

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**



for the years ended September 30, 2025 and 2024

Red River Authority of Texas

Annual Comprehensive Financial Report

**For the Fiscal Years Ended
September 30, 2025 and 2024**

Prepared By:

Fiscal Administration,
Executive Administration
and General Services Branches

Lana R. Hefton, Accountant VI

RED RIVER AUTHORITY OF TEXAS

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
for the years ended September 30, 2025 and 2024**

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INTRODUCTORY SECTION

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS §

COUNTY OF WICHITA §

I, Tonya Detten, Treasurer/Secretary
(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 21st day of January, 2026 its annual audit report for the fiscal period ended September 30, 2025 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 21, 2026

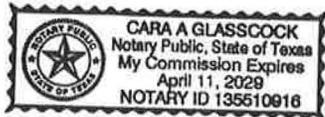
Tonya Detten
(Signature of District Representative)

Tonya Detten, Treasurer/Secretary
(Typed Name & Title of above District Representative)

Sworn to and subscribed to before me this 21st day of January, 2026.

(Seal)

Cara Glasscock
(Signature of Notary)



My Commission Expires on: 04-11-2029
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, 2025

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, 2025	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	\$1,352	President	Yes
Conrad J. Masterson, Jr. 1062 County Road 188 Cee Vee, Texas 79223	10-25-21 – 8-11-27	1,229	Vice President	Yes
Michael R. Sandefur 3402 Texas Boulevard Texarkana, Texas 75503	07-26-18 – 08-11-29	1,103	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	618	Director	Yes
Joe L. Ward 1626 CR 2315 Telephone, Texas 75488	07-26-18 – 08-11-29	1,251	Director	Yes
Jerry Dan Davis 1704 Ellison Street Wellington, Texas 79095	12-06-19 – 08-11-29	1,053	Director	Yes
Tonya D. Detten 15602 State Highway 136 Panhandle, Texas 79068	05-03-22 – 8-11-25	1,244	Director	Yes

RED RIVER AUTHORITY OF TEXAS
Board Members, Key Personnel, and Consultants
for the year ended September 30, 2025

Names and Addresses	Term of Office Elected and Expired or Date Hired	Fees and Expense Reimbursements September 30, 2025	Title at Year End
Key Administrative Personnel:			
Fabian Heaney 8439 Cooper Road Wichita Falls, Texas 76305	09-24-2023	\$0	General Manager
Engineering and Professional Consultants:			
Biggs and Mathews, Inc. 2500 Brook Avenue Wichita Falls, Texas 76301		108,400	Consultant
Freese and Nichols, Inc. 4055 International Plaza, Ste 200 Fort Worth, Texas 76109		76,822	Consultant
Plummer 6300 La Calma, Suite 400 Austin, Texas 78752-3825		0	Consultant
Legal Consultants:			
Doug Caroom Bickerstaff, Heath, Delgado, Acosta, LLP 3711 S Mo-Pac Expressway Building One, Suite 300 Austin, Texas 78746		15,684	General & 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, 2025

Names and Addresses	Term of Office Elected and Expired or Date Hired	Fees and Expense Reimbursements September 30, 2025	Title at Year End
Financial Consultants:			
Nick Bulaich Hilltop Securities 777 Main Street, Suite 1200 Fort Worth, Texas 76102		0	Financial Advisor
Depositories:			
Investar Bank (formerly 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			
TexSTAR Participant Services 717 N Harwood St., Suite 3400 Dallas, Texas 75201			



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, 2024

Christopher P. Morrill

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
TONYA D. DETTEN, Treasurer/Secretary, Panhandle
JERRY DAN DAVIS, Assistant Secretary, Wellington
JOE L. WARD, Director, Telephone
MICHAEL R. SANDEFUR, Director, Texarkana
VACANCY, Director, Region 1
VACANCY, Director, Region 2
VACANCY, Director, Region 3

FABIAN A. HEANEY, General Manager
BRYAN D. SCHAFFNER, Assistant General Manager
VACANCY, Controller
CARA A. GLASSCOCK, Administration Manager

