

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**



for the years ended September 30, 2023 and 2022

Red River Authority of Texas

Annual Comprehensive Financial Report

**For the Fiscal Years Ended
September 30, 2023 and 2022**

Prepared By:

Fiscal Administration,
Executive Administration
and General Services Branches

Lana R. Hefton, Controller

RED RIVER AUTHORITY OF TEXAS
Annual Comprehensive Financial Report
for the years ended September 30, 2023 and 2022

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INTRODUCTORY SECTION

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS §

COUNTY OF WICHITA §

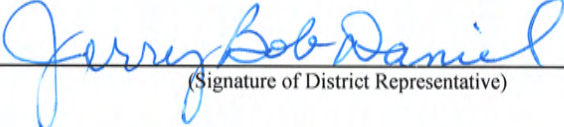
I, **Jerry Bob Daniel, President**
(Name of Duly Authorized District Representative)

of the **Red River Authority of Texas**
(Name of District)

hereby swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the 17th day of January, 2024 its annual audit report for the fiscal period ended September 30, 2023 and that copies of the annual audit report have been filed in the District's office, located at 3000 Hammon Road, Wichita Falls, Texas 76310.

This filing affidavit and the attached copy of the annual audit report will be submitted to the Texas Commission on Environmental Quality to satisfy the annual filing requirements of Texas Water Code Section 49.194.

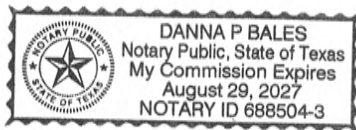
Date: January 17, 2024



(Signature of District Representative)

Jerry Bob Daniel, President
(Typed Name & Title of above District Representative)

Sworn to and subscribed to before me this 17th day of January, 2024.

(Seal)




(Signature of Notary)

My Commission Expires on: 08-29-2027
Notary Public in and for the State of Texas.

RED RIVER AUTHORITY OF TEXAS
Board Members, Key Personnel, and Consultants
for the year ended September 30, 2023

Complete District Mailing Address: P. O. Box 240
Wichita Falls, Texas 76307

Authority Business Telephone Number: (940) 723-8697

Names and Addresses	Term of Office Elected and Expired or Date Hired	Fees and Expense Reimbursements September 30, 2023	Title at Year End	Resident of District
Board Members:				
Jerry Bob Daniel 4911 FM 1756 West Truscott, Texas 79227	06-02-08 – 08-11-27	\$1,279	President	Yes
Conrad J. Masterson, Jr. 1062 County Road 188 Cee Vee, Texas 79223	10-25-21 – 8-11-27	3,727	Vice President	Yes
Michael R. Sandefur 3402 Texas Boulevard Texarkana, Texas 75503	07-26-18 – 08-11-23	1,848	Secretary Treasurer	Yes
Mary Lou Bradley P.O. Box 307 Childress, Texas 79201	12-06-19 – 08-11-25	0	Assistant Secretary	Yes
Stephen A. Thornhill 2425 West Crawford Denison, Texas 75020	09-05-14 – 08-11-25	1,370	Director	Yes
Joe L. Ward 1626 CR 2315 Telephone, Texas 75488	07-26-18 – 08-11-23	2,567	Director	Yes
Jerry Dan Davis 1704 Ellison Street Wellington, Texas 79095	12-06-19 – 08-11-23	2,017	Director	Yes
Tonya D. Detten 15602 State Highway 136 Panhandle, Texas 79068	05-03-22 – 8-11-25	2,241	Director	Yes
Todd W. Boykin 2603 South Travis Amarillo, Texas 79109	12-20-16 – 03-03-23	2,522		Yes

RED RIVER AUTHORITY OF TEXAS
Board Members, Key Personnel, and Consultants
for the year ended September 30, 2023

Names and Addresses	Term of Office Elected and Expired or Date Hired	Fees and Expense Reimbursements September 30, 2023	Title at Year End
Key Administrative Personnel:			
Randall W. Whiteman 4317 Highway 79 South Wichita Falls, Texas 76310	03-01-2018	\$0	General Manager
Engineering and Professional Consultants:			
Biggs and Mathews, Inc. 2500 Brook Avenue Wichita Falls, Texas 76301		166,724	Consultant
Freese and Nichols, Inc. 4055 International Plaza, Ste 200 Fort Worth, Texas 76109		6,455	Consultant
Plummer 6300 La Calma, Suite 400 Austin, Texas 78752-3825		0	Consultant
Legal Consultants:			
Sara Thornton Lloyd Gosselink, Rochelle, & Townsend, PC 816 Congress Ave, Ste 1900 Austin, Texas 78701		2,755	General Counsel
Doug Caroom Bickerstaff, Heath, Delgado, Acosta, LLP 3711 S Mo-Pac Expressway Building One, Suite 300 Austin, Texas 78746		0	Special Counsel
Leroy Grawunder McCall, Parkhurst and Horton 717 N Harwood, Suite 900 Dallas, Texas 75201		0	Bond Counsel

RED RIVER AUTHORITY OF TEXAS
Board Members, Key Personnel, and Consultants
for the year ended September 30, 2023

Names and Addresses	Term of Office Elected and Expired or Date Hired	Fees and Expense Reimbursements September 30, 2023	Title at Year End
Financial Consultants:			
David Medanich Hilltop Securities 777 Main Street, Suite 1200 Fort Worth, Texas 76102		0	Financial Advisor
Depositories:			
American National Bank P. O. Box 4476 Wichita Falls, Texas 76308		First National Bank of Wichita Falls P.O. Box 94905 Wichita Falls, Texas 76310	
TexPool – Comptroller of Public Accounts P. O. Box 12608 Austin, Texas 78711			



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Red River Authority of Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

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Red River Authority of Texas

JERRY BOB DANIEL, President, Truscott
CONRAD J. MASTERSON, JR. Vice President, Cee Vee
MICHAEL R. SANDEFUR, Secretary-Treasurer, Texarkana
MARY LOU BRADLEY, Assistant Secretary, Memphis
JERRY DAN DAVIS, Wellington
TONYA D. DETTEN, Panhandle
STEPHEN A. THORNHILL, Denison
JOE L. WARD, Telephone
VACANCY

FABIAN A. HEANEY, General Manager
DANNA P. BALES, Executive Assistant
LANA HEFTON, Controller

January 5, 2024

**To: Board of Directors of the Red River Authority of Texas,
Red River Authority of Texas Customers, and
Stakeholders and Citizens of the Red River Basin in Texas**

The Annual Comprehensive Financial Report of the Red River Authority of Texas for the fiscal year ended September 30, 2023 is submitted herewith. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the Authority.

We trust the data contained herein is accurate in all material respects, that it clearly discloses the financial position and results of operations of the Authority as measured by the financial activity of its various divisions, and that all information necessary to enable the reader to gain the maximum benefit and understanding of the Authority's fiscal year activities and related costs are presented on a fund basis in the enclosed financial statements.

REPORTING ENTITY

The Red River Authority of Texas (Authority) is a water conservation and reclamation district in the State of Texas, originally created under the provisions of the 56th Legislature, Article 8280-228 VATCS and Article XVI, Section 59 of the Texas Constitution. In 2019, following review by the Texas Sunset Advisory Commission, and with the passage of Senate Bill 627, the Authority's legislation was amended by the 86th Legislature, effective September 1, 2019. On April 1, 2023, by acts of the 87th Legislature, the Authority was codified under the Special District Local Laws Code, Title 6, Water and Wastewater, Subtitle G, River Authorities, with Chapter 8510, Subchapter A. <https://statutes.capitol.texas.gov/Docs/SD/htm/SD.8510.htm#8510>

The Authority's mission remains: *The orderly conservation, reclamation, protection, and development of the water resources throughout the Red River Basin for the benefit of the public.*

The Authority's territorial jurisdiction encompasses all of forty-three Texas counties lying within, and adjacent to, the watershed of the Red River and its tributaries upstream from the northeast corner of Bowie County. In 1981, the Legislature divided the Authority's territorial jurisdiction into three geographical regions based on population, with gubernatorial appointment of three directors to serve from each region. Refer to the **Jurisdictional Map** for details.

The Red River Industrial Development Authority was authorized by the Board of Directors in July 1979 under the terms of the Texas Development Corporation Act of 1979. The Red River Industrial Development Authority is a subsidiary entity of the Red River Authority of Texas, and is authorized to act on behalf of the Authority for the specific purpose of promoting economic

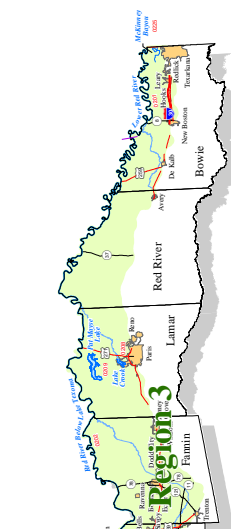
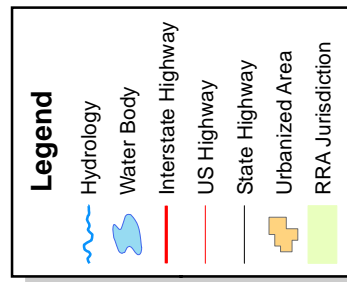
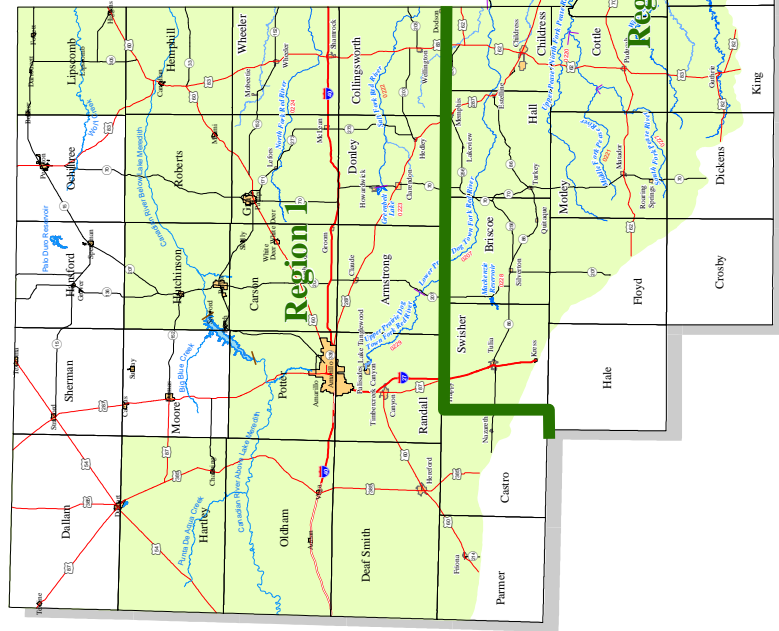
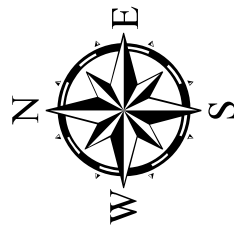
development of commercial, industrial, and manufacturing enterprises for public welfare within the geographical confines of the Red River Basin in Texas. Financial information concerning the Red River Industrial Development Authority can be found in the Notes to the Financial Statements and the combining schedules.

GOVERNING BODY

The Authority's governing body is composed of a nine-member Board of Directors, with three members each representing the three regional divisions of the Authority's jurisdictional area. All members of the Board are appointed by the Texas Governor, and are confirmed by the Texas Senate. Each Director must be a legal voter, a property taxpayer, and a resident of their respective region in the Authority's jurisdictional area. Each Director serves a six-year term. The Directors are organized by a President, appointed by the Governor, and then elect from their membership a Vice-President, Secretary/Treasurer, and Assistant Secretary. The President appoints from the membership three Directors to serve with the President on the Executive Committee. These appointments are confirmed by the Board. The Executive Committee functions as a policy, administrative, and fiscal oversight committee for all agency-related activities. The Board of Directors administers all affairs of the Authority through a Board-adopted Administrative Policy, and a Board-appointed chief executive officer in the position of General Manager.

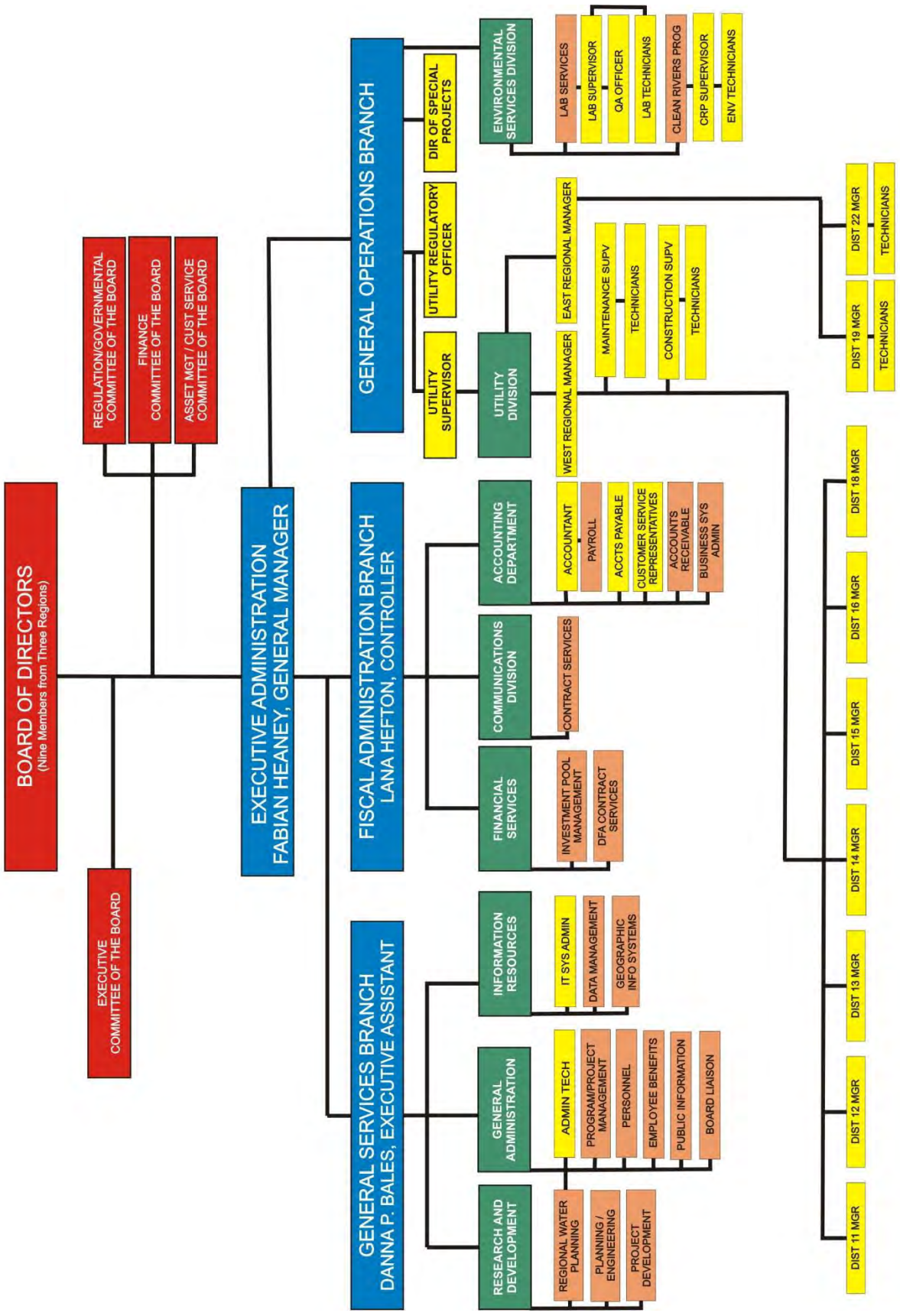
ADMINISTRATION

All fiscal and administrative functions are conducted from the general offices, located at 3000 Hammon Road, Wichita Falls, Texas. The General Manager is assisted by a professional staff of employees and consultants to accomplish all duties, and is solely responsible to the Board of Directors for the proper implementation of all policies and the successful administration of the Authority. The Executive Administration is the upper-level management team that consists of three interactive branches of administration for the orderly conduct of all facets of the Authority's activities. The branches are the General Division Branch, Fiscal Services Branch, and General Operations Branch. Each branch is responsible for providing team leadership, administrative, and technical services to each division or department of the Authority. The Executive Staff administers Board Policy, and carries out the Authority's mission under a Board-approved Strategic Management Plan. There were 38 full-time classified employees on the Authority's payroll on September 30, 2022. **Refer to the Organizational Structure Chart** for details.



Red River Authority of Texas

Organization Structure



Legend: █ Governing Body █ Senior Management █ Division █ Staff Position █ Function

INTERNAL CONTROLS

The Board of Directors and the Executive Administration of the Authority have placed an emphasis on the accuracy of its accounting system through the implementation of stringent internal accounting controls. Internal accounting controls are designed to provide reasonable, assurances regarding the safeguard of assets against loss and unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets, as well as those entrusted with its care. The concept of reasonable assurance recognizes that the cost of control should not exceed the expected benefits to be derived, and the evaluation of cost and benefits requires estimates and judgments on the part of management. All internal control evaluations occur within the described framework. Therefore, management is provided reasonable assurance that the Authority's internal controls adequately safeguard the assets, and provide proper recording of all financial transactions, thereby producing an effective tool to manage the conduct of the Authority's business activities.

SIGNIFICANT POLICY IMPACTS

The Authority was brought under Sunset review in 2018, and the recommendations of the Sunset Commission brought about policy changes in 2019. The Authority adopted changes in its website to bolster transparency and to increase the ability to search and find relevant data. The Authority included changes to its Board agendas to increase the opportunity for public participation. The Authority adopted a policy to ensure that all Professional Services Contracts are reviewed every five years, and that a qualified list will be made available for Professional contracts over \$25,000.

LONG-TERM FINANCIAL PLANNING

The Authority utilizes a Five-Year Strategic Plan and a Five-Year Asset Management Plan to guide the Authority in Long Term Financial Planning. These planning tools are instrumental in determining the long term needs of the Authority, and how to address those needs in the most cost-effective way for the Authority and its customers.

BUDGETARY CONTROLS

An integral component in the establishment of the Authority's goals and priorities is the compilation and adoption of an Annual Consolidated Operating Budget. The budget includes all Authority activities, and is presented to the Board for their consideration and approval each year. The budget does not constitute appropriations; rather, it is a tool to forecast and control spending over a fiscal year. In the Authority's model, the budget presents projected revenues and expenditures as compared to actual revenues and expenditures from the previous year to assist in this forecast.

LOCAL ECONOMY

The size of the Authority's vast basin makes it hard to identify a true local economy, as the basin stretches over 43 counties from the state of Arkansas to the state of New Mexico. The basin is primarily agrarian in nature, with large cattle ranches and cotton farms in the west, and large poultry, grain farms, and timber production in the east. Both the east and west regions have large energy industries with traditional oil and gas production, and recent increases in green energy in the form of wind and solar production. The robust energy market has allowed the economy to stay

strong, and the lack of severe weather has contributed to sustained agriculture production. The western region has not experienced much population growth, but has remained steady in recent years. The eastern region has experienced high growth as the DFW Metroplex population migrates further north toward the Red River.

The Authority's main office is located in Wichita Falls, Texas. Wichita Falls has a diverse economy that includes manufacturing, Sheppard Air Force base, a regional college, medical services, retail, and service-related commerce.

The Wichita Falls Metropolitan Statistical Area (MSA) houses a robust manufacturing sector, with many companies having employment in excess of 100 persons. The MSA is a metropolitan area in North Texas, which covers three counties, Archer, Clay, and Wichita. The Total Gross Domestic Product (GDP) of the Wichita Falls, TX MSA totaled \$7,096,972,000 in 2021. This is an increase from the original 2020 estimate of \$6,432,554,000 which was later updated to \$6,556,197,000. From the most recently updated numbers released by the St. Louis Fed, the total increase year over year is 8.24%. The largest portion of the MSA production includes Health, Social Services, and Manufacturing.⁴ The total population of the MSA decreased from 151,485 in 2019 to 149,013 in 2021. The unemployment rate for the Wichita Falls MSA is 3.50% in November of 2022. This is down from a high of 10.00% in April of 2020. (Source of Information: City of Wichita Falls 2022 ACFR)

The City of Wichita Falls can also call itself home to numerous retirees and can boast that though the labor force numbers have dropped over the last ten years, unemployment has continued to drop as well. Wichita Falls current unemployment rate as of September 2023 is 4.0%, lower than the state average of 4.1% and in line with the national average of 3.6%.

Year	Period	Labor Force	Employment	Unemployment	Unemployment Rate
2013	Sep	66,347	62,596	3,751	5.7
2014	Sep	65,692	62,586	3,106	4.7
2015	Sep	63,991	61,170	2,821	4.4
2016	Sep	63,842	60,958	2,884	4.5
2017	Sep	64,949	62,762	2,187	3.4
2018	Sep	65,396	63,281	2,115	3.2
2019	Sep	65,560	63,611	1,949	3.0
2020	Sep	65,243	63,652	4,591	7.0
2021	Sep	65,255	62,358	2,897	4.4
2022	Sep	63,865	61,602	2,263	3.5
2023	Sep	65,139	62,508	2,631	4.0

Source of Information: United States Bureau of Labor

AWARDS

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Red River Authority of Texas for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the eleventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Authority trusts that its current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and will submit it to GFOA to determine its eligibility for another certificate.

AUDIT REQUIREMENTS

The Enabling Legislation (Article 8280-228, Section 9, VATCS) requires an annual audit of the Authority's records by a certified public accountant, as selected by the Board of Directors, within 135 days after the fiscal year ending. This requirement has been complied with, and the Auditor's opinion is included in this report.

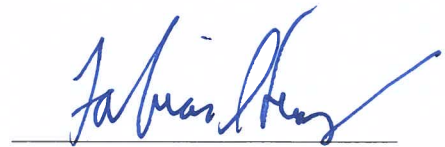
ACKNOWLEDGEMENTS

We would like to express our appreciation to the Board for their contributions and guidance in the successful operation of the Authority. We would also like to thank the staff members who contributed to the preparation of this report.

Respectfully submitted,



Lana R. Hefton
Controller



Fabian A. Heaney
General Manager

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FINANCIAL SECTION



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

1401 HOLLIDAY ST., SUITE 216 ▪ P.O. BOX 750
WICHITA FALLS, TEXAS 76307-0750
PH. (940) 766-5550 ▪ FAX (940) 766-5778

MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA

Independent Auditor's Report on Financial Statements

Board of Directors
Red River Authority of Texas

Members of the Board of Directors:

Opinion

We have audited the accompanying financial statements of Red River Authority of Texas (Authority) as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Red River Authority of Texas as of September 30, 2023 and 2022, and the changes in financial position and cash flows thereof for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the Schedule of Changes in Net Pension Liability and Related Ratios – Texas County and District Retirement System, the Schedule of Employer Contributions – Texas County and District Retirement System, and the Schedule of Changes in Total OPEB Liability and Related Ratios – Texas County and District Retirement System identified in the table of contents as required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The other supplementary information in Exhibits C-1 through C-20 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Authority's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Edgin, Parkman, Fleming & Fleming, PC". The signature is written in a cursive, flowing style.

