rainfall (in inches)</b>	<b>44.54</b>	<b>53.71</b>	<b>32.33</b>	<b>45.76</b>
<b>WASTEWATER VOLUME TREATED (GALLONS IN THOUSANDS):</b>				
Regional System	32,164,465	34,983,736	30,525,105	32,790,044
Small plant system	7,199,860	7,965,967	7,044,514	7,509,118
<b>Total</b>	<b>39,364,325</b>	<b>42,949,703</b>	<b>37,569,619</b>	<b>40,299,162</b>
<b>SOLID WASTE VOLUME (IN TONS):</b>				
Transfer stations	533,545	566,601	586,098	598,793
Landfill	343,527	383,619	423,138	386,728
<b>Total</b>	<b>877,072</b>	<b>950,220</b>	<b>1,009,236</b>	<b>985,521</b>

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).

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
76,329,794	86,454,720	84,046,205	93,768,238	93,543,165	100,187,491
16,359,329	19,816,491	19,536,888	23,545,490	24,002,232	26,009,022
2,833	3,317	3,130	2,414	2,027	2,515
92,691,956	106,274,528	103,586,223	117,316,142	117,547,424	126,199,028
61.34	39.43	25.58	23.04	31.18	40.06
38,584,105	35,464,757	36,266,034	33,082,332	37,722,727	42,906,460
8,638,986	8,173,236	8,017,466	7,742,113	8,774,580	9,513,659
47,223,091	43,637,993	44,283,500	40,824,445	46,497,307	52,420,119
610,732	608,566	626,741	636,590	655,980	687,431
399,434	339,359	340,781	372,814	387,450	414,007
1,010,166	947,925	967,522	1,009,404	1,043,430	1,101,438

**SCHEDULE - 13**  
**NUMBER OF WATER, WASTEWATER AND SOLID WASTE CUSTOMERS (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Water			Wastewater Member Cities	Solid Waste Member Cities
	Member Cities	Customers	Total		
2015	13	33	46	12	5
2016	13	34 (1)	47	12	5
2017	13	34	47	12	5
2018	13	34	47	12	5
2019	13	34	47	13 (2)	5
2020	13	34	47	13	5
2021	13	34	47	13	5
2022	13	34	47	13	5
2023	13	34	47	13	5
2024	13	34	47	13	5

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

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

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

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

	2015	2016	2017	2018	2019
Water Rates (per 1,000 gallons)					
Member Cities	\$ 2.06	\$ 2.29	\$ 2.53	\$ 2.78	2.92
Customers	\$ 2.11	\$ 2.34	\$ 2.58	\$ 2.83	2.97
	2020	2021	2022	2023	2024
Water Rates (per 1,000 gallons)					
Member Cities	\$ 2.99	\$ 2.99	\$ 2.99	\$ 3.39	3.64
Customers	\$ 3.04	\$ 3.04	\$ 3.04	\$ 3.44	3.69

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

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

Customer	Fiscal Year 2014					
	Water Sales		Wastewater Service Fees		Solid Waste Service Fees	
	Amount	%	Amount	%	Amount	%
Frisco	\$ 17,855,658	9.02%	\$ 11,296,994	13.02%	\$ 2,797,460	11.92%
Garland	24,066,289	12.16%	-	0.00%	-	0.00%
McKinney	18,563,554	9.38%	12,946,782	14.92%	4,138,964	17.64%
Mesquite	14,097,314	7.12%	7,925,387	9.13%	-	0.00%
Plano	46,051,450	23.26%	23,934,521	27.60%	6,691,380	28.52%
Richardson	18,974,257	9.59%	6,362,086	7.33%	2,923,283	12.47%
Subtotal	139,608,522	70.53%	62,465,770	72.00%	16,551,087	70.55%
Other Customers	58,346,063	29.47%	24,292,843	28.00%	6,908,955	29.45%
<b>Grand Total</b>	<b>\$ 197,954,585</b>	<b>100.00%</b>	<b>\$ 86,758,613</b>	<b>100.00%</b>	<b>\$ 23,460,042</b>	<b>100.00%</b>