January 07, 2026

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, 2025 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

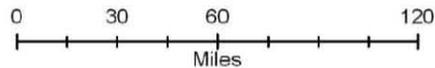
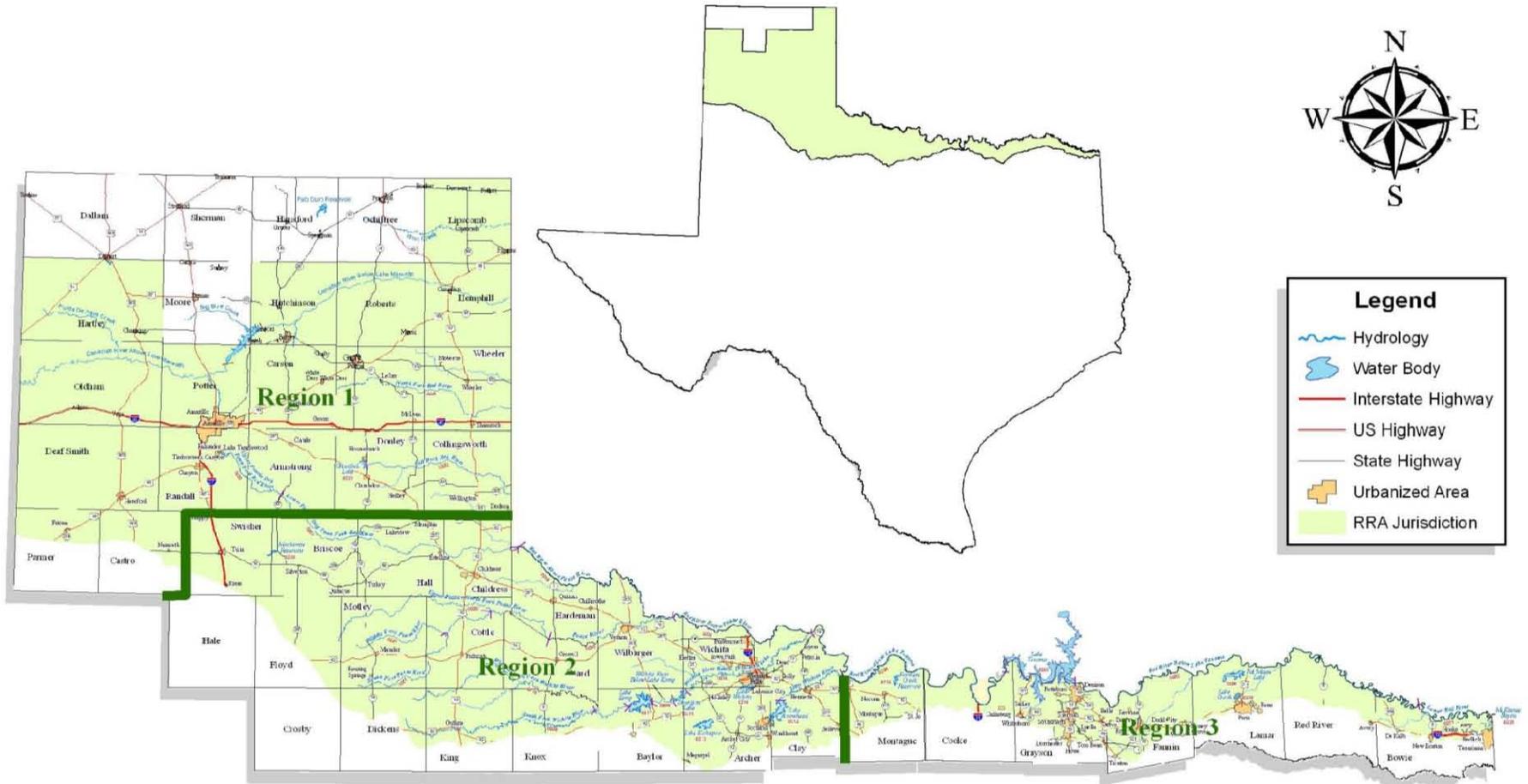
The Authority's governing body is composed of a nine-member Board of Directors, with three members each representing the three regional divisions of the Authority's jurisdictional area. All members of the Board are appointed by the Texas Governor, and are confirmed by the Texas Senate. Each Director 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