Edgin, Parkman, Fleming & Fleming, PC

January 5, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the Red River Authority of Texas, we offer readers of the Authority’s financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on **page vi** of this report.

Financial Highlights

1. The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$21,276,285 (net position). Of this amount, \$11,705,098 (unrestricted net position) may be used to meet the Authority’s ongoing obligations to citizens and creditors.
2. The Authority’s total net position increased by \$1,183,581.
3. The Authority expended over \$2.3 million towards improvements to its water systems to address EPA violations in the current year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority’s basic financial statements. The Authority’s basic financial statements comprise two components: government-wide financial statements and notes to the financial statements. This report also contains required supplementary information and other government-wide information, in addition to the basic financial statements themselves.

Authority-Wide Statements. The financial statement presentation is mandated by Government Accounting Standards Board Statement No. 34. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. However, all of the funds of the Authority can be put into one category – proprietary funds. As such, the Red River Authority of Texas is considered a special purpose government engaged only in business-type activities. No fund level information is presented as part of the Authority’s basic financial statements.

Proprietary Funds. For internal reporting and control purposes, the Authority maintains two different types of proprietary funds. One is enterprise funds, which are used to report the same functions presented in the Authority-wide basic financial statements. The Authority uses enterprise funds to account for its distinct and separate business activities, the Utility Division, the Environmental Services Division, and the Industrial Development Authority. The other proprietary funds are the internal service funds, which provide goods and services to the enterprise funds, as well as each other. There are two internal service funds employed by the Authority. They include the General Division and Communications Division.

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

Revenues are derived through charges to the funds which receive the services provided and from contract services provided to outside entities. For government-wide presentation, all interfund charges are eliminated. These internal fees are evaluated annually and adjusted as necessary to maintain equity in the charges for each type of service performed. The external fees are adjusted every one (1) to five (5) years, based on the results of various types of rate analyses conducted.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the Authority-wide statements. The notes to the basic financial statements can be found on **pages 16-51** of this report.

Authority-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Authority's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$21,276,285 at the close of the most recent fiscal year.

	2023	2022	2021
Assets:			
Current assets	\$12,557,133	\$11,550,121	\$11,752,716
Restricted assets	2,395,338	4,707,521	5,877,405
Capital assets	19,075,320	17,245,457	16,284,319
Noncurrent assets	1,783,398	2,916,757	1,168,386
Total assets	<u>35,811,189</u>	<u>36,419,856</u>	<u>35,082,826</u>
 Deferred outflows of resources	 <u>480,260</u>	 <u>393,198</u>	 <u>492,845</u>
 Liabilities:			
Current liabilities	1,119,672	1,134,965	957,899
Noncurrent liabilities	13,325,737	13,760,786	14,098,433
Total liabilities	<u>14,445,409</u>	<u>14,895,751</u>	<u>15,056,332</u>
 Deferred inflows of resources	 <u>569,755</u>	 <u>1,824,599</u>	 <u>607,757</u>
 Net position:			
Net investment in capital assets	7,545,644	7,652,261	7,551,392
Restricted net position	2,025,543	1,741,344	182,912
Unrestricted net position	11,705,098	10,699,099	12,177,278
Total net position	<u><u>\$21,276,285</u></u>	<u><u>\$20,092,704</u></u>	<u><u>\$19,911,582</u></u>

In fiscal year 2023, 35.5% of the Authority's net position reflect its investment in capital assets (e.g., land, building, machinery, equipment, and water rights), less any related debt used to acquire those assets that are still outstanding. The Authority uses these capital assets to provide services to customers; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

An additional portion of the Authority's net position (9.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$11,705,098 (55.0%) may be used to meet the Authority's ongoing obligations to constituents and creditors. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position with an increase in net position of \$1,183,581. This increase represents consistent operating revenues and a conservative approach to managing expenses.

In fiscal year 2022, 38.1% of the Authority's net position reflect its investment in capital assets (e.g., land, building, machinery, equipment, and water rights), less any related debt used to acquire those assets that are still outstanding. The Authority uses these capital assets to provide services to customers; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Authority's net position (8.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$10,699,099 (53.2%) may be used to meet the Authority's ongoing obligations to constituents and creditors. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position with an increase in net position of \$181,122. This increase represents consistent operating revenues and a conservative approach to managing expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2023	2022	2021
Operating revenues:			
Water and sewer sales	\$ 7,011,224	\$ 5,742,657	\$ 5,503,646
Charges for materials and services	728,552	595,397	564,656
Other	708,772	641,868	1,008,969
Total operating revenues	<u>8,448,548</u>	<u>6,979,922</u>	<u>7,077,271</u>
Operating expenses:			
Water purchases	1,290,029	1,312,922	1,168,773
Personnel services	2,563,719	2,091,898	2,188,250
Administrative costs	274,332	223,338	192,793
Utilities, supplies, and maintenance	1,414,005	1,388,362	1,093,587
Insurance	119,972	116,556	81,310
Automobile and travel	441,986	375,679	222,147
Professional and directors fees	68,154	77,857	78,227
Research expense	91,528	10,890	225,696
Total operating expenses	<u>6,263,725</u>	<u>5,597,502</u>	<u>5,250,783</u>
Operating income before depreciation and amortization	2,184,823	1,382,420	1,826,488
Depreciation and amortization	<u>(996,106)</u>	<u>(870,245)</u>	<u>(785,201)</u>
Operating income	<u>1,188,717</u>	<u>512,175</u>	<u>1,041,287</u>
Nonoperating revenues (expenses):			
Interest income	586,737	167,451	99,834
Gain (loss) on disposal of assets	(99,110)	4,800	-
Interest expense	<u>(492,763)</u>	<u>(503,304)</u>	<u>(489,948)</u>
Total nonoperating revenues (expenses)	<u>(5,136)</u>	<u>(331,053)</u>	<u>(390,114)</u>
Change in net position	<u>1,183,581</u>	<u>181,122</u>	<u>651,173</u>
Net position, beginning	<u>20,092,704</u>	<u>19,911,582</u>	<u>19,260,409</u>
Net position, ending	<u>\$21,276,285</u>	<u>\$20,092,704</u>	<u>\$19,911,582</u>

Some of the major variances from fiscal year 2022 to fiscal year 2023 include a \$1,268,567 increase in water and sewer sales. This increase is mainly due to an increase to the base and incremental water rates charged in the current year, offset by a slight decrease in consumption. Personnel services expenses increased \$471,821 between years mainly due to a decrease in the GASB 68 adjustment for changes in actuarial assumptions. The adjustment reduced expenses by \$511,823 in the prior year, and only \$261,706 in the current. The other part of the increase is due to less turnover in the current year, raises, and additional compensation for on-call duties. Interest income increased \$419,286 due to better interest rates on investments during the current year.

Some of the major variances from fiscal year 2021 to fiscal year 2022 include a \$367,101 decrease in other revenues. This decrease is due to one-time grant proceeds for the Red River Navigation Study and the AMI Meter Project, in the prior year. Utilities, supplies, and maintenance expenses increased \$294,775 between years due to increased fuel costs and increased maintenance from large leaks and repairs at Tell Cee Vee.

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

Capital Asset and Debt Administration

Capital Assets. The Authority's investment in capital assets funds as of September 30, 2023 amounts to \$19,075,320, (net of accumulated depreciation). This investment in capital assets includes land, water systems, water rights, transportation equipment and other equipment, right-to-use leased assets, as well as construction in progress. The total increase in the Authority's investment in capital assets for the current fiscal year was 11%.

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

- Construction and engineering fees on Lake Arrowhead Water Line project.
- Construction and engineering fees on Miscellaneous pump station and tank renovations
- Construction and engineering fees on Hinds-Wildcat Water System
- Construction and engineering fees on Ringgold Water System distribution line relocation

CAPITAL ASSETS (Net of Depreciation)

Asset	Value September 30, 2022	Additions / Completions	Deletions	Value September 30, 2023	Accumulated Depreciation	Net Value
Land and easements	\$ 1,120,608	\$ -	\$ -	\$ 1,120,608	\$ -	\$ 1,120,608
Construction in progress	1,360,935	2,685,365	633,596	3,412,704	-	3,412,704
Building	1,090,886	-	7,615	1,083,271	589,336	493,935
Water storage rights	1,222,700	-	-	1,222,700	301,226	921,474
Water systems	27,334,034	683,250	484,542	27,532,742	14,916,694	12,616,048
Machinery and equipment	1,271,738	-	324,106	947,632	737,541	210,091
Furniture and fixtures	240,994	-	128,571	112,423	105,791	6,632
Motor vehicles	844,987	190,060	89,751	945,296	698,290	247,006
Right-to-use leased assets	62,429	-	-	62,429	15,607	46,822
Totals	<u>\$34,549,311</u>	<u>\$3,558,675</u>	<u>\$1,668,181</u>	<u>\$36,439,805</u>	<u>\$17,364,485</u>	<u>\$19,075,320</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

Additional information on the Authority's capital assets can be found in **Note 3** on **pages 24-25** of this report.

Long-Term Debt. At the end of the current fiscal year, the Authority had total bonded debt outstanding of \$13,471,134. All of the debt is backed by the full faith and credit of the Authority and is secured solely by specified revenue sources (i.e., revenue bonds).

Bonds payable and transactions for the year ended September 30, 2023 are summarized as follows:

	Average Interest Rates	Final Maturity Date	Annual Serial Payments	Bonds Authorized	Bonds Outstanding September 30, 2022	Additions Issuances (Sales) (Retirements)	Bonds Outstanding September 30, 2023
Water Revenue Bonds							
Series 2010	1.93%	08/15/2030	\$26,600 to \$53,600	<u>\$ 849,200</u>	<u>\$ 386,334</u>	<u>\$ (45,200)</u>	<u>\$ 341,134</u>
Series 2017	3.57%	04/01/2047	\$300,000 to \$800,000	<u>\$15,130,000</u>	<u>\$13,465,000</u>	<u>\$(335,000)</u>	<u>\$13,130,000</u>

The Authority's bonded debt decreased by \$380,200 (2.7%) during the current fiscal year as a result of scheduled payments.

In fiscal year 2010, the Authority entered into a contract with the Greater Texoma Utility Authority (GTUA) to be a part of a bond issue to acquire an additional 2,000 acre-feet of water storage in Lake Texoma. The Authority will pay \$849,200 plus interest and maintenance fees to GTUA over the next 20 years for the 2,000 acre-feet.

In fiscal year 2017, the Authority issued \$15,130,000 in new revenue bonds. Approximately eight million dollars of the bond proceeds will fund the remediation of the Environmental Protection Agency's (EPA) Administrative Enforcement Orders for being in violation of the United States EPA's Safe Drinking Water Act (SDWA) regulations, for exceeding the maximum contaminate level for nitrates. The remainder of the proceeds will be funding improvements to the Authority's infrastructure. The bond issue was insured by National Public Finance Corporation which at the time of issuance had a AA- rating by Standard & Poors. The purchase of bond insurance alleviated the Authority from having to maintain a bond reserve account.

In fiscal year 2022, the Authority entered into a lease agreement for a backhoe. This resulted in a right-to-use leased asset and a right-to-use lease payable of \$62,430. The asset and related accumulated depreciation are shown in the note above. The right-to-use leased asset payable and transactions are summarized as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

	<u>Balance</u> <u>10/1/22</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>9/30/23</u>
Right-to-use lease payable	\$59,647	\$ -	\$11,466	\$48,181

Additional information on the Authority's long-term debt can be found in **Note 4** on **pages 26-28** of this report.

Economic Factors and Next Year's Budgets and Rates

- Capital expenditures in the Utility Division – Several systems within the utility division are proposed to receive capital expenditures for component repair and replacements of certain facilities during the ensuing fiscal year which are financed through the \$15,000,000 bond issued in 2017. Major projects are as follows:
 - Hinds-Wildcat new water source (completion in 2024) for \$2,100,000
 - Various pump station improvements including all change orders (completion 2024) for \$898,090
 - Lockett System improvements (completion 2025) for approximately \$1,627,000
 - Preston Shores System improvements and SCADA (completion 2024) for approximately \$800,000
 - Ringgold System improvements (completion 2025) for approximately \$300,000
- Completion of automated metering installation through Bureau of Reclamation matching grant funding with a total project cost of approximately \$928,000
- Increased effort to reduce water purchases and decrease water loss
- Completed rate study in 2022 and implementation of new rate in 2023 (awaiting outcome of rate appeal)

All of these factors were considered in preparing the Authority's budget for the 2024 fiscal year. The proposed budget for 2023-24 reflects an increase in projected revenue and expenditures, over the prior year's budget, of approximately \$2.42 million and \$612,411 respectively. As a result, the Authority has projected an increase of \$1,807,589 in net position for the 2024 fiscal year from the prior year's budget.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Red River Authority of Texas, P. O. Box 240, Wichita Falls, Texas, 76307-0240 or info@rra.texas.gov.

BASIC FINANCIAL STATEMENTS

RED RIVER AUTHORITY OF TEXAS
STATEMENTS OF NET POSITION
September 30, 2023 and 2022

	2023	2022
ASSETS		
Current assets:		
Cash and short-term investments	\$ 10,334,122	\$ 10,131,121
Receivables:		
Trade and contracts	1,860,721	1,185,052
Right-to-use leases receivable, current	79,665	45,317
Prepaid expenses	33,607	35,016
Inventory	249,018	153,615
Restricted assets:		
Cash and short-term investments	2,395,338	4,707,521
Total current assets	<u>14,952,471</u>	<u>16,257,642</u>
Long-term assets:		
Net pension assets	1,536,763	2,767,476
Right-to-use leases receivable, noncurrent	246,635	149,281
Capital assets not being depreciated	4,533,312	2,481,543
Capital assets being depreciated (net)	14,542,008	14,763,914
Total long-term assets	<u>20,858,718</u>	<u>20,162,214</u>
Total assets	<u>35,811,189</u>	<u>36,419,856</u>
Deferred outflows of resources:		
Pension related	467,656	375,911
OPEB related	12,604	17,287
Total deferred outflows of resources	<u>480,260</u>	<u>393,198</u>
LIABILITIES		
Current liabilities:		
Accounts payable - trade	619,429	650,812
Accrued payroll and related taxes	56,611	57,841
Unearned revenue	35,409	34,846
Right-to-use lease payable, current maturities	12,023	11,466
Bonds payable, current maturities	396,200	380,000
Total current liabilities	<u>1,119,672</u>	<u>1,134,965</u>
Long-term liabilities:		
Right-to-use lease payable, less current maturities	36,159	48,181
Bonds payable, less current maturities	13,230,041	13,632,972
Total OPEB liability	59,537	79,633
Total long-term liabilities	<u>13,325,737</u>	<u>13,760,786</u>
Total liabilities	<u>14,445,409</u>	<u>14,895,751</u>
Deferred inflows of resources:		
Pension related	190,717	1,591,391
OPEB related	23,624	7,242
Right-to-use lease related	355,414	225,966
Total deferred inflows of resources	<u>569,755</u>	<u>1,824,599</u>
Net position:		
Net investment in capital assets	7,545,644	7,652,261
Restricted:		
Debt service	211,841	189,348
Net pension assets and related deferred balances	1,813,702	1,551,996
Unrestricted	11,705,098	10,699,099
Total net position	<u>\$ 21,276,285</u>	<u>\$ 20,092,704</u>

The accompanying notes are an integral part of this statement.

RED RIVER AUTHORITY OF TEXAS
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
for the years ended September 30, 2023 and 2022

	2023	2022
Operating revenues:		
Water and sewer sales	\$ 7,011,224	\$ 5,742,657
Charges for materials and services	728,552	595,397
Other	708,772	641,868
Total operating revenues	<u>8,448,548</u>	<u>6,979,922</u>
Operating expenses:		
Water purchases	1,290,029	1,312,922
Personnel services	2,563,719	2,091,898
Administrative costs	274,332	223,338
Utilities, supplies, and maintenance	1,414,005	1,388,362
Insurance	119,972	116,556
Automobile and travel	441,986	375,679
Professional and directors fees	68,154	77,857
Research expense	91,528	10,890
Total operating expenses	<u>6,263,725</u>	<u>5,597,502</u>
Operating income before depreciation and amortization	2,184,823	1,382,420
Depreciation and amortization	(996,106)	(870,245)
Operating income	<u>1,188,717</u>	<u>512,175</u>
Nonoperating revenues (expenses):		
Interest income	586,737	167,451
Gain (loss) on disposal of capital assets	(99,110)	4,800
Interest expense	(492,763)	(503,304)
Total nonoperating revenues (expenses)	<u>(5,136)</u>	<u>(331,053)</u>
Change in net position	1,183,581	181,122
Net position, beginning	<u>20,092,704</u>	<u>19,911,582</u>
Net position, ending	<u>\$ 21,276,285</u>	<u>\$ 20,092,704</u>

The accompanying notes are an integral part of this statement.

RED RIVER AUTHORITY OF TEXAS
STATEMENTS OF CASH FLOWS
for the years ended September 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Cash received from customers and users	\$ 7,641,740	\$ 6,829,953
Cash payments to suppliers for goods and services	(3,826,613)	(3,321,983)
Cash payments to employees for services	(2,695,008)	(2,373,629)
Net cash provided by operating activities	<u>1,120,119</u>	<u>1,134,341</u>
Cash flows from capital and related financing activities:		
Proceeds from right-to-use lease	-	62,430
Principal paid on right-to-use lease payable	(11,466)	(2,783)
Interest paid on right-to-use lease payable	(2,585)	(730)
Principal paid on revenue bonds	(386,730)	(207,529)
Interest paid on revenue bonds	(490,178)	(670,743)
Acquisition of capital assets	(2,925,079)	(1,831,383)
Proceeds from sale of capital assets	-	4,800
Net cash used in capital and related financing activities	<u>(3,816,038)</u>	<u>(2,645,938)</u>
Cash flows from investing activities:		
Interest received on right-to-use leases receivable	9,243	11,298
Interest received on investments	577,494	156,153
Net cash provided by investing activities	<u>586,737</u>	<u>167,451</u>
Net decrease in cash and cash equivalents	(2,109,182)	(1,344,146)
Cash and cash equivalents, beginning	<u>14,838,642</u>	<u>16,182,788</u>
Cash and cash equivalents, ending	<u><u>\$ 12,729,460</u></u>	<u><u>\$ 14,838,642</u></u>
Displayed as:		
Current Assets:		
Cash and short-term investments	\$ 10,334,122	\$ 10,131,121
Restricted Assets:		
Cash and short-term investments	<u>2,395,338</u>	<u>4,707,521</u>
	<u><u>\$ 12,729,460</u></u>	<u><u>\$ 14,838,642</u></u>

The accompanying notes are an integral part of this statement.

RED RIVER AUTHORITY OF TEXAS
STATEMENTS OF CASH FLOWS, Continued
for the years ended September 30, 2023 and 2022

	2023	2022
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	<u>\$ 1,188,717</u>	<u>\$ 512,175</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	996,106	870,245
Change in assets and liabilities:		
(Increase) decrease in trade receivables	(675,669)	80,033
(Increase) decrease in right-to-use leases receivable	(131,702)	(194,598)
(Increase) decrease in prepaid expenses	1,409	1,409
(Increase) decrease in inventory	(95,403)	(7,792)
(Increase) decrease in net pension assets	1,230,713	(1,599,090)
(Increase) decrease in deferred outflows	(87,062)	99,647
Increase (decrease) in trade accounts payable	(31,383)	190,136
Increase (decrease) in accrued liabilities	(1,230)	(132)
Increase (decrease) in unearned revenues	563	(35,404)
Increase (decrease) in total OPEB liability	(20,096)	870
Increase (decrease) in deferred inflows	(1,254,844)	1,216,842
Total adjustments	<u>(68,598)</u>	<u>622,166</u>
Net cash provided by operating activities	<u><u>\$ 1,120,119</u></u>	<u><u>\$ 1,134,341</u></u>

The accompanying notes are an integral part of this statement.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS Years Ended September 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following summary of the Red River Authority of Texas' (the Authority) more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

A. Reporting Entity

The Red River Authority of Texas (Authority) is a water conservation and reclamation district in the State of Texas, originally created under the provisions of the 56th Legislature, Article 8280-228 VATCS and Article XVI, Section 59 of the Texas Constitution. In 2019, following review by the Texas Sunset Advisory Commission, and with the passage of Senate Bill 627, the Authority's legislation was amended by the 86th Legislature, effective September 1, 2019. On April 1, 2023, by acts of the 87th Legislature, the Authority was codified under the Special District Local Laws Code, Title 6, Water and Wastewater, Subtitle G, River Authorities, with Chapter 8510, Subchapter A. The Authority is governed by a Board of Directors who are appointed by the Governor of the State of Texas to serve a six-year staggered term.

The Authority is charged by state legislative mandate with three functions, which include maintenance of a Master Plan for basin wide development, serving as local sponsor for federal water projects, and providing services authorized by the Texas Legislature within the defined territory of the Authority, which encompasses all or part of forty-three Texas counties. The Authority also serves as a conduit for tax-exempt financing for municipal water and wastewater facilities and industrial pollution control facilities.

The Authority has two main and distinct business lines. The Utility Division provides water and sewer services to approximately 10,000 people in a 15-county area of the Red River Basin. The Environmental Services Division evaluates, monitors, and develops management strategies to improve the natural resources within the Red River Basin. The division also supports a full service National Environmental Laboratory Accreditation Program accredited water quality laboratory to provide analytical services.

As required by Governmental Accounting Standards Board (GASB) Statements No. 39 and 61, these financial statements present the Authority and its component units, entities for which the Authority is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the Authority's operations and data from these units are combined with data presented by the Authority. The Authority has one blended component unit, the Red River Industrial Development Authority. A discretely presented component unit is reported in a separate column in the financial statements. The Authority has no discretely presented component units.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The Red River Industrial Development Authority was authorized by the Board of Directors in July 1979, under terms of the Texas Development Corporation Act of 1979. The Red River Industrial Development Authority is a separate entity from the Red River Authority of Texas. It is authorized to act on behalf of the Authority for the specific purpose of promotion and development of commercial, industrial, and manufacturing enterprises to encourage employment and public welfare within the geographical confines of the Red River Basin in Texas.

The Red River Industrial Development Authority was evaluated by management for inclusion in the reporting entity's basic financial statements using the GASB criteria. The Red River Industrial Development Authority is governed by the Board of the Red River Authority and the Board has control over the net position of the Red River Industrial Development Authority. Therefore, the Red River Industrial Development Authority has been included in the financial reporting entity as a blended component unit. The Red River Industrial Development Authority does not issue separate financial statements.

B. Basis of Presentation

The Authority's accounting system consists solely of five proprietary funds, which are further divided into two major enterprise funds, one minor enterprise fund, and two internal service funds. For presentation purposes, all funds are presented as a single entity. Interfund activity is eliminated.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accompanying basic financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting as prescribed by the GASB.