Customer	Fiscal Year 2024					
	Water Sales		Wastewater Service Fees		Solid Waste Service Fees	
	Amount	%	Amount	%	Amount	%
Frisco	\$ 51,616,573	11.44%	\$ 31,613,889	14.02%	\$ 5,236,599	12.01%
Garland	43,585,340	9.66%	-	0.00%	-	0.00%
McKinney	44,692,727	9.90%	32,242,311	14.30%	6,042,952	13.86%
Mesquite	26,670,526	5.91%	15,176,175	6.73%	-	0.00%
Plano	84,290,582	18.68%	50,925,554	22.59%	8,510,084	19.52%
Richardson	37,217,769	8.25%	19,078,065	8.46%	3,924,984	9.00%
Subtotal	288,073,517	63.84%	149,035,994	66.10%	23,714,619	54.39%
Other Customers	163,177,821	36.16%	76,426,445	33.90%	19,885,763	45.61%
<b>Grand Total</b>	<b>\$ 451,251,338</b>	<b>100.00%</b>	<b>\$ 225,462,439</b>	<b>100.00%</b>	<b>\$ 43,600,382</b>	<b>100.00%</b>

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

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

<b>Fiscal Year</b>	<b>Revenue Bonds <sup>(1)</sup></b>	<b>U.S. Government Notes</b>	<b>Notes Payable</b>	<b>Leases</b>	<b>SBITAs</b>	<b>Total</b>	<b>District Population</b>	<b>Per Capita Debt</b>
2015	\$1,821,632,620	\$ 32,456,205	\$ -	\$ -	\$ -	\$1,854,088,825	914,127	2,028
2016	1,906,989,880	31,049,381	-	-	-	1,938,039,261	939,585	2,063
2017	2,231,875,720	29,597,110	-	-	-	2,261,472,830	969,603	2,332
2018	3,104,202,887	28,097,923	-	-	-	3,132,300,810	1,005,146	3,116
2019	4,121,054,853	25,002,689	-	-	-	4,146,057,542	1,034,730	4,007
2020	4,281,282,596	24,952,694	-	-	-	4,306,235,290	1,064,465	4,045
2021	4,372,991,258	-	-	-	-	4,372,991,258	1,109,462	3,942
2022	4,318,339,816	-	17,000,000	-	-	4,335,339,816	1,158,696	3,742
2023	4,174,745,463	-	104,000,000	655,581	1,000,398	4,280,401,442	1,195,359	3,581
2024	4,768,436,818	-	137,000,000	1,245,120	1,785,301	4,908,467,239	N/A (2)	N/A

Source: Notes to the Basic Financial Statements for the NTMWD

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

(1) Presented net of original issuance discounts and premiums.

(2) The District was unable to obtain the 2024 Per Capita Debt and the 2024 District Population information at the time of publication of this report.

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

Fiscal Year	{a} Total Revenues		Less: Operating Expenses (excluding depreciation)		Net Available Revenues	Debt Service			Coverage Ratio
						Principal	Interest Paid	Total	
2015	\$	344,949,693	\$	158,078,403	\$ 186,871,290	\$ 72,317,798	\$ 74,903,222	\$ 147,221,020	1.27
2016		406,009,175		170,589,206	235,419,969	79,006,824	80,521,078	159,527,902	1.48
2017		452,162,751		190,104,395	262,058,356	91,572,271	87,754,800	179,327,071	1.46
2018		519,737,177		197,014,560	322,722,617	98,764,187	103,020,601	201,784,788	1.60
2019		573,625,215		219,497,717	354,127,498	131,907,616	130,553,352	262,460,968	1.35
2020		649,388,908		320,017,085	329,371,823	138,667,612	135,083,270	273,750,882	1.20
2021		648,003,014		380,203,805	267,799,209	144,109,225	132,490,030	276,599,255	0.97
2022		692,324,697		363,131,408	329,193,289	149,570,000	128,286,984	277,856,984	1.18
2023		825,222,200		446,829,686	378,392,514	164,895,000	130,404,748	295,299,748	1.28
2024		928,009,711		456,638,267	471,371,444	224,400,000	147,115,728	371,515,728	1.27