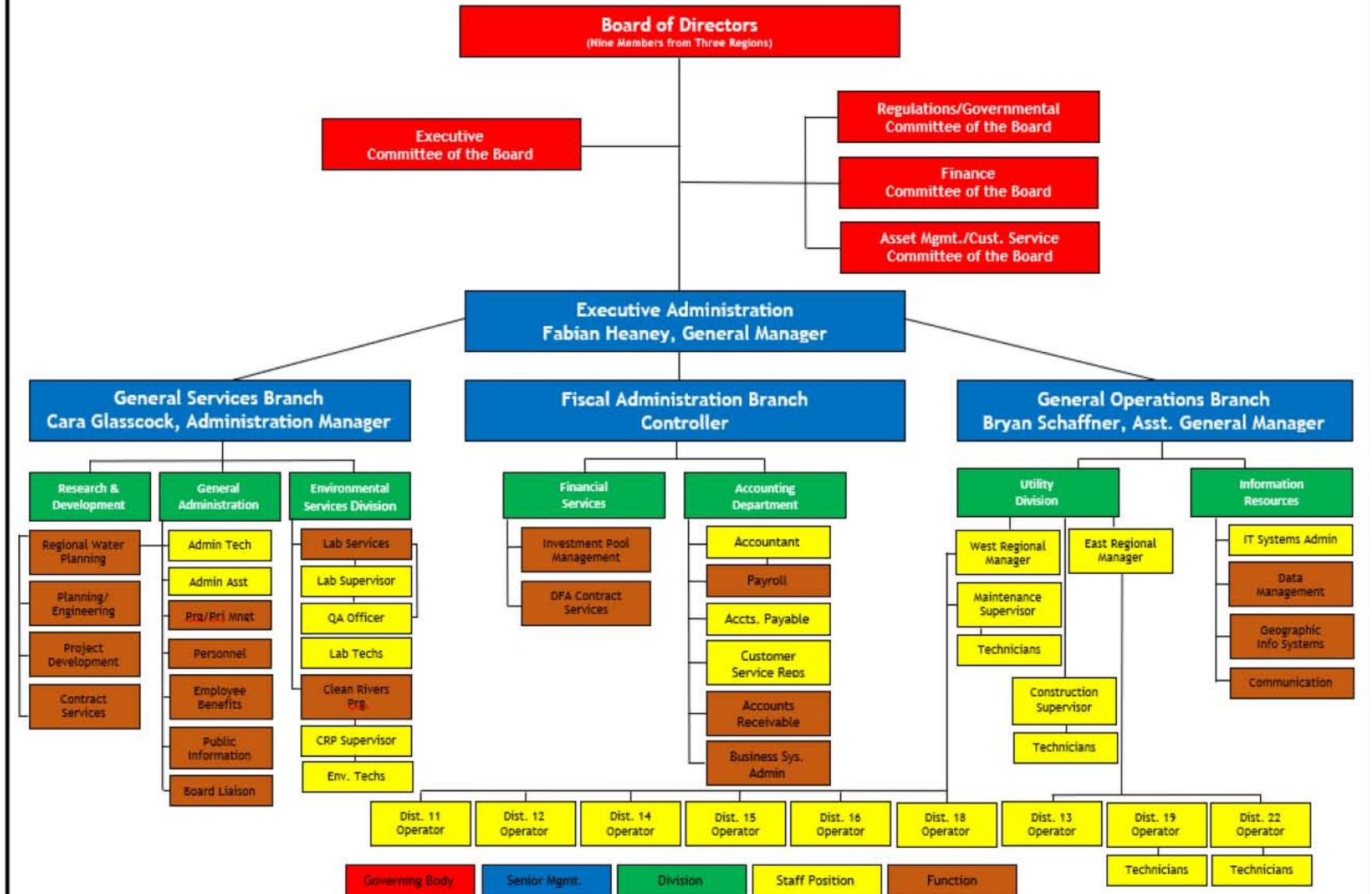
All fiscal and administrative functions are conducted from the general offices, located at 3000 Hammon Road, Wichita Falls, Texas. The General Manager is assisted by a professional staff of employees and consultants to accomplish all duties, and is solely responsible to the Board of Directors for the 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 37 full-time classified employees on the Authority's payroll on September 30, 2025. **Refer to the Organizational Structure Chart** for details.



