



**RIVERBEND RESOLUTION NO. 20200122-04**

**APPROVING THE FY 2018-2019 ANNUAL AUDIT  
PERFORMED BY WILF & HENDERSON, P.C.**

**WHEREAS**, Riverbend Water Resources District is a conservation and reclamation district created under and essential to accomplish the purposes of Section 59 Article XVI, Texas Constitution, existing pursuant to and having the powers set forth in Chapter 9601 of the Special District Local Laws Code of the State of Texas; and

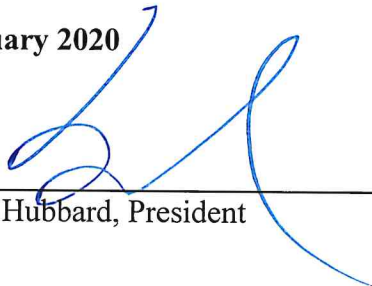
**WHEREAS**, Riverbend Water Resources District has conducted an annual year-end audit for FY 2018-2019; and

**WHEREAS**, Wilf & Henderson, P.C. provided the necessary accounting and financial services to fully perform these services; and

**WHEREAS**, Riverbend Water Resources District accepts this annual year-end audit for FY 2018-2019;

**NOW, THEREFORE, BE IT RESOLVED** that the Riverbend Water Resources District approves the FY 2018-2019 Annual Audit performed by Wilf and Henderson, P.C. for distribution.

**PASSED and APPROVED this 22<sup>nd</sup> day of January 2020**

  
\_\_\_\_\_  
Sonja Hubbard, President

ATTEST:

  
\_\_\_\_\_  
Marshall Wood, Secretary

Attached: FY 2018-2019 Annual Audit for Riverbend Water Resources District

**RIVERBEND WATER RESOURCES DISTRICT  
NEW BOSTON, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended  
September 30, 2019**

Prepared by  
Tara Houck, CPA  
Chief Financial Officer  
228 Texas Avenue, Suite A  
New Boston, Texas 75570



**RIVERBEND WATER RESOURCES DISTRICT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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## Introductory Section

January 22, 2020

The Board of Directors,  
Members of Riverbend  
Water Resources District

In accordance with state statutes, the Comprehensive Annual Financial Report (CAFR) of Riverbend Water Resources District for the fiscal year ended September 30, 2019 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the enterprise funds of the District. All disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activities have been included.

## **PROFILE OF THE DISTRICT**

Riverbend Water Resources District was created in 2009 by Senate Bill 1223 of the Texas Legislature. It is a conservation and reclamation district with statutory powers including the authority to acquire any and all storage rights and storage capacity in a reservoir and to acquire the right to take water from that reservoir. The roots of the District can be found in the area's past regional water partnerships focused on utilizing Wright Patman Lake as their primary water supply source. In 1953, and again in 1968, the City of Texarkana, Texas, in cooperation and with the support of its neighboring cities, executed agreements with the U.S. Army Corps of Engineers to use a portion of the flood control pool at Wright Patman to meet their long-term water supply needs. Over time, Texarkana, Texas on behalf of itself and other area users, secured permits which allowed them to impound, divert, and appropriate water in Wright Patman lake for both municipal and industrial use.

In 1966, the Lake Texarkana Water Supply Corporation ("LTWSC") was created for the purpose of financing the acquisition, construction and maintenance of a new water treatment and distribution system to its members. In 1969 in order to support LTWSC's debt issue and facilitate administration of the new water treatment and distribution system, the City of Texarkana, Texas signed water supply contracts with surrounding Texas-side communities, known as the original Member Cities (including Annona, Avery, DeKalb, Hooks, Maud, New Boston, Texarkana, Texas, and Wake Village), collectively known as "Member City Contracts." Today, Riverbend has now grown to include seventeen (17) members that include communities within Bowie, Cass and Red River Counties in northeast Texas. District membership grew during 2011, after being reconstituted, and again in 2019, Texas Special District Local Law Code Section 9601.005(b) allowed water supply corporations to join the District. Current members include Annona, Atlanta, Avery, Central Bowie County WSC, DeKalb, Hooks, Leary, Maud, Nash, New Boston, Redwater, Texarkana, Wake Village, TexAmericas Center, as well as Bowie, Cass and Red River Counties.





The District provides water, wastewater, and industrial wastewater for Red River Army Depot and the tenants within the TexAmericas Center footprint for an estimated population of 6,000 people. The District represents, through Interlocal Agreements with our membership, the water supply interest for area communities. The District operates as a retail water supplier. The treated water is purchased from the City of Texarkana, Texas and Texarkana Water Utilities and supplied to customers on our system. The District serves as the local representative for Wright Patman Lake on issues with the U.S. Army Corps of Engineers, Texas Commission on Environmental Quality (TCEQ), the Texas Water Development Board (TWDB) as well as acting as representatives for our membership in the Region D state water planning area and will be working on the initial statewide flood planning effort over the next few years.

The District is governed by a Board of five directors consisting of two directors appointed by the City of Texarkana; one director appointed by the City of New Boston; one director appointed by TexAmericas Center; and one director appointed by the remaining member entities.

### **ECONOMIC INFORMATION/OUTLOOK**

The largest employer in the District, Red River Army Depot (RRAD), is also the largest customer of the District and represents the majority of the revenue for the District. The FY 2020 RRAD budget is approximately 4% higher than the current year and the remaining business, commercial and residential retail water customers located in TexAmericas Center, are expected to remain the same.

### **MAJOR INITIATIVES/LONG TERM FINANCIAL PLANNING**

Riverbend has major on-going initiatives that staff will be focusing on for this fiscal year and into the future. First, Riverbend is trying to secure \$200M of funding, through the Texas Water Development Board's Drinking Water State Revolving Fund, for a new regional water treatment facility. Currently, Riverbend is working with the participating member entities to finalize water supply contracts that will support the debt payback along with the operations and maintenance on the project. This project would require a multi-year bond issuance package, which is listed below.

- FY 2019-2020        \$18M bond issuance
- FY 2020-2021        \$93M bond issuance
- FY 2021-2022        \$14.4M bond issuance
- FY 2022-2023        \$74.6M bond issuance

Also, Riverbend and Texarkana have submitted a water rights application to the Texas Commission on Environmental Quality (TCEQ). This water right application has been submitted to hopefully secure enough water for the region for the next fifty years. Currently, TCEQ is in the administrative review process. Staff is working closely with TCEQ in providing information to aid the review.

### **FINANCIAL INFORMATION**

The District accounting system consists of two enterprise funds where all financial activities are recorded. Management of the District are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected. Within this framework, management believes that the District's transactions are properly recorded, and the financial report is complete and reliable in all material respects.

**Enterprise Operations.** Total revenues for all funds for the fiscal year were \$5,088,830 compared to \$4,696,114 for FY2018.

**Budget Controls.** A budget is prepared annually in accordance with the Texas Water Code Chapter 49, Subchapter G, Sec. 49.199 and, after approval by the Board of Directors, is used in planning and controlling costs. During the year, necessary budget amendments are submitted and approved by the Board prior to implementation.

**Debt Administration.** Outstanding large debt at September 30, 2019 totaled \$10,045,000 which consisted of Water and Wastewater Revenue Bonds Taxable Series 2016A of \$4,525,000 and Water and Wastewater Revenue Bonds Taxable Series 2016B of \$5,520,000.

#### **OTHER INFORMATION**

As required by the Texas Water Code Chapter 49, Subchapter G, Sec. 49.191, an audit of the District's fiscal accounts and records must be conducted annually. Accordingly, the Board of Directors appointed the firm of Wilf & Henderson, P.C. to complete the audit of the District's records.

Wilf & Henderson, P.C. has issued an unmodified opinion of the District's financial statements for year ended September 30, 2019. The independent auditor's report is located at the front of the financial section of this report. Immediately following the reader will find Management's Discussion and Analysis (MD&A) that provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

#### **ACKNOWLEDGMENTS**

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of Riverbend Water Resources District and our independent auditors. I would like to express appreciation to the Board of Directors and Executive Director for their unfailing support and for maintaining the highest standards of professionalism in the management of Riverbend Water Resources District finances.

Respectfully submitted,



Tara Houck, CPA  
Chief Financial Officer

January 22, 2020



PRINCIPAL OFFICIALS

BOARD OF DIRECTORS

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FRED MILTON  
President  
City of New Boston

SONJA YATES HUBBARD  
Vice President  
City of Texarkana

VAN ALEXANDER  
Secretary  
Member At-Large

TINA VEAL-GOOCH  
Treasurer  
TexAmericas Center

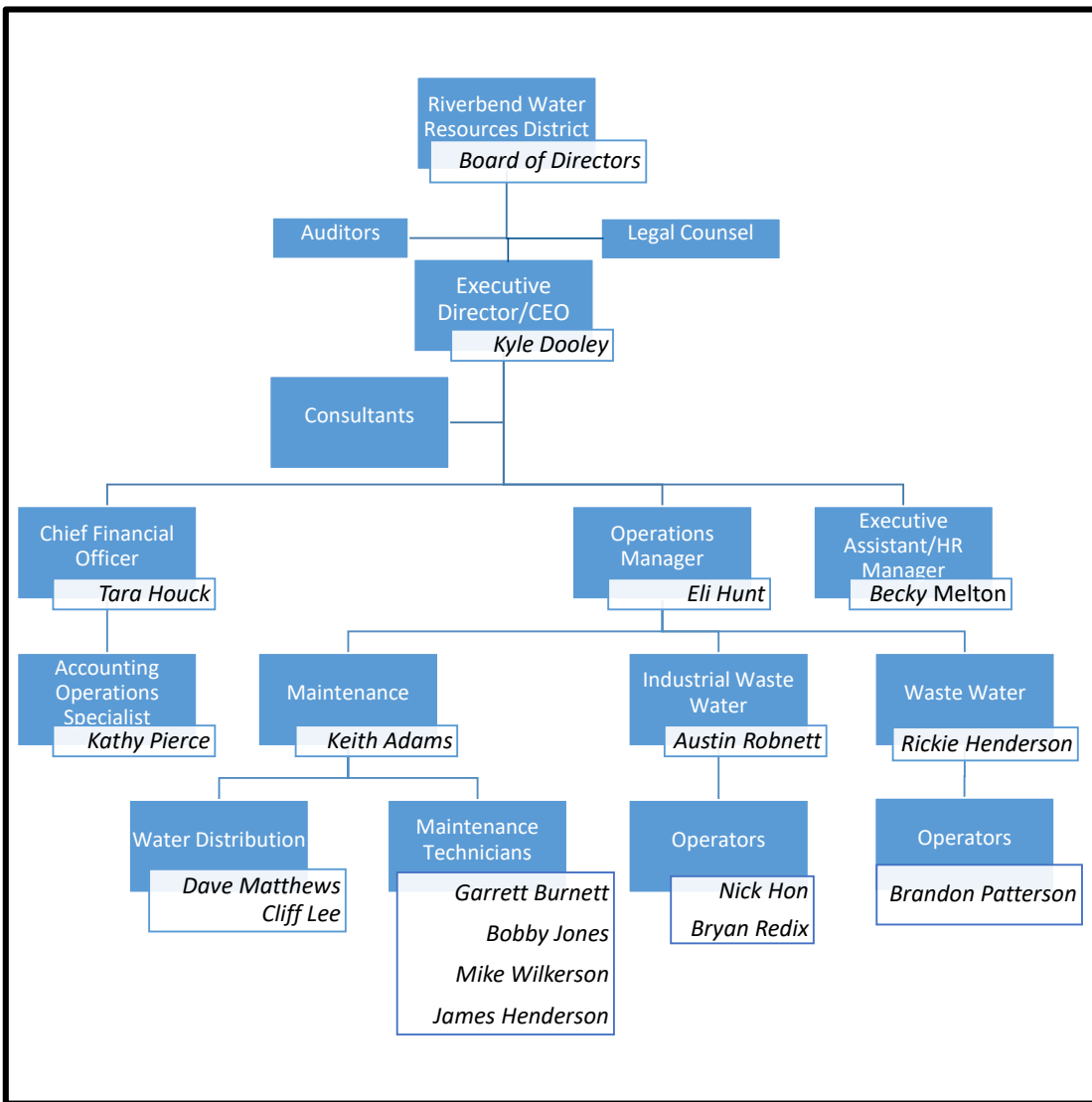
MARSHALL WOOD  
Past President  
City of Texarkana

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KYLE DOOLEY  
Executive Director/Chief Executive Officer

TARA HOUCK, CPA  
Chief Financial Officer

## Riverbend Water Resources District Organizational Chart





THE STATE OF TEXAS                                 }  
COUNTY OF BOWIE                                 }

The annual filing affidavit and the attached copy of the audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of the annual filing requirements of Texas Water Code Section 49.194.

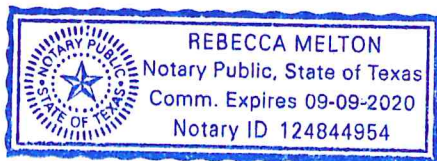
Date: 01/22/2020

By: \_\_\_\_\_  
(Signature of District Representative)

KYLE DOOLEY  
EXECUTIVE DIRECTOR/CEO  
(Typed Name & Title of above District Representative)

Sworn to and subscribed to before me this 22<sup>nd</sup> day of JANUARY, 2020.

(SEAL)



Rebecca Peterson  
(Signature of Notary)

My Commission Expires On: 09-09-2020  
Notary Public in the State of Texas.

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## Financial Section





# **WILF & HENDERSON, P.C.**

## **CERTIFIED PUBLIC ACCOUNTANTS**

Member of American Institute of Certified Public Accountants  
Member of Private Company Practice Section  
Member of AICPA Governmental Audit Quality Center

### Independent Auditors' Report

Board of Directors  
Riverbend Water Resources District  
Texarkana, Texas

Members of the Board:

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

We have audited the accompanying financial statements of the business-type activities of Riverbend Water Resources District (Riverbend) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Riverbend's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Riverbend Water Resources District as of September 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-6, and budgetary comparison information on pages 20-21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

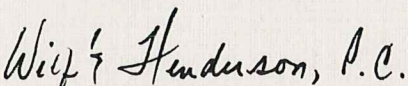
### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Riverbend Water Resources District's basic financial statements. The supplemental schedules required by the Texas Commission on Environmental Quality on pages 22-33 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. 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 principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2020, on our consideration of the Riverbend Water Resources District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Riverbend Water Resources District's internal control over financial reporting and compliance.