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

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

The District's ACFR represents multiple funds including a mix of proprietary, internal service and fiduciary funds. Each fund operates under its own bond resolution, customer service contract and is reported as its own enterprise fund with annual revenues calculated for each individual fund to cover all annual O&M and Debt Service obligations. The above calculated District-wide coverage ratio represents all funds combined and should not in any circumstance be used to determine the financial health and stability of an individual fund. The coverage ratio utilizes the GASB Statement No. 34/44 calculation. Many funds utilize non-operating transfers to assist in the debt service payment obligation, which may reduce the coverage ratio.

{a} Amount represents operating revenue plus nonoperating revenues, excluding interest expense and loss on disposal of capital assets.

**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>
2014	885,241	\$ 34,148,172	\$ 38,575	5.5%
2015	914,127	36,154,637	39,551	3.7%
2016	939,585	38,686,473	41,174	3.7%
2017	969,603	41,933,391	43,248	3.6%
2018	1,005,146	44,135,961	43,910	3.6%
2019	1,034,730	45,772,316	44,236	4.0%
2020	1,064,465	49,220,862	46,240	4.0%
2021	1,109,462	53,258,614	48,004	5.2%
2022	1,158,696	62,490,793	53,932	3.4%
2023	1,195,359	66,230,061	55,406	3.3%

Source: Years 2014 - 2023 were based on information provided by the U.S. Census Bureau.

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

The District was unable to obtain this information for calendar year 2024 at the time of publication of this report.

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

Employer	2023	
	Employees	Percentage of Total
State Farm Insurance Corporate Office	10,000	1.59%
JP Morgan Chase	9,500	1.51%
Frisco Independent School District	8,799	1.40%
Capital One Finance	7,542	1.20%
Toyota North American HQ	4,573	0.73%
Bank of America	4,500	0.72%
Raytheon Intelligence and Space	4,347	0.69%
The University of Texas at Dallas	3,455	0.55%
Blue Cross Blue Shield of Texas	3,100	0.49%
McKinney Independent School District	2,729	0.43%
<b>Total</b>	<b>58,545</b>	<b>9.31%</b>
<b>Total Employed in the County</b>	<b>628,332</b>	

Employer	2013	
	Employees	Percentage of Total
HP Enterprise Svc Llc	10,000	2.30%
Plano ISD	6,538	1.50%
Nortel Networks	6,000	1.38%
Frisco ISD	5,662	1.30%
Bank of America Loans-Corporate Dr.	4,646	1.07%
AT&T	4,300	0.99%
JC Penny (Corporate HQ)	3,800	0.87%
University of Texas at Dallas	3,500	0.80%
Capital One	3,500	0.80%
Blue Cross Blue Shield of Texas	3100	0.71%
<b>Total</b>	<b>51,046</b>	<b>11.72%</b>

Source: Years 2013 and 2023 are based on information provided by North Central Texas Council of Governments and Collin County; however, the District was unable to obtain this information for 2024 at the time of publication of this report.