The Statement of Revenues, Expenses, and Changes in Net Position distinguishes operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations. The principal operating revenues, such as charges for services, result from exchange transactions in which each party receives and gives up essentially equal values. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues or expenses. These include operating subsidies, investment earnings, intergovernmental grants, interest expense, and transactions that result from non-exchange transactions or ancillary services.

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

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Budgetary Accounting

An integral component in the establishment of the Authority's goals and priorities is the compilation and adoption of an Annual Consolidated Operating Budget. The budget includes all Authority activities and is presented to the Board for their consideration and approval each year. The budget does not constitute appropriations; rather, it is a tool to forecast and control spending over a fiscal year. In the Authority's model, the budget presents projected revenues and expenditures as compared to actual revenue and expenditures from the previous year to assist in this forecast. Therefore, statements of expenses compared to budget are not included within the basic financial statements.

E. Cash and Short-Term Investments

For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) which are readily convertible to cash, to be cash equivalents. Investments are stated at cost, which approximates market, and comprise short-term investments backed by agencies of the State of Texas or the United States Government.

F. Accounts Receivable

The Authority considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operating expenses when that determination is made.

G. Leases Receivable

The Authority is the lessor for multiple agreements, giving others the right-to-use communication towers owned by the Authority. These agreements have 5-year terms and an interest rate of 4.75%. Two began in the prior fiscal year, and another started in the current year, resulting in total receivable amounts of \$326,301 at year end. The Authority received \$54,560 in the current year which includes \$9,243 of interest.

H. Inventory

Inventory consists of supplies and various materials used for the maintenance of capital assets. The "consumption" method is used to account for this inventory. Under this method, inventory acquisitions are recorded in inventory accounts initially and charged to expense when used. Inventories are stated at weighted average cost.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Capital Assets and Depreciation

Capital assets are recorded at their historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life greater than one year.

Depreciation of purchased capital assets is charged as an expense against operations. Depreciation is recorded on the straight-line basis over the estimated useful life of the capital assets. The estimated useful lives are as follows:

Water and sewer systems	5-50 years
Machinery and equipment	4-20 years
Motor vehicles	4 years
Right-to-use leased assets	5 years

Water rights, purchased from the United States Army Corps of Engineers, are amortized on a straight-line basis over the 50-year life of the contract between the Authority and the Corps of Engineers.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to one or more future periods and so will not be recognized as an outflow of resources (expense) until then. The Authority reports amounts in this category for certain items related to the Authority's participation in the Texas County and District Retirement System (TCDRS).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of financial resources, represents an acquisition of net assets that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Authority reports amounts in this category for certain items related to the Authority's participation in the TCERS and right-to-use leased assets.

K. Vacation and Sick Leave

The Authority does not recognize an accrual for non-vesting sick leave or personal days pursuant to GASB Statement 16, since the obligation for payment is contingent on an employee's future service.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

An employee earns eight hours of vacation leave on the last day of each month and is entitled to use 120 hours (15 days) of vacation leave each calendar year. Any unused vacation leave up to a maximum of 120 hours is accrued as a liability of the Authority since payment will be made upon termination of the employee.

L. Restricted Assets

Contractually restricted cash, investments, and receivables are reported in a separate assets section of the statement of net position. Such amounts are physically segregated from other assets pursuant to certain restrictions of bond indentures and Board requirements.

M. Pensions

The fiduciary net position of the TCDRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension (asset) liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCDRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Other Post-Employment Benefits

The fiduciary net position of the TCDRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TCDRS's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go-plan and all cash is held in a cash account. The OPEB plan consists of life insurance benefits for retirees.

O. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

2. DEPOSITS AND INVESTMENTS

The Authority's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the Authority's agent bank approved pledged securities sufficient to protect Authority funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

A. Cash Deposits

The Authority shall utilize as depositories only federal and state-chartered banking institutions within the territorial jurisdiction of the Authority. At September 30, 2023 and 2022, the carrying amount of the Authority's deposits (cash, money markets, and interest-bearing savings accounts included in temporary investments) was \$9,707,866 and \$12,939,069, respectively and the bank balance was \$9,845,818 and \$13,012,875, respectively. The Authority's cash deposits at September 30, 2023 and 2022 were adequately covered by FDIC insurance or by pledged collateral held by the Authority's agent bank in the Authority's name in accordance with Chapter 2257, Texas Government Code (Collateral for Public Funds Act).

B. Investments

The Authority is required by Government Code Chapter 2256 under the Public Funds Investment Act (Act) to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity or portfolio investments, (7) investment staff quality and capabilities, and (8) bid solicitation preferences for certificates of deposit.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the Authority adhered to the requirements of the Act. Additionally, investment practices of the Authority were in accordance with local policies.

The Act determines the types of investments which are allowable for the Authority. These include with certain restrictions: (1) United States treasuries and securities guaranteed by the United States Government, (2) obligations of the United States Government, its agencies and instrumentalities, and government sponsoring enterprises, (3) fully insured or collateralized certificates of deposits, (4) repurchase agreements and reverse repurchase agreements, (5) no-load SEC regulated money market funds, and (6) Texas local governmental investment liquidity pools. Items 1 through 4 are limited to 50% of the Authority's average monthly cash balance. Items 5 and 6 are limited to 80% of the Authority's average monthly cash balance with a dollar weighted average portfolio maturity of 90 days or less. With limited exception, investment purchases shall have remaining maturities at time of purchase less than or equal to three years.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

2. DEPOSITS AND INVESTMENTS, Continued

The Authority's investments at September 30, 2023 and 2022 are shown below:

Investment or Investment Type	2023		2022	
	Weighted Maturity (Months)	Fair Value	Weighted Maturity (Months)	Fair Value
TexPool	1.0	\$ 3,021,596	1.0	\$1,899,573
Bank Money Markets	1.0	1,402,307	1.0	3,155,758
Insured Cash Sweep	1.0	8,220,245	1.0	9,763,607
		<u>\$ 12,644,148</u>		<u>\$14,818,938</u>

The Authority categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability. The Authority values its TexPool balances at net asset value per unit/share. Money market accounts are valued using Level 2 inputs, which are values provided by the Authority's depositories. There were no changes in valuation technique for the years ended September 30, 2023 or 2022.

C. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination of whether the Authority was exposed to the following specific deposit and investment risks and, if so, the reporting of certain related disclosures:

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the Authority was not significantly exposed to credit risk.

Custodial Credit Risk – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the Authority's name.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

2. DEPOSITS AND INVESTMENTS, Continued

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the Authority's name.

At year end, the Authority was not exposed to custodial credit risk.

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the Authority was not exposed to significant concentration of credit risk.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the Authority was not exposed to interest rate risk.

Foreign Currency Risk – This is the risk that exchange rates will adversely affect the fair value of an instrument. At year end, the Authority was not exposed to foreign currency risk.

D. Investment Accounting Policy

The Authority's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists, which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Non-negotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

E. Public Funds Investment Pools

The TexPool Investment Pool (TexPool) is a local government investment pool organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under a contract with the State Comptroller. In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

2. DEPOSITS AND INVESTMENTS, Continued

to advise in respect to TexPool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAM by Standard & Poor's. All investments are stated at amortized cost, which usually approximates the fair value of the securities. The stated objective of TexPool is to maintain a stable average \$1.00 per unit net asset value; however, the \$1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at www.ttstc.org.

3. CAPITAL ASSETS

Capital asset activity for the years ended September 30, 2023 and 2022 was as follows:

At September 30, 2023

	Balance October 1, 2022	Increases	Decreases	Balance September 30, 2023
Capital assets not being depreciated:				
Land and easements	\$ 1,120,608	\$ -	\$ -	\$ 1,120,608
Construction in progress	<u>1,360,935</u>	<u>2,685,365</u>	<u>633,596</u>	<u>3,412,704</u>
Total capital assets not being depreciated	<u>2,481,543</u>	<u>2,685,365</u>	<u>633,596</u>	<u>4,533,312</u>
Capital assets being depreciated:				
Water storage rights	1,222,700	-	-	1,222,700
Water systems	27,334,034	683,250	484,542	27,532,742
Machinery and equipment	1,271,738	-	324,106	947,632
Building	1,090,886	-	7,615	1,083,271
Furniture and fixtures	240,994	-	128,571	112,423
Motor vehicles	844,987	190,060	89,751	945,296
Right-to-use leased assets	<u>62,429</u>	<u>-</u>	<u>-</u>	<u>62,429</u>
Total capital assets being depreciated	<u>32,067,768</u>	<u>873,310</u>	<u>1,034,585</u>	<u>31,906,493</u>
Less accumulated depreciation for:				
Water storage rights	293,938	7,288	-	301,226
Water systems	14,547,625	783,411	414,342	14,916,694
Machinery and equipment	988,438	52,513	303,410	737,541
Building	552,271	40,960	3,895	589,336
Furniture and fixtures	222,093	7,774	124,076	105,791
Motor vehicles	696,368	91,674	89,752	698,290
Right-to-use leased assets	<u>3,121</u>	<u>12,486</u>	<u>-</u>	<u>15,607</u>
Total accumulated depreciation	<u>17,303,854</u>	<u>996,106</u>	<u>935,475</u>	<u>17,364,485</u>
Total capital assets being depreciated, net	<u>14,763,914</u>	<u>(122,796)</u>	<u>99,110</u>	<u>14,542,008</u>
Total capital assets, net	<u>\$17,245,457</u>	<u>\$2,562,569</u>	<u>\$ 732,706</u>	<u>\$19,075,320</u>

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2023 and 2022

3. CAPITAL ASSETS, Continued

At September 30, 2022

	Balance October 1, 2021	Increases	Decreases	Balance September 30, 2022
Capital assets not being depreciated:				
Land and easements	\$ 1,120,608	\$ -	\$ -	\$ 1,120,608
Construction in progress	<u>4,844,153</u>	<u>1,703,925</u>	<u>5,187,143</u>	<u>1,360,935</u>
Total capital assets not being depreciated	<u>5,964,761</u>	<u>1,703,925</u>	<u>5,187,143</u>	<u>2,481,543</u>
Capital assets being depreciated:				
Water storage rights	1,222,700	-	-	1,222,700
Water systems	22,266,271	5,067,763	-	27,334,034
Machinery and equipment	1,140,324	144,607	13,193	1,271,738
Building	1,056,721	34,165	-	1,090,886
Furniture and fixtures	235,357	5,637	-	240,994
Motor vehicles	844,987	-	-	844,987
Right-to-use leased assets	<u>-</u>	<u>62,429</u>	<u>-</u>	<u>62,429</u>
Total capital assets being depreciated	<u>26,766,360</u>	<u>5,314,601</u>	<u>13,193</u>	<u>32,067,768</u>
Less accumulated depreciation for:				
Water storage rights	287,043	6,895	-	293,938
Water systems	13,886,794	660,831	-	14,547,625
Machinery and equipment	943,516	58,115	13,193	988,438
Building	512,385	39,886	-	552,271
Furniture and fixtures	213,084	9,009	-	222,093
Motor vehicles	603,980	92,388	-	696,368
Right-to-use leased assets	<u>-</u>	<u>3,121</u>	<u>-</u>	<u>3,121</u>
Total accumulated depreciation	<u>16,446,802</u>	<u>870,245</u>	<u>13,193</u>	<u>17,303,854</u>
Total capital assets being depreciated, net	<u>10,319,558</u>	<u>4,444,356</u>	<u>-</u>	<u>14,763,914</u>
Total capital assets, net	<u>\$16,284,319</u>	<u>\$6,148,281</u>	<u>\$5,187,143</u>	<u>\$17,245,457</u>

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

4. LONG-TERM DEBT

Bonds and leases payable and transactions for the years ended September 30, 2023 and 2022 are summarized as follows:

At September 30, 2023

	Balance 10/1/22	Issued	Retired	Balance 9/30/23	Due Within One Year
Water revenue bonds	\$13,851,334	\$ -	\$380,200	\$13,471,134	\$396,200
Premium on bonds	161,638	-	6,530	155,108	-
Right-to-use lease payable	59,647	-	11,466	48,181	12,023
Totals	<u>\$14,072,619</u>	<u>\$ -</u>	<u>\$398,196</u>	<u>\$13,674,423</u>	<u>\$408,223</u>

At September 30, 2022

	Balance 10/1/21	Issued	Retired	Balance 9/30/22	Due Within One Year
Water revenue bonds	\$14,220,501	\$ -	\$369,167	\$13,851,334	\$380,000
Premium on bonds	168,169	-	6,531	161,638	-
Right-to-use lease payable	-	62,430	2,783	59,647	11,466
Totals	<u>\$14,388,670</u>	<u>\$62,430</u>	<u>\$378,481</u>	<u>\$14,072,619</u>	<u>\$391,466</u>

Water Revenue Bonds

Water revenue bonds are comprised of the following individual issues as of September 30, 2023:

	Interest Rates	Final Maturity Date	Annual Serial Payments	Bonds Authorized	Outstanding at 9/30/23	Outstanding at 9/30/22
Series 2010	1.93%	08-15-30	\$26,600 to \$53,600	\$ 849,200	<u>\$ 341,134</u>	<u>\$ 386,334</u>
Series 2017	3.57%	04-01-47	\$300,000 to \$800,000	\$15,130,000	<u>\$13,130,000</u>	<u>\$13,465,000</u>

In August 2010, the Authority entered into a contract with Greater Texoma Utility Authority (GTUA) to purchase an additional two thousand (2,000) acre-feet of water in Lake Texoma. This was part of a total of 50,000 acre-feet of water storage purchased by GTUA, which was financed by issuing \$22,000,000 in contract revenue bonds to the Texas Water Development Board. The Authority's portion of the bonds was \$849,200 with the annual principal payments due August 15 of each year for a term of 20 years. The interest rate varies from a rate of 0.075% to 2.480% over the life of the bonds. GTUA bills the Authority monthly for 1/12th of the annual principal and interest payments.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

4. LONG-TERM DEBT, Continued

In June 2017, the Authority issued Utility System Revenue Bonds in the amount of fifteen million one hundred thirty thousand dollars (\$15,130,000). This issue is to be used as a means of financing the required corrections of the EPA violations and needed infrastructure repairs. The bond interest payments are due October 1 with principal and interest payments due April 1 for a term of 30 years. The interest rate varies from a rate of 2.00% to 5.00% over the life of the bonds.

The net premium amount on issuance associated with the new issuance of \$15,130,000 of Water System Revenue Bonds is being amortized over the life of the new issue using the effective interest method. The unamortized amount at September 30, 2023 and 2022 is \$155,108 and \$161,638, respectively, and is included in the bond payable balance on the Statements of Net Position.

The annual requirements to pay principal and interest on the long-term water revenue bond obligations outstanding as of September 30, 2023 are as follows:

Year Ending September 30,	Bond	
	Principal	Interest
2024	\$ 396,200	\$ 488,011
2025	407,400	473,045
2026	428,600	454,006
2027	449,800	433,897
2028	466,000	416,720
2029 – 2033	2,393,134	1,849,532
2034 – 2038	2,695,000	1,444,074
2039 – 2043	3,210,000	929,106
2044 – 2047	<u>3,025,000</u>	<u>288,938</u>
Totals	<u>\$13,471,134</u>	<u>\$6,777,329</u>

The net revenue of the Authority is pledged as collateral for the revenue bonds outstanding. \$211,841 is available in the interest and sinking fund at September 30, 2023 to service the bonds.

Bond reserve provisions as specified in the bond ordinances do not require bond reserve deposits due to the bond insurance purchased by the Authority at the time of issue. The Authority is in compliance with all significant provisions contained in the bond ordinances.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

4. LONG-TERM DEBT, Continued

Right-to-Use Lease Payable

The Authority entered into a lease agreement for the purchase of a backhoe in July 2022. The original amount of the lease was \$62,430. The interest rate on the lease is 4.75%.

The gross amount of the backhoe recorded in capital assets is \$62,429. As of September 30, 2023, accumulated amortization on the backhoe is \$15,607. Therefore, the net value of capital assets acquired under right-to-use lease is \$46,822.

The annual requirements to pay principal and interest on the long-term right-to-use lease payable obligation outstanding as of September 30, 2023 are as follows:

<u>Year Ending September 30,</u>	<u>Right-to-Use Lease Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$12,023	\$2,029
2025	12,606	1,445
2026	13,218	833
2027	<u>10,334</u>	<u>205</u>
Totals	<u>\$48,181</u>	<u>\$4,512</u>

The aggregate annual requirements to pay principal and interest on all debt obligations outstanding as of September 30, 2023 are as follows:

<u>Year Ending September 30,</u>	<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 408,223	\$ 490,040
2025	420,006	474,490
2026	441,818	454,839
2027	460,134	434,102
2028	466,000	416,720
2029 – 2033	2,393,134	1,849,532
2034 – 2038	2,695,000	1,444,074
2039 – 2043	3,210,000	929,106
2044 – 2047	<u>3,025,000</u>	<u>288,938</u>
Totals	<u>\$13,519,315</u>	<u>\$6,781,841</u>

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

5. COMMITMENTS AND CONTINGENT LIABILITIES

In the normal course of business, the Authority is subject to certain contingent liabilities and un-asserted claims. These contingencies are evaluated in light of their probability of being asserted and the estimability of the claims. Those claims that are probable and estimable have been accrued in the accompanying financial statements. Claims that are possible and/or not estimable are disclosed herein. Remote claims are monitored until such time as they are resolved, disclosed, or accrued.

Three of the Authority's water systems (Truscott-Gilliland, Guthrie-Dumont, and the Hinds-Wildcat Water Systems) have been issued Administrative Enforcement Orders by the Environmental Protection Agency (EPA) for being in violation of the United States Environmental Protection Agency's (EPA) Safe Drinking Water Act (SDWA) regulations for exceeding the maximum contaminate level for nitrates. High nitrate levels are a common problem with water systems utilizing ground water not only in Texas, but across the nation. Currently, the Authority is complying with the EPA's noncompliance requirements of notifying the customers by letter on a quarterly basis, furnishing affected customers with bottled water reimbursement, and developing economically feasible compliance plans for each system affected.

In April 2016, the Authority was issued Administrative Complaints on these systems by the EPA with fines totaling \$55,000. In response, the Authority has developed major capital improvement plans for each system and has negotiated Consent Agreements for each system with the EPA, reducing the Administrative Fines paid to \$49,000. The Authority has developed capital improvement projects to bring the systems into compliance and issued bonds in 2017 for construction of the capital improvement projects, and construction for the projects is in process or has been completed.

The first project for remediation of the nitrate was for the RRA Truscott-Gilliland Water System. The project scope was to build a transmission line from Greenbelt Municipal and Industrial Water Authority to the Gilliland Pump Station to provide treated water for the Truscott-Gilliland Water System for blending purposes. The line was completed and placed into service in September 2018. In March 2019, the Authority received notification from the EPA that the violation for the RRA Truscott-Gilliland Water System was closed.

The second project for remediation of the nitrate was for the RRA Guthrie-Dumont Water System. The Authority purchased 480 acres in Dickens County to construct wells to tap in to the Ogallala Aquifer in an effort to find low nitrate wells to blend with the high nitrate wells utilized by the Guthrie-Dumont Water System. The Authority constructed a new well field and pipeline of 23 miles of transmission line to bring low nitrate water from the Ogallala Aquifer to blend with the high nitrate water in the existing Dumont wells. That project was completed and placed in service July 2022. In July of 2023, the Authority received notification from the EPA that the violation for the RRA Guthrie-Dumont Water System was closed.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

5. COMMITMENTS AND CONTINGENT LIABILITIES, continued

The third project for remediation of the nitrate was for the RRA Hinds-Wildcat Water System. The Authority has engineered a line to bring treated water from the City of Vernon to the Hinds pump station. The Authority acquired the necessary easements, construction plans, and permits. The project was awarded to Hypoworks on January 19, 2022. The project is ongoing with an anticipated project completion date of January 2024.

In 2004, the Authority was notified by Texas Commission on Environmental Quality (TCEQ) that two water systems were in violation of the SDWA's maximum contaminant level for total trihalomethanes (TTHM). The systems are RRA Lake Arrowhead and RRA Preston Shores Water Systems. The Authority was notified that the same two water systems are also in violation of the SDWA's maximum contaminant level for Haloacetic Acids (HAA5). These violations were brought about by the EPA lowering the maximum contaminant level effective January 1, 2004. In compliance with agreed enforcement orders between the TCEQ and the Authority, the Authority sends Notice of Violation letters to each customer on these systems quarterly, and will continue to do so until released by the TCEQ.

The Authority has developed capital improvement projects to bring the systems into compliance and issued bonds in 2017 for construction of the capital improvement projects.

For the RRA Preston Shores Water System, the Authority awarded a construction contract to construct a new raw water line with a chloride dioxide injection point. The new larger line and injection point allows the pretreatment of the raw water and increases the contact time to alleviate the TTHM and HAA5 issues. The new line is in place, and the system is in operation. The system has suffered from variable raw water flow due to the loss of submersible pumps in Lake Texoma. Both pumps have been replaced, but only one is operational due to power line issues. The chloride dioxide injection system will be optimized once the pumps are providing water at consistent flows. HAA5 levels are now in compliance. Only TTHM levels are not in compliance. Once the rolling four quarter average of results for samples are below the MCL, the Authority will no longer be under enforcement with the TCEQ.

For the RRA Lake Arrowhead Water System, the Authority has installed a 12" water line from the City of Wichita Falls Municipal Water System to the Lake Arrowhead Water System. The new line and treated water purchase agreement allowed the Authority to close the water treatment plant. The Authority completed the installation of the new water line and necessary pumping improvements in early 2021. The use of treated water from Wichita Falls has been in operation since March 2021, and there have been no exceedances of the MCL for TTHM or HAA5 since then. The system is in compliance with the TCEQ.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

5. COMMITMENTS AND CONTINGENT LIABILITIES, continued

The Authority was also issued an Administrative Enforcement Agreed Order in December of 2021 by the TCEQ for the Arrowhead Ranch Estates Wastewater Treatment plant for discharge permit exceedances for Total Suspended Solids, a monitoring parameter. The violations occurred in February, October, and December of 2020. The TCEQ issued a penalty of \$11,700. This was subsequent to a review of monitoring data from May of 2017 through September of 2021. The penalty was paid by the Authority in 2022, and the plant is in compliance with the order.

At September 30, 2023, the Authority had a total of \$474,116 in remaining contractual commitments related to the ongoing bond projects discussed above.

6. DEFINED BENEFIT PENSION PLAN

Plan Description

The Authority provides retirement, disability, and death benefits for all of its full-time employees through an agent multiple-employer defined benefit pension plan in the statewide TCDRS. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 780 nontraditional defined benefit pension plans in 2019. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service or with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after 10 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefits Provided

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and the employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

6. DEFINED BENEFIT PENSION PLAN, continued

Membership Information

<u>Members</u>	<u>December 31, 2021</u>	<u>December 31, 2022</u>
Number of inactive employees entitled to but not yet receiving benefits:	23	30
Number of active employees:	34	37
Average monthly salary *:	\$4,253	\$4,252
Average age *:	40.93	40.00
Average length of service in years *:	6.61	6.62
Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	20	21
Average monthly benefit:	\$2,064	\$2,114

* Averages reported for all active employees. Average service includes all proportionate service.