  
WILF & HENDERSON, P.C.  
Certified Public Accountants  
Texarkana, Texas

January 16, 2020



## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Comprehensive Annual Financial Report (CAFR) for Riverbend Water Resources District presents a discussion and analysis of the District's financial performance during the fiscal year ended September 30, 2019. Please read it in conjunction with the transmittal letter at the front of this report and the District's basic financial statements following this section.

### Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$12,264,361 (net position). Of this amount \$8,410,684 (71%) are invested in capital assets for business-type uses and are not available to generate liquid capital. Net position restricted for specific purposes total \$2,602,736 (21%). The remaining \$1,250,941 (10%) is made up unrestricted funds which may be used to meet the District's ongoing obligations to members and creditors in accordance with the District's fiscal policies.
- In fiscal year 2019, Riverbend's combined net position increased \$987,141 to \$12,264,361.
- The District's total long-term obligations decreased by \$720,107 (7%) due to regularly scheduled debt service payments.
- Riverbend's operating revenue increased by \$209,714 to a total for fiscal year 2019 of \$3,588,821. The Administrative fund's operating revenue increased by \$52,245, primarily due to an increase in services provided to member cities. The Wet Utilities fund's operating revenue increased by \$157,469, primarily due to an increase in residential and commercial volumetric charges.
- Riverbend's combined operating expenses increased by \$524,544 to a total for fiscal year 2019 of \$3,809,230. The Administrative fund's operating expenses increased \$241,213 due to and an increase in salaries and benefits related to filling accounting position and additional legal and consulting fees related to completing ongoing projects. The Wet Utilities fund's operating expenses increased \$182,245 primarily due to increased salaries and benefits related to filling empty staff positions. Depreciation expense increased by \$101,086.
- Riverbend's combined nonoperating revenues/expenses increased by \$209,837 to a total for fiscal year 2019 of \$814,223.
- Riverbend's capital contributions decreased by \$400,208 to a total for fiscal year 2019 of \$393,327.

### Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to Riverbend Water Resources District's basic financial statements. Riverbend's basic financial statements consist of fund financial statements and the notes to the financial statements. The report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**The financial statements** – The financial statements are designed to provide readers with a broad overview of Riverbend's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of Riverbend's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Riverbend is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Net Position presents information showing how Riverbend's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Riverbend's activities are functions that are intended to recover all or a significant portion of their costs through user fees and charges and are thus, considered as business-type activities.



Riverbend like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Riverbend uses two enterprise funds. The Administrative fund accounts for the revenue from its participating member entities based on the number of gallons of water purchased by the entities as well as supplemental contributions, as necessary, and consulting fees. The Wet Utility fund, which is the second enterprise fund, is used to account for the water and wastewater operations.

The basic financial statements of the enterprise funds can be found on pages 7 - 9 of this report.

#### **Notes to the Financial Statements**

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the basic financial statements.

The notes to the financial statements can be found on pages 10 - 19 of this report.

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information required by the Texas Commission on Environmental Quality.

This required information (RSI) may be found on pages 22 - 33 of this report.

Additional statistical information has been prepared to complete the comprehensive annual financial report (CAFR) in accordance with Governmental Financial Standards Board (GASB) guidance. The objective of the statistical section is to provide information on financial trends, revenue capacity, debt capacity, demographic and economic information and operating information.

The statistical information may be found on pages 34 - 50 of this report.

#### **Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Riverbend Water Resources District, assets exceeded liabilities by \$12,264,361 as of September 30, 2019. The largest portion of Riverbend's net position are the amounts related to the net investment in capital assets totaling \$8,410,684. Restricted funds in the amount of \$2,602,736 are comprised of \$2,077,519 restricted for bond payments and \$525,217 restricted for Red River Army Depot construction projects. The unrestricted balance of \$1,250,941 may be used to meet the District's ongoing obligations. Riverbend had an increase in net position during the year of \$987,141.



# NET POSITION

	2019	2018	Total \$ Change
Assets:			
Current assets	\$ 5,214,874	\$ 6,037,744	\$ (822,870)
Noncurrent assets	17,500,733	16,468,686	1,032,047
Total assets	22,715,607	22,506,430	209,177
Liabilities:			
Current liabilities	1,086,015	1,248,105	(162,090)
Noncurrent liabilities	9,365,231	10,085,338	(720,107)
Total liabilities	10,451,246	11,333,443	(882,197)
Net position:			
Net investment in capital assets	8,410,684	6,582,102	1,828,582
Restricted for bond reserves	2,077,519	1,833,058	244,461
Restricted for construction	525,217	1,808,858	(1,283,641)
Restricted for planning and acquisition		12,310	(12,310)
Unrestricted	1,250,941	936,659	314,282
Total net position	\$ 12,264,361	\$ 11,172,987	\$ 1,091,374

# CHANGES IN NET POSITION

	2019	2018	Total \$ Change
Operating revenue:			
Charges for services	\$ 3,509,452	\$ 3,349,857	\$ 159,595
Other	79,369	29,250	50,119
Total operating revenue	3,588,821	3,379,107	209,714
Operating expenses:			
Administrative	555,376	314,163	241,213
Wet Utilities	2,568,995	2,386,750	182,245
Depreciation	684,859	583,773	101,086
Total operating expenses	3,809,230	3,284,686	524,544
Operating income	(220,409)	94,421	(314,830)
Nonoperating revenues/expenses	814,223	604,386	209,837
Capital contributions	393,327	793,535	(400,208)
Change in net position	987,141	1,492,342	(505,201)
Net position, beginning of year	11,172,987	9,680,645	1,492,342
Prior period adjustment	104,233	-	104,233
Net position, end of year	\$ 12,264,361	\$ 11,172,987	\$ 1,091,374

Riverbend's total operating revenues increased by \$209,714 in fiscal year 2019 from the 2018 revenue. Charges for services fees for fiscal year 2019 of \$3,509,452 were increased from fiscal year 2018 of \$3,349,857 by \$159,595. Other operating revenues for the fiscal year 2019 increased by \$50,119. Riverbend's combined operating expenses increased by \$524,544 for a fiscal year 2019 total of \$3,809,230. The Administrative fund's operating expenses increased \$241,213 and the Wet Utilities fund operating expenses increased \$182,245. Depreciation expense increased by \$101,086.



## Budgetary Highlights

The original budget for the Wet Utilities Fund was amended to include depreciation expense in the amount of \$685,000. The fiscal year ended with a Wet Utilities Fund budget surplus of \$812,619 attributable to staff vacancies and favorable expenditure variances. The Administrative Fund budget surplus in the amount of \$105,774 is attributable to less expenditures for engineering services than anticipated and other favorable expenditure variances.

## Capital Assets

Riverbend's capital assets as of September 30, 2019 amount to \$17,500,733. The capital assets include computer equipment, equipment, utility system, intangible assets, and construction in process. Major capital asset additions during the current fiscal year were completion of the MG Potable Ground Water Storage Tank totaling \$3,743,424, the drying bed rehab project totaling \$114,973, the GIS mapping project \$91,700, and a capital contribution of \$393,327 of TAC Area D water line improvements.

Additional information on the District's capital assets can be found in Note 5 on page 14 of this report.

### CAPITAL ASSETS, NET OF DEPRECIATION

	2019	2018
Computer equipment	\$ 205	\$ 477
Equipment	243,789	177,527
Utility system	16,412,422	12,709,058
Intangible assets	233,021	239,391
Construction in progress	611,296	3,342,233
Total capital assets	<u>\$ 17,500,733</u>	<u>\$ 16,468,686</u>

## Debt Administration

In the year ended September 30, 2016, Riverbend issued Riverbend Water Resources Riverbend Water and Wastewater Revenue Bonds Taxable Series 2016A for \$4,925,000 and Riverbend Water Resources District Water and Wastewater Revenue Bonds Taxable Series 2016B for \$6,685,000. Payments of principal in the amount of \$680,000 and interest in the amount of \$431,750 were made in during the fiscal year. Total bonded debt at September 30, 2019 totaled \$10,045,000.

Additional information on the District's long-term debt can be found in Note 6 on pages 14-16 of this report.

## Economic Factors and Next Year's Budget

The economic position of Riverbend Water Resources District (District of Riverbend) for 2018-2019 continued to improve in its third full year of operations of the Wet Utilities at the Red River Army Depot (RRAD) and TexAmericas Center (TAC). The District continued its dual roles as both a planning entity and a provider/operator for water and wastewater services in the region.

The budget for fiscal year 2019-2020 includes in increase of approximately 4% in the Red River Army Depot (RRAD) revenue. The closure of REG New Boston at the end of the current year created an increase in the percentage of services used by RRAD and a decrease in residential and commercial revenue.

## Request for Information

This financial report is designed to provide a general overview of Riverbend's finances for all those with an interest in the government's finances. Questions concerning any of the information included in this report or requests for additional information should be addressed to Kyle Dooley, Riverbend's Executive Director/CEO at [kyledooley@rwrdd.org](mailto:kyledooley@rwrdd.org), 228 Texas Ave Suite A, New Boston, Texas 75570 or by telephone at 903-831-0091.



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## Basic Financial Statements



# RIVERBEND WATER RESOURCES DISTRICT

## STATEMENT OF NET POSITION

### ENTERPRISE FUNDS

SEPTEMBER 30, 2019

	<i>Administrative Fund</i>	<i>Wet Utilities Fund</i>	<i>Total</i>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 331,472	\$ 1,304,121	\$ 1,635,593
Accounts receivable	38,271	364,281	402,552
Interfund accounts	-	23,105	23,105
Restricted assets:			
Cash and cash equivalents restricted for bond debt reserves	-	2,074,482	2,074,482
Cash and cash equivalents restricted for construction	-	525,217	525,217
Cash and cash equivalents restricted for operations	-	450,106	450,106
Prepaid expenses	-	22,424	22,424
Inventories	-	81,395	81,395
Total current assets	<u>369,743</u>	<u>4,845,131</u>	<u>5,214,874</u>
Noncurrent assets:			
Capital assets (net of accumulated depreciation):			
Computer equipment	205	-	205
Equipment	-	243,789	243,789
Utility system	-	16,412,422	16,412,422
Intangible assets	-	233,021	233,021
Construction in progress	-	611,296	611,296
Total capital assets	<u>205</u>	<u>17,500,528</u>	<u>17,500,733</u>
Total noncurrent assets	<u>205</u>	<u>17,500,528</u>	<u>17,500,733</u>
<b>TOTAL ASSETS</b>	<u>369,948</u>	<u>22,345,659</u>	<u>22,715,607</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	8,435	62,464	70,899
Retainage payable	-	43,894	43,894
Payroll liabilities	-	26,424	26,424
Interfund accounts	23,105	-	23,105
Accrued interest payable	-	192,204	192,204
Accrued compensated absences - current portion	-	19,489	19,489
Revenue bonds payable - current portion	-	710,000	710,000
Total current liabilities	<u>31,540</u>	<u>1,054,475</u>	<u>1,086,015</u>
Long-term liabilities:			
Accrued compensated absences - long term	-	30,231	30,231
Revenue bonds payable - long term	-	9,335,000	9,335,000
Total long-term liabilities	<u>-</u>	<u>9,365,231</u>	<u>9,365,231</u>
<b>TOTAL LIABILITIES</b>	<u>31,540</u>	<u>10,419,706</u>	<u>10,451,246</u>
<b>NET POSITION</b>			
Net investment in capital assets	205	8,410,479	8,410,684
Restricted for bond reserves	-	2,077,519	2,077,519
Restricted for construction	-	525,217	525,217
Unrestricted	338,203	912,738	1,250,941
<b>TOTAL NET POSITION</b>	<u>\$ 338,408</u>	<u>\$ 11,925,953</u>	<u>\$ 12,264,361</u>

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



# RIVERBEND WATER RESOURCES DISTRICT

## STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

### ENTERPRISE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<i>Administrative Fund</i>	<i>Wet Utilities Fund</i>	<i>Total</i>
<b>OPERATING REVENUES</b>			
Charges for services:			
Member fees	\$ 197,608	\$ -	\$ 197,608
Army volumetric charge	-	2,693,840	2,693,840
Army water supply charge	-	207,840	207,840
Commercial and residential charge	-	410,164	410,164
Other revenue	72,841	6,528	79,369
Total operating revenues	270,449	3,318,372	3,588,821
<b>OPERATING EXPENSES</b>			
Accounting and audit	7,171	-	7,171
Analyticals	-	91,156	91,156
Community relations	5,936	-	5,936
Conferences & seminars	5,724	-	5,724
Consulting	198,929	13,200	212,129
Dues and memberships	7,694	-	7,694
Engineering services	78,924	-	78,924
Equipment maintenance, repair and fuel	-	29,454	29,454
Equipment rental	-	7,193	7,193
Insurance	-	15,039	15,039
Legal and professional fees	39,096	-	39,096
Materials	-	248,283	248,283
Meetings expense	5,570	-	5,570
Military affairs	8,202	-	8,202
Miscellaneous	1,029	470	1,499
Office supplies and expense	2,854	-	2,854
Permits	-	32,048	32,048
Repairs	-	193,593	193,593
Salaries, wages, payroll taxes and benefits	153,406	812,000	965,406
Supplies and materials	-	37,344	37,344
Travel and training	17,716	-	17,716
Utilities	-	143,256	143,256
Waste disposal	-	45,034	45,034
Water purchase cost	-	318,684	318,684
Web design and maintenance	3,655	-	3,655
Wastewater services - cities of Hooks and Maud	19,469	-	19,469
Overhead allocation - water	-	174,671	174,671
Overhead allocation - wastewater	-	232,896	232,896
Overhead allocation - industrial wastewater	-	174,671	174,671
Total operating expenses before depreciation	555,375	2,568,992	3,124,367
Operating income (loss) before depreciation	(284,926)	749,380	464,454
Depreciation	272	684,591	684,863
Operating income (loss)	(285,198)	64,789	(220,409)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Facility charges revenue	-	1,320,980	1,320,980
Interest revenue	-	51,417	51,417
Administrative fund salary revenue	-	127,612	127,612
Project admin fees	-	101,491	101,491
Interest expense	-	(419,763)	(419,763)
Franchise fees expense	-	(99,059)	(99,059)
Special projects expense	(268,455)	-	(268,455)
Total nonoperating revenues (expenses)	(268,455)	1,082,678	814,223
Income (loss) before capital contributions and transfers	(553,653)	1,147,467	593,814
Capital contributions	-	393,327	393,327
Transfers in (out)	400,000	(400,000)	-
Changes in net position	(153,653)	1,140,794	987,141
Net position, beginning of year	492,061	10,680,926	11,172,987
Prior period adjustment	-	104,233	104,233
Net position, end of year	\$ 338,408	\$ 11,925,953	\$ 12,264,361