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Support:</b>										
General	30.0	8.0	11.0	11.0	11.0	12.0	12.0	13.0	12.0	12.0
Public Information	3.0	2.0	3.0	3.0	4.0	4.0	4.0	5.0	6.0	6.0
Construction										48.0
Engineering	62.0	74.0	77.0	82.0	87.0	91.9	91.9	89.9	97.9	46.0
CIP/Permitting		4.2	4.0	3.0	2.0	2.1	2.1	3.1	3.1	12.0
Control Systems						9.1	9.1	9.1	9.1	9.1
Facilities Service	55.0	61.0	61.0	60.5	61.5	64.5	64.5	62.5	62.5	63.0
Technical Service	85.0	91.0	92.0	91.5	101.5	95.5	95.5	102.5	104.5	106.0
Human Resources						11.5	11.5	11.0	12.0	13.0
Records						6.1	6.1	6.0	6.0	6.0
Safety				5.0	5.0	8.4	8.4	10.0	10.0	11.0
Accounting						15.5	15.5	15.5	16.5	17.3
Finance						10.5	10.5	10.5	10.5	10.3
Procurement						4.0	4.0	5.0	5.0	7.3
Information Technology		20.4	24.0	24.0	18.0	19.2	18.2	18.2	22.0	22.0
Environmental Service	11.4	11.0	11.5	10.5	11.5	9.6	9.6	9.6	9.4	9.4
Laboratory	26.9	27.8	26.0	27.0	29.0	31.7	31.7	31.7	32.5	34.5
Regulatory Compliance		3.3	4.0	3.0	3.0	3.5	3.5	3.5	3.3	3.3
Administration	28.0	36.0	38.0	39.0	47.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>301.3</b>	<b>338.7</b>	<b>351.5</b>	<b>359.5</b>	<b>380.5</b>	<b>398.9</b>	<b>397.9</b>	<b>405.9</b>	<b>422.1</b>	<b>436.1</b>
<b>Water:</b>										
Plant Operations	66.0	77.0	79.0	80.0	85.0	83.0	83.0	78.0	81.5	85.0
Tawakoni Raw Water PS	11.0	12.0	12.0	12.0	12.0	12.0	11.0	11.0	11.0	11.0
East Fork RWS	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Bonham Water Treatment	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Bois d'Arc Lake						2.0	3.0	8.0	11.0	11.0
Leonard WTP						7.0	8.0	15.0	15.0	16.0
Transmission						5.0	4.0	6.0	9.0	12.0
<b>Total</b>	<b>95.0</b>	<b>107.0</b>	<b>109.0</b>	<b>110.0</b>	<b>115.0</b>	<b>127.0</b>	<b>127.0</b>	<b>136.0</b>	<b>145.5</b>	<b>153.0</b>
<b>Wastewater:</b>										
Sister Grove WRRF								5.0	21.0	21.0
Wilson Creek WWTP	56.4	58.8	59.0	59.0	62.0	66.0	67.0	66.0	65.0	65.5
Floyd Branch WWTP	6.5	7.5	8.0	8.0	7.0	7.0	7.0	7.2	7.2	8.2
Rowlett Creek WWTP	23.4	25.5	26.5	26.5	26.5	28.5	29.5	29.8	29.8	29.8
Mesquite WWTP	35.4	34.1	34.0	35.0	35.0	35.0	36.0	37.0	37.5	40.5
Panther Creek WWTP	12.6	17.8	17.8	17.8	17.8	17.8	18.3	18.0	18.0	17.5
Muddy Creek WWTP	12.1	18.4	18.9	18.9	19.4	19.4	18.4	18.0	19.0	19.0
Stewart Creek WWTP	6.6	10.6	11.5	18.5	18.5	19.5	19.0	19.0	19.0	18.5
Small WWTPs	7.5	7.0	9.0	9.0	9.5	10.5	10.5	11.0	11.0	11.0
Pretreatment	6.7	6.8	7.5	7.5	7.5	8.2	8.2	8.2	9.0	9.00
Dewatering	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Forney Interceptor			0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lower East Fork Interceptor		0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Buffalo Creek Interceptor			0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Upper East Fork Interceptor	11.9	19.9	19.1	19.3	19.3	22.3	22.3	23.0	23.0	24.0
<b>Total</b>	<b>178.7</b>	<b>206.3</b>	<b>211.5</b>	<b>219.5</b>	<b>222.5</b>	<b>234.2</b>	<b>236.2</b>	<b>242.2</b>	<b>259.5</b>	<b>264.0</b>

(Continued)

### Solid Waste:

Transfer Station	46.3	46.4	47.0	50.0	54.0	57.0	57.0	56.2	57.2	57.1
Landfills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Disposal Facility	32.8	33.9	34.7	34.7	34.7	34.7	30.7	30.4	30.4	30.4
Fleet Maintenance Shop	16.0	18.7	19.4	19.4	19.4	21.4	26.4	26.4	28.4	28.4
<b>Total</b>	95	99	101	104	108	113	114	113	116	116
<b>Total Employees</b>	670	751	773	793	826	873	875	897	943	969