Funding Policy

The employer has elected the annually determined contribution rate (variable rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members.

Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually.

The employer's regular contribution rate was 7% for 2021, 2022 and 2023, which was in excess of the Authority's compliant rates of 2.28%, 3.65% and 2.31% for those respective years. The deposit rate payable by the employee members for the years 2021, 2022 and 2023 was the rate of 7% as adopted by the governing body of the employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Contributions to the Plan in 2021 and 2022 were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2022</u>
Members (Employees)	\$126,792	\$138,969
Employer (Authority)	<u>126,792</u>	<u>138,969</u>
Total contributions	<u>\$253,584</u>	<u>\$277,938</u>

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

6. DEFINED BENEFIT PENSION PLAN, continued

Net Pension Liability / (Asset)

<u>Net Pension Liability / (Asset)</u>	<u>December 31, 2021</u>	<u>December 31, 2022</u>
Total Pension Liability	\$ 8,827,449	\$9,128,844
Fiduciary Net Position	11,594,925	10,665,607
Net Pension Liability (Asset)	(2,767,476)	(1,536,763)
Fiduciary Net Position as a % of Total		
Pension Liability	131.35%	116.83%
Covered Payroll ⁽¹⁾	\$ 1,811,320	\$1,985,264
Net Pension Liability as a % of Covered Payroll	(152.79%)	(77.41%)

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

Note: Rounding differences may exist above or in other tables within this note.

⁽¹⁾ Payroll is calculated based on contributions as reported to TCDRS.

Discount Rate

Discount rate ⁽²⁾	7.60%	7.60%
Long-term expected rate of return, net of investment expense ⁽²⁾	7.60%	7.60%
Municipal bond rate ⁽³⁾	Does not apply	Does not apply

⁽²⁾ This rate reflects the long-term rate of return funding valuation assumption of 7.50%, plus 0.10% adjustment to be gross of administrative expenses as required by GASB 68.

⁽³⁾ The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

Actuarial Methods and Assumptions Used for GASB Calculations:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Remaining Amortization Method	Level percent of payroll, closed
Recognition of economic/demographic gains or losses	Straight-line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-line amortization over Expected Working Life
Asset Valuation Method:	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

6. DEFINED BENEFIT PENSION PLAN, continued

Inflation	2.50%
Salary Increases	Varies by age and service, 4.7% average over career including inflation
Investment Rate of Return	7.60% (Gross of administrative expenses)
Cost-of-Living Adjustments	Cost-of-living adjustments are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefits based on age. The average age for recent employees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Actuarial Methods and Assumptions Used for Funding Valuation:

Following is a description of the assumptions used in the December 31, 2022 actuarial valuation analysis for Red River Authority:

Economic Assumptions

TCDRS system-wide economic assumptions:

Real rate of return	5.00%
Inflation	2.50%
Long-term investment return	7.50%

The assumed long-term investment return of 7.50% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 7.50% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.50% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.7% per year for a career employee.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

6. DEFINED BENEFIT PENSION PLAN, continued

Employer-specific economic assumptions:

Growth in membership	0.00%
Payroll growth for funding calculations	2.25%

The payroll growth assumption is for the aggregate covered payroll of an employer.

Demographic Assumptions

TCDRS system-wide demographic assumptions:

Replacement of Terminated Members – New employees are assumed to replace any terminated members and have similar entry ages.

Disability – The rates of disability used in this valuation range from 0.001% for 25-year-old employee and decreases to 0.0% at age 60 for work related causes and 0.00% to .198% for all other causes. Members who become disabled are eligible to commence benefit payments regardless of age. Rates of disability are in a custom table based on TCDRS experience.

Mortality -

Depositing members	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Family Composition - For current retirees, beneficiary information is supplied by TCDRS. For purposes of calculating the Survivor Benefit for current depositing and non-depositing members, male members are assumed to have a female beneficiary who is three years younger. Female members are assumed to have a male beneficiary who is three years older.

Service Retirement - Members eligible for service retirement are assumed to retire at a range of 5.3% to 8.8% for someone 40-49 years old depending on service years. This rate escalates with age and service years until over the age of 69, which ranges from 20.7% to 25.3%. For all eligible members ages 75 and later, retirement is assumed to occur immediately.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

6. DEFINED BENEFIT PENSION PLAN, continued

Employer-specific demographic assumptions:

Other Terminations of Employment - The rate of assumed future termination from active participation in the plan for reasons other than death, disability or retirement vary by length of service, entry-age group (age at hire) and gender. No termination after eligibility for retirement is assumed.

Withdrawals - Members who terminate may either elect to leave their account with TCDRS or withdraw their funds. The probability that a member elects a withdrawal varies by length of service and vesting schedule. Rates applied to the plan range from 100% with zero years of experience to 16% for someone with 28 years of experience. For non-depositing members who are not vested, 100% are assumed to elect a withdrawal.

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2023 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

6. DEFINED BENEFIT PENSION PLAN, continued

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation</u> ⁽¹⁾	<u>Geometric Real Rate of Return (Expected minus Inflation)</u> ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
International Equities – Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.95%
International Equities – Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities ⁽³⁾	4.00%	7.60%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%

⁽¹⁾ Target asset allocation adopted at the March 2023 TCDRS Board Meeting.

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.3%, per Cliffwater's 2023 capital market assumptions.

⁽³⁾ Includes vintage years 2005 – present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2007 – present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2006 – present of Quarter Pooled Horizon IRRs.

Depletion of Plan Assets / GASB Discount Rate

The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2023 and 2022

6. DEFINED BENEFIT PENSION PLAN, continued

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

6. DEFINED BENEFIT PENSION PLAN, continued

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

As additional documentation for auditing purposes, we have shown the projection of the Fiduciary Net Position in the following exhibit ("Projection of Fiduciary Net Position").

Changes in Net Pension Liability / (Asset) at December 31, 2022 is as follows:

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability / (Asset)
	(a)	(b)	(a) – (b)
Balances as of December 31, 2021	\$8,827,449	\$11,594,925	(\$2,767,476)
Changes for the year:			
Service cost	221,494	-	221,494
Interest on total pension liability ⁽¹⁾	668,408	-	668,408
Effect of plan changes ⁽²⁾	-	-	-
Effect of economic/demographic gains or losses	(70,833)	-	(70,833)
Effect of assumption changes or inputs	-	-	-
Refund of contributions	(19,138)	(19,138)	-
Benefit payments	(498,536)	(498,536)	-
Administrative expenses	-	(6,250)	6,250
Member contributions	-	138,969	(138,969)
Net investment income	-	(659,269)	659,269
Employer contributions	-	138,969	(138,969)
Other ⁽³⁾	-	(24,063)	24,063
Balances as of December 31, 2022	<u>\$9,128,844</u>	<u>\$10,665,607</u>	<u>(\$1,536,763)</u>

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

⁽²⁾ No plan changes valued.

⁽³⁾ Relates to allocation of system-wide items.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

6. DEFINED BENEFIT PENSION PLAN, continued

Changes in Net Pension Liability / (Asset) at December 31, 2021 is as follows:

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability / (Asset)
	(a)	(b)	(a) – (b)
Balances as of December 31, 2020	\$8,581,404	\$ 9,749,790	(\$1,168,386)
Changes for the year:			
Service cost	217,748	-	217,748
Interest on total pension liability ⁽¹⁾	649,721	-	649,721
Effect of plan changes ⁽²⁾	-	-	-
Effect of economic/demographic gains or losses	(67,492)	-	(67,492)
Effect of assumption changes or inputs	(44,217)	-	(44,217)
Refund of contributions	(38,070)	(38,070)	-
Benefit payments	(471,645)	(471,645)	-
Administrative expenses	-	(6,273)	6,273
Member contributions	-	126,792	(126,792)
Net investment income	-	2,112,110	(2,112,110)
Employer contributions	-	126,792	(126,792)
Other ⁽³⁾	-	(4,571)	4,571
Balances as of December 31, 2021	<u>\$8,827,449</u>	<u>\$11,594,925</u>	<u>(\$2,767,476)</u>

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

⁽²⁾ No plan changes valued.

⁽³⁾ Relates to allocation of system-wide items.

Sensitivity Analysis at December 31, 2022 is as follows:

The following presents the net pension liability (asset) of the Authority, calculated using the discount rate of 7.60%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease <u>6.60%</u>	Current Discount Rate <u>7.60%</u>	1% Increase <u>8.60%</u>
Total pension liability	\$10,180,914	\$ 9,128,844	\$ 8,232,185
Fiduciary net position	<u>10,665,607</u>	<u>10,665,607</u>	<u>10,665,607</u>
Net pension liability / (asset)	<u>(\$ 484,693)</u>	<u>(\$ 1,536,763)</u>	<u>(\$ 2,433,422)</u>

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

6. DEFINED BENEFIT PENSION PLAN, continued

Sensitivity Analysis at December 31, 2021 is as follows:

The following presents the net pension liability (asset) of the Authority, calculated using the discount rate of 7.60%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease <u>6.60%</u>	Current Discount Rate <u>7.60%</u>	1% Increase <u>8.60%</u>
Total pension liability	\$ 9,869,970	\$ 8,827,449	\$ 7,939,389
Fiduciary net position	<u>11,594,925</u>	<u>11,594,925</u>	<u>11,594,925</u>
Net pension liability / (asset)	<u>(\$ 1,724,955)</u>	<u>(\$ 2,767,476)</u>	<u>(\$ 3,655,536)</u>

Pension Expense / (Income)

	January 1, 2021 to <u>December 31, 2021</u>	January 1, 2022 to <u>December 31, 2022</u>
Service cost	\$217,748	\$221,494
Interest on total pension liability ⁽¹⁾	649,721	668,408
Effect of plan changes	-	-
Administrative expenses	6,273	6,250
Member contributions	(126,792)	(138,969)
Expected investment return net of investment expenses	(731,025)	(871,140)
Recognition of deferred inflows/outflows of resources:		
Recognition of economic/demographic gains or losses	(95,556)	(124,445)
Recognition of assumption changes or inputs	84,546	79,656
Recognition of investment gains or losses	(385,144)	18,315
Other ⁽²⁾	<u>4,571</u>	<u>24,063</u>
Pension expense	<u>(\$375,658)</u>	<u>(\$116,368)</u>

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

⁽²⁾ Relates to allocation of system-wide items.

Deferred Outflows / Inflows of Resources as of September 30, 2023:

As of September 30, 2023 the deferred outflows and inflows of resources are as follows:

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

6. DEFINED BENEFIT PENSION PLAN, continued

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$168,608
Changes of assumptions	181,422	22,109
Net difference between projected and actual earnings	176,086	-
Contributions made subsequent to measurement date	<u>110,148</u>	<u>-</u>
Total	<u>\$467,656</u>	<u>\$190,717</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

<u>Plan Year Ended December 31:</u>	
2023	(\$160,426)
2024	8,981
2025	12,156
2026	306,080

For the year ended December 31, 2021, there were no changes to the Plan relative to assumptions and benefit terms.

As of September 30, 2022 the deferred outflows and inflows of resources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 222,221
Changes of assumptions	272,132	33,163
Net difference between projected and actual earnings	-	1,336,007
Contributions made subsequent to measurement date	<u>103,779</u>	<u>-</u>
Total	<u>\$375,911</u>	<u>\$1,591,391</u>

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2023 and 2022

7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN

Plan Description

A description of the OPEB plan pursuant to Paragraph 50 of GASB Statement No. 75 is as follows:

1. The Authority participates in the retiree Group Term Life (GTL) program for the TCDRS which is a statewide, agent multiple-employer, public employee retirement system.
2. A brief description of benefit terms:
 - a) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCDRS pension plan. Only employers that have elected participation in the retiree GTL program are included in the OPEB plan.
 - b) The plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the retiree GTL program.
 - c) The OPEB benefit is a fixed \$5,000 lump-sum benefit.
 - d) No future increases are assumed in the \$5,000 benefit amount.
 - e) Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of January 1 each year.
3. Membership information is shown in the chart below.
4. Contributions made to the retiree GTL Program are held in the GTL Fund. The GTL fund does not meet the requirements of a trust under Paragraph 4b of GASB 75, the assets are not accumulated in a GASB-compliant trust, as the assets of the GTL fund can be used to pay active GTL benefits which are not part of the OPEB plan.
5. Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of (or opt into) coverage as of January 1 each year. The Authority's contribution rate for the retiree GTL program is calculated annually on an actuarial basis and is equal to the cost of providing a one-year death benefit equal to \$5,000.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN, Continued

Membership Information

<u>Members</u>	<u>12/31/21</u>	<u>12/31/22</u>
Number of inactive employees entitled to but not yet receiving benefits ⁽¹⁾	2	1
Number of active employees	34	37
Average age of active employees	40.93	40.00
Average length of service in years for active employees	6.61	6.62
<u>Inactive Employees Receiving Benefits</u> ⁽¹⁾		
Number of benefit recipients ⁽¹⁾	15	15

⁽¹⁾ "Receiving benefits" indicates the member is retired and receiving monthly pension benefits, and his or her beneficiary is eligible for the \$5,000 lump sum upon the retiree's death.

Total OPEB Liability

	<u>December 31, 2021</u>	<u>December 31, 2022</u>
Total OPEB liability	<u>\$79,633</u>	<u>\$59,537</u>

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

Discount Rate

	<u>December 31, 2021</u>	<u>December 31, 2022</u>
Discount rate ⁽¹⁾	2.06%	3.72%
Long-term expected rate of return, net of investment expense ⁽¹⁾	Does not apply	Does not apply
Municipal bond rate ⁽¹⁾	2.06%	3.72%

⁽¹⁾ The OPEB plan has been determined to be an unfunded OPEB plan; therefore, only the municipal bond rate applies.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN, Continued

Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial assumptions and methods that determined the total OPEB liability as of December 31, 2022 were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2020, except where required to be different by GASB 75.

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Level Percent of Salary
Amortization Method:	
Recognition of economic/ demographic gains or losses	Straight-line amortization over expected working life
Recognition of assumptions changes or inputs	Straight-line amortization over expected working life
Asset Valuation Method	Does not apply
Inflation	Does not apply
Salary Increases	Range on table from .4% to 5.25% depending on entry age and service years. Note that salary increases do not affect benefits but are used in the allocation of costs under the actuarial cost method.
Investment Rate of Return (Discount Rate)	3.72% (20-year Bond GO Index published by bondbuyer.com as of 12/30/22)
Cost-of-Living Adjustment	Does not apply
Disability	The rates of disability range from .000% to .001% for work-related disability and .000% to .198% for all other causes depending on age.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN, Continued

Mortality:

Depositing members 135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Retirement Members eligible for service retirement range from 5.3% to 25.3% for both male and females depending on age and service years.

Other Termination of Employment Annual rates for termination range from 0.0% to 33.0% for both males and females depending on entry age and years of service.

Changes in total OPEB liability for the years ended December 31, 2021 and 2022:

	2021 Changes in Total OPEB Liability	2022 Changes in Total OPEB Liability
Balances as of January 1	\$78,763	\$79,633
Changes for the year:		
Service cost	2,087	2,495
Interest on total OPEB liability ⁽¹⁾	1,699	1,674
Changes of benefit terms ⁽²⁾	-	-
Effect of economic/demographic experience	(3,367)	(3,294)
Effect of assumptions changes or inputs ⁽³⁾	1,900	(19,184)
Benefit payments	(1,449)	(1,787)
Other	-	-
Balance as of December 31	<u>\$79,633</u>	<u>\$59,537</u>

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

⁽²⁾ No plan changes valued.

⁽³⁾ Reflects change in discount rate.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2023 and 2022

7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN, Continued

Sensitivity analysis at December 31, 2022 is as follows:

The following presents the total OPEB liability of the Authority, calculated using the discount rate of 3.72%, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.72%) or 1 percentage point higher (4.72%) than the current rate. Note that the healthcare cost trend rate does not affect the total OPEB liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease <u>2.72%</u>	Current Discount Rate <u>3.72%</u>	1% Increase <u>4.72%</u>
Total OPEB liability	<u>\$70,189</u>	<u>\$59,537</u>	<u>\$51,048</u>

Sensitivity analysis at December 31, 2021 is as follows:

The following presents the total OPEB liability of the Authority, calculated using the discount rate of 2.06%, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.06%) or 1 percentage point higher (3.06%) than the current rate. Note that the healthcare cost trend rate does not affect the total OPEB liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease <u>1.06%</u>	Current Discount Rate <u>2.06%</u>	1% Increase <u>3.06%</u>
Total OPEB liability	<u>\$96,121</u>	<u>\$79,633</u>	<u>\$66,728</u>

2021 and 2022 Employer OPEB Contributions and Benefit Payments

The following shows a breakdown of the Authority's contributions to the GTL program for the calendar years 2021 and 2022. The contributions for retiree GTL coverage are assigned to the OPEB plan under GASB 75 and are used to determine the benefit payments shown below. The contributions for active coverage are not considered an OPEB benefit under GASB 75, so these contributions are not reflected as part of the OPEB plan but are paid by the Authority.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN, Continued

<u>Coverage Type</u>	2021 GTL		<u>Financial Reporting</u>
	<u>Rate</u>	<u>Amount</u>	
Active Member GTL Benefit	0.20%	\$3,623	No change from prior year GASB 75
Retiree GTL Benefit	0.08%	1,449	

<u>Coverage Type</u>	2022 GTL		<u>Financial Reporting</u>
	<u>Rate</u>	<u>Amount</u>	
Active Member GTL Benefit	0.18%	\$3,573	No change from prior year GASB 75
Retiree GTL Benefit	0.09%	1,787	

OPEB Expense

	<u>January 1, 2021 to December 31, 2021</u>	<u>January 1, 2022 to December 31, 2022</u>
Service cost	\$2,087	\$2,495
Interest on total pension liability ⁽¹⁾	1,699	1,674
Effect of plan changes	-	-
Recognition of deferred inflows/outflows of resources:		
Recognition of economic/demographic gains or losses	(1,177)	(1,726)
Recognition of assumption changes or inputs	3,288	91
Other	<u>-</u>	<u>-</u>
OPEB expense	<u>\$5,897</u>	<u>\$2,534</u>

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

Deferred Outflows / Inflows of Resources

As of September 30, 2023, the deferred outflows and inflows of resources are as follows:

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2023 and 2022

7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN, Continued

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 107	\$6,573
Changes of assumptions	11,380	17,051
Contributions made subsequent to measurement date	<u>1,117</u>	<u>-</u>
Total	<u>\$12,604</u>	<u>\$23,624</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

Plan Year Ended December 31:

2023	(\$1,635)
2024	(688)
2025	(3,030)
2026	(3,036)
2027	(3,748)
Thereafter	-

As of September 30, 2022, the deferred outflows and inflows of resources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 214	\$5,112
Changes of assumptions	15,734	2,130
Contributions made subsequent to measurement date	<u>1,339</u>	<u>-</u>
Total	<u>\$17,287</u>	<u>\$7,242</u>

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

8. PUBLIC ENTITY RISK POOL

The Authority is exposed to various risks of loss related to injuries to employees, theft of, damage to, and destruction of assets, natural disasters, and errors and omissions. The Authority participates in the Texas Municipal League Intergovernmental Risk Pool (TMLIRP), a risk pool for political subdivisions in Texas. The Authority pays annual premiums to the Risk Pool for worker's compensation, property, and liability coverage. The Risk Pool provides that they will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$5 million for workers' compensation, \$7 million for property, and ranging from \$1 million to \$5 million for liability, based on limits purchased by the member. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past five fiscal years. The Authority continues to carry insurance for employee health coverage through the Texas Municipal League MultiState Intergovernmental Employee Benefits Pool.

A publicly available financial report from TMLIRP that includes financial statements and required supplementary financial information can be obtained from Texas Municipal League Intergovernmental Risk Pool, P. O. Box 149194, Austin, Texas 78714-9194.

9. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Significant financial data for identifiable activities included as part of the government-wide presentation are as follows at September 30, 2023:

	Utility Division	Environmental Services Division	Other Enterprise Funds
Condensed Statement of Net Position			
Assets:			
Current assets	\$ 3,278,982	\$306,407	\$ -
Restricted assets	2,356,588	-	38,750
Capital assets	18,280,241	134,718	-
Total assets	23,915,811	441,125	38,750
Liabilities:			
Current liabilities	938,869	227,099	-
Noncurrent liabilities	13,266,200	-	-
Total liabilities	14,205,069	227,099	-
Net position:			
Net investment in capital assets	6,750,565	134,718	-
Restricted net position	211,841	-	-
Unrestricted net position	2,748,336	79,308	38,750
Total net position	\$ 9,710,742	\$214,026	\$38,750

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2023 and 2022

9. SEGMENT INFORMATION FOR ENTERPRISE FUNDS, Continued

	Utility Division	Environmental Services Division	Other Enterprise Funds
Condensed Statement of Revenue, Expenses, and Changes in Net Position			
Operating revenues	\$7,375,061	\$1,063,337	\$ -
Operating expenses	5,507,132	932,679	-
Operating income	1,867,929	130,658	-
Nonoperating revenues (expenses)	(299,649)	(12,004)	-
Change in net position	1,568,280	118,654	-
Beginning net position	8,142,462	95,372	38,750
Ending net position	\$9,710,742	\$ 214,026	\$38,750
	Utility Division	Environmental Services Division	Other Enterprise Funds
Condensed Statement of Cash Flows			
Operating activities	\$2,101,054	\$ 53,561	\$ -
Capital and related financing activities	(3,816,038)	-	-
Investing activities	272,005	-	-
Net increase (decrease)	(1,442,979)	53,561	-
Beginning cash and cash equivalents	5,347,200	(248,928)	38,750
Ending cash and cash equivalents	\$3,904,221	(\$195,367)	\$38,750

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REQUIRED SUPPLEMENTARY INFORMATION

RED RIVER AUTHORITY OF TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

	Year Ended December 31									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability										
Service cost	\$ 221,494	\$ 217,748	\$ 206,721	\$ 192,538	\$ 186,368	\$ 170,704	\$ 189,043	\$ 177,653	\$ 179,324	N/A
Interest on total pension liability	668,408	649,721	634,587	620,792	608,914	571,650	540,261	500,695	459,093	N/A
Effect of plan changes	-	-	-	-	-	-	-	(33,872)	-	N/A
Effect of assumption changes or inputs	-	(44,217)	453,552	-	-	24,458	-	58,664	-	N/A
Effect of economic/demographic (gains) or losses	(70,833)	(67,492)	(121,243)	(166,197)	(161,881)	55,906	(126,702)	20,889	44,989	N/A
Benefit payments/refunds of contributions	(517,674)	(509,715)	(431,392)	(548,349)	(439,633)	(319,382)	(267,816)	(191,663)	(171,004)	N/A
Net change in total pension liability	301,395	246,045	742,225	98,784	193,768	503,336	334,786	532,366	512,402	N/A
Total pension liability, beginning	8,827,449	8,581,404	7,839,179	7,740,395	7,546,627	7,043,291	6,708,505	6,176,139	5,663,736	N/A
Total pension liability, ending (a)	<u>\$ 9,128,844</u>	<u>\$ 8,827,449</u>	<u>\$ 8,581,404</u>	<u>\$ 7,839,179</u>	<u>\$ 7,740,395</u>	<u>\$ 7,546,627</u>	<u>\$ 7,043,291</u>	<u>\$ 6,708,506</u>	<u>\$ 6,176,139</u>	<u>N/A</u>
Fiduciary Net Position										
Employer contributions	\$ 138,969	\$ 126,792	\$ 123,022	\$ 120,067	\$ 108,963	\$ 103,611	\$ 99,671	\$ 99,794	\$ 96,084	N/A
Member contributions	138,969	126,792	123,022	120,067	108,963	103,611	99,671	99,794	96,084	N/A
Investment income net of investment expenses	(659,269)	2,112,110	931,019	1,317,762	(159,258)	1,085,548	518,631	(109,237)	444,841	N/A
Benefit payments/refunds of contributions	(517,674)	(509,715)	(431,392)	(548,349)	(439,633)	(319,381)	(267,816)	(191,663)	(171,004)	N/A
Administrative expenses	(6,250)	(6,273)	(7,134)	(6,870)	(6,444)	(5,597)	(5,633)	(5,073)	(5,286)	N/A
Other	(24,063)	(4,571)	(4,592)	(9,297)	(5,758)	(1,556)	1,306	11,611	9,359	N/A
Net change in fiduciary net position	(929,318)	1,845,135	733,945	993,380	(393,167)	966,236	445,830	(94,774)	470,078	N/A
Fiduciary net position, beginning	11,594,925	9,749,790	9,015,845	8,022,465	8,415,632	7,449,396	7,003,566	7,098,339	6,628,261	N/A
Fiduciary net position, ending (b)	<u>\$ 10,665,607</u>	<u>\$ 11,594,925</u>	<u>\$ 9,749,790</u>	<u>\$ 9,015,845</u>	<u>\$ 8,022,465</u>	<u>\$ 8,415,632</u>	<u>\$ 7,449,396</u>	<u>\$ 7,003,565</u>	<u>\$ 7,098,339</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ (1,536,763)</u>	<u>\$ (2,767,476)</u>	<u>\$ (1,168,386)</u>	<u>\$ (1,176,666)</u>	<u>\$ (282,070)</u>	<u>\$ (869,005)</u>	<u>\$ (406,105)</u>	<u>\$ (295,059)</u>	<u>\$ (922,200)</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	116.83%	131.35%	113.62%	115.01%	103.64%	111.52%	105.77%	104.40%	114.93%	N/A
Covered payroll	\$ 1,985,264	\$ 1,811,320	\$ 1,757,452	\$ 1,715,248	\$ 1,556,621	\$ 1,480,157	\$ 1,423,868	\$ 1,425,630	\$ 1,372,634	N/A
Net pension liability as a % of covered payroll	<u>-77.41%</u>	<u>-152.79%</u>	<u>-66.48%</u>	<u>-68.60%</u>	<u>-18.12%</u>	<u>-58.71%</u>	<u>-28.52%</u>	<u>-20.70%</u>	<u>-67.18%</u>	<u>N/A</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

RED RIVER AUTHORITY OF TEXAS

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

Year Ending September 30	Actuarially Determined Contribution ⁽¹⁾	Actual Employer Contribution ⁽¹⁾	Contribution Deficiency (Excess)	Covered Payroll ⁽²⁾	Actual Contribution as a % of Covered Payroll
2014	\$ 48,923	\$ 96,467	\$ (47,545)	\$ 1,378,105	7.0%
2015	48,166	98,584	(50,419)	1,408,348	7.0%
2016	44,664	100,529	(55,865)	1,436,126	7.0%
2017	48,225	100,468	(52,243)	1,435,259	7.0%
2018	49,134	108,498	(59,364)	1,549,976	7.0%
2019	54,506	117,760	(63,254)	1,682,281	7.0%
2020	55,847	122,549	(66,702)	1,750,696	7.0%
2021	44,918	125,769	(80,852)	1,796,706	7.0%
2022	64,387	136,166	(71,779)	1,945,227	7.0%
2023	55,021	145,339	(90,318)	2,076,273	7.0%

⁽¹⁾ TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis.

⁽²⁾ Payroll is calculated based on contributions reported to TCDRS.

RED RIVER AUTHORITY OF TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total OPEB Liability										
Service cost	\$ 2,495	\$ 2,087	\$ 2,105	\$ 1,332	\$ 1,620	\$ 1,350	N/A	N/A	N/A	N/A
Interest on total OPEB liability	1,674	1,699	1,938	2,201	2,070	2,035	N/A	N/A	N/A	N/A
Effect of plan changes	-	-	-	-	-	-	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	(19,184)	1,900	8,572	14,431	(6,394)	2,848	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(3,294)	(3,367)	(1,855)	(389)	(2,359)	749	N/A	N/A	N/A	N/A
Benefit payments	(1,787)	(1,449)	(1,230)	(1,372)	(934)	(888)	N/A	N/A	N/A	N/A
Net change in total OPEB liability	(20,096)	870	9,530	16,203	(5,997)	6,094	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	79,633	78,763	69,233	53,030	59,027	52,933	N/A	N/A	N/A	N/A
Total OPEB liability, ending (a)	<u>\$ 59,537</u>	<u>\$ 79,633</u>	<u>\$ 78,763</u>	<u>\$ 69,233</u>	<u>\$ 53,030</u>	<u>\$ 59,027</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Covered-employee payroll	\$ 1,985,264	\$ 1,811,320	\$ 1,757,452	\$ 1,715,248	\$ 1,556,621	\$ 1,480,157	N/A	N/A	N/A	N/A
Net OPEB liability as a % of covered-employee payroll	<u>3.00%</u>	<u>4.40%</u>	<u>4.48%</u>	<u>4.04%</u>	<u>3.41%</u>	<u>3.99%</u>	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 74/75, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

RED RIVER AUTHORITY OF TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED SEPTEMBER 30, 2023

A. DEFINED BENEFIT PENSION PLAN

Changes of benefit terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes of assumptions

There were no changes in the actuarial assumptions that affected measurement of the total pension liability during the measurement period.

B. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN

Changes of benefit terms

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes of assumptions

There were no changes in the actuarial assumptions that affected the measurement of the total OPEB liability during the measurement period, except for an increase in the discount rate from 2.06% to 3.72%.

No assets are accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

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OTHER SUPPLEMENTARY INFORMATION

RED RIVER AUTHORITY OF TEXAS
COMBINING SCHEDULE OF NET POSITION
September 30, 2023

	Enterprise Funds		
	Utility Division Fund	Environmental Services Division Fund	Industrial Development Authority Fund
ASSETS			
Current assets:			
Cash and short-term investments	\$ 1,547,633	\$ -	\$ -
Receivables:			
Trade and contracts	1,448,724	306,407	-
Right-to-use leases receivable, current	-	-	-
Prepaid expenses	33,607	-	-
Inventory	249,018	-	-
Restricted assets:			
Cash and short-term investments	2,356,588	-	38,750
Total current assets	<u>5,635,570</u>	<u>306,407</u>	<u>38,750</u>
Long-term assets:			
Net pension assets	-	-	-
Right-to-use leases receivable, noncurrent	-	-	-
Capital assets not being depreciated	4,349,980	-	-
Capital assets being depreciated (net)	13,930,261	134,718	-
Total long-term assets	<u>18,280,241</u>	<u>134,718</u>	<u>-</u>
Total assets	<u>23,915,811</u>	<u>441,125</u>	<u>38,750</u>
Deferred outflows of resources:			
Pension and OPEB related	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Bank overdraft	-	195,367	-
Accounts payable - trade	485,953	27,449	-
Accrued payroll and related taxes	37,970	4,283	-
Unearned revenue	6,723	-	-
Lease payable, current maturities	12,023	-	-
Bonds payable, current maturities	396,200	-	-
Total current liabilities	<u>938,869</u>	<u>227,099</u>	<u>-</u>
Long-term liabilities:			
Lease payable, less current maturities	36,159	-	-
Bonds payable, less current maturities	13,230,041	-	-
Total OPEB liability	-	-	-
Total long-term liabilities	<u>13,266,200</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>14,205,069</u>	<u>227,099</u>	<u>-</u>
Deferred inflows of resources:			
Pension and OPEB related	-	-	-
Right-to-use lease related	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Net position:			
Net investment in capital assets	6,750,565	134,718	-
Restricted:			
Debt service	211,841	-	-
Net pension assets and related deferred balances	-	-	-
Unrestricted	<u>2,748,336</u>	<u>79,308</u>	<u>38,750</u>
Total net position	<u>\$ 9,710,742</u>	<u>\$ 214,026</u>	<u>\$ 38,750</u>

Internal Service Funds			
General Division Fund	Communications Division Fund	Eliminations	Totals
\$ 7,592,367	\$ 1,389,489	\$ (195,367)	\$ 10,334,122
105,590	-	-	1,860,721
-	79,665	-	79,665
-	-	-	33,607
-	-	-	249,018
-	-	-	2,395,338
<u>7,697,957</u>	<u>1,469,154</u>	<u>(195,367)</u>	<u>14,952,471</u>
1,536,763	-	-	1,536,763
-	246,635	-	246,635
183,332	-	-	4,533,312
466,143	10,886	-	14,542,008
<u>2,186,238</u>	<u>257,521</u>	<u>-</u>	<u>20,858,718</u>
<u>9,884,195</u>	<u>1,726,675</u>	<u>(195,367)</u>	<u>35,811,189</u>
<u>480,260</u>	<u>-</u>	<u>-</u>	<u>480,260</u>
-	-	(195,367)	-
105,823	204	-	619,429
14,358	-	-	56,611
-	28,686	-	35,409
-	-	-	12,023
-	-	-	396,200
<u>120,181</u>	<u>28,890</u>	<u>(195,367)</u>	<u>1,119,672</u>
-	-	-	36,159
-	-	-	13,230,041
59,537	-	-	59,537
<u>59,537</u>	<u>-</u>	<u>-</u>	<u>13,325,737</u>
<u>179,718</u>	<u>28,890</u>	<u>(195,367)</u>	<u>14,445,409</u>
214,341	-	-	214,341
-	355,414	-	355,414
<u>214,341</u>	<u>355,414</u>	<u>-</u>	<u>569,755</u>
649,475	10,886	-	7,545,644
-	-	-	211,841
1,813,702	-	-	1,813,702
<u>7,507,219</u>	<u>1,331,485</u>	<u>-</u>	<u>11,705,098</u>
<u>\$ 9,970,396</u>	<u>\$ 1,342,371</u>	<u>\$ -</u>	<u>\$ 21,276,285</u>

RED RIVER AUTHORITY OF TEXAS
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
for the year ended September 30, 2023

	Enterprise Funds		
	Utility Division Fund	Environmental Services Division Fund	Industrial Development Authority Fund
Operating revenues:			
Water and sewer sales	\$ 7,011,224	\$ -	\$ -
Charges for materials and services	-	718,402	-
Other	363,837	344,935	-
Total operating revenues	<u>7,375,061</u>	<u>1,063,337</u>	<u>-</u>
Operating expenses:			
Water purchases	1,290,029	-	-
Personnel services	1,603,976	409,057	-
Administrative costs	210,081	17,194	-
Utilities, supplies, and maintenance	982,839	451,388	-
Insurance	93,787	9,331	-
Automobile and travel	407,533	18,982	-
Professional and directors fees	-	-	-
Research expense	-	-	-
Total operating expenses	<u>4,588,245</u>	<u>905,952</u>	<u>-</u>
Operating income (loss) before depreciation and amortization	2,786,816	157,385	-
Depreciation and amortization	(918,887)	(26,727)	-
Operating income (loss)	<u>1,867,929</u>	<u>130,658</u>	<u>-</u>
Nonoperating revenues (expenses):			
Interest income	272,005	-	-
Gain (loss) on disposal of assets	(78,891)	(12,004)	-
Interest expense	(492,763)	-	-
Total nonoperating revenues (expenses)	<u>(299,649)</u>	<u>(12,004)</u>	<u>-</u>
Change in net position	1,568,280	118,654	-
Net position, beginning	<u>8,142,462</u>	<u>95,372</u>	<u>38,750</u>
Net position, ending	<u>\$ 9,710,742</u>	<u>\$ 214,026</u>	<u>\$ 38,750</u>

Internal Service Funds			
General Division Fund	Communications Division Fund	Eliminations	Totals
\$ -	\$ -	\$ -	\$ 7,011,224
108,801	87,117	(185,768)	728,552
-	-	-	708,772
<u>108,801</u>	<u>87,117</u>	<u>(185,768)</u>	<u>8,448,548</u>
-	-	-	1,290,029
550,686	-	-	2,563,719
46,859	198	-	274,332
160,372	5,174	(185,768)	1,414,005
16,165	689	-	119,972
15,471	-	-	441,986
68,154	-	-	68,154
91,528	-	-	91,528
<u>949,235</u>	<u>6,061</u>	<u>(185,768)</u>	<u>6,263,725</u>
(840,434)	81,056	-	2,184,823
(45,233)	(5,259)	-	(996,106)
<u>(885,667)</u>	<u>75,797</u>	<u>-</u>	<u>1,188,717</u>
265,547	49,185	-	586,737
(8,215)	-	-	(99,110)
-	-	-	(492,763)
<u>257,332</u>	<u>49,185</u>	<u>-</u>	<u>(5,136)</u>
(628,335)	124,982	-	1,183,581
<u>10,598,731</u>	<u>1,217,389</u>	<u>-</u>	<u>20,092,704</u>
<u>\$ 9,970,396</u>	<u>\$ 1,342,371</u>	<u>\$ -</u>	<u>\$ 21,276,285</u>

RED RIVER AUTHORITY OF TEXAS
COMBINING SCHEDULE OF CASH FLOWS
for the year ended September 30, 2023

	Enterprise Funds		
	Utility Division Fund	Environmental Services Division Fund	Industrial Development Authority Fund
Increase (decrease) in cash and cash equivalents:			
Cash flows from operating activities:			
Cash received from customers and users	\$ 6,901,544	\$ 958,796	\$ -
Cash payments to suppliers for goods and services	(3,195,177)	(494,314)	-
Cash payments to employees for services	(1,605,313)	(410,921)	-
Net cash provided by (used in) operating activities	<u>2,101,054</u>	<u>53,561</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Principal paid on right-to-use lease payable	(11,466)	-	-
Interest paid on right-to-use lease payable	(2,585)	-	-
Principal paid on revenue bonds and notes	(386,730)	-	-
Interest paid on revenue bonds and notes	(490,178)	-	-
Acquisition of capital assets	(2,925,079)	-	-
Net cash provided by (used in) capital and related financing activities	<u>(3,816,038)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest received on right-to-use leases receivable	-	-	-
Interest received on investments	272,005	-	-
Net cash provided by (used in) investing activities	<u>272,005</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(1,442,979)	53,561	-
Cash and cash equivalents (deficit), beginning	<u>5,347,200</u>	<u>(248,928)</u>	<u>38,750</u>
Cash and cash equivalents (deficit), ending	<u>\$ 3,904,221</u>	<u>\$ (195,367)</u>	<u>\$ 38,750</u>

Internal Service Funds			
General Division Fund	Communications Division Fund	Eliminations	Totals
\$ 11,190	\$ 85,426	\$ (315,216)	\$ 7,641,740
(315,625)	(6,035)	184,538	(3,826,613)
(809,452)	-	130,678	(2,695,008)
<u>(1,113,887)</u>	<u>79,391</u>	<u>-</u>	<u>1,120,119</u>
-	-	-	(11,466)
-	-	-	(2,585)
-	-	-	(386,730)
-	-	-	(490,178)
-	-	-	(2,925,079)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,816,038)</u>
-	9,243	-	9,243
265,547	39,942	-	577,494
<u>265,547</u>	<u>49,185</u>	<u>-</u>	<u>586,737</u>
(848,340)	128,576	-	(2,109,182)
8,440,707	1,260,913	-	14,838,642
<u>\$ 7,592,367</u>	<u>\$ 1,389,489</u>	<u>\$ -</u>	<u>\$ 12,729,460</u>

RED RIVER AUTHORITY OF TEXAS
COMBINING SCHEDULE OF CASH FLOWS, Continued
for the year ended September 30, 2023

	Enterprise Funds		
	Utility Division Fund	Environmental Services Division Fund	Industrial Development Authority Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 1,867,929	\$ 130,658	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	918,887	26,727	-
Change in assets and liabilities:			
(Increase) decrease in trade receivables	(473,517)	(104,541)	-
(Increase) decrease in right-to-use leases receivable	-	-	-
(Increase) decrease in prepaid expenses	1,409	-	-
(Increase) decrease in inventory	(95,403)	-	-
(Increase) decrease in net pension assets	-	-	-
(Increase) decrease in deferred outflows	-	-	-
Increase (decrease) in trade accounts payable	(116,914)	2,581	-
Increase (decrease) in accrued payroll and related liabilities	(1,337)	(1,864)	-
Increase (decrease) in unearned revenues	-	-	-
Increase (decrease) in total OPEB liability	-	-	-
Increase (decrease) in deferred inflows	-	-	-
Total adjustments	233,125	(77,097)	-
Net cash provided by (used in) operating activities	\$ 2,101,054	\$ 53,561	\$ -

<u>Internal Service Funds</u>			
<u>General Division Fund</u>	<u>Communications Division Fund</u>	<u>Eliminations</u>	<u>Totals</u>
\$ (885,667)	\$ 75,797	\$ -	\$ 1,188,717
45,233	5,259	-	996,106
(97,611)	-	-	(675,669)
-	(131,702)	-	(131,702)
-	-	-	1,409
-	-	-	(95,403)
1,230,713	-	-	1,230,713
(87,062)	-	-	(87,062)
82,924	26	-	(31,383)
1,971	-	-	(1,230)
-	563	-	563
(20,096)	-	-	(20,096)
(1,384,292)	129,448	-	(1,254,844)
(228,220)	3,594	-	(68,598)
<u>\$ (1,113,887)</u>	<u>\$ 79,391</u>	<u>\$ -</u>	<u>\$ 1,120,119</u>

RED RIVER AUTHORITY OF TEXAS
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
ENTERPRISE FUNDS
BUDGET AND ACTUAL
for the year ended September 30, 2023

Exhibit C-4

	Utility Division Fund			Environmental Services Fund		
	Original and Final Budget	Actual	Variance Positive (Negative)	Original and Final Budget	Actual	Variance Positive (Negative)
Operating revenues:						
Water and sewer sales	\$ 5,855,315	\$ 7,011,224	\$ 1,155,909	\$ -	\$ -	\$ -
Charges for materials and services	112,329	-	(112,329)	576,429	718,402	141,973
Other	177,763	363,837	186,074	311,648	344,935	33,287
Total operating revenues	6,145,407	7,375,061	1,229,654	888,077	1,063,337	175,260
Operating expenses:						
Water purchases	1,586,213	1,290,029	296,184	-	-	-
Personnel services	1,698,017	1,603,976	94,041	440,032	409,057	30,975
Administrative costs	210,224	210,081	143	20,409	17,194	3,215
Utilities, supplies, and maintenance	950,031	982,839	(32,808)	360,228	451,388	(91,160)
Insurance	-	93,787	(93,787)	-	9,331	(9,331)
Automobile and travel	396,409	407,533	(11,124)	18,851	18,982	(131)
Bad debt	35,000	-	35,000	-	-	-
Total operating expenses	4,875,894	4,588,245	287,649	839,520	905,952	(66,432)
Operating income (loss) before depreciation and amortization	1,269,513	2,786,816	1,517,303	48,557	157,385	108,828
Depreciation and amortization	(1,160,000)	(918,887)	241,113	(22,500)	(26,727)	(4,227)
Operating income (loss)	109,513	1,867,929	1,758,416	26,057	130,658	104,601
Nonoperating revenues (expenses):						
Interest income	55,474	272,005	216,531	-	-	-
Gain (loss) on disposal of capital asset	-	(78,891)	(78,891)	-	(12,004)	(12,004)
Interest expense	(502,302)	(492,763)	9,539	-	-	-
Total nonoperating revenues (expenses)	(446,828)	(299,649)	147,179	-	(12,004)	(12,004)
Change in net position	<u>\$ (337,315)</u>	1,568,280	<u>\$ 1,905,595</u>	<u>\$ 26,057</u>	118,654	<u>\$ 92,597</u>
Net position, beginning		8,142,462			95,372	
Net position, ending		<u>\$ 9,710,742</u>			<u>\$ 214,026</u>	

RED RIVER AUTHORITY OF TEXAS
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
INTERNAL SERVICE FUNDS
BUDGET AND ACTUAL
for the year ended September 30, 2023

Exhibit C-5

	General Division Fund			Communications Division Fund		
	Original and Final Budget	Actual	Variance Positive (Negative)	Original and Final Budget	Actual	Variance Positive (Negative)
Operating revenues:						
Charges for materials and services	\$ -	\$ 108,801	\$ 108,801	\$ 95,507	\$ 87,117	\$ (8,390)
Other	20,000	-	(20,000)	-	-	-
Total operating revenues	20,000	108,801	88,801	95,507	87,117	(8,390)
Operating expenses:						
Personnel services	769,865	550,686	219,179	-	-	-
Administrative costs	35,392	46,859	(11,467)	-	198	(198)
Utilities, supplies, and maintenance	121,208	160,372	(39,164)	8,104	5,174	2,930
Insurance	139,867	16,165	123,702	-	689	(689)
Automobile and travel	18,157	15,471	2,686	-	-	-
Professional and directors fees	98,214	68,154	30,060	-	-	-
Research expense	-	91,528	(91,528)	-	-	-
Total operating expenses	1,182,703	949,235	233,468	8,104	6,061	2,043
Operating income (loss) before depreciation	(1,162,703)	(840,434)	322,269	87,403	81,056	(6,347)
Depreciation	(43,000)	(45,233)	(2,233)	(6,100)	(5,259)	841
Operating income (loss)	(1,205,703)	(885,667)	320,036	81,303	75,797	(5,506)
Nonoperating revenues (expenses):						
Interest income	39,816	265,547	225,731	5,998	49,185	43,187
Gain on disposal of asset	-	(8,215)	(8,215)	-	-	-
Total nonoperating revenues (expenses)	39,816	257,332	217,516	5,998	49,185	43,187
Change in net position	<u>\$ (1,165,887)</u>	(628,335)	<u>\$ 537,552</u>	<u>\$ 87,301</u>	124,982	<u>\$ 37,681</u>
Net position, beginning		<u>10,598,731</u>			<u>1,217,389</u>	
Net position, ending		<u>\$ 9,970,396</u>			<u>\$ 1,342,371</u>	

RED RIVER AUTHORITY OF TEXAS
Service and Rates
Fiscal Year Ending September 30, 2023
(unaudited)

Current rates are based on all water and/or sewer systems combined within the Utility Division in order to maintain adequate bond coverage ratios. The treated water and sewer rates are as follows:

RESIDENTIAL

Minimum Monthly Charge - \$103.00 and includes 2,000 gallons

Meter Size: 5/8" Base Equivalency

<u>Tier</u>	<u>Volume</u>				<u>Charge</u>	
Tier 1	2,001	to	10,000	gals.	\$ 7.00	/ 1000 gals.
Tier 2	10,001	to	20,000	gals.	\$ 9.00	/ 1000 gals.
Tier 3	20,001	to	30,000	gals.	\$ 11.00	/ 1000 gals.
Tier 4	30,001	to	50,000	gals.	\$ 13.00	/ 1000 gals.
Tier 5	50,001	to	Infinity	gals.	\$ 15.00	/ 1000 gals.