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



# RIVERBEND WATER RESOURCES DISTRICT

## STATEMENT OF CASH FLOWS

### ENTERPRISE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<i>Administrative Fund</i>	<i>Wet Utilities Fund</i>	<i>Total</i>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 250,438	\$ 3,316,560	\$ 3,566,998
Cash paid to suppliers	(415,594)	(1,925,962)	(2,341,556)
Cash paid to employees	(153,406)	(810,755)	(964,161)
Net cash provided (used) by operating activities	(318,562)	579,843	261,281
<b>Cash flows from noncapital financing activities:</b>			
Net increase (decrease) in interfund receivable/liability accounts	23,716	(23,716)	-
Other revenue receipts	-	229,103	229,103
Other nonoperating expenses paid	(268,455)	(99,059)	(367,514)
Operating transfer in (out)	400,000	(400,000)	-
Net cash provided (used) by noncapital financing activities	155,261	(293,672)	(138,411)
<b>Cash flows from capital and related financing activities:</b>			
Receipt of facility charges revenues	-	1,320,980	1,320,980
Acquisition and construction of capital assets	-	(1,354,523)	(1,354,523)
Interest expense paid	-	(431,750)	(431,750)
Bonded debt principal reduction	-	(680,000)	(680,000)
Net cash provided (used) by capital and related financing activities	-	(1,145,293)	(1,145,293)
<b>Cash flows from investing activities:</b>			
Interest revenue received	-	51,417	51,417
Net cash provided (used) by investing activities	-	51,417	51,417
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>(163,301)</b>	<b>(807,705)</b>	<b>(971,006)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>494,773</b>	<b>5,161,631</b>	<b>5,656,404</b>
<b>Cash and cash equivalents, end of year</b>	<b>331,472</b>	<b>4,353,926</b>	<b>4,685,398</b>
<b>Cash and cash equivalents consists of:</b>			
Unrestricted cash and cash equivalents	331,472	1,304,121	1,635,593
Cash and cash equivalents restricted for bonded debt purposes	-	2,074,482	2,074,482
Cash and cash equivalents restricted for construction	-	525,217	525,217
Cash and cash equivalents restricted for operations	-	450,106	450,106
<b>Total cash and cash equivalents</b>	<b>331,472</b>	<b>4,353,926</b>	<b>4,685,398</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>			
Operating income (loss)	\$ (285,198)	\$ 64,789	\$ (220,409)
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b>			
Depreciation expense	272	684,591	684,863
(Increase) decrease in current assets:			
Accounts receivable	(20,011)	(1,812)	(21,823)
Prepaid expenses	-	(22,424)	(22,424)
Increase (decrease) in current liabilities:			
Accounts payable	(13,625)	(146,546)	(160,171)
Payroll liabilities	-	7,514	7,514
Accrued compensated absences	-	(6,269)	(6,269)
Total adjustments	(33,364)	515,054	481,690
Net cash provided (used) by operating activities	\$ (318,562)	\$ 579,843	\$ 261,281
<b>Noncash Capital, Financing and Investing Activities</b>			
Capital contributions	\$ -	\$ 393,327	\$ 393,327

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



# **RIVERBEND WATER RESOURCES DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

#### **A. Organization and Operations of the Reporting Entity**

The Riverbend Water Resources District (Riverbend) is a political subdivision of the State of Texas created with the passage of Texas Senate Bill 1223 in 2009, pursuant to the authority granted by Section 59, Article XVI of the Texas Constitution. This provision authorizes the legislature to create agencies to develop and conserve the natural resources of the State of Texas. In establishing Riverbend, legislature delegated to it all the power enumerated under Article 49 of the Texas Water Code along with the express authority to contract with other states and political subdivisions of other states of the United States in the performance of Riverbend's lawful duties.

In 2011 the Texas Legislature re-organized composition of the Riverbend Board of Directors and appointed a temporary conservator with the passage of HB 3847. The temporary conservator served as Riverbend's administrator until July 4, 2012. The current Board of Directors were appointed January 2012, drew lots to determine staggered terms, with three of the directors serving three-year terms and two of the directors serving four-year terms. The Riverbend Board consists of two directors appointed by the City of Texarkana, Texas, one director appointed by the City of New Boston, one director appointed by TexAmericas, and one director appointed by multiple general law communities within the region.

Riverbend currently serves sixteen (16) organizations including the cities of Annona, Atlanta, Avery, DeKalb, Hooks, Leary, Maud, Nash, New Boston, Redwater, Texarkana, Texas, Wake Village and TexAmericas Center, Bowie, Cass and Red River Counties. The organizations served by Riverbend desire to procure certain services from Riverbend and participate in the funding of the development of Riverbend projects in exchange for a specified fee and dollar-for-dollar credits towards participation in future water purchases should Riverbend develop such capability, and Riverbend is willing to provide such services and agree to such credits. Organizations served by Riverbend agree to pay or dedicate to Riverbend a fee of \$0.045 per 1,000 gallons of potable water processed through Lake Texarkana Water Supply Corporation facilities that each organization purchases from the City of Texarkana, Texas.

On May 1, 2016 Riverbend acquired and began operating the water, wastewater and industrial wastewater systems formerly owned and operated by TexAmericas Center. Riverbend provides water, domestic wastewater and industrial wastewater services to the Red River Army Depot, the TexAmericas Industrial Park as well as various commercial and residential customers.

#### **B. Measurement Focus and Basis of Accounting**

For financial reporting purposes, Riverbend reports its operations on an enterprise fund basis. Enterprise funds (a proprietary fund type) are accounted for on a flow of economic resources measurement focus. This measurement focus provides that all assets and liabilities associated with operations are included on the Statement of Net Position.

The accrual basis of accounting is utilized by Riverbend for financial reporting. Under the accrual basis of accounting, income is recorded when earned and expenses are recorded at the time liabilities are incurred. The Statement of Revenue, Expenses, and Changes of Net Position present increases (income) and decreases (expenses) in Riverbend net position.

Riverbend distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with ongoing operations. Operating revenues include charges for services, member contributions for acting as the designee, local sponsor and agent for the member organizations regarding certain matters and supervising performance of agreements between the member organizations and the City of Texarkana, Texas as well as consulting revenue. Operating expenses include all necessary costs related to the performance and administration of Riverbend's ongoing activities. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.



# **RIVERBEND WATER RESOURCES DISTRICT**

## *Notes to Financial Statements continued.*

Riverbend reports the following two major Enterprise Funds:

The Administrative Fund accounts for the member contributions and expenses related to the activities as the agent for the member organizations regarding certain matters and supervising performance of agreements between the member organizations and the City of Texarkana, Texas.

The Wet Utilities Fund is the major Enterprise fund of Riverbend. The Wet Utilities Fund accounts for the operations of the wet utilities systems and facilities providing water, wastewater and industrial wastewater to its customers.

When both restricted and unrestricted resources are available for use, it is Riverbend's policy to use restricted resources first then unrestricted resources as they are needed.

### **C. Assets, Liabilities, and Net Position**

#### **1. Cash and Cash Equivalents**

Cash and cash equivalents are considered to be cash on hand and cash on deposit, as well as highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

#### **2. Investments**

Investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### **3. Receivables and payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the year is referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Accounts receivable are considered fully collectible; accordingly, no allowance for doubtful accounts is required. In the event an account in whole or in part becomes uncollectible in the future, such amount will be charged to operations when that determination is made.

#### **4. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

#### **5. Restricted Assets**

Some of Riverbend's assets have certain constraints that have been placed on how they can be used. By definition, restricted assets are cash and cash equivalents or other assets whose use in whole or in part is restricted for specific purposes bound by virtue of contractual agreements, legal requirements or enabling legislation. Certain proceeds of revenue bonds, as well as resources set aside for their repayment, are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

#### **6. Inventories**

Inventories are stated at the lower of cost (determined by using the weighted average cost or first-in first-out) or market.



# RIVERBEND WATER RESOURCES DISTRICT

## *Notes to Financial Statements continued.*

### 7. Capital Assets

Capital assets are stated at costs. Assets are recorded as property, plant, and equipment when valued at \$1,000 or more and have an estimated useful life in excess of one year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives is not capitalized.

Capital assets of Riverbend are depreciated using the straight-line method over the following estimated useful lives:

Computer equipment	5 years
Equipment	5-10 years
Utility system	20-60 years
Intangible assets	20-60 years

### 8. Compensated Absences

Riverbend's policy is to permit the employee to accumulate earned vacation leave. Accumulated vacation time is accrued at year-end to account for Riverbend's obligation to the employee for the amount owed. The employee earns 15 days of vacation each year, or 120 hours. The unused vacation can be carried forward from year to year and will be paid out upon termination for employees that have been employed for 6 months and worked 1,040 hours. The maximum allowable accumulation of vacation leave is five weeks (200 hours). The employee also earns 12 days of sick time each year, or 96 hours. Unused sick time can be carried forward from year to year but is not payable upon termination. The maximum allowable accumulation of sick leave is 550 hours for employees employed as of June 8, 2016. For employees employed after June 8, 2016, the maximum allowable accumulation of sick leave is 250 hours. No accrual for sick time is reported.

### 9. Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

### 10. Contributions of Capital (Non-Monetary Transactions)

Contributions of capital in proprietary fund financial statements arise from outside contributions of resources restricted to capital acquisition and construction. During 2019, Riverbend recognized capital contributions of \$393,327 in the Wet Utility Fund for TAC Area D water line improvements.

### 11. Net Position

Unrestricted net position is the net amount of the assets and liabilities that are not included in the determination of the net investment in capital assets or restricted net position. Sometimes Riverbend may fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is Riverbend's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

### 12. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make some estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.



# RIVERBEND WATER RESOURCES DISTRICT

## *Notes to Financial Statements continued.*

### NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

While water district budgets are not “legally adopted” within the meaning of GASB 34, they are adopted according to Texas Law. Riverbend adopts an annual budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses.

### NOTE 3 – DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Riverbend does not have a formal policy for custodial credit risk. Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, Riverbend’s deposits may not be returned to it. Riverbend’s demand deposit accounts, and time and saving deposit accounts with financial institutions are each insured by the FDIC up to a maximum of \$250,000. Riverbend requires collateralized securities for the excess over FDIC coverage. The deposits at one bank depository were fully insured by FDIC or additional coverage of pledged securities. The deposits at the other bank depository were not fully insured by FDIC or additional coverage of pledged securities. Uninsured/uncollateralized deposits totaled \$81,472 at September 30, 2019.

Concentration of Credit Risk - Riverbend does not have a formal policy for concentration of credit risk. The District’s investments in public investment pools were rated AAAm by Standard and Poor’s.

Interest Rate Risk - Riverbend does not have a formal policy for interest rate risk.

Riverbend had funds invested in one investment pool, TexPool for \$450,106 at September 30, 2019. The fair value was \$450,106. The investment maturity was less than 1 year.

Fair value is the amount at which a security could be exchanged in a current transaction between willing parties, other than in a forced liquidation. Under GASB 72, all investments are recorded at fair value.

Local government investment pools operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Local government investment pools use amortized cost rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in these pools is the same as the value of the shares in each pool. Investments in local government pool are based upon a contract and not the security itself. The above investment pools, which are regulated by the Securities and Exchange Commission, have as one of their objectives the maintenance of a stable net asset value of \$1.00.

The Texas Local Government Investment Pool (“TexPool”) are 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 Texas Comptroller of Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company (“Trust Company”), which is authorized to operate TexPool. Pursuant to the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Lehman Brothers Inc. and Federated Investor’s, Inc., under an agreement with the Comptroller, acting on behalf of the Trust Company. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy and approves any fee increases. As required by the Public Funds Investment Act, this Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

### NOTE 4 – ACCOUNTS RECEIVABLE

Riverbend’s accounts receivable as of September 30, 2019 was \$402,552. Riverbend considers all accounts receivable to be fully collectible; therefore, no allowance for doubtful accounts is recorded. In the event an account in whole or in part becomes uncollectible in the future, such amount will be charged to operations when that determination is made.



# RIVERBEND WATER RESOURCES DISTRICT

Notes to Financial Statements continued.

## NOTE 5 – CAPITAL ASSETS

Riverbend had several construction projects in process during the year ended September 30, 2019. The Regional Planning Master Study, Water Rate Study and Industrial Feasibility Study had accumulated \$611,296 of construction in progress cost at September 30, 2019. Completed projects include the MG Potable Ground Water Storage Tank totaling \$3,743,424, the drying bed rehab project totaling \$114,973, and the GIS mapping project \$91,700. Equipment additions with a total cost of \$81,585 included Hayes Lift Station submersible pumps, RTU's for SCADA, two influent pumps and two air compressors at the industrial wastewater treatment plant. A capital contribution of \$393,327 for TAC Area D water line improvements is reflected in the financial statements. Total depreciation expense of \$684,863 was included in operating expenses. Administrative Fund depreciation expense was \$272 and Wet Utilities depreciation expense was \$684,591.