(Concluded)

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

**SCHEDULE - 21**  
**MISCELLANEOUS STATISTICAL DATA (UNAUDITED)**  
**YEAR ENDED SEPTEMBER 30, 2024**

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

Year of creation	1951
Domicile	Wylie, Texas
District population	2,000,000
District service area	2,200 square miles
Water Treatment Plant	532.614 Acres
Rain received at Lavon Lake during fiscal year	43.86
Total employees	969

**REGIONAL WATER SYSTEM**

RAW WATER SUPPLY—EXPECTED RELIABLE SUPPLY:

Lavon Lake	80.5	MGD
Lake Texoma	63.6	
Jim Chapman Lake	37.5	
Lake Bonham	1.7	
Lake Tawakoni	37.4	
Wilson Creek Reuse	54.7	
East Fork Raw Water Supply	41.0	
Main Stem Trinity River	50.0	
Bois d' Arc Lake	56.0	
Total	422.4	MGD

WATER TREATMENT PLANTS:

Wylie—WTP I	70.0	MGD
Wylie—WTP II	280.0	
Wylie—WTP III	280.0	
Wylie—WTP IV	210.0	
Bonham WTP	6.6	
Tawakoni WTP	30.0	
Leonard WTP	70.0	
Total	946.6	MGD

TRANSMISSION PIPELINES:

12" to 24" diameter	153.53	Miles
30" to 54" diameter	175.26	
60" to 96" diameter	367.99	
Total	696.78	Miles

RAW WATER PUMP STATIONS:

Lake Lavon—3 sites:		
Total water pumps	18	
Total raw water pumping capacity	1106.0	MGD
Lake Texoma—1 site:		
Total water pumps	4	
Total raw water pumping capacity	216.0	MGD
Jim Chapman Lake—1 site:		
Total water pumps	3	
Total raw water pumping capacity	176.0	MGD

(Continued)

### East Fork Raw Water Supply—2 sites:

Total water pumps	10	
Total raw water pumping capacity	351.3	MGD

### Main Stem Trinity River

Total water pumps	4.0	MGD
Total raw water pumping capacity	120.0	

### Lake Tawakoni—2 sites:

Total water pumps	7	MGD
Total raw water pumping capacity	167.5	

### Wylie Water Plant - Treated Water Pump Stations

Wylie Water Plant - Treated Water Pumping Capacity	7	
	1070.0	MGD

### Bois d' Arc Lake—1 site:

Total water pumps	3	MGD
Total raw water pumping capacity	150.0	

### TREATED WATER STORAGE RESERVOIRS:

NTMWD Treatment plant storage	62.4	Million gallons
NTMWD Transmission system storage	87.4	
	149.8	Million gallons

### TOTAL CITY DELIVERY POINTS

82

### WASTEWATER SYSTEM

#### Permitted Capacity

#### REGIONAL SYSTEM:

##### Regional wastewater plants:

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

#### SMALL SYSTEMS:

##### City:

Farmersville	Farmersville No. 1 Plant	0.225	a
	Farmersville No. 2 Plant	1.225	a
	Panther Creek Plant	*	10.000
	Stewart Creek West Plant	*	10.000
Lavon	Bear Creek Plant	0.500	
Rockwall	North Rockwall Plant	*	1.200
	South Rockwall Plant	*	2.250
Royse City and Fate	Sabine Creek Plant	*	3.000
Seis Lagos MUD	Seis Lagos Plant	0.250	
Wylie and Murphy	Muddy Creek Plant	*	10.000

Total treatment capacity	164.400	MGD
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(Continued)

Total number of plants	13
Total number of plants in operation	13 **
a) Operates as a single plant-transferred to Farmersville on October 1, 2024	
b) Not in operation	
c) Decommissioned	
* Number of plants owned by NTMWD	11
** Total number of plants in operation at September 30, 2024	