COMMERCIAL

Minimum Monthly Charge - \$114.50 and includes zero gallons

Meter Size: 3/4" Base Equivalency

<u>Tier</u>	<u>Volume</u>				<u>Charge</u>	
Tier 1	0	to	2,000	gals.	\$ 8.00	/ 1000 gals.
Tier 2	2,001	to	10,000	gals.	\$ 9.00	/ 1000 gals.
Tier 3	10,001	to	20,000	gals.	\$ 11.00	/ 1000 gals.
Tier 4	20,001	to	30,000	gals.	\$ 13.00	/ 1000 gals.
Tier 5	30,001	to	50,000	gals.	\$ 15.00	/ 1000 gals.
Tier 6	50,001	to	Infinity	gals.	\$ 17.00	/ 1000 gals.

Sewer Monthly Rate: \$59.75 (only for those with sewer services)

Raw, wholesale, and transient rates are contracted individually.

The Authority had four thousand ninety-nine (4,099) metered connections as of September 30, 2023. During the fiscal year, 595.96 million gallons of treated water was produced, with 333.95 million gallons being sold. The total anticipated debt service for the Utility Division in fiscal year 2024 is eight hundred eighty-four thousand two hundred eleven dollars (\$884,211).

The rates are designed to provide the revenues needed to recover the cost of operating and pay the debt service. They are based on the Utility Division Rate Analysis approved by the Board of Directors in November 2022, and became effective with the February 2023 utility billing.

RED RIVER AUTHORITY OF TEXAS**SCHEDULE OF PROPRIETARY FUND EXPENSES****(Before Intrafund Eliminations)****for the year ended September 30, 2023**

Personnel (including benefits and GASB 68/75 adjustments)	\$ 2,563,719
Professional fees:	
Accounting and audit	40,200
Legal	2,755
Purchased services for resale:	
Bulk water and wastewater service purchases	1,290,029
Utilities	210,627
Repairs and maintenance	677,991
Administrative expenditures:	
Directors fees	21,267
Office supplies	184,856
Insurance	16,165
Other administrative expenses	52,044
Regulatory fees	53,025
Other expenditures	<u>2,825,684</u>
TOTAL EXPENSES	<u><u>\$ 7,938,362</u></u>

Number of persons employed by the Authority:	<u>37</u>
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RED RIVER AUTHORITY OF TEXAS

SCHEDULE OF TEMPORARY INVESTMENTS
for the year ended September 30, 2023

<u>Investment</u>	<u>Account Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>
Money Market	5067677	1.90%	N/A	\$ 1,402,307
Insured Cash Sweep	1053043	5.42%	N/A	6,919,086
Insured Cash Sweep	4047767	5.63%	N/A	1,301,159
TexPool	2431400001	5.32%	N/A	758,668
TexPool	2431400002	5.32%	N/A	1,207,499
TexPool	2431400004	5.32%	N/A	843,588
TexPool	2431400005	5.32%	N/A	<u>211,841</u>
Total Temporary Investments				<u><u>\$ 12,644,148</u></u>

RED RIVER AUTHORITY OF TEXAS

**TAXES LEVIED AND RECEIVABLE
for the year ended September 30, 2023**

The Red River Authority of Texas does not levy taxes.

RED RIVER AUTHORITY OF TEXAS

**BONDED DEBT AND INTEREST MATURITIES
WATER REVENUE BONDS**

September 30, 2023

Fiscal Year	Annual Requirements for all Series		
	Bond Maturities	Interest on Bonds	Annual Requirements
2023-2024	\$ 396,200	\$ 488,011	\$ 884,211
24-25	407,400	473,045	880,445
25-26	428,600	454,006	882,606
26-27	449,800	433,897	883,697
27-28	466,000	416,720	882,720
28-29	482,200	398,878	881,078
29-30	490,934	384,679	875,613
30-31	460,000	370,000	830,000
31-32	470,000	355,625	825,625
32-33	490,000	340,350	830,350
33-34	505,000	324,425	829,425
34-35	520,000	307,381	827,381
35-36	540,000	289,831	829,831
36-37	555,000	270,931	825,931
37-38	575,000	251,506	826,506
38-39	595,000	230,662	825,662
39-40	620,000	209,094	829,094
40-41	640,000	186,619	826,619
41-42	665,000	163,419	828,419
42-43	690,000	139,312	829,312
43-44	715,000	113,438	828,438
44-45	740,000	86,625	826,625
45-46	770,000	58,875	828,875
46-47	800,000	30,000	830,000
	<u>\$ 13,471,134</u>	<u>\$ 6,777,329</u>	<u>\$ 20,248,463</u>

RED RIVER AUTHORITY OF TEXAS

DEBT SERVICE COVERAGE
WATER REVENUE BONDS

September 30, 2023

Water Revenue Bonds

Net income (loss) utility division (Exhibit C – 2)		\$ 1,568,280
Add:		
Revenue bond interest expense	\$ 490,177	
Depreciation and amortization, net	<u>918,887</u>	
		<u>1,409,064</u>
Net earnings for determining debt service coverage		<u><u>\$ 2,977,344</u></u>
 Total principal and interest requirements		 \$ 20,248,463
Number of years remaining to pay bonds		<u>÷24</u>
 Average annual principal and interest requirement		 <u><u>\$ 843,686</u></u>
 Average annual debt service coverage		 <u><u>3.53</u></u>
 Maximum principal and interest requirement		 <u><u>\$ 884,211</u></u>
 Maximum debt service coverage		 <u><u>3.37</u></u>
 Interest and Sinking Fund as of September 30, 2023		 \$ 211,841
 Bond Reserve Fund as of September 30, 2023		 \$ -

RED RIVER AUTHORITY OF TEXAS

CONTRACT REVENUE BONDS - SERIES 2010
DATED AUGUST 5, 2010

TOTAL BOND ISSUE: \$849,200

<u>Year</u>	<u>Bond Principal Due August 15</u>	<u>Interest Due 1.93% February 15</u>	<u>August 15</u>	<u>Total Annual Requirement</u>	<u>Bonds Outstanding September 30</u>
2022-23					\$ 341,134
23-24	\$ 46,200	\$ 4,081	\$ 4,080	\$ 54,361	294,934
24-25	47,400	3,597	3,598	54,595	247,534
25-26	48,600	3,078	3,078	54,756	198,934
26-27	49,800	2,523	2,524	54,847	149,134
27-28	51,000	1,935	1,935	54,870	98,134
28-29	52,200	1,314	1,314	54,828	45,934
29-30	<u>45,934</u>	<u>665</u>	<u>664</u>	<u>47,263</u>	-
	<u>\$ 341,134</u>	<u>\$ 17,193</u>	<u>\$ 17,193</u>	<u>\$ 375,520</u>	

Redemption of Bonds: The Authority has the right, at its option, to redeem bonds.

RED RIVER AUTHORITY OF TEXAS

CONTRACT REVENUE BONDS - SERIES 2017
DATED JUNE 1, 2017

TOTAL BOND ISSUE: \$15,130,000

<u>Year</u>	<u>Bond Principal Due April 30</u>	<u>Interest Due 3.57%</u>		<u>Total Annual Requirement</u>	<u>Bonds Outstanding September 30</u>
		<u>October 1</u>	<u>April 30</u>		
22-23					\$ 13,130,000
23-24	\$ 350,000	\$ 239,925	\$ 239,925	\$ 829,850	12,780,000
24-25	360,000	232,925	232,925	825,850	12,420,000
25-26	380,000	223,925	223,925	827,850	12,040,000
26-27	400,000	214,425	214,425	828,850	11,640,000
27-28	415,000	206,425	206,425	827,850	11,225,000
28-29	430,000	198,125	198,125	826,250	10,795,000
29-30	445,000	191,675	191,675	828,350	10,350,000
30-31	460,000	185,000	185,000	830,000	9,890,000
31-32	470,000	177,813	177,812	825,625	9,420,000
32-33	490,000	170,175	170,175	830,350	8,930,000
33-34	505,000	162,213	162,212	829,425	8,425,000
34-35	520,000	153,691	153,690	827,381	7,905,000
35-36	540,000	144,916	144,915	829,831	7,365,000
36-37	555,000	135,466	135,465	825,931	6,810,000
37-38	575,000	125,753	125,753	826,506	6,235,000
38-39	595,000	115,331	115,331	825,662	5,640,000
39-40	620,000	104,547	104,547	829,094	5,020,000
40-41	640,000	93,310	93,309	826,619	4,380,000
41-42	665,000	81,710	81,709	828,419	3,715,000
42-43	690,000	69,656	69,656	829,312	3,025,000
43-44	715,000	56,719	56,719	828,438	2,310,000
44-45	740,000	43,313	43,312	826,625	1,570,000
45-46	770,000	29,438	29,437	828,875	800,000
46-47	800,000	15,000	15,000	830,000	-
	<u>\$ 13,130,000</u>	<u>\$ 3,371,476</u>	<u>\$ 3,371,467</u>	<u>\$ 19,872,943</u>	

Redemption of Bonds: The Authority has the right, at its option, to redeem bonds.

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RED RIVER AUTHORITY OF TEXAS
ANALYSIS OF CHANGES IN BONDED DEBT
for the year ended September 30, 2023

	Series 2010	Series 2017	Totals
Interest Rate	1.93%	3.57%	
Dates Interest Payable	2/15; 8/15	10/1; 4/1	
Maturity Dates	8/15/2030	4/1/2047	
Bonds Outstanding, Beginning of Current Year	\$ 386,334	\$ 13,465,000	\$ 13,851,334
Principal Retirements	45,200	335,000	380,200
Bonds Outstanding, End of Year	341,134	13,130,000	13,471,134
Interest payments	9,052	486,550	495,602

Paying Agent's Name and Address
Greater Texoma Utility Authority
5100 Airport Drive
Denison, TX 75020 - (Series 2010)
BOKF, NA
5956 Sherry Lane, Suite 1201
Dallas, TX 75225 - (Series 2017)

Bond Authority:			
Amount Issued	Tax Bonds	Other Bonds	Refunding Bonds
Remaining to be Issued	\$ -	\$ 15,792,000	\$ -
	\$ -	\$ -	\$ -

RED RIVER AUTHORITY OF TEXAS
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
PROPRIETARY FUND (Before Intrafund eliminations)
LAST FIVE YEARS

	AMOUNTS				
	2023	2022	2021	2020	2019
Operating revenues:					
Water service	\$ 6,913,538	\$ 5,655,333	\$ 5,418,108	\$ 5,328,297	\$ 5,137,583
Sewer service	97,686	87,324	85,538	86,468	89,483
Tap connection fees	58,520	75,964	97,488	64,843	18,680
Other	1,564,572	2,572,590	2,794,202	3,211,820	3,089,740
Total operating revenues	8,634,316	8,391,211	8,395,336	8,691,428	8,335,486
Operating expenses:					
Water purchases	1,290,029	1,312,922	1,168,773	928,966	859,289
Personnel services less NPO	2,563,719	2,091,898	2,188,250	2,344,243	2,419,517
Administrative costs	274,332	1,562,554	1,389,245	1,367,604	1,370,591
Utilities, supplies, and maintenance	1,599,773	1,460,435	1,215,200	1,659,938	1,446,165
Insurance	119,972	116,556	81,310	76,717	76,115
Automobile and travel	441,986	375,679	222,147	191,407	453,294
Professional and directors fees	68,154	77,857	78,227	319,136	169,575
Research expense	91,528	10,890	225,696	(75)	41,500
Depreciation and amortization	996,106	870,245	785,201	746,499	746,350
Total operating expenses	7,445,599	7,879,036	7,354,049	7,634,435	7,582,396
Operating income	1,188,717	512,175	1,041,287	1,056,993	753,090
Nonoperating revenues (expenses)					
Interest	586,737	167,451	99,834	235,912	561,942
Gain (loss) on disposal of assets	(99,110)	4,800	-	41,735	5,000
Interest expense and fiscal fees	(492,763)	(503,304)	(489,948)	(541,769)	(623,242)
Total nonoperating revenues (expenses)	(5,136)	(331,053)	(390,114)	(264,122)	(56,300)
Change in net position	\$ 1,183,581	\$ 181,122	\$ 651,173	\$ 792,871	\$ 696,790

PERCENT OF FUND TOTAL REVENUES				
2023	2022	2021	2020	2019
80.1%	67.4%	64.5%	61.3%	61.6%
1.1%	1.0%	1.0%	1.0%	1.1%
0.7%	0.9%	1.2%	0.7%	0.2%
18.1%	30.7%	33.3%	37.0%	37.1%
100.0%	100.0%	100.0%	100.0%	100.0%
14.9%	15.6%	13.9%	10.7%	10.3%
29.7%	24.9%	26.1%	27.0%	29.0%
3.2%	18.6%	16.5%	15.7%	16.4%
18.5%	17.4%	14.5%	19.1%	17.3%
1.4%	1.4%	1.0%	0.9%	0.9%
5.1%	4.5%	2.6%	2.2%	5.4%
0.8%	0.9%	0.9%	3.7%	2.0%
1.1%	0.1%	2.7%	0.0%	0.5%
11.5%	10.4%	9.4%	8.6%	9.0%
86.2%	93.9%	87.6%	87.8%	91.0%
13.8%	6.1%	12.4%	12.2%	9.0%
6.8%	2.0%	1.2%	2.7%	6.7%
-1.1%	0.1%	0.0%	0.5%	0.1%
-5.7%	-6.0%	-5.8%	-6.2%	-7.5%
-0.1%	-3.9%	-4.6%	-3.0%	-0.7%
13.7%	2.2%	7.8%	9.1%	8.4%

RED RIVER AUTHORITY OF TEXAS

ENTERPRISE FUNDS

CAPITAL ASSETS

for the year ended September 30, 2023

	Balance October 1, 2022	Additions / Completions	Deletions / Adjustments	Balance September 30, 2023
UTILITY DIVISION FUND				
Capital assets not being depreciated:				
Land and easements	\$ 937,276	\$ -	\$ -	\$ 937,276
Construction in progress	1,360,935	2,685,365	(633,596)	3,412,704
Total capital assets not being depreciated	2,298,211	2,685,365	(633,596)	4,349,980
Capital assets, being depreciated and amortized:				
Building	55,014	-	-	55,014
Machinery and equipment	221,558	-	(46,693)	174,865
Motor vehicles	751,717	190,060	(89,751)	852,026
Right-to-use leased assets	62,429	-	-	62,429
Water storage rights	1,222,700	-	-	1,222,700
Water and sewer systems	27,334,034	683,250	(484,542)	27,532,742
Total capital assets being depreciated and amortized	29,647,452	873,310	(620,986)	29,899,776
Less accumulated depreciation and amortization for:				
Building	(17,089)	(3,501)	-	(20,590)
Machinery and equipment	(127,852)	(20,527)	38,001	(110,378)
Motor vehicles	(603,098)	(91,674)	89,752	(605,020)
Right-to-use leased assets	(3,121)	(12,486)	-	(15,607)
Water storage rights	(293,938)	(7,288)	-	(301,226)
Water and sewer systems	(14,547,625)	(783,411)	414,342	(14,916,694)
Total accumulated depreciation and amortization	(15,592,723)	(918,887)	542,095	(15,969,515)
Total capital assets being depreciated and amortized, net	14,054,729	(45,577)	(78,891)	13,930,261
Total capital assets, net	\$ 16,352,940	\$ 2,639,788	\$ (712,487)	\$ 18,280,241
ENVIRONMENTAL SERVICES DIVISION FUND				
Capital assets being depreciated:				
Machinery and equipment	\$ 726,562	\$ -	\$ (202,177)	\$ 524,385
Motor vehicles	34,340	-	-	34,340
Total capital assets being depreciated	760,902	-	(202,177)	558,725
Less accumulated depreciation for:				
Machinery and equipment	(553,113)	(26,727)	190,173	(389,667)
Motor vehicles	(34,340)	-	-	(34,340)
Total accumulated depreciation	(587,453)	(26,727)	190,173	(424,007)
Total capital assets being depreciated, net	173,449	(26,727)	(12,004)	134,718
Total capital assets, net	\$ 173,449	\$ (26,727)	\$ (12,004)	\$ 134,718

RED RIVER AUTHORITY OF TEXAS

INTERNAL SERVICE FUNDS

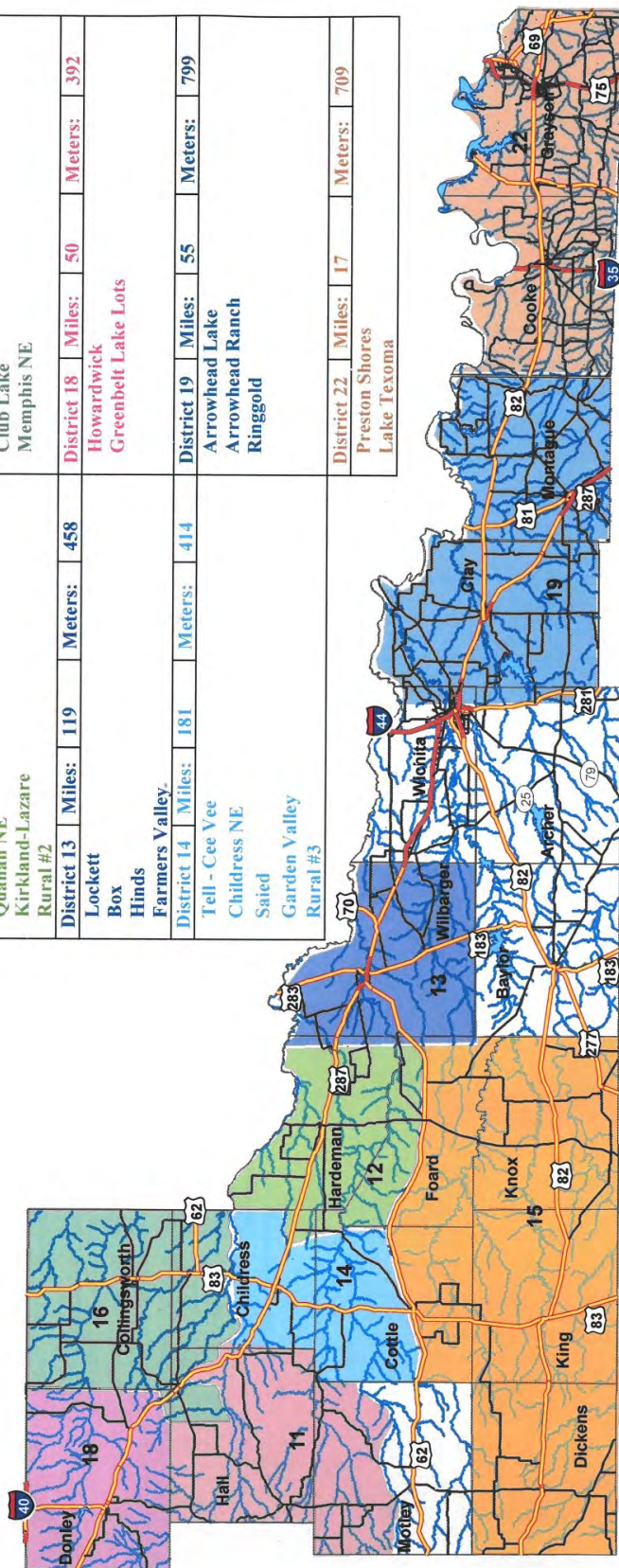
CAPITAL ASSETS

for the year ended September 30, 2023

	Balance October 1, 2022	Additions / Completions	Deletions / Adjustments	Balance September 30, 2023
GENERAL DIVISION FUND				
Capital assets not being depreciated:				
Land and easements	\$ 183,332	\$ -	\$ -	\$ 183,332
Total capital assets not being depreciated	183,332	-	-	183,332
Capital assets, being depreciated:				
Furniture and fixtures	240,994	-	(128,571)	112,423
Building	1,035,872	-	(7,615)	1,028,257
Motor vehicles	58,930	-	-	58,930
Total capital assets being depreciated	1,335,796	-	(136,186)	1,199,610
Less accumulated depreciation for:				
Furniture and fixtures	(222,093)	(7,774)	124,076	(105,791)
Building	(535,182)	(37,459)	3,895	(568,746)
Motor vehicles	(58,930)	-	-	(58,930)
Total accumulated depreciation	(816,205)	(45,233)	127,971	(733,467)
Total capital assets being depreciated, net	519,591	(45,233)	(8,215)	466,143
Total capital assets, net	\$ 702,923	\$ (45,233)	\$ (8,215)	\$ 649,475
COMMUNICATIONS DIVISION FUND				
Capital assets, being depreciated:				
Machinery and equipment	\$ 323,618	\$ -	\$ (75,236)	\$ 248,382
Total capital assets, being depreciated	323,618	-	(75,236)	248,382
Less accumulated depreciation for:				
Machinery and equipment	(307,473)	(5,259)	75,236	(237,496)
Total accumulated depreciation	(307,473)	(5,259)	75,236	(237,496)
Total capital assets being depreciated, net	16,145	(5,259)	-	10,886
Total capital assets, net	\$ 16,145	\$ (5,259)	\$ -	\$ 10,886

Red River Authority of Texas Regional Water Supply Facilities

With Line Miles & Meters



District 11	Miles:	107	Meters:	279	District 15	Miles:	200	Meters:	353
Estelline					Guthrie Dumont				
Turkey - Estelline					Foard County				
Northfiel - Carey					Truscott - Gilliland				
Newlin									
Harrels Chapel									
Rural #1									
District 12	Miles:	231	Meters:	406	District 16	Miles:	229	Meters:	254
New Goodlett					Samnorwood				
Quanah SW					Dodson				
Old Goodlett					Plaska - Friendship				
Medicine Mound					Donley Co. Rest Area				
Quanah NE					Club Lake				
Kirkland-Lazare					Memphis NE				
Rural #2									
District 13	Miles:	119	Meters:	458	District 18	Miles:	50	Meters:	392
Lockett					Howardwick				
Box					Greenbelt Lake Lots				
Hinds									
Farmers Valley									
District 14	Miles:	181	Meters:	414	District 19	Miles:	55	Meters:	799
Tell - Cee Vee					Arrowhead Lake				
Childress NE					Arrowhead Ranch				
Saied					Ringgold				
Garden Valley									
Rural #3									
District 22	Miles:	17	Meters:	709	District 22	Miles:	17	Meters:	709
					Preston Shores				
					Lake Texoma				