Capital asset activity for the year ended September 30, 2019 was as follows:

	<i>Balance</i> <i>October 1,</i> <i>2018</i>	<i>Additions</i>	<i>Reclassifications/ Retirements</i>	<i>Balance</i> <i>September 30,</i> <i>2019</i>
Capital assets, not being depreciated				
Construction in progress	\$ 3,342,233	\$ 1,219,160	\$ (3,950,097)	\$ 611,296
Capital assets, being depreciated				
Computer equipment	1,362	-	-	1,362
Equipment	244,670	81,585	-	326,255
Utility systems	13,923,959	393,327	3,950,097	18,267,383
Intangible assets	254,784	-	-	254,784
Total capital assets, being depreciated	14,424,775	474,912	3,950,097	18,849,784
Less accumulated depreciation for:				
Computer equipment	(885)	(272)	-	(1,157)
Equipment	(44,305)	(38,161)	-	(82,466)
Utility systems	(1,214,901)	(640,060)	-	(1,854,961)
Intangible assets	(15,393)	(6,370)	-	(21,763)
Total accumulated depreciation	(1,275,484)	(684,863)	-	(1,960,347)
Total capital assets, being depreciated	13,149,291	(209,951)	3,950,097	16,889,437
Total capital assets, net	\$ 16,491,524	\$ 1,009,209	\$ -	\$ 17,500,733

## NOTE 6 – LONG-TERM DEBT OBLIGATIONS

Riverbend has pledged future water, wastewater and industrial wastewater customer revenues, net of specific operating expenses to repay \$11,610,000 in water and wastewater system revenue bonds issued in 2016. Proceeds from the bonds provided financing for the water and wastewater facility acquisition and improvements. The bonds are payable solely from customer net revenues and are payable through 2045. The Series 2016 A bonds are callable in whole or in part inversely on any date at par. The Series 2016 B bonds are callable in whole or in part inversely at any date at par. Average annual principal and interest payments on the bonds are expected to require approximately 21% of net revenues. The total principal and interest remaining to be paid on the bonds is \$14,964,350. Riverbend made \$680,000 of principal payment and \$431,750 of interest payments during the fiscal year ended September 30, 2018. Riverbend incurred \$419,763 of interest expense during the year ended September 30, 2019.



# RIVERBEND WATER RESOURCES DISTRICT

## Notes to Financial Statements continued.

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

	<i>Rate of Interest</i>	<i>Original Issue</i>	<i>Outstanding September 30, 2019</i>
Riverbend Water Resources District			
Water and Wastewater System Revenue			
Bonds Taxable Series 2016A -- Due serially			
in varying amounts from October 2017			
through October 2045	0.8-4.56%	\$ 4,925,000	\$ 4,525,000
Riverbend Water Resources District			
Water and Wastewater System Revenue			
Bonds Taxable Series 2016B -- Due serially			
varying amounts from October 2017			
through October 2030	4.24%	6,685,000	5,520,000
Total bonded indebtedness		\$ 11,610,000	10,045,000
Less current maturities			(710,000)
Total long-term debt			\$ 9,335,000

Annual requirements to amortize Riverbend's revenue bonds outstanding at September 30, 2019 including interest payments are as follows:

<i>Requirements</i>	<i>Water and Wastewater System Revenue Bonds</i>		
<i>Year Ending</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
<i>September 30</i>			
2020	\$ 710,000	\$ 405,449	\$ 1,115,449
2021	740,000	376,893	1,116,893
2022	775,000	346,686	1,121,686
2023	815,000	314,680	1,129,680
2024	410,000	290,288	700,288
2025-2029	2,290,000	1,614,395	3,904,395
2030-2034	1,690,000	793,431	2,483,431
2035-2039	925,000	493,896	1,418,896
2040-2044	1,150,000	258,780	1,408,780
2045-2046	540,000	24,852	564,852
	<u>\$ 10,045,000</u>	<u>\$ 4,919,350</u>	<u>\$ 14,964,350</u>



## **RIVERBEND WATER RESOURCES DISTRICT**

### ***Notes to Financial Statements continued.***

The following is a summary of the changes in long-term obligations for the year ended September 30, 2019:

	<i>Beginning Balance October 1, 2018</i>	<i>Additions</i>	<i>Retirements</i>	<i>Ending Balance September 30, 2019</i>	<i>Due Within One Year</i>
Revenue bonds	\$ 10,725,000	\$ -	\$ (680,000)	\$ 10,045,000	\$ 710,000
Accrued compensated absences	55,989	-	(6,269)	49,720	19,489
Total	<u>\$ 10,780,989</u>	<u>\$ -</u>	<u>\$ (686,269)</u>	<u>\$ 10,094,720</u>	<u>\$ 729,489</u>

#### **NOTE 7 – RETIREMENT PLAN**

Riverbend sponsors a defined contribution plan, Riverbend Water Resources District 457 Plan, for those employees that elect to participate. The plan is a Government Plan as defined in Internal Revenue Code Section 457(b) and is administered through InWest Retirement Solutions. All employees of Riverbend are eligible to elect participation in the plan. Employees may contribute, by salary reduction, a percentage as specified in the Internal Revenue Code. Employee contributions are immediately vested. Riverbend matches the employee contributions on a discretionary basis. Eligible employees may only participate in the matching program after the first 6 months of service. The current policy matches up to 12.5% of employee contributions based on the following rates: 2 for 1 up to the first 4% of contributions; 1 for 1 of 5-7% of contributions; 0.5 to 1 of 8-10% of contributions. Employer and employee contributions to the plan for the year ended September 30, 2019 totaled \$100,350 and \$74,439, respectively.

#### **NOTE 8 – RISK MANAGEMENT**

Riverbend 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 other claims of various natures. Riverbend participates in the Texas Water Conservation Association Risk Management Fund (Fund) to ensure the appropriate insurance has been acquired for the fund year in relation to District operations and assets in the event of a loss. Riverbend has workers compensation coverage, general liability, errors and omissions liability, and automobile insurance through the Fund. Riverbend maintains general liability coverage of \$10,000,000, errors and omissions liability coverage of \$10,000,000 per claim and \$10,000,000 annual aggregate, and automobile insurance coverage of \$10,000,000. Riverbend has a deductible of \$1,000 under the policies. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

#### **NOTE 9 – INTERFUND BALANCES AND TRANSFERS**

During the fiscal year ended September 30, 2019, a payable of \$23,105 was recorded by the Administrative Fund to the Wet Utilities Fund with an offsetting receivable recorded by the Wet Utilities Fund to reclassify expenses between funds. These interfund balances will be repaid currently. During the fiscal year ended September 30, 2019, the WET Utilities Fund transferred \$400,000 to the Administrative Fund. The transfers of \$268,455 were used for the WAM and Hooks Feasibility studies and the Volumetric and Sedimentation study. The balance of the transfer of \$131,545 was for future planning studies.



## **RIVERBEND WATER RESOURCES DISTRICT**

*Notes to Financial Statements continued.*

### **NOTE 10 – ACQUISITION OF WET UTILITIES OPERATIONS**

On May 26, 2015 Riverbend and TexAmericas Center entered into an Agreement for Purchase and Sale of Assets and Assignment and Assumption of Contract Rights, providing for the sale of the water, wastewater and industrial wastewater systems that were owned and operated by TexAmericas Center. On April 25, 2016 the Riverbend Water Resources District Board of Directors issued Resolution No. 20160425-02 to close the sale of the water, wastewater and industrial wastewater systems from TexAmericas Center. The closing date of the transfer was April 28, 2016 and the effective date of the transfer of the wet utility systems, its operations and its employees was May 1, 2016. Riverbend paid \$10,000 for the purchase of the wet utility operations from TexAmericas Center.

The water, wastewater and industrial wastewater operations were acquired as a transfer of operations from TexAmericas Center totaling \$8,318,334. Riverbend received capital assets with a net book value of \$11,026,495 from TexAmericas Center as part of the transfer of the wet utility operations.

Riverbend issued \$4,925,000 Revenue Bonds Taxable Series 2016A and \$6,685,000 Revenue Bonds Taxable Series 2016B which were utilized in part to redeem the TexAmericas Center bonds. As part of the agreement, TexAmericas Center funded a promissory note for \$900,000.

TexAmericas Center retained seven-twelfths (7/12) of the profits from the operation of the wet utility system budgeted by TexAmericas Center for FY 2015-2016. The remainder of the profits, or \$347,520, was transferred to Riverbend in September 2016 and reported as part of the transfer of operations.

### **NOTE 11 – WATER SUPPLY AND WASTE WATER TREATMENT CONTRACT WITH RED RIVER ARMY DEPOT**

#### *Volumetric Charges and Operating Revenues*

Two different volumetric rates agreed to in the contract with the Army multiplied by the Army's stipulated annual usage expressed as a percentage of the entire rate base create set payments that produce operating revenue for the system. These two rates are referred to as the Fixed Volumetric Charge and Variable Volumetric Charge. The Fixed Volumetric Charge is subject to adjustment every 5 years based on the weighted average annual usage by the Army expressed as a percentage of the entire rate base. Both the Fixed and Variable Volumetric Charges ratchet upwards in years 5, 10, and 15 of the contract.

#### *Facility Charge and Capital Asset Recovery*

Long-term capitalization of the assets is accomplished through an annual payment that is derived by taking the net present value of a pre-defined 20-year capital budget and dividing the amount into 20 equal annual payments. The annual payment is referred to as the system Facility Charge. Because future capital requirements are known to change and because actual expenditures in a given year may be different than the budget, the contract terms required an accounting for these changes.

Every 5 years, the parties may renegotiate the Facility Charge to address these deviations in the program and to adjust for implied discount rates within the model and other issues. The net proceeds from all Facility Charges collected are separated in restricted accounts on the statement of net position by Riverbend and managed consistent with generally accepted municipal investment practices.



# **RIVERBEND WATER RESOURCES DISTRICT**

*Notes to Financial Statements continued.*

## **NOTE 12 – LEASE AGREEMENT WITH TEXAMERICAS CENTER**

Riverbend has three contracts with TexAmericas Center to rent office space for \$1 for the term of the contract. The buildings rented are building 164 with 4,300 square feet, building 167 with 2,400 square feet and the west wing of building 228A with 3,562 square feet. The initial term began May 1, 2016 and terminates April 1, 2017 with options to extend the term for nine additional one-year periods. Riverbend will pay additional rent equal to the rental square feet times an initial rent of \$2.50 per square foot for building 164, \$1 per square foot for building 164, and \$5 per square foot for building 228A for the first year. The additional rent is earned upon the first day of each term and extended term of the lease and is payable by Riverbend in future credits for water or wastewater services redeemable by TAC or its assignees from Riverbend from the current Wet utility systems, any future additional or expansions and from any future new water treatment plant facilities by Riverbend. In order to redeem any accrued water or wastewater credits, TAC will give Riverbend notice for credits to be redeemed in the following budget year. TAC is not permitted to redeem more than twenty percent of the then-current balance of TAC's accrued water and wastewater credits arising from the additional rent during any ninety-day period. The requests are subject to Riverbend's budgetary ability to meet the request. The amount of future credits accrued by TexAmericas Center for the current year ending September 30, 2019 was \$129,524. The cumulative TAC rental water credits are included in the schedule in Note 14.

## **NOTE 13 – FRANCHISE FEES**

A franchise fee of three percent (3%) of the gross revenues generated from the operation of any utility system owned by Riverbend which is located on any real property owned by TexAmericas Center is due to TexAmericas Center on a monthly basis. The amount of the franchise fee to be paid is based on the amount of billed charges for the preceding month. During the fiscal year ended September 30, 2019, Riverbend paid franchise fees of \$99,059.

## **NOTE 14 – CONTINGENCIES**

### **Litigation**

In the ordinary course of operations, Riverbend is subject to claims from outside parties. After consultation with legal counsel, Riverbend believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

### **Water fees and credits**

An item of operating revenue for Riverbend represent fees paid by member organization for future water credits should Riverbend develop a project with the capability of providing potable water. Each one dollar in advances may be exchanged for one dollar in credits that Riverbend will accept for the purchase of water.



## RIVERBEND WATER RESOURCES DISTRICT

### Notes to Financial Statements continued.

The amount of advances paid by each member organization for Riverbend fees, supplemental contributions and rental credits by year is as follows:

<i>Member Organization</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>Prior Years</i>	<i>Total</i>
City of Annona	\$ 407	\$ 350	\$ 689	\$ 734	\$ 1,317	\$ 3,497
City of Atlanta	15,165	15,622	21,997	30,583	45,877	129,244
City of Avery	904	1,054	1,292	2,287	3,723	9,260
City of DeKalb	3,482	3,218	5,385	7,650	12,671	32,406
City of Hooks	7,253	7,238	12,645	13,956	22,311	63,403
City of Leary	945	807	1,238	1,747	2,939	7,676
City of Maud	2,163	1,881	3,160	4,946	7,774	19,924
City of Nash	4,319	4,450	6,656	9,242	11,947	36,614
City of New Boston	17,756	17,944	26,369	35,367	58,663	156,099
City of Redwater	5,449	6,224	8,818	10,387	13,116	43,994
City of Texarkana, TX	122,404	120,039	196,878	276,759	381,428	1,097,508
City of Wake Village	7,470	7,297	12,726	17,012	27,162	71,667
TexAmericas Center	-	-	-	20,444	39,854	60,298
TexAmericas Center Rental Credit	33,830	32,845	31,889	30,960	-	129,524
Wet Utilities Fund	9,891	11,960	24,260	3,369	-	49,480
Total	<u>\$ 231,438</u>	<u>\$ 230,929</u>	<u>\$ 354,002</u>	<u>\$ 465,443</u>	<u>\$ 628,782</u>	<u>\$ 1,910,594</u>

### NOTE 15 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

The District has applied for \$200M of funding from the Texas Water Development Board's Drinking Water State Revolving Fund for the construction of a new regional water treatment facility. Water supply contracts with the participating member entities have been drafted and are near completion. The water supply contracts support the payment a multi-year bond issuance package. The District and the City of Texarkana, Texas have submitted a water rights application to the Texas Commission on Environmental Quality (TCEQ) seeking to secure the future water needs of the region.