**INTERCEPTOR SYSTEM**

	Pipeline Length	
Upper East Fork Interceptor System	171.7	Miles
Lakeside Interceptor (Rockwall)	4.30	
Muddy Creek Interceptor	4.1	
Forney Interceptor	6.9	
Sabine Creek Interceptor	3.2	
Parker Creek Interceptor	5.1	
Buffalo Creek Interceptor	24.5	
McKinney Interceptor System	3.1	
Mustang Creek Interceptor System	7.6	
Parker Creek Parallel Interceptor	1.5	
Lower East Fork Interceptor System	9.4	
Total	241.4	Miles

**SOLID WASTE SYSTEM**

	Permitted Capacity	
TRANSFER STATIONS (3):		
Lookout Drive Transfer Station	700	Tons/day
Parkway Transfer Station	770	
Custer Road Transfer Station	1,900	
Total transfer capacity	3,370	Tons/day

**LANDFILLS (3):**

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

\* Closed in 2006.

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

(Concluded)

## SCHEDULE - 22 OPERATING AND CAPITAL INDICATORS LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Water:										
Size of Service Area (square miles)	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Water Supply (MGD)	370	370	370	370	370	370	374	370	452	422
Treatment Capacity (MGD)	807	807	807	807	807	807	877	877	947	947
Miles of Transmission Pipelines	573	573	576	576	576	611	611	696	698	697
Water Storage Capacity (MG)	410	410	410	410	410	410	410	140	148	150
City Delivery Points	77	82	82	82	82	82	82	82	82	82
Total Rainfall (Inches)	45	54	32	46	59	40	23	34	22	44
Annual Consumption (BG)	80	97	95	103	93	106	104	117	118	126
Wastewater:										
Miles of Interceptor Lines	250	251	252	223	225	228	229	238	242	242
Number of Treatment Plants	17	17	17	17	17	17	14	14	13	13
Treatment Capacity (MGD)	152	152	152	152	153	161	166	164	164	164
Annual Volume Treated (BG)	39	43	38	40	47	44	44	41	46	52
Solid Waste:										
Number of Transfer Stations	3	3	3	3	3	3	3	3	3	3
Number of Landfills	3	3	3	3	3	3	3	3	3	3
Annual Volume (thousand tons)	877	950	1,009	986	1,010	948	968	1,009	1,043	1,101

Source: Based on information provided in NTMWD Operation Report.

**SCHEDULE - 23**  
**INSURANCE IN FORCE (UNAUDITED)**  
**YEAR ENDED SEPTEMBER 30, 2024**

Carrier	Coverage	Policy Limits	Term	Approximate Annual Premium
Texas Water Conservation Association Risk Management Fund	Workers' compensation	Statutory	7-01-24 to 7-01-25	\$ 502,734
Texas Water Conservation Association Risk Management Fund	General liability	\$10,000,000 per occurrence \$10,000,000 annual aggregate	7-01-24 to 7-01-25	\$ 176,160
Texas Water Conservation Association Risk Management Fund	Automobile liability	\$10,000,000 per occurrence \$10,000,000 annual aggregate	7-01-24 to 7-01-25	\$ 176,105
Texas Water Conservation Association Risk Management Fund	Directors' and officers' liability	\$10,000,000 per occurrence \$10,000,000 annual aggregate	7-01-24 to 7-01-25	\$ 148,690
Texas Water Conservation Association Risk Management Fund	Automobile physical damage	Actual cash value	7-01-24 to 7-01-25	\$ 422,084
USI Insurance Services	Fire and extended coverage	\$2,836,804,412 scheduled property	12-31-23 to 12-31-24	\$ 4,376,506
Chubb & Son Insurance	Commercial floater	\$36,103,845 scheduled & \$1,110,000 unscheduled property	5-01-24 to 5-01-25	\$ 104,747
USI Insurance Services	Fidelity bond	\$1,000,000 per occurrence	1-01-24 to 1-01-25	\$ 7,760
Anco Insurance B/CS	Pollution storage tanks	\$1,000,000 per occurrence \$1,000,000 annual aggregate	12-01-23 to 12-01-24	\$ 602

Source: Based on information provided in NTMWD Insurance Policies.



**NORTH  
TEXAS  
MUNICIPAL  
WATER  
DISTRICT**

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