RED RIVER AUTHORITY OF TEXAS

SCHEDULE OF CLEAN RIVERS PROGRAM EXPENSES
for the year ended September 30, 2023

State Agency

Texas Commission on Environmental Quality

Contract Number	582-22-30153		Total	582-24-50123
	Year 1	Year 2		Year 1
Contract Amount			\$ 632,236	\$ 740,896
Total Receipts and Billings	\$ 305,499	\$ 326,737	\$ 632,236	\$ -
Disbursements/Expenditures				
Personnel/Salaries	74,098	70,366	144,464	7,383
Fringe Benefits	31,494	21,816	53,310	1,392
Travel	17,170	19,722	36,892	3,021
Supplies	14,119	6,771	20,890	108
Equipment	23,000	-	23,000	850
Contractual	-	-	-	12,476
Other	134,514	196,353	330,867	13,811
Indirect Costs	11,104	11,709	22,813	1,319
	<u>\$ 305,499</u>	<u>\$ 326,737</u>	<u>\$ 632,236</u>	<u>\$ 40,360</u>
Accrued Revenue at 09-30				<u>\$ 40,360</u>

RED RIVER AUTHORITY OF TEXAS
INDIRECT RATE FACTOR
for the years ended September 30, 2023 and 2022

Exhibit C-20

Direct Salary Cost	FY 2023	FY 2022
Regular Salaries	\$ 1,671,130	\$ 1,557,711
Overtime Salaries	245,612	227,305
Total Salaries	1,916,742	1,785,016
 Fringe Benefit Pool		
FICA / Medicare	152,896	142,540
Retirement System Contribution	(110,690)	(366,163)
Health / Life Insurance Plan	440,054	381,575
Workers Compensation Insurance	28,881	29,647
Vacation / Holiday Leave	164,283	147,899
Unemployment Insurance	434	1,031
Total Fringe Benefits	675,858	336,529
 Total Personnel Cost	\$ 2,592,600	\$ 2,121,545
 Reconciliation of Total Personnel Cost		
Total Personnel Cost per Exhibit A-2	\$ 2,563,719	\$ 2,091,898
Add: Net Pension Obligation	-	-
Add: Workers Compensation Paid	28,881	29,647
Total Reconciled Personnel Cost	\$ 2,592,600	\$ 2,121,545
 Fringe Benefit Rate	35.26%	18.85%
 General Overhead		
General Division Operating Expense	\$ 203,202	\$ 231,912
General Insurance	9,811	86,909
Total General Overhead	\$ 213,013	\$ 318,821
 General Overhead Rate	11.11%	17.86%

STATISTICAL SECTION

STATISTICAL DISCUSSION

This part of the Red River Authority of Texas' (Authority) annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

Contents	Page
Financial Trends	85-86
<i>These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.</i>	
Revenue Capacity	88
<i>This schedule contains information to help the reader assess the Authority's most significant local revenue source, water sales.</i>	
Debt Capacity	92
<i>This schedule presents information intended to help the reader understand the Authority's current levels of outstanding debt.</i>	
Operating Information	93
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.</i>	
Demographic and Economic Information	95-96
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.</i>	

RED RIVER AUTHORITY OF TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year			
	2013-14	2014-15	2015-16	2016-17
Net investment in capital assets	\$ 7,467,500	\$ 7,323,054	\$ 7,453,330	\$ 6,572,305
Restricted	899,564	88,380	88,380	274,937
Unrestricted	6,154,206	8,247,298	8,473,689	10,019,706
Total net position	<u>\$ 14,521,270</u>	<u>\$ 15,658,732</u>	<u>\$ 16,015,399</u>	<u>\$ 16,866,948</u>

Note: OPEB obligations are not reflected in this exhibit for years 2013-14 through 2016-17.

Fiscal Year					
2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
\$ 7,314,700	\$ 7,368,622	\$ 7,789,703	\$ 7,551,392	\$ 7,652,261	\$ 7,545,644
159,829	169,276	177,834	182,912	1,741,344	2,025,543
10,296,219	10,929,640	11,292,872	12,177,278	10,699,099	11,705,098
<u>\$ 17,770,748</u>	<u>\$ 18,467,538</u>	<u>\$ 19,260,409</u>	<u>\$ 19,911,582</u>	<u>\$ 20,092,704</u>	<u>\$ 21,276,285</u>

RED RIVER AUTHORITY OF TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Unaudited)

	Fiscal Year			
	2013-2014	2014-2015	2015-2016	2016-2017
Operating revenues:				
Water and sewer sales	\$ 4,072,153	\$ 4,066,063	\$ 4,104,905	\$ 5,188,070
Charges for materials and services	592,542	896,461	597,030	634,741
Other	520,952	325,801	379,887	351,803
Total operating revenues	<u>5,185,647</u>	<u>5,288,325</u>	<u>5,081,822</u>	<u>6,174,614</u>
Operating expenses:				
Water purchases	601,222	628,527	661,675	714,756
Personnel services	1,776,013	1,797,435	1,960,880	2,051,454
Administrative costs	86,298	163,638	155,203	157,838
Utilities, supplies and maintenance	835,578	734,127	933,240	957,427
Insurance	52,961	50,822	53,398	61,470
Automobile and travel	229,942	189,622	178,101	170,987
Professional and directors fees	149,930	321,222	84,145	376,864
Research expense	39,690	-	23,710	78,710
Depreciation and amortization	727,832	708,830	693,032	699,233
Total operating expenses	<u>4,499,466</u>	<u>4,594,223</u>	<u>4,743,384</u>	<u>5,268,739</u>
Operating income	<u>686,181</u>	<u>694,102</u>	<u>338,438</u>	<u>905,875</u>
Nonoperating revenues (expenses)				
Interest income	7,265	5,712	25,385	97,697
Gain (loss) on disposal of assets	29,658	225,268	5,217	100
Interest expense	(103,652)	(12,426)	(12,373)	(152,123)
Total nonoperating revenues (expenses)	<u>(66,729)</u>	<u>218,554</u>	<u>18,229</u>	<u>(54,326)</u>
Change in net position	<u>\$ 619,452</u>	<u>\$ 912,656</u>	<u>\$ 356,667</u>	<u>\$ 851,549</u>

Fiscal Year					
2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
\$ 5,426,272	\$ 5,227,066	\$ 5,414,765	\$ 5,503,646	\$ 5,742,657	\$ 7,011,224
589,486	724,521	974,705	564,656	595,397	728,552
413,221	457,340	485,041	1,008,969	641,868	708,772
6,428,979	6,408,927	6,874,511	7,077,271	6,979,922	8,448,548
807,778	859,289	928,966	1,168,773	1,312,922	1,290,029
2,119,759	2,419,517	2,344,243	2,188,250	2,091,898	2,563,719
160,376	179,918	176,001	192,793	223,338	274,332
1,027,401	922,859	1,034,624	1,093,587	1,388,362	1,414,005
61,172	76,115	76,717	81,310	116,556	119,972
219,284	240,714	191,407	222,147	375,679	441,986
155,743	169,575	319,136	78,227	77,857	68,154
27,810	41,500	(75)	225,696	10,890	91,528
705,274	746,350	746,499	785,201	870,245	996,106
5,284,597	5,655,837	5,817,518	6,035,984	6,467,747	7,259,831
1,144,382	753,090	1,056,993	1,041,287	512,175	1,188,717
316,142	471,208	235,912	99,834	167,451	586,737
35,007	5,000	41,735	-	4,800	(99,110)
(539,686)	(532,508)	(541,769)	(489,948)	(503,304)	(492,763)
(188,537)	(56,300)	(264,122)	(390,114)	(331,053)	(5,136)
\$ 955,845	\$ 696,790	\$ 792,871	\$ 651,173	\$ 181,122	\$ 1,183,581

RED RIVER AUTHORITY OF TEXAS
SCHEDULE OF REVENUES
LAST TEN FISCAL YEARS
(Unaudited)

Exhibit D-3

<u>Fiscal Year</u>	<u>Water and Sewer Systems</u>	<u>Environmental Services</u>	<u>Administrative and Mgmt Fees</u>	<u>Interest Income</u>	<u>Other</u>	<u>Total</u>
2013-14	\$ 4,072,153	\$ 944,978	\$ 855,146	\$ 7,265	\$ 839,473	\$6,719,015
2014-15	4,303,566	733,559	817,907	5,712	476,465	6,337,209
2015-16	4,215,926	841,070	943,745	25,835	591,725	6,618,301
2016-17	5,259,835	858,442	1,047,268	97,697	595,617	7,858,859
2017-18	5,546,076	827,827	1,155,951	426,396	693,583	8,649,833
2018-19	5,310,228	1,043,056	1,190,673	561,942	791,529	8,897,428
2019-20	5,618,277	907,065	1,191,603	235,912	974,483	8,927,340
2020-21	5,959,622	921,952	1,196,452	99,834	317,310	8,495,170
2021-22	6,079,065	850,298	1,339,216	167,451	122,632	8,558,662
2022-23	7,375,061	1,063,337	-	586,737	195,918	9,221,053

RED RIVER AUTHORITY OF TEXAS
UTILITY DIVISION WATER SALES
LAST TEN FISCAL YEARS
(Unaudited)

Exhibit D-4

Fiscal Year	Metered Connections	Water Sales	Average Monthly Bill	Type of Service		
				Domestic	Commercial	Wholesale
2013-14	3,934	\$3,959,162	\$ 83.87	88.48%	6.83%	4.69%
2014-15	3,921	3,849,876	81.82	89.17%	6.67%	4.09%
2015-16	3,923	3,945,951	83.82	91.96%	7.17%	3.30%
2016-17	3,863	5,050,499	108.95	91.37%	5.06%	3.57%
2017-18	3,873	5,251,916	113.00	91.30%	4.88%	3.82%
2018-19	3,944	5,079,033	107.32	92.55%	4.48%	2.97%
2019-20	3,990	5,283,710	110.35	81.13%	5.21%	13.66%
2020-21	4,051	5,371,032	110.49	83.85%	5.11%	11.04%
2021-22	4,113	5,612,486	113.71	91.58%	5.17%	3.25%
2022-23	4,099	6,719,523	136.61	80.14%	5.56%	14.30%

RED RIVER AUTHORITY OF TEXAS
UTILITY DIVISION WATER SALES CHARACTERISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Exhibit D-5

Fiscal Year	Treated Water in Million Gallons					Peak Month	Monthly Average	Daily Average
	Domestic	Commercial	Treated Wholesale	Raw Wholesale	Total			
2013-14	214.71	22.16	60.17	45.24	342.28	40.64	28.52	0.94
2014-15	202.96	21.70	57.06	4.37	286.09	34.70	23.84	0.78
2015-16	209.90	19.04	56.46	0.01	285.41	33.57	23.78	0.78
2016-17	210.38	20.04	56.30	17.90	304.62	36.01	25.38	0.83
2017-18	235.63	20.07	65.98	35.38	357.06	50.44	29.76	0.99
2018-19	215.73	21.70	52.92	22.36	312.71	44.77	26.06	0.86
2019-20	242.03	19.21	53.89	41.62	356.75	72.88	29.73	0.99
2020-21	256.40	19.02	39.38	56.79	371.59	66.17	30.97	1.03
2021-22	290.90	21.57	39.87	3.85	356.19	44.86	29.68	0.96
2022-23	267.65	18.56	44.31	3.43	333.95	45.89	27.83	0.91

RED RIVER AUTHORITY OF TEXAS
DISTRICTS WITHIN THE UTILITY DIVISION
(Unaudited)

Exhibit D-6

Utility District	Square Miles	Service Area Counties	Number of Meters	Total Water Use - MG	Population Served	Water Source
D-11	1,285	Hall / Childress / Motley	272	36.51	680	G/S
D-12	1,160	Hardeman / Childress / Foard	413	53.42	1,033	S
D-13	947	Wilbarger	459	36.33	1,148	G/S
D-14	802	Childress / Cottle	416	38.69	1,040	S
D-15	2,111	King / Knox / Foard	352	32.06	880	G/S
D-16	1,405	Collingsworth / Hall / Childress	251	29.94	628	G/S
D-18	929	Donley	393	20.34	983	G/S
D-19	2,013	Clay / Montague	801	35.11	2,003	G/S
D-22	934	Grayson	742	66.16	1,855	S

RED RIVER AUTHORITY OF TEXAS
TOP TEN UTILITY CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO
SEPTEMBER 30, 2022
(Unaudited)

Exhibit D-7

Taxpayer	Location	2022-23			2013-14		
		Rank	Average Bill	Average Use (gals)	Rank	Average Bill	Average Use (gals)
Southwest Water Company	Grayson	1	\$ 12,448	195,927	1	\$ 9,377	2,341,650
City of Chillicothe	Hardeman	2	6,299	174,230	3	3,261	1,088,391
Cornerstone Marine Group LP	Grayson	3	2,460	16,005	6	1,645	296,741
PW Tripp	Hall	4	1,647	12,994	-	-	-
Vest Ranch	Hall	5	1,558	12,866	7	1,322	200,223
Vest Ranch	Collingsworth	6	1,489	11,970	-	-	-
Vest Ranch	Collingsworth	7	1,467	11,947	-	-	-
Texas Dept. of Transportation	Hardeman	8	1,563	10,884	-	-	-
Patton Springs ISD	Dickens	9	1,835	10,713	-	-	-
Guthrie School	King	10	1,541	9,920	5	1,916	191,643
Texas Dept. of Transportation	Donley	-	-	-	2	4,452	498,426
AEP Oklaunion Power Plant	Wilbarger	-	-	-	4	2,206	222,225
Bradley 3 Ranch, Ltd	Hall	-	-	-	8	777	112,421
Panfork Baptist Church	Collingsworth	-	-	-	9	739	96,951
Rickey L Smith Ranches, Ltd	Hall	-	-	-	10	689	92,547

RED RIVER AUTHORITY OF TEXAS
SCHEDULE OF WATER REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
(Unaudited)

Exhibit D-8

<u>Fiscal Year</u>	<u>Bonded Debt *</u> <u>Outstanding</u>	<u>Net Income</u> <u>Available for</u> <u>Debt Service</u>	<u>Average Annual</u> <u>Principal and</u> <u>Interest</u>	<u>Average</u> <u>Annual Times</u> <u>Covered</u>	<u>Maximum</u> <u>Principal and</u> <u>Interest</u>	<u>Maximum</u> <u>Times</u> <u>Covered</u>
2013-14	\$ 710,833	\$ 1,009,334	\$ 52,947	19.06	\$ 54,930	18.37
2014-15	673,667	1,261,991	53,160	23.74	54,930	22.97
2015-16	635,533	660,741	53,337	12.39	54,930	12.03
2016-17	15,726,567	1,297,006	851,139	1.52	883,698	1.47
2017-18	15,266,601	1,723,329	850,144	2.03	884,211	1.95
2018-19	14,925,634	1,665,530	849,070	1.96	884,211	1.88
2019-20	14,578,634	1,882,609	847,932	2.22	884,211	2.13
2020-21	14,220,501	1,768,288	846,654	2.09	884,211	2.00
2021-22	13,851,334	744,163	845,239	0.88	884,211	0.84
2022-23	13,471,134	2,977,344	843,686	3.53	884,211	3.37

* Does not include bond premiums

RED RIVER AUTHORITY OF TEXAS
SCHEDULE OF EXPENSES
LAST TEN FISCAL YEARS
(Unaudited)

Exhibit D-9

<u>Fiscal Year</u>	<u>Water and Sewer Systems</u>	<u>Environmental Services</u>	<u>General</u>	<u>Maintenance</u>	<u>Other</u>	<u>Total</u>
2013-14	\$ 3,832,693	\$ 971,627	\$ 872,883	\$ 223,400	\$ 261,959	\$6,162,562
2014-15	3,764,592	794,496	1,052,077	202,913	241,780	6,055,858
2015-16	4,073,720	864,504	978,821	211,998	226,450	6,355,493
2016-17	4,675,606	823,122	1,103,731	275,104	229,653	7,107,216
2017-18	5,099,767	919,296	1,057,107	382,850	269,975	7,728,995
2018-19	5,124,908	1,026,849	1,300,404	490,925	262,552	8,205,638
2019-20	5,370,429	903,651	1,335,856	547,041	19,227	8,176,204
2020-21	5,846,500	876,469	1,091,172	-	29,856	7,843,997
2021-22	6,715,457	949,832	700,205	-	16,846	8,382,340
2022-23	5,999,895	932,679	994,468	-	11,320	7,938,362

Note: OPEB obligations are not reflected in this exhibit for years 2013-14 through 2016-17.

RED RIVER AUTHORITY OF TEXAS

Exhibit D-10

Red River Basin General Information

September 30, 2023

(unaudited)

<i>Counties:</i>	Archer, Armstrong, Baylor, Bowie, Briscoe, Carson, Castro, Childress, Clay, Collingsworth, Cooke, Cottle, Crosby, Deaf Smith, Dickens, Donley, Fannin, Floyd, Foard, Gray, Grayson, Hale, Hall, Hardeman, Hartley, Hemphill, Hutchinson, King, Knox, Lamar, Lipscomb, Montague, Motley, Oldham, Parmer, Potter, Randall, Red River, Roberts, Swisher, Wheeler, Wichita, and Wilbarger				
<i>Region:</i>	The Red River flows from eastern New Mexico across the Texas Panhandle and becomes the Texas-Oklahoma boundary, then flows into southwest Arkansas, to Louisiana and the Mississippi River. Average annual flow of the river near the Texas-Arkansas state line is 11,490 cubic feet per second (CFS) or 8.3 million acre-feet per year.				
<i>Drainage Area:</i>	Approximately 94,450 square miles, 24,463 square miles in Texas				
<i>Principal Cities (including 2020 population ranges):</i>	<table><tr><td>100,000 — 500,000</td><td>Amarillo, Wichita Falls</td></tr><tr><td>10,000 — 50,000</td><td>Burkburnett, Canyon, Denison, Gainesville, Hereford, Pampa, Paris, Plainview, Sherman, Texarkana, Vernon</td></tr></table>	100,000 — 500,000	Amarillo, Wichita Falls	10,000 — 50,000	Burkburnett, Canyon, Denison, Gainesville, Hereford, Pampa, Paris, Plainview, Sherman, Texarkana, Vernon
100,000 — 500,000	Amarillo, Wichita Falls				
10,000 — 50,000	Burkburnett, Canyon, Denison, Gainesville, Hereford, Pampa, Paris, Plainview, Sherman, Texarkana, Vernon				
<i>Principal Tributaries:</i>	North Fork, Salt Fork, and Prairie Dog Town Fork of the Red River, Pease River, and Wichita River				
<i>Principal Aquifers:</i>	Ogallala, Seymour, Trinity, Carrizo-Wilcox, Blaine-Gypsum, Woodbine, Blossom Sand, Nacatoch Sand				
<i>Regional Economies:</i>	Oil and gas production, agriculture, ranching, manufacturing, and tourism				
<i>Major Lakes and Reservoirs:</i>	There are 32 significant reservoirs which occupy 138,144 surface acres and contain 3,543,863 acre-feet. Refer to Exhibit D-12 .				
<i>Major Eco-Regions:</i>	High Plains, North-Central Plains, Coastal Plains				
<i>General Topography:</i>	Nearly level tablelands in west through rugged canyons and ridges to rolling plain, prairie, and woods in the east				
<i>Average Annual Rainfall:</i>	15 inches near the Texas-New Mexico border to 55 inches near the Texas-Arkansas border.				

Sources of Information: United States Geological Survey, United States Census Bureau, Texas Water Development Board, Texas Natural Resource Information System, Texas Commission on Environmental Quality, National Weather Service

RED RIVER AUTHORITY OF TEXAS

POPULATION DATA (Unaudited)

County Name	Region	ID	Square Miles	Population				
				1980	1990	2000	2010	2020
Archer	3	5	903	7,266	7,973	8,854	9,054	8,560
Armstrong	1	6	909	1,994	2,021	2,148	1,901	1,848
Baylor	3	12	868	4,919	4,385	4,093	3,726	3,465
Bowie	5	19	885	75,301	81,665	89,306	92,565	92,893
Briscoe	1	23	900	2,579	1,971	1,790	1,637	1,435
Carson	1	33	920	6,672	6,576	6,516	6,182	5,807
Castro	1	35	894	10,556	9,070	8,285	8,062	7,371
* Childress	1	38	696	6,950	5,953	7,688	7,041	6,664
* Clay	3	39	1,089	9,582	10,024	11,006	10,752	10,218
* Collingsworth	1	44	918	4,648	3,573	3,206	3,057	2,652
Cooke	4	49	875	27,656	30,777	36,363	38,437	41,668
* Cottle	3	51	901	2,947	2,247	1,904	1,505	1,380
Crosby	2	54	900	8,859	7,304	7,072	6,059	5,133
Deaf Smith	1	59	1,497	21,165	19,153	18,561	19,372	18,583
* Dickens	2	63	902	3,539	2,571	2,762	2,444	1,770
* Donley	1	65	927	4,075	3,696	3,828	3,677	3,258
Fannin	4	74	891	24,285	24,804	31,242	33,915	35,662
Floyd	2	77	992	9,834	8,497	7,771	6,446	5,402
* Foard	3	78	704	2,158	1,794	1,622	1,336	1,095
Gray	1	90	926	26,386	23,967	22,744	22,535	21,227
* Grayson	4	91	933	89,796	95,021	110,595	120,877	135,543
Hale	2	95	1,005	37,592	34,671	36,602	36,273	32,522
* Hall	1	96	883	5,594	3,905	3,782	3,353	2,825
* Hardeman	3	99	695	6,368	5,283	4,724	4,139	3,549
Hartley	1	103	1,462	3,987	3,634	5,537	6,062	5,382
Hemphill	1	106	906	5,304	3,720	3,351	3,807	3,382
Hutchinson	1	117	887	26,304	25,689	23,857	22,150	20,617
* King	2	135	911	425	354	356	286	265
* Knox	3	138	851	5,329	4,837	4,253	3,719	3,353
Lamar	5	139	907	42,156	43,949	48,499	49,793	50,088
Lipscomb	1	148	932	3,766	3,143	3,057	3,302	3,059
* Montague	3	169	931	17,410	17,274	19,117	19,719	19,965
Motley	2	173	990	1,950	1,532	1,426	1,210	1,063
Oldham	1	180	1,501	2,283	2,278	2,185	2,052	1,758
Parmer	1	185	881	11,038	9,863	10,016	10,269	9,869
Potter	1	188	908	98,637	97,874	113,546	121,073	118,525
Randall	1	191	912	75,062	89,673	104,312	120,725	140,753
Red River	5	194	1,037	16,101	14,317	14,314	12,860	11,587
Roberts	1	197	927	1,187	1,025	887	929	827
Swisher	1	219	890	9,723	8,133	8,378	7,854	6,971
Wheeler	1	242	915	7,137	5,879	5,284	5,410	4,990
Wichita	3	243	628	121,082	122,378	131,664	131,500	129,350
* Wilbarger	3	244	971	15,931	15,121	14,676	13,535	12,887
Totals for Counties in Basin			40,360	865,533	867,574	947,179	980,600	995,221
* Utility Division Service Area			12,312	174,752	171,653	189,519	195,440	205,424