### NOTE 16 – PRIOR PERIOD ADJUSTMENTS

In the prior fiscal year ended September 30, 2018, capital contributions of capital asset equipment \$22,838 were not recognized as a capital contribution in the Wet Utilities Fund. In the prior fiscal year ended September 30, 2016, capital contributions for inventories of \$81,395 were not recognized as a capital contribution for the acquisition of the wet utilities' facilities in the Wet Utilities Fund. The total amount of prior period adjustment is \$104,233 which restates the beginning net position as \$10,785,159 in the Wet Utilities Fund.

### NOTE 17 – SUBSEQUENT EVENTS

In preparing these financial statements, management of Riverbend has evaluated events and transactions for potential recognition or disclose through January 16, 2020, the date the financial statements were available to be issued.



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## Required Supplementary Information



# RIVERBEND WATER RESOURCES DISTRICT

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE ADMINISTRATIVE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget</i>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 190,000	\$ 195,000	\$ 197,608	\$ 2,608
Member services	18,339	71,850	72,841	991
Other revenues	-	-	-	-
Total operating revenues	<u>208,339</u>	<u>266,850</u>	<u>270,449</u>	<u>3,599</u>
<b>OPERATING EXPENSES</b>				
Accounting and audit	9,500	9,500	7,171	2,329
Bank fees	300	-	-	-
Community relations	5,000	10,000	5,936	4,064
Conferences and seminars	4,000	5,500	5,724	(224)
Consulting	240,000	200,000	198,929	1,071
Dues and memberships	2,735	7,735	7,694	41
Engineering services	145,000	145,000	78,924	66,076
Legal and professional fees	27,500	34,000	39,096	(5,096)
Meetings expense	3,900	8,900	5,570	3,330
Military affairs	12,000	12,000	8,202	3,798
Miscellaneous	2,300	1,800	1,029	771
Office supplies and expense	1,800	3,300	2,854	446
Salaries, wages, payroll taxes and benefits	156,000	152,832	153,406	(574)
Travel and training	9,000	18,000	17,716	284
Utilities	2,400	-	-	-
Web design and maintenance	4,000	4,000	3,655	345
Wastewater services - cities of Hooks and Maud	5,500	21,000	18,763	2,237
Member repairs - other	-	710	706	4
Total operating expenses before depreciation	<u>630,935</u>	<u>634,277</u>	<u>555,375</u>	<u>78,902</u>
Depreciation	-	-	272	(272)
Total operating expenses	<u>630,935</u>	<u>634,277</u>	<u>555,647</u>	<u>78,630</u>
Operating Income (loss) before special projects expense and transfers	<u>(422,596)</u>	<u>(367,427)</u>	<u>(285,198)</u>	<u>82,229</u>
<b>Non-operating revenues (expenses)</b>				
Special projects expense	(230,000)	(292,000)	(268,455)	23,545
Transfer in	400,000	400,000	400,000	-
Changes in net position	<u>(252,596)</u>	<u>(259,427)</u>	<u>(153,653)</u>	<u>105,774</u>
Net position, beginning of year	<u>492,061</u>	<u>492,061</u>	<u>492,061</u>	<u>-</u>
Net position, end of year	<u>\$ 239,465</u>	<u>\$ 232,634</u>	<u>\$ 338,408</u>	<u>\$ 105,774</u>

Note: GAAP serves as the basis of budgeting.



# RIVERBEND WATER RESOURCES DISTRICT

## SUPPLEMENTARY INFORMATION

### BUDGETARY COMPARISON SCHEDULE

#### WET UTILITIES FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget</i>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 3,272,145	\$ 3,448,234	\$ 3,311,843	\$ (136,391)
Other revenue	-	1,500	6,529	5,029
Total operating revenues	<u>3,272,145</u>	<u>3,449,734</u>	<u>3,318,372</u>	<u>(131,362)</u>
<b>OPERATING EXPENSES</b>				
Analytical	150,000	150,000	91,156	58,844
Consulting	60,000	64,200	13,200	51,000
Equipment maintenance, repair and fuel	43,000	43,500	29,454	14,046
Equipment rental	11,000	11,000	7,193	3,807
Insurance	39,000	39,000	15,039	23,961
Materials	233,000	259,000	248,283	10,717
Miscellaneous	12,000	12,000	470	11,530
Permits	55,000	55,000	32,048	22,952
Repairs	294,000	291,650	193,593	98,057
Salaries, wages, payroll taxes and benefits	1,004,430	1,003,250	812,000	191,250
Supplies and materials	51,700	51,700	37,344	14,356
Utilities	163,500	179,000	143,256	35,744
Waste disposal	60,000	60,000	45,034	14,966
Water purchase cost	386,676	380,426	318,684	61,742
Overhead allocation - water	158,860	200,854	174,671	26,183
Overhead allocation - wastewater	211,813	267,806	232,896	34,910
Overhead allocation - industrial wastewater	158,860	200,854	174,671	26,183
Total operating expenses before depreciation	<u>3,092,839</u>	<u>3,269,240</u>	<u>2,568,992</u>	<u>700,248</u>
Operating income (loss) before depreciation	179,306	180,494	749,380	568,886
Depreciation	-	685,000	684,591	409
Operating income (loss)	<u>179,306</u>	<u>(504,506)</u>	<u>64,789</u>	<u>569,295</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Facility charges revenues	1,304,231	1,440,211	1,320,980	(119,231)
Interest revenue	40,000	52,000	51,417	(583)
Other revenue	258,482	251,182	229,103	(22,079)
Interest expense	(408,271)	(408,271)	(419,763)	(11,492)
Franchise fees expense	(96,904)	(102,441)	(99,059)	3,382
Total nonoperating revenues (expenses)	<u>1,097,538</u>	<u>1,232,681</u>	<u>1,082,678</u>	<u>(150,003)</u>
Income (loss) before capital contributions and transfers	1,276,844	728,175	1,147,467	419,292
Capital contributions	-	-	393,327	393,327
Transfers in (out)	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Changes in net position	876,844	328,175	1,140,794	812,619
Net position, beginning of year	10,680,926	10,680,926	10,680,926	-
Prior period adjustment	-	-	104,233	104,233
Net position, end of year	<u>\$ 11,557,770</u>	<u>\$ 11,009,101</u>	<u>\$ 11,925,953</u>	<u>\$ 916,852</u>

Note: GAAP serves as the basis of budgeting.



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**Supplementary Information**  
**Required by Texas Commission on Environmental Quality**



# RIVERBEND WATER RESOURCES DISTRICT

## SUPPLEMENTARY INFORMATION SCHEDULE OF SERVICES AND RATES FOR THE YEAR ENDED SEPTEMBER 30, 2019

### 1. Services Provided by the District during the Fiscal Year:

- |   |  |                                     |
|---|--|-------------------------------------|
| <input checked="" type="checkbox"/> Retail Water  | <input checked="" type="checkbox"/> Wholesale Water      | <input type="checkbox"/> Drainage   |
| <input checked="" type="checkbox"/> Retail/Wastewater   | <input checked="" type="checkbox"/> Wholesale Wastewater | <input type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks/Recreation   | <input checked="" type="checkbox"/> Fire Protection      | <input type="checkbox"/> Security   |
| <input type="checkbox"/> Solid Waste/Garbage  | <input type="checkbox"/> Flood Control                   | <input type="checkbox"/> Roads      |
| <input checked="" type="checkbox"/> Participates in joint ventures, regional system, and/or wastewater service<br>(other than emergency interconnect) |  |                                     |
| <input type="checkbox"/> Other (specify): _____   |  |                                     |

### 2. Retail Service Providers

#### a. Retail Rates for a 5/8" meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons Over Minimum Use	Usage Levels
WATER:	\$ _____	SEE _____	_____	\$ _____.	_____ to _____
WASTEWATER:	\$ _____	ATTACHED	_____	\$ _____.	_____ to _____
SURCHARGE:	\$ _____	SCHEDULE	_____	\$ _____.	_____ to _____

District employs winter averaging for wastewater usage? Yes ☐ No ☒

Total charges per 10,000 gallons usage: Water: \$ \_\_\_\_\_ Wastewater: \$ \_\_\_\_\_

#### b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered	0	0	x 1.0	_____
≤ 3/4"	20	17	x 1.0	_____
1"	33	29	x 2.5	_____
1 1/2"	7	6	x 5.0	_____
2"	18	16	x 8.0	_____
3"	11	8	x 15.0	_____
4"	3	3	x 25.0	_____
6"	3	3	x 50.0	_____
8"	3	3	x 80.0	_____
12"	2	2	x 115.0	_____
Total Water	98	85	_____	_____
Total Wastewater	79	70	x 1.0	_____



## RIVERBEND WATER RESOURCES DISTRICT

### SUPPLEMENTARY INFORMATION SCHEDULE OF SERVICES AND RATES (CONTINUED) FOR THE YEAR ENDED SEPTEMBER 30, 2019

#### 3. Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):

Gallon pumped into system:	236,425,872	Water Accountability Ratio: (Gallons billed/Gallon pumped)
Gallons billed to customers:	236,425,872	_____100%_____

#### 4. Location of District:

County(ies) in which District is located: Bowie, Cass, Red River

Is the District entirely within one county? Yes ☐ No ☒

Is the District located within a city? Entirely ☐ Partly ☐ Not at all ☒

City(ies) in which the District is located? \_\_\_\_\_

Is the District located within a city's extra territorial jurisdiction (ETJ)?  
Entirely ☐ Partly ☒ Not at all ☐

ETJs in which the District is located: See above

Are board members appointed by an office outside the district: Yes ☐ No ☒

If Yes, by whom? \_\_\_\_\_



# RIVERBEND WATER RESOURCES DISTRICT

## SUPPLEMENTARY INFORMATION SCHEDULE OF SERVICES AND RATES (CONTINUED) FOR THE YEAR ENDED SEPTEMBER 30, 2019

### WATER/SEWER RATE SCHEDULE

	<i>Commercial sewer only</i>	<i>Commercial water/sewer</i>	<i>Private water/sewer</i>	<i>Private 1" sprinkler</i>	<i>Commercial hydrant / sprinkler</i>
Standard water rate (\$/1,000)	\$ -	\$ 6.50	\$ 3.50	\$ 3.50	\$ -
Standard sewer rate (\$/1,000)	7.00	7.00	7.00	-	-
Facility charge					
Water	-	3.25	2.75	2.50	-
Sewer	3.25	3.25	2.75	-	-
Total charge (\$/1,000)	10.25	20.00	16.00	6.00	9.75
Fixed minimum charge	20.00	35.00	20.00	10.00	15.00
Water rate		10.00	7.00	7.00	10.00
Sewer rate	15.00	15.00	10.00	-	-
Facility charge water		5.00	1.50	3.00	5.00
Facility charge wastewater	5.00	5.00	1.50	-	-
Backflow Device					
Annual Calibration	75.00	-	-	-	-
Customer Service Inspection					
New Connections	85.00				



# RIVERBEND WATER RESOURCES DISTRICT

## SUPPLEMENTARY INFORMATION

### SCHEDULE OF ENTERPRISE FUND EXPENSES

FOR THE YEAR ENDED SEPTEMBER ENDED SEPTEMBER 30, 2019

	<i>Administrative Fund</i>	<i>Wet Utilities Fund</i>	<i>Total</i>
<b>Personnel Expenses (including benefits)*</b>	\$ 153,406	\$ 1,320,861	\$ 1,474,267
<b>Professional Fees:</b>			
Auditing and financial consulting	7,171	17,871	25,042
Legal	39,096	20,926	60,022
Engineering services	78,924	-	78,924
Consulting	198,929	13,200	212,129
<b>Purchased Services for Resale:</b>			
Water purchase cost	-	318,684	318,684
Cost of member cities' services	19,469		19,469
<b>Utilities</b>	-	143,256	143,256
<b>Repairs and Maintenance:</b>			
Analytical	-	91,156	91,156
Repairs and maintenance - equipment	-	29,454	29,454
Repairs and maintenance - utility system	-	206,722	206,722
Supplies and materials	-	285,627	285,627
Insurance	-	15,039	15,039
Waste disposal	-	45,033	45,033
<b>Administrative Expenses:</b>			
Office supplies and expenses	2,854	6,382	9,236
Utilities	-	13,475	13,475
Insurance	-	200	200
Franchise fees	-	99,059	99,059
Other administrative expenses	55,526	41,106	96,632
<b>Other Expenditures</b>			
Depreciation	272	684,591	684,863
Interest expense	-	419,763	419,763
<b>TOTAL EXPENSES</b>	<b>\$ 555,647</b>	<b>\$ 3,772,405</b>	<b>\$ 4,328,052</b>

\* Number of persons employed by the District: 16 Full-Time 0 Part-Time



## RIVERBEND WATER RESOURCES DISTRICT

### SUPPLEMENTARY INFORMATION SCHEDULE OF INVESTMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2019

<i>Funds</i>	<i>Identification Number</i>	<i>Maturity Date</i>	<i>Balance at End of Year</i>	<i>Accrued Int Rec End of Year</i>
Administrative Fund				
Operations	50003704	Daily checking	\$ 331,472	\$ -
Wet Utilities Fund				
Operations	21695	Daily checking	853,487	-
Operations	21725	Daily savings	450,634	-
Restricted bond sinking	21709	Daily checking	1,465,731	-
Restricted bond reserves	21217	Daily checking	608,751	-
Restricted construction funds	21741	Daily checking	525,217	-
Restricted operations	7967600001	Daily prime	450,106	-
Total - All Funds			<u>\$ 4,685,398</u>	<u>\$ -</u>