Source of Information: United States Census Bureau

RED RIVER AUTHORITY OF TEXAS

Demographic and Economic Information (Unaudited)

County Name	Total Personal Income (thousands of dollars) 2022	Median Household Income 2021	Per Capita Personal Income 2022	Unemployment Rate at 9/30/2023	Median Age 2022 est.	Government Employees 2022
Archer	\$ 548,620	\$ 69,286	\$ 62,096	4.00%	42.7	527
Armstrong	108,328	64,401	58,556	3.80%	43.3	129
Baylor	211,385	45,408	60,988	2.40%	43.1	246
Bowie	4,609,963	52,934	50,089	4.20%	38.2	9,226
Briscoe	78,409	49,905	54,793	4.20%	45.5	125
Carson	276,341	66,548	47,777	3.00%	41.3	437
Castro	631,840	62,236	86,577	3.20%	34.4	641
* Childress	300,257	42,758	44,097	2.60%	33.9	1,008
* Clay	548,592	60,973	52,317	3.80%	46.5	586
* Collingsworth	119,385	45,734	46,489	3.80%	39.1	218
Cooke	2,629,184	58,060	61,073	3.50%	40.7	2,849
* Cottle	114,178	44,590	87,359	2.30%	46.4	114
Crosby	224,325	42,728	44,883	4.00%	38.0	400
Deaf Smith	1,211,547	50,967	65,927	3.00%	31.2	1,252
* Dickens	82,676	42,690	47,900	4.20%	48.5	153
* Donley	156,447	44,353	46,854	4.00%	42.2	407
Fannin	1,749,661	56,794	47,129	3.40%	40.6	2,566
Floyd	235,705	43,855	45,025	4.60%	38.2	498
* Foard	73,039	42,616	69,100	3.40%	47.9	110
Gray	979,844	45,530	46,626	4.30%	37.8	1,474
* Grayson	7,642,205	62,678	53,393	3.90%	39.4	7,509
Hale	1,327,987	47,373	41,725	4.70%	34.2	2,370
* Hall	110,078	34,766	39,174	4.20%	44.3	281
* Hardeman	199,491	45,677	56,738	5.20%	42.4	454
Hartley	464,168	71,332	89,126	2.30%	40.0	470
Hemphill	238,198	65,387	74,044	3.40%	38.6	499
Hutchinson	961,287	56,646	47,553	4.60%	38.8	1,539
* King	26,444	74,890	113,494	0.90%	42.8	2
* Knox	169,916	45,558	51,914	3.70%	39.2	460
Lamar	2,611,271	50,787	51,725	4.20%	39.4	2,876
Lipscomb	332,890	64,249	116,640	3.10%	41.4	344
* Montague	973,776	54,988	46,232	3.60%	42.9	1,248
Motley	42,021	47,835	40,718	3.40%	49.3	112
Oldham	134,321	62,868	76,667	3.30%	42.3	323
Parmer	654,053	56,632	67,989	2.50%	35.3	821
Potter	6,510,561	45,904	56,298	3.30%	34.9	14,083
Randall	8,460,916	72,082	57,896	3.10%	36.6	5,210
Red River	616,943	46,134	53,452	4.90%	46.2	741
Roberts	43,370	73,224	54,010	3.30%	42.3	112
Swisher	491,170	45,509	71,381	4.60%	36.2	769
Wheeler	226,839	49,282	47,189	4.20%	41.2	541
Wichita	6,626,118	53,148	50,979	4.10%	35.0	10,740
* Wilbarger	700,208	48,117	56,057	5.20%	39.7	2,378
Average for Counties in Basin	\$ 1,266,371	\$ 53,661	\$ 59,071	3.66%	40.5	1,787
* Utility Division Service Area	\$ 801,192	\$ 49,313	\$ 57,937	3.63%	42.5	1,066

Source of Information: United States Census Bureau

Source of Information: United States Bureau of Economic Analysis

Source of Information: United States Department of Agriculture

Source of Information: Texas Workforce Commission

RED RIVER AUTHORITY OF TEXAS
SIGNIFICANT RESERVOIRS IN THE RED RIVER BASIN
SEPTEMBER 30, 2022
(Unaudited)

Exhibit D-12

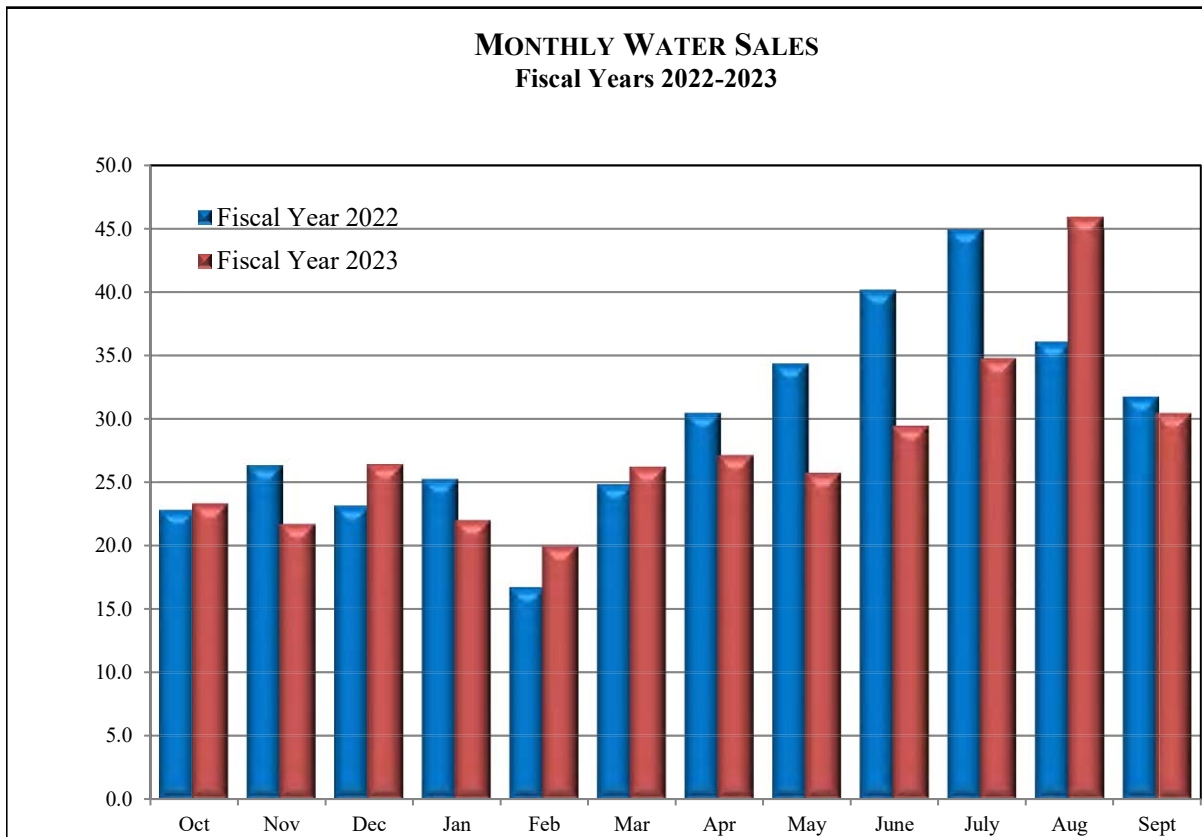
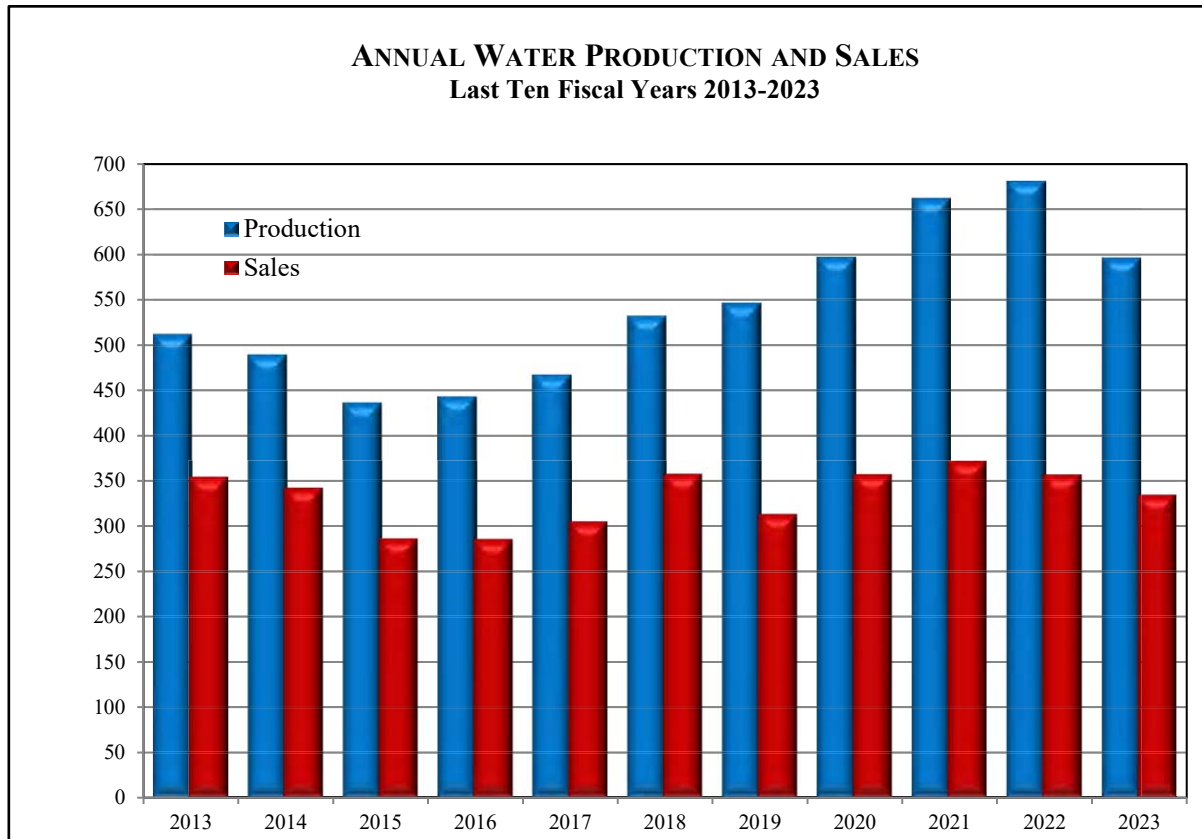
Reservoir Name	County	Elevation Ft AMSL	Surface Acres	Capacity Acre-Feet	Diversion ACF/YR	Type Uses
Archer City Lake	Archer	1,023	90	396	2,500	M/R
Lake Kickapoo	Archer	1,045	5,864	86,345	40,000	M
Scotland Lake	Archer	934	70	364	-	R
Lake Cooper	Archer	1,155	432	4,546	810	M/R
Lake Diversion	Archer/Baylor	1,052	3,397	35,324	-	M/I/F/R/Ir/Mi
Lake Kemp	Baylor	1,144	15,357	245,434	-	M/Ir/F
Mackenzie Reservoir	Briscoe/Swisher	3,100	910	47,151	5,200	M/I
Baylor Lake	Childress	1,820	610	9,220	-	M/R
Lake Arrowhead	Clay/Archer	926	14,506	230,359	45,000	M/R
Hubert H. Moss Lake	Cooke	715	1,140	24,155	7,000	M/I
Greenbelt Reservoir	Donley	2,664	1,990	59,800	-	M/I/Mi
Lake Bonham	Fannin	565	1,012	11,038	5,340	M/R
Coffee Mill Lake	Fannin	496	650	8,000	-	R
Lake Crocket	Fannin	502	375	3,900	-	R
Valley Lake	Fannin/Grayson	611	1,080	16,400	-	P
Lake McClellan	Grayson	2,291	550	5,000	-	R
Randell Lake	Grayson	622	311	5,900	-	M
Lake Texoma	Grayson/Cooke	640	74,686	2,516,232	-	P/F/M/R
Lake Pauline	Hardeman	1,486	640	5,000	275	P
Lake Crook	Lamar	476	1,060	9,210	12,000	M
Pat Mayse Reservoir	Lamar	451	5,638	117,844	61,610	M/F/I/R
Lake Nocona	Montague	828	1,362	21,749	1,080	M/I/Mi
Bivins Lake	Randall	3,635	379	5,120	-	M
Buffalo Lake	Randall	3,643	1,900	18,150	-	R
Palo Duro Club Lake	Randall	3,450	60	460	460	R
Lake Tanglewood	Randall	3,388	191	4,897	4,897	R
North Fork Buffalo Creek	Wichita	1,048	1,500	15,400	-	M/R
Lake Iowa Park	Wichita	1,036	355	2,565	500	M
Lake Wichita	Wichita/Archer	981	2,200	14,000	-	Ir/F
Santa Rosa Lake	Wilbarger	1,167	1,500	11,570	-	Ir
Lake Electra	Wilbarger	1,111	660	8,730	600	M/F
Total Reservoirs: 31			140,475	3,544,259	187,272	

M = Municipal I = Industrial Ir = Irrigation R = Recreation P = Power F = Flood Control Mi = Mining

Source of Information: Texas Water Development Board

Red River Authority of Texas
Water Sales Trend Analysis
(Unaudited)

Exhibit D-13



RED RIVER AUTHORITY OF TEXAS
Environmental Services Division
Red River Chloride Control Project Area VIII
(unaudited)

Exhibit D-14

Project Description: Brine is collected at the low flow collection dam on the South Fork Wichita River and pumped via a pipeline to a brine storage and evaporation reservoir near Truscott, Texas. The project was completed and placed into service on May 16, 1987.

The Truscott Brine Reservoir, when active, receives brine for disposal that is diverted from the Bateman Pump Station (Area VIII) located on the South Fork of the Wichita River in King County. The Alexander Pump Station (Area X), located on the Middle Fork of the Wichita River in Cottle County, is physically complete but was not in service.

Authority: Flood Control Acts of 1966 and 1970 and the Water Resources Development Act of 1976. Construction of Area VIII authorized by Water Resources Development Act of 1974.

Cost: \$69,430,000, as stated in the *2021 Region B Regional Water Plan*

Current Status: On February 1, 2022, Congressman Ronny Jackson's Office sent out a press release stating that the Red River Chloride Control Project (RRCCP) had received \$1,600,000 in funding to resume the project. Shortly after the reinstatement of funding, the United States Army Corps of Engineers (USACE) suspended the RRCCP Disposition Study. The RRCCP project resumed full operation in August 1, 2022. The 2023 President's Budget included \$1.4 Million in operations and maintenance funding. The 2024 President's Budget again included \$1.4 Million in O&M funding.

TECHNICAL DESCRIPTION

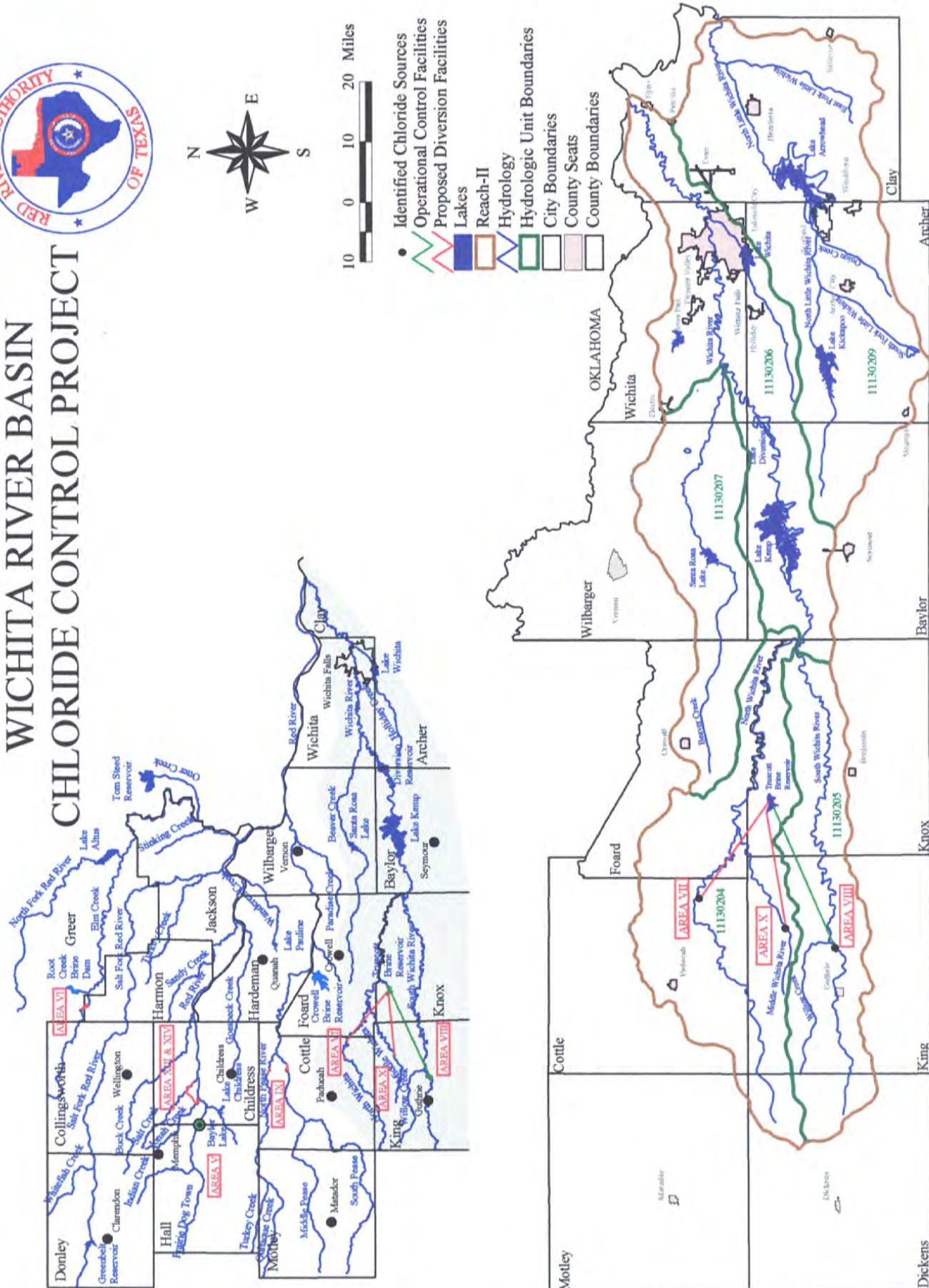
Truscott Brine Reservoir

Location:	2 miles northwest of Truscott in Knox County, TX on Bluff Creek
Dam Length:	14,800 feet
Dam Height:	100 feet above stream bed
Surface Area:	Brine storage pool = 2,980 acres Flood control pool = 3,090 acres
Total Capacity:	116,200 acre-feet

Bateman Pump Station

Location:	River mile 74.9 of the South Fork Wichita River in King County, Texas
Type of Dam:	Pneumatic (Inflatable)
Dam Length:	40 feet
Dam Height:	5 feet
Surface Area:	3 acres with the dam inflated

WICHITA RIVER BASIN
CHLORIDE CONTROL PROJECT



RED RIVER AUTHORITY OF TEXAS
Insurance Coverage
Texas Municipal League Intergovernmental Risk Pool
September 30, 2023
(unaudited)

Exhibit D-16
Page 1 of 2

Policy:	Workers Compensation
Policy Period:	10-01-22 to 09-30-23
Perils:	Losses under Workers' Compensation Laws
Coverage:	Statutory
Premium:	\$28,881
Policy:	General Liability
Policy Period:	10-01-22 to 09-30-23
Perils:	Bodily injury, property damage, advertising injury, completed operations, and products hazard
Coverage:	\$1,000,000 per occurrence and annual aggregate
Premium:	\$3,635
Policy:	Automobile Liability
Policy Period:	10-01-22 to 09-30-23
Perils:	Liability
Coverage:	\$1,000,000 per occurrence
Premium:	\$4,677
Policy:	Errors and Omissions Liability
Policy Period:	10-01-22 to 09-30-23
Perils:	Liability, errors, and omissions
Coverage:	\$1,000,000 per claim and annual aggregate
Premium:	\$3,969
Policy:	Property Coverage
Policy Period:	10-01-22 to 09-30-23
Perils:	Risk of direct physical loss of or damage to property
Coverage:	Replacement cost Including boiler and machinery
Premium:	\$65,259
Policy:	Automobile Physical Damage Coverage
Policy Period:	10-01-22 to 09-30-23
Perils:	Physical damage
Coverage:	Actual cash value
Premium:	\$6,314

RED RIVER AUTHORITY OF TEXAS
Insurance Coverage
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September 30, 2023
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Exhibit D-16
Page 2 of 2

Policy: Crime Policy
Policy Period: 10-01-22 to 09-30-23
Perils: Public employee dishonesty, forgery or alteration, and
computer fraud
Coverage: \$200,000 per employee – Public Employee Dishonesty
\$100,000 – Forgery or Alteration
\$100,000 – Computer Fraud
Premium: \$1,275

Policy: Mobile Equipment
Policy Period: 10-01-22 to 09-30-23
Perils: Physical damage
Coverage: Replacement cost
Premium: \$1,519

Policy: Cyber Liability and Data Breach Response Coverage
Policy Period: 10-01-22 to 09-30-23
Perils: Information security and privacy liability, Website media content
liability, Privacy breach response services, Regulatory defense
and penalties, Payment card industry fines, expenses and costs,
Cyber extortion, First party data protection, First party network
business interruption
Coverage: \$1,000,000
Premium: \$0.00, included in coverage

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**OVERALL COMPLIANCE
AND
INTERNAL CONTROL SECTION**



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

1401 HOLLIDAY ST., SUITE 216 ▪ P.O. Box 750
WICHITA FALLS, TEXAS 76307-0750
PH. (940) 766-5550 ▪ FAX (940) 766-5778

MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA

Independent Auditor's Report

Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed In Accordance with *Government Auditing Standards*

To the Board of Directors
Red River Authority of Texas

Members of the Board of Directors:

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 Red River Authority of Texas (Authority) as of and for the year ended September 30, 2023, and the related notes to the financial statements and have issued our report thereon dated January 5, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Edgin, Parkman, Fleming & Fleming, PC". The signature is written in a cursive, flowing style.

Edgin, Parkman, Fleming & Fleming, PC

January 5, 2024

RED RIVER AUTHORITY OF TEXAS

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED SEPTEMBER 30, 2023

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to the financial statements noted? _____ Yes X No

2. Federal and State Awards

A Single Audit was not required for the year ended September 30, 2023.

B. Financial Statement Findings

None

C. Federal and State Award Findings and Questioned Costs

No Single Audit was required for 2022-23.

RED RIVER AUTHORITY OF TEXAS

CORRECTIVE ACTION PLAN YEAR ENDED SEPTEMBER 30, 2023

There were no findings in the current year.

RED RIVER AUTHORITY OF TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED SEPTEMBER 30, 2023

There were no findings in the prior year.