## RIVERBEND WATER RESOURCES DISTRICT

### SUPPLEMENTARY INFORMATION

### SCHEDULE OF LONG-TERM DEBT SERVICE REQUIREMENTS

### SERIES 2016A - BY YEARS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

<i>Due During Fiscal Year Ending</i>	<i>Series 2016A</i>		<i>Total</i>
	<i>Principal Due 10/15</i>	<i>Interest Due 10/15, 4/15</i>	
2016	\$ -	\$ -	\$ -
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	105,000	184,227	289,227
2021	105,000	181,959	286,959
2022	105,000	179,418	284,418
2023	110,000	176,562	286,562
2024	115,000	173,370	288,370
2025	115,000	169,914	284,914
2026	120,000	166,235	286,235
2027	125,000	162,215	287,215
2028	130,000	157,743	287,743
2029	130,000	152,848	282,848
2030	140,000	147,597	287,597
2031	145,000	142,053	287,053
2032	150,000	135,926	285,926
2033	155,000	129,200	284,200
2034	160,000	122,255	282,255
2035	170,000	114,978	284,978
2036	175,000	107,370	282,370
2037	185,000	99,294	284,294
2038	195,000	90,630	285,630
2039	200,000	81,624	281,624
2040	210,000	72,276	282,276
2041	220,000	62,472	282,472
2042	230,000	52,212	282,212
2043	240,000	41,496	281,496
2044	250,000	30,324	280,324
2045	265,000	18,582	283,582
2046	275,000	6,270	281,270
	<u>\$ 4,525,000</u>	<u>\$ 3,159,050</u>	<u>\$ 7,684,050</u>



## RIVERBEND WATER RESOURCES DISTRICT

### SUPPLEMENTARY INFORMATION

### SCHEDULE OF LONG-TERM DEBT SERVICE REQUIREMENTS

### SERIES 2016B - BY YEARS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

<i>Due During Fiscal Year Ending</i>	<i>Series 2016B</i>		
	<i>Principal Due 10/15</i>	<i>Interest Due 10/15, 4/15</i>	<i>Total</i>
2016	\$ -	\$ -	\$ -
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	605,000	221,222	826,222
2021	635,000	194,934	829,934
2022	670,000	167,268	837,268
2023	705,000	138,118	843,118
2024	295,000	116,918	411,918
2025	315,000	103,986	418,986
2026	325,000	166,854	491,854
2027	300,000	218,400	518,400
2028	340,000	180,000	520,000
2029	390,000	136,200	526,200
2030	440,000	86,400	526,400
2031	500,000	30,000	530,000
	<u>\$ 5,520,000</u>	<u>\$ 1,760,300</u>	<u>\$ 7,280,300</u>



# RIVERBEND WATER RESOURCES DISTRICT

## SUPPLEMENTARY INFORMATION

### SCHEDULE OF LONG-TERM DEBT SERVICE REQUIREMENTS

#### ALL BONDED DEBT SERIES - BY YEARS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

<i>Due During Fiscal Year Ending</i>	<i>Combined</i>		<i>Total</i>
	<i>Principal Due 10/15</i>	<i>Interest Due 10/15, 4/15</i>	
2016	\$ -	\$ -	\$ -
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	710,000	405,449	1,115,449
2021	740,000	376,893	1,116,893
2022	775,000	346,686	1,121,686
2023	815,000	314,680	1,129,680
2024	410,000	290,288	700,288
2025	430,000	273,900	703,900
2026	445,000	333,089	778,089
2027	425,000	380,615	805,615
2028	470,000	337,743	807,743
2029	520,000	289,048	809,048
2030	580,000	233,997	813,997
2031	645,000	172,053	817,053
2032	150,000	135,926	285,926
2033	155,000	129,200	284,200
2034	160,000	122,255	282,255
2035	170,000	114,978	284,978
2036	175,000	107,370	282,370
2037	185,000	99,294	284,294
2038	195,000	90,630	285,630
2039	200,000	81,624	281,624
2040	210,000	72,276	282,276
2041	220,000	62,472	282,472
2042	230,000	52,212	282,212
2043	240,000	41,496	281,496
2044	250,000	30,324	280,324
2045	265,000	18,582	283,582
2046	275,000	6,270	281,270
	<u>\$ 10,045,000</u>	<u>\$ 4,919,350</u>	<u>\$ 14,964,350</u>



# RIVERBEND WATER RESOURCES DISTRICT

## SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGE IN LONG-TERM BONDED DEBT For the Year Ended September 30, 2019

	<i>Bond Issues</i>		<i>Total</i>
	<i>Series 2016A</i>	<i>Series 2016B</i>	
Interest rate	0.8-4.56%	4.24%	
Dates interest payable	4/15; 10/15	4/15; 10/15	
Maturity dates	10/15/2045	10/15/2030	
Beginning bonds outstanding	\$ 4,625,000	\$ 6,100,000	\$10,725,000
Bonds sold during the fiscal year	-	-	-
Bonds retires during the fiscal year	(100,000)	(580,000)	(680,000)
Ending Bonds Outstanding	<u>\$4,525,000</u>	<u>\$5,520,000</u>	<u>\$10,045,000</u>
Interest paid during the fiscal year	\$186,088	\$245,662	\$431,750
Paying agent's name and city	Series 2016A	BOK Financial	Tulsa, OK
	Series 2016B	Regions Bank	Birmingham, AL
Bond authority:	<u>Revenue Bonds</u>		
Amount authorized	\$11,610,000		
Amount issued	\$11,610,000		
Remaining to be issued	-		
Debt Service restricted cash balances as of September 30, 2019:	\$2,074,482		
Cash restricted for construction as of September 30, 2019:	\$525,217		
Unspent bond funds for planning & acquisition as of September 30, 2019:	\$0		
Average annual debt service payment (principal and interest) for remaining term of all debt:	\$554,235		



# RIVERBEND WATER RESOURCES DISTRICT

## SUPPLEMENTARY INFORMATION

### COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - FIVE YEARS ENDED

#### Last Five Years

	Amounts				
	(Audited) 2019	(Audited) 2018 Restated	(Audited) 2017	(Audited) 2016 Restated	(Audited) 2015
<b>OPERATING REVENUES</b>					
Charges for services	\$ 3,509,452	\$ 3,349,857	\$ 3,052,742	\$ 1,320,363	\$ 202,773
Supplemental member contributions	-	-	120,000	236,138	-
Other revenues	79,369	29,250	53,024	15,167	15,000
Total operating revenues	\$ 3,588,821	3,379,107	3,225,766	1,571,668	217,773
<b>OPERATING EXPENSES</b>					
Accounting & audit	25,042	37,557	36,963	35,952	19,451
Analyticals	91,156	82,511	101,904	47,914	-
Community relations	5,936	5,040	4,268	-	-
Conferences & seminars	5,724	3,595	2,291	-	1,023
Consulting	212,129	163,913	196,228	160,885	27,000
Dues and memberships	7,694	2,089	1,818	-	1,280
Engineering services	78,924	18,475	58,193	-	20,991
Insurance	15,239	24,268	27,298	7,228	2,574
Legal and professional fees	41,414	12,580	25,478	14,285	19,936
Meetings	5,570	4,621	3,636	-	1,726
Miscellaneous	8,692	5,120	1,791	3,385	-
Office supplies & expense	2,854	50,628	12,959	25,419	10,832
Office administrative expenses	41,949	22,270	-	3,303	6,600
Permits	32,048	24,268	36,680	-	-
Repairs & maintenance - equipment	29,454	33,339	15,308	8,386	-
Repairs & maintenance	199,058	207,187	175,738	81,031	-
Salaries, wages, payroll taxes & benefits	1,474,270	1,242,362	1,062,691	473,115	149,922
Start up costs	-	-	-	30,810	-
Supplies & materials	285,627	212,358	179,122	69,133	-
Travel & training	18,018	6,677	13,373	11,426	1,535
Utilities	156,731	126,604	122,260	48,026	-
Waste disposal	45,034	55,388	36,545	14,662	-
Water purchase cost	318,684	357,728	280,382	70,821	-
Wastewater services - Hooks & Maud	19,469	-	-	-	-
Termination benefits	-	-	-	-	65,000
Web design and maintenance	3,655	2,335	4,621	-	1,350
Depreciation	684,859	585,935	490,799	198,682	68
Total operating expense	3,809,230	3,286,848	2,890,346	1,304,463	329,288
Operating income (loss)	(220,409)	92,259	335,420	267,205	(111,515)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Facility charges	1,320,980	1,148,078	1,143,681	467,438	-
Interest income	51,417	37,349	42,018	16,717	3
Other income	229,103	131,580	33,397	-	-
Interest expense	(419,763)	(445,946)	(486,992)	(182,882)	-
Franchise fees expense	(99,059)	(91,963)	(84,424)	(33,477)	-
Special projects expense	(268,455)	(174,712)	(8,870)	-	-
Bond issuance costs	-	-	-	(302,263)	-
Total nonoperating revenues (expenses)	814,223	604,386	638,810	(34,467)	3
Income (loss) before capital contributions	593,814	696,645	974,230	232,738	(111,512)
Capital contributions	393,327	818,535	157,705	27,030	-
Acquisition of wet utilities facility	-	-	-	8,318,334	-
Change in net position	\$ 987,141	\$ 1,515,180	\$ 1,131,935	\$ 8,578,102	\$ (111,512)



Percent of Fund Total Revenues				
(Audited) 2019	(Audited) 2018	(Audited) 2017	(Audited) 2016 Restated	(Audited) 2015
97.8%	99.1%	94.6%	84.0%	93.1%
-	-	-	15.0	-
2.2	0.9	1.6	1.0	0.1
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
0.7	1.1	1.1	2.3	8.9
2.5	2.4	3.2	3.0	-
0.2	0.1	0.1	-	-
0.2	0.1	0.1	-	0.5
5.9	4.9	6.1	10.2	12.4
0.2	0.1	0.1	-	0.6
2.2	0.5	1.8	-	9.6
0.4	0.7	0.8	0.5	1.2
1.2	0.4	0.8	0.9	9.2
0.2	0.1	0.1	-	0.8
0.2	0.2	0.1	0.2	-
0.1	1.5	0.4	1.6	5.0
1.2	0.7	-	0.2	3.0
0.9	0.7	1.1	-	-
0.8	1.0	0.5	0.5	-
5.5	6.1	5.4	5.2	-
41.1	36.8	32.9	30.1	68.8
-	-	-	2.0	-
8.0	6.3	5.6	4.4	-
0.5	0.2	0.4	0.7	0.7
4.4	3.7	3.8	3.1	-
1.3	1.6	1.1	0.9	-
8.9	10.6	8.7	4.5	-
0.5	-	-	-	-
-	-	-	-	29.8
0.1	0.1	0.1	-	0.6
19.1	17.3	15.2	12.6	0.0
<u>106.1</u>	<u>97.3</u>	<u>89.6</u>	<u>83.0</u>	<u>151.2</u>
(6.1)	2.7	10.4	17.0	(51.2)
39.1	34.0	35.5	29.7	
1.5	1.1	1.3	1.1	0.0
6.8	3.9	1.0	-	
(12.4)	(13.2)	(15.1)	(11.6)	
(2.9)	(2.7)	(2.6)	(1.0)	
(7.9)	(5.2)	(0.3)	-	
-	-	-	(19.2)	-
<u>24.1</u>	<u>17.9</u>	<u>19.8</u>	<u>(1.1)</u>	<u>0.0</u>
18.4	21.6	30.2	14.8	(51.2)
12.2	25.4	4.9	1.7	
-	-	-	529.3	
<u>29.2%</u>	<u>44.8%</u>	<u>35.1%</u>	<u>545.8%</u>	<u>-51.2%</u>



# RIVERBEND WATER RESOURCES DISTRICT

## SUPPLEMENTARY INFORMATION

### LIST OF BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS FOR THE YEAR ENDED SEPTEMBER 30, 2019

Complete district mailing address: 228 Texas Ave, Ste A, New Boston, Texas 75570

District business telephone number: (903) 831-0091

Submission date of the most recent district registration form (TWC Sections 36.054 and 49.054): 4/6/2017

Limit on fees of office that a director may receive during a fiscal year: \$0

<u>Names:</u>	<u>Term of Office (Elected or Appointed) or Date Hired</u>	<u>Fees of Office Paid* (FYE 09/30/2019)</u>	<u>Expense Reimbursements (FYE 9/30/2019)</u>	<u>Title at Year End</u>
<b>Board Members:</b>				
Fred Milton	(Appointed) 01/2016-12/2019	\$0	\$3,033 **	President
Sonja Yates Hubbard	(Appointed) 01/2019-12/2021	\$0	\$0	Vice-President
Van Alexander	(Appointed) 04/2019-12/2021	\$0	\$485 **	Secretary
Tina Veal-Gooch	(Appointed) 01/2019-12/2021	\$0	\$0	Treasurer
Marshall Wood	(Appointed) 01/2016-12/2019	\$0	\$0	Past President
<b>Key Administrative Personnel:</b>				
Kyle Dooley	4/29/2019	\$78,519 ***	\$888 **	Executive Director
Elizabeth Fazio	8/31/2015-04/26/2019	\$124,809 ***	\$6,621 **	Executive Director
<b>Consultants:</b>				
Arroyo Environmental Consul	6/28/2018	\$52,443		Consultant
Michael Burke	1/1/2018	\$24,000		Consultant
Carollo Engineers, Inc.	0308/19	\$9,956		Engineer
Cross Oak Group	3/1/2013	\$60,000		Consultant
Fancher Legal, PLLC	10/15/2018	\$26,656	\$356	Attorney
HDR Engineering, Inc.	2/11/2019	\$33,964	\$1,561	Engineer
Holiday, Lemons & Cox, P.C.	5/21/2018	\$4,725		Accountant
LJA Engineering, Inc.	7/23/2018	\$70,898		Engineer
Meyers & Associates, LLC	8/1/2015	\$118,591	\$2,091	Consultant
MTG Engineers & Surveyors,	8/12/2018	\$22,869		Engineer
NewGen Strategies & Solution	5/17/2017	\$13,281		Consultant
Robert J. Brandes Consulting	4/12/2018	\$122,662	\$5,030	Consultant
Round Top Consulting Assoc	5/30/2019	\$3,100	\$368	Consultant
RSAH2O, LLC	12/1/2016	\$12,383	\$1,474	Consultant
Smith Weber, LLP	2/1/2014	\$11,916	\$68	Attorney
Stokes & Associates, Inc.	8/5/2016	\$70,667		Engineer
Susan Roth Consulting, LLC	5/11/2016	\$30,880		Consultant
Wilf & Henderson, P.C.	10/19/2018	\$20,317		Auditor

\* Fees of office are amounts actually paid to a director during the District's fiscal year.

\*\* Travel and mileage reimbursements.

\*\*\* Includes monthly car and cell phone allowances.



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## Statistical Section



Riverbend Water Resources District

Net Position

Last Eight Fiscal Years

(Accrual Basis of Accounting)

(Unaudited)

	2019	2018	2017	2016	2015	2014	2013	2012
Primary Government								
Net investment in capital assets	8,410,684	6,604,940	2,936,607	340,840	1,294	-	-	-
Restricted	2,602,736	3,654,226	6,294,453	8,092,084	-	-	-	-
Unrestricted	1,250,941	1,018,054	530,980	197,181	50,709	163,515	319,854	430,326
Total primary government								
net position	12,264,361	11,277,220	9,762,040	8,630,105	52,003	163,515	319,854	430,326



Riverbend Water Resources District  
Changes in Net Position  
Last Eight Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income/(Loss)	Total Nonoperating Revenues/(Expenses)	Income/(Loss) Before Capital Contributions	Extraordinary Items/ Capital Contributions	Change In Net Position
2012	-	201,132	(201,132)	-	(201,132)	-	(201,132)
2013	65,000	175,834	(110,834)	362	(110,472)	-	(110,472)
2014	230,430	387,166	(156,736)	397	(156,339)	-	(156,339)
2015	217,773	329,288	(111,515)	3	(111,512)	-	(111,512)
2016	1,571,668	1,304,463	267,205	(34,467)	232,738	8,345,364	8,578,102
2017	3,225,766	2,890,346	335,420	638,810	974,230	157,705	1,131,935
2018	3,379,107	3,286,848	92,259	604,386	696,645	818,535	1,515,180
2019	3,588,821	3,809,230	(220,409)	814,223	593,814	393,327	987,141



Riverbend Water Resources District  
Operating Revenues by Source  
Last Eight Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)

Fiscal Year	Member City Fees	Water Sales	Waste Water		Industrial Waste Water		Other	Total
			Treatment		Treatment			
2012	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	65,000	65,000
2014	230,430	-	-	-	-	-	25,000	255,430
2015	202,773	-	-	-	-	-	15,000	217,773
2016	465,443	360,846	421,053	342,431	251,305	1,841,078	33,397	3,189,763
2017	354,002	924,099	1,023,161	855,104	29,250	3,336,674	79,369	3,588,821
2018	197,728	1,031,353	1,110,177	968,166	1,031,728			
2019	197,608	1,005,286	1,274,830					



**Riverbend Water Resources District**  
**Operating Expenses**  
**Last Eight Fiscal Years**  
**(Accrual Basis of Accounting)**  
**(Unaudited)**

<b>Fiscal Year</b>	<b>Administrative</b>	<b>Operation and Maintenance</b>	<b>Depreciation</b>	<b>Total Operating Expenses</b>
2012	16,253	-	-	16,253
2013	175,834	-	-	175,834
2014	387,166	-	-	387,166
2015	329,220	-	68	329,288
2016	287,886	817,895	198,682	1,304,463
2017	366,940	2,032,607	490,799	2,890,346
2018	314,163	2,386,750	585,935	3,286,848
2019	555,376	2,568,995	684,859	3,809,230



RIVERBEND WATER RESOURCES DISTRICT  
FIVE LARGEST CUSTOMERS  
Current Year and Three Years Ago  
(Unaudited)

CUSTOMER	FISCAL YEAR 2016			FISCAL YEAR 2017			FISCAL YEAR 2018			FISCAL YEAR 2019		
	AMOUNT	WATER REVENUE PERCENTAGE	RANK	AMOUNT	WATER REVENUE PERCENTAGE	RANK	AMOUNT	WATER REVENUE PERCENTAGE	RANK	AMOUNT	WATER REVENUE PERCENTAGE	RANK
Red River Army Depot	1,522,523	95.65%	1	3,850,706	96.33%	1	3,987,717	92.89%	1	4,135,295	87.90%	1
REG New Boston	42,195	2.65%	2	62,609	1.57%	2	128,649	3.00%	2	142,711	3.03%	3
Day & Zimmermann	9,503	0.60%	3	29,068	0.73%	3	51,912	1.21%	3	322,955	6.86%	2
Oak Grove Apartments	4,471	0.28%	4	12,350	0.31%	4	12,580	0.29%	5	17,827	0.38%	4
TAZKID	2,091	0.13%	5									
Excel Utility Construction Inc				6,176	0.15%	5						
Harrison Walker & Harper LP							16,544	0.39%	4	20,713	0.44%	5
Expal USA, Inc.												
SUBTOTAL (5 LARGEST)	1,580,783	99.31%		3,960,909	99.09%		4,197,402	97.78%		4,639,501	98.61%	
Balance from other customers	10,984	0.69%		36,558	0.91%		95,408	2.22%		65,280	1.39%	
	1,591,767	100.00%		3,997,467	100.00%		4,292,810	100.00%		4,704,781	100.00%	

Note: Receipts from customers may include expense reimbursement and project admin fees



Riverbend Water Resources District  
Ratio of Outstanding Debt by Type  
Last Four Fiscal Years  
(Unaudited)

<u>Fiscal Year</u>	<u>Revenue Bonds</u>	<u>Personal Income</u>	<u>Percentage of Personal Income</u>	<u>Population</u>	<u>Debt per Capita</u>
2016	11,610,000	1,506,238,302	0.77%	64,172	181
2017	11,375,000	1,533,407,018	0.74%	64,141	177
2018	10,725,000	N/A	N/A	64,365	167
2019	10,045,000	N/A	N/A	N/A	N/A

*N/A-Not Available*



Fiscal Year	Less:						Coverage								
	Operating Revenues *	(Excluding Depreciation)	Facility Charges *	Net		Debt Service	Principal	Interest	Total	Ratio					
				Available											
				Funds											
2017	2,853,652	2,032,607	1,143,681	1,964,726		219,458	235,000	219,458	454,458	4.32					
2018	3,160,903	2,386,750	1,148,078	1,922,231		457,171	650,000	457,171	1,107,171	1.74					
2019	3,318,372	2,568,992	1,320,980	2,070,360		431,750	680,000	431,750	1,111,750	1.86					

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**Riverbend Water Resources District**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**Annona, TX - Red River County**

<b>Fiscal Year</b>	<b>Population <sup>1</sup></b>	<b>Per Capita Income <sup>2</sup></b>	<b>Personal Income</b>	<b>Unemployment Rate City <sup>2</sup></b>	<b>State <sup>3</sup></b>
2010	315	12,135	3,822,525	3.0%	8.1%
2011	310	13,865	4,298,150	2.2%	7.8%
2012	311	13,225	4,112,975	7.0%	6.7%
2013	305	12,968	3,955,240	9.3%	6.3%
2014	303	14,537	4,404,711	10.7%	5.1%
2015	298	12,201	3,635,898	15.1%	4.4%
2016	293	12,738	3,732,234	9.7%	4.3%
2017	295	12,378	3,651,510	17.1%	4.3%
2018	291	N/A	-	N/A	3.9%
2019	N/A	N/A	-	N/A	3.4%

**Atlanta, TX - Cass County**

<b>Fiscal Year</b>	<b>Population <sup>1</sup></b>	<b>Per Capita Income <sup>2</sup></b>	<b>Personal Income</b>	<b>Unemployment Rate City <sup>2</sup></b>	<b>State <sup>3</sup></b>
2010	5,655	19,129	108,174,495	8.1%	8.1%
2011	5,622	17,988	101,128,536	7.6%	7.8%
2012	5,563	17,692	98,420,596	14.5%	6.7%
2013	5,578	19,568	109,150,304	16.6%	6.3%
2014	5,543	19,747	109,457,621	14.6%	5.1%
2015	5,539	20,318	112,541,402	10.2%	4.4%
2016	5,525	22,287	123,135,675	9.3%	4.3%
2017	5,484	22,821	125,150,364	3.7%	4.3%
2018	5,515	N/A	-	N/A	3.9%
2019	N/A	N/A	-	N/A	3.4%

**Avery, TX - Red River County**

<b>Fiscal Year</b>	<b>Population <sup>1</sup></b>	<b>Per Capita Income <sup>2</sup></b>	<b>Personal Income</b>	<b>Unemployment Rate City <sup>2</sup></b>	<b>State <sup>3</sup></b>
2010	477	18,400	8,776,800	1.4%	8.1%
2011	469	16,843	7,899,367	2.1%	7.8%
2012	470	14,658	6,889,260	2.2%	6.7%
2013	461	15,645	7,212,345	0.0%	6.3%
2014	460	16,920	7,783,200	0.0%	5.1%
2015	456	17,026	7,763,856	0.0%	4.4%
2016	451	17,777	8,017,427	7.5%	4.3%
2017	450	19,281	8,676,450	8.0%	4.3%
2018	450	N/A	-	N/A	3.9%
2019	N/A	N/A	-	N/A	3.4%

1-<http://worldpopulationreview.com/us-cities>

2-<https://factfinder.census.gov>

3-<https://www.statista.com/statistics/190726/unemployment-rate-in-texas-since-1992/>

N/A-Not Available



**Riverbend Water Resources District  
Demographic and Economic Statistics  
Last Ten Fiscal Years (Continued)  
(Unaudited)**

**DeKalb, TX - Bowie County**

Fiscal		Per Capita	Personal	Unemployment Rate	
Year	Population <sup>1</sup>	Income <sup>2</sup>	Income	City <sup>2</sup>	State <sup>3</sup>
2010	1,678	16,876	28,317,928	12.5%	8.1%
2011	1,668	17,269	28,804,692	14.7%	7.8%
2012	1,657	17,404	28,838,428	14.7%	6.7%
2013	1,659	16,764	27,811,476	12.8%	6.3%
2014	1,658	21,362	35,418,196	9.8%	5.1%
2015	1,651	21,560	35,595,560	7.4%	4.4%
2016	1,639	26,101	42,779,539	8.0%	4.3%
2017	1,628	26,769	43,579,932	3.9%	4.3%
2018	1,622	N/A	N/A	N/A	3.9%
2019	N/A	N/A	N/A	N/A	3.4%

**Hooks, TX - Bowie County**

Fiscal		Per Capita	Personal	Unemployment Rate	
Year	Population <sup>1</sup>	Income <sup>2</sup>	Income	City <sup>2</sup>	State <sup>3</sup>
2010	2,767	16,678	46,148,026	0.0%	8.1%
2011	2,755	17,678	48,702,890	0.0%	7.8%
2012	2,742	17,859	48,969,378	2.0%	6.7%
2013	2,764	18,021	49,810,044	2.5%	6.3%
2014	2,755	17,159	47,273,045	5.0%	5.1%
2015	2,750	15,238	41,904,500	6.0%	4.4%
2016	2,749	15,440	42,444,560	6.0%	4.3%
2017	2,747	18,381	50,492,607	4.7%	4.3%
2018	2,746	N/A	N/A	N/A	3.9%
2019	N/A	N/A	N/A	N/A	3.4%

**Leary, TX - Bowie County**

Fiscal		Per Capita	Personal	Unemployment Rate	
Year	Population <sup>1</sup>	Income <sup>2</sup>	Income	City <sup>2</sup>	State <sup>3</sup>
2010	483	20,314	9,811,662	1.3%	8.1%
2011	483	21,609	10,437,147	2.4%	7.8%
2012	483	20,666	9,981,678	4.4%	6.7%
2013	486	23,372	11,358,792	5.1%	6.3%
2014	486	24,333	11,825,838	5.8%	5.1%
2015	488	23,812	11,620,256	8.5%	4.4%
2016	491	23,731	11,651,921	6.9%	4.3%
2017	492	22,339	10,990,788	6.8%	4.3%
2018	496	N/A	N/A	N/A	3.9%
2019	N/A	N/A	N/A	N/A	3.4%

1-<http://worldpopulationreview.com/us-cities>

2-<https://factfinder.census.gov>

3-<https://www.statista.com/statistics/190726/unemployment-rate-in-texas-since-1992/>

N/A-Not Available



**Riverbend Water Resources District  
Demographic and Economic Statistics  
Last Ten Fiscal Years (Continued)  
(Unaudited)**

**Maud, TX - Bowie County**

Fiscal Year	Population <sup>1</sup>	Per Capita Income <sup>2</sup>	Personal Income	Unemployment Rate	
				City <sup>2</sup>	State <sup>3</sup>
2010	1,058	19,270	20,387,660	3.3%	8.1%
2011	1,063	18,962	20,156,606	7.7%	7.8%
2012	1,060	18,863	19,994,780	7.4%	6.7%
2013	1,065	19,045	20,282,925	7.2%	6.3%
2014	1,065	15,745	16,768,425	10.2%	5.1%
2015	1,071	16,965	18,169,515	9.0%	4.4%
2016	1,069	17,132	18,314,108	5.2%	4.3%
2017	1,067	19,638	20,953,746	6.6%	4.3%
2018	1,068	N/A	N/A	N/A	3.9%
2019	N/A	N/A	N/A	N/A	3.4%

**Nash, TX - Bowie County**

Fiscal Year	Population <sup>1</sup>	Per Capita Income <sup>2</sup>	Personal Income	Unemployment Rate	
				City <sup>2</sup>	State <sup>3</sup>
2010	2,965	19,201	56,930,965	5.1%	8.1%
2011	3,017	19,404	58,541,868	8.5%	7.8%
2012	3,054	26,317	80,372,118	6.9%	6.7%
2013	3,100	23,578	73,091,800	9.8%	6.3%
2014	3,158	23,414	73,941,412	8.5%	5.1%
2015	3,159	23,942	75,632,778	8.7%	4.4%
2016	3,348	26,031	87,151,788	6.6%	4.3%
2017	3,415	15,982	54,578,530	3.4%	4.3%
2018	3,681	N/A	N/A	N/A	3.9%
2019	N/A	N/A	N/A	N/A	3.4%

**New Boston, TX - Bowie County**

Fiscal Year	Population <sup>1</sup>	Per Capita Income <sup>2</sup>	Personal Income	Unemployment Rate	
				City <sup>2</sup>	State <sup>3</sup>
2010	4,800	18,183	87,278,400	10.6%	8.1%
2011	4,775	17,793	84,961,575	13.7%	7.8%
2012	4,759	17,669	84,086,771	10.8%	6.7%
2013	4,763	18,230	86,829,490	11.4%	6.3%
2014	4,723	17,659	83,403,457	11.6%	5.1%
2015	4,689	17,493	82,024,677	9.0%	4.4%
2016	4,684	17,853	83,623,452	7.1%	4.3%
2017	4,688	19,614	91,950,432	9.7%	4.3%
2018	4,678	N/A	N/A	N/A	3.9%
2019	N/A	N/A	N/A	N/A	3.4%

1-<http://worldpopulationreview.com/us-cities>

2-<https://factfinder.census.gov>

3-<https://www.statista.com/statistics/190726/unemployment-rate-in-texas-since-1992/>

N/A-Not Available



**Riverbend Water Resources District  
Demographic and Economic Statistics  
Last Ten Fiscal Years (Continued)  
(Unaudited)**

**Redwater, TX - Bowie County**

<b>Fiscal Year</b>	<b>Population <sup>1</sup></b>	<b>Per Capita Income <sup>2</sup></b>	<b>Personal Income</b>	<b>Unemployment Rate</b>	
				<b>City <sup>2</sup></b>	<b>State <sup>3</sup></b>
2010	1,057	19,391	20,496,287	8.5%	8.1%
2011	1,056	20,077	21,201,312	4.7%	7.8%
2012	1,056	21,241	22,430,496	5.7%	6.7%
2013	1,068	19,593	20,925,324	8.7%	6.3%
2014	1,069	21,410	22,887,290	5.2%	5.1%
2015	1,081	20,570	22,236,170	6.2%	4.4%
2016	1,087	20,586	22,376,982	5.9%	4.3%
2017	1,093	20,181	22,057,833	7.4%	4.3%
2018	1,098	N/A	N/A	N/A	3.9%
2019	N/A	N/A	N/A	N/A	3.4%

**Texarkana, TX - Bowie County**

<b>Fiscal Year</b>	<b>Population <sup>1</sup></b>	<b>Per Capita Income <sup>2</sup></b>	<b>Personal Income</b>	<b>Unemployment Rate</b>	
				<b>City <sup>2</sup></b>	<b>State <sup>3</sup></b>
2010	36,408	23,007	837,638,856	10.5%	8.1%
2011	36,787	23,326	858,093,562	12.2%	7.8%
2012	37,057	22,892	848,308,844	12.8%	6.7%
2013	37,209	23,569	876,978,921	11.8%	6.3%
2014	37,126	23,973	890,021,598	10.3%	5.1%
2015	37,182	23,505	873,962,910	10.4%	4.4%
2016	37,402	25,238	943,951,676	9.6%	4.3%
2017	37,350	26,019	971,809,650	8.9%	4.3%
2018	37,295	N/A	N/A	N/A	3.9%
2019	N/A	N/A	N/A	N/A	3.4%

**Wake Village, TX - Bowie County**

<b>Fiscal Year</b>	<b>Population <sup>1</sup></b>	<b>Per Capita Income <sup>2</sup></b>	<b>Personal Income</b>	<b>Unemployment Rate</b>	
				<b>City <sup>2</sup></b>	<b>State <sup>3</sup></b>
2010	5,491	23,957	131,547,887	4.1%	8.1%
2011	5,478	23,994	131,439,132	3.6%	7.8%
2012	5,454	25,948	141,520,392	5.1%	6.7%
2013	5,467	26,149	142,956,583	4.3%	6.3%
2014	5,454	24,683	134,621,082	5.0%	5.1%
2015	5,449	21,884	119,245,916	5.5%	4.4%
2016	5,434	21,910	119,058,940	7.2%	4.3%
2017	5,432	23,843	129,515,176	5.3%	4.3%
2018	5,425	N/A	N/A	N/A	3.9%
2019	N/A	N/A	N/A	N/A	3.4%

1-<http://worldpopulationreview.com/us-cities>

2-<https://factfinder.census.gov>

3-<https://www.statista.com/statistics/190726/unemployment-rate-in-texas-since-1992/>

N/A-Not Available



**Riverbend Water Resources District  
Demographic and Economic Statistics  
Last Ten Fiscal Years (Continued)  
(Unaudited)**

**Total All Members**

<b>Fiscal Year</b>	<b>Population</b>	<b>Per Capita Income</b>	<b>Personal Income</b>
2010	63,154	21,524	1,359,331,491
2011	63,483	21,670	1,375,664,837
2012	63,666	21,894	1,393,925,716
2013	63,925	22,376	1,430,363,244
2014	63,800	22,536	1,437,805,875
2015	63,813	22,007	1,404,333,438
2016	64,172	23,472	1,506,238,302
2017	64,141	23,907	1,533,407,018
2018	64,365	N/A	N/A
2019	N/A	N/A	N/A

1-<http://worldpopulationreview.com/us-cities>

2-<https://factfinder.census.gov>

3-<https://www.statista.com/statistics/190726/unemployment-rate-in-texas-since-1992/>

N/A-Not Available



Riverbend Water Resources District  
Percentage of Member Counties in RWRD  
Last Ten Fiscal Years  
(Unaudited)

Member City	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
DeKalb, TX	1,965	1,678	1,668	1,657	1,659	1,658	1,651	1,639	1,628	1,622	N/A
Hooks, TX	3,027	2,767	2,755	2,742	2,764	2,755	2,750	2,749	2,747	2,746	N/A
Leary, TX	702	483	483	483	486	486	488	491	492	496	N/A
Maud, TX	1,085	1,058	1,063	1,060	1,065	1,065	1,071	1,069	1,067	1,068	N/A
Nash, TX	2,855	2,965	3,017	3,054	3,100	3,158	3,159	3,348	3,415	3,681	N/A
New Boston, TX	4,727	4,800	4,775	4,759	4,763	4,723	4,689	4,684	4,688	4,678	N/A
Redwater, TX	1,117	1,057	1,056	1,056	1,068	1,069	1,081	1,087	1,093	1,098	N/A
Texarkana, TX	37,501	36,408	36,787	37,057	37,209	37,126	37,182	37,402	37,350	37,295	N/A
Wake Village, TX	5,577	5,491	5,478	5,454	5,467	5,454	5,449	5,434	5,432	5,425	N/A
	58,556	56,707	57,082	57,322	57,581	57,494	57,520	57,903	57,912	58,109	-
Bowie County	94,229	92,565	92,922	93,129	93,487	93,502	93,494	93,994	93,977	94,324	N/A
Percentage of Bowie County in RWRD	62.14%	61.26%	61.43%	61.55%	61.59%	61.49%	61.52%	61.60%	61.62%	61.61%	N/A
Atlanta, TX	5,670	5,655	5,622	5,563	5,578	5,543	5,539	5,525	5,484	5,515	N/A
Cass County	29,357	30,464	30,275	30,029	30,236	30,121	30,141	30,073	29,980	30,119	N/A
Percentage of Cass County in RWRD	19.31%	18.56%	18.57%	18.53%	18.45%	18.40%	18.38%	18.37%	18.29%	18.31%	N/A
Annona, TX	270	315	310	311	305	303	298	293	295	291	N/A
Avery, TX	469	477	469	470	461	460	456	451	450	450	N/A
	739	792	779	781	766	763	754	744	745	741	-
Red River County	12,896	12,860	12,685	12,729	12,496	12,452	12,355	12,190	12,203	12,175	N/A
Percentage of Red River County in RWRD	5.73%	6.16%	6.14%	6.14%	6.13%	6.13%	6.10%	6.10%	6.11%	6.09%	N/A

N/A-Not Available



Riverbend Water Resources District  
Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)

	2019				2010			
Employer	Employees	Rank	Percentage of Total Employment		Employees	Rank	Percentage of Total Employment	
Red River Army Depot & Tenants	4,135.00	1	7.84%		7,200.00	1	13.56%	
CHRISTUS St. Michael Health System	1,800.00	2	3.41%		1,850.00	2	3.48%	
AECOM/URS	1,300.00	3	2.46%					
Texarkana, TX Ind. School District	1,150.00	4	2.18%		795.00	5	1.50%	
International Paper Company	800.00	5	1.52%		925.00	3	1.74%	
Wadley Regional Medical	755.00	6	1.43%		850.00	4	1.60%	
Walmart/Sam's	710.00	7	1.35%		600.00	7	1.13%	
City of Texarkana, TX					615.00	6	1.16%	
	<u>10,650.00</u>		<u>20.18%</u>		<u>12,835.00</u>		<u>24.18%</u>	

Source:

Texarkana Chamber of Commerce, Texas Workforce Commission LMI

Notes:

- (1) Employment for Bowie, Cass and Red River Counties for 2019 is 52,774
- (2) Employment for Bowie, Cass and Red River Counties for 2010 is 53,089



RIVERBEND WATER RESOURCES DISTRICT

Operating Indicators by Function

Last Ten Years  
(Unaudited)

Water	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Avg. Gallons of Water Consumed (MGD)	-	-	-	-	-	-	0.726	0.958	0.711	0.737
Number of Water Meters	-	-	-	-	-	-	82	78	78	80
<b>Wastewater</b>										
Average Gallons of Domestic Wastewater Treated (MGD)	-	-	-	-	-	-	0.499	0.456	0.514	0.536
<b>Industrial Wastewater</b>										
Average Gallons of Industrial Wastewater Treated (MGD)	-	-	-	-	-	-	0.192	0.184	0.172	0.198



RIVERBEND WATER RESOURCES DISTRICT  
Operating Indicators by Function  
Full Time Employees as of September 30  
Last Ten Fiscal Years  
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Administration	1	1	1	1	1	1	4	4	4	4
Water	-	-	-	-	-	-	5	5	5	6
Wastewater	-	-	-	-	-	-	2	4	4	3
Industrial Wastewater	-	-	-	-	-	-	3	1	2	3
Totals	1	1	1	1	1	1	14	14	15	16



**RIVERBEND WATER RESOURCES DISTRICT**  
**Capital Asset Statistics by Function**  
**Last Ten Years**  
**(Unaudited)**

Water	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
500,000 Gallon Elevated Storage Tank	-	-	-	-	-	-	1	1	1	1
500,000 Gallon Ground Water Storage Tank	-	-	-	-	-	-	0	0	0	2
Miles of Water Line	-	-	-	-	-	-	83	83	135	135
Fire Hydrants	-	-	-	-	-	-	313	313	375	375
Water Meters	-	-	-	-	-	-	82	78	78	80
Water Valves	-	-	-	-	-	-	883	921	1151	1151
<b>Wastewater</b>										
1.5 MG SBR Plant	-	-	-	-	-	-	1	1	1	1
Miles of Wastewater Line	-	-	-	-	-	-	35	35	35	35
Manholes	-	-	-	-	-	-	477	477	477	477
Lift Stations	-	-	-	-	-	-	32	32	32	32
Air Relief Valves	-	-	-	-	-	-	30	30	30	30
<b>Industrial Wastewater</b>										
750,000 Gallon Industrial Wastewater Plant	-	-	-	-	-	-	1	1	1	1
Miles of Industrial Wastewater Line	-	-	-	-	-	-	5	5	5	5



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## Overall Internal Controls and Compliance





**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS***

Independent Auditor's Report

Board of Directors  
Riverbend Water Resources District  
Texarkana, TX

Members of the Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Riverbend Water Resources District (Riverbend), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Riverbend's basic financial statements, and have issued our report thereon dated January 16, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Riverbend Water Resources District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Riverbend's internal control. Accordingly, we do not express an opinion on the effectiveness of Riverbend's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Riverbend's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wilf & Henderson, P.C.*

**WILF & HENDERSON, P.C.**  
**Certified Public Accountants**  
**Texarkana, Texas**

**January 16, 2020**



# **RIVERBEND WATER RESOURCES DISTRICT**

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## **SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED SEPTEMBER 30, 2019**

*No current year findings or responses*



# **RIVERBEND WATER RESOURCES DISTRICT**

## **SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED SEPTEMBER 30, 2019**

### ***Financial Policies, Procedures, and Application of Accounting Principles Reference 2018-001***

#### ***Condition***

The following issues were noted on Riverbend's financial statements, prior to auditor adjusting entries, and appear attributable to the lack of use of proper financial policies and procedures and the lack of adequate analytical review procedures.

1. Interfund receipt related to reimbursement for expenditure was not recorded in the amount of \$22,539.
2. Capital assets of \$74,073 (2 trucks), \$56,711 (drying bed rehab), and \$49,600 (GIS mapping) were recorded as expenditures instead of recording the transactions as capital assets.

#### ***Criteria***

All financial statement accounts should be properly adjusted prior to close of the year-end books and issuance of interim financial statements for board approval. Management and the Board management is responsible for establishing and maintaining effective internal controls over financial policies.

#### ***Cause***

The most significant adjustments related to interfund transactions and asset capitalization policies were not recorded properly at year end.

#### ***Effect***

Potentially material misstatements in the financial statements due to error or fraud could occur and not be prevented or detected in a timely manner. As a result, Riverbend's financial staff cannot produce fairly stated financial statements for board approval.

#### ***Recommendation***

Management should develop and follow formalized financial policies and procedures which provide for accurate and complete financial reporting. All accounts of the financial statements should be reviewed to determine if any adjusting entries are necessary as part of the year-end closing process.

#### ***Views of Responsible Officials and Planned Corrective Actions***

Riverbend has addressed the issues noted above. Additional controls and practices implemented include 1) filling, as planned, the Senior Accountant position (CPA required), 2) the Senior Accountant will routinely review all expenditures with appropriate personnel to ensure proper recording of all transactions, and 3) if necessary, the Senior Accountant will consult with auditor.

No similar finding was reported in the 2019 audit.