Red River Authority of Texas Jurisdictional Map



Red River Authority of Texas Organization Structure



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 unemployment rate for the Wichita Falls MSA was 3.5% in December 2024. This is down from a high of 10.2% in April of 2020. The area’s largest employers include Sheppard Air Force Base, United Regional Health Care System, Wichita Falls ISD, Midwestern State University, and North Texas State Hospital. The economy is based on mineral production, retail trade, manufacturing, agribusiness, and government installations. Principal sources of agricultural income include cattle, cotton, and wheat. The city has several institutions of higher learning, a strong international presence through Sheppard Air Force Base, an eager workforce, all with a community spirit geared toward family, friends, and a desire to see this thriving city continue to grow and prosper. The central business district is 5 miles from Sheppard Air Force Base. Sheppard Air Force Base was established in 1941 and is the most diverse training installation for the Air Force. The base is home to the Air Force’s largest technical training wing and Euro-NATO Joint Jet Pilot Training program, which trains combat pilots for 14 NATO partners. According to an economic impact analysis produced by the Texas Comptroller, Sheppard Air Force Base contributed at least \$3.2 billion to the Texas economy in 2023. The base employs approximately 17,801 active duty and civilian personnel. (Source of Information: City of Wichita Falls 2024 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, the labor force increased in the last 12 months though, unemployment has risen slightly. Wichita Falls’ current unemployment rate as of September 2025 is 4.0%, lower than the state of 4.0% and the national average of 4.4%.

Year	Period	Labor Force	Employment	Unemployment	Unemployment Rate
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
2024	Sep	66,188	63,621	2,567	3.9
2025	Sep	67,398	64,683	2,715	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, 2024. This was the twelfth 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.

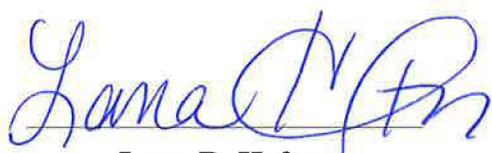
AUDIT REQUIREMENTS

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.

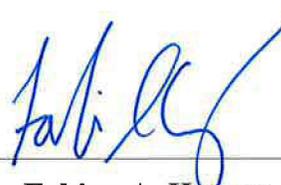
ACKNOWLEDGEMENTS

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
Accountant VI



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
JOSHUA R. HARMAN, CPA

INDEPENDENT AUDITOR'S REPORT

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, 2025 and 2024, 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, 2025 and 2024, 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 7, 2026, 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,



Edgin, Parkman, Fleming & Fleming, PC

January 7, 2026

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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, 2025. 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 \$24,880,834 (net position). Of this amount, \$9,389,473 (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 \$888,049.
3. The Authority expended over \$1.3 million towards improvements to its water systems to address TCEQ 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.

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.

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued

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 15-51** 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 \$24,880,834 at the close of the most recent fiscal year.

	2025	2024 (restated)	2023
Assets:			
Current assets	\$14,102,875	\$13,368,762	\$12,557,133
Restricted assets	3,560,538	1,832,028	2,395,338
Capital assets	20,877,965	20,425,616	19,075,320
Noncurrent assets	4,000,109	3,500,100	1,783,398
Total assets	<u>42,541,487</u>	<u>39,126,506</u>	<u>35,811,189</u>
Deferred outflows of resources	<u>135,290</u>	<u>249,810</u>	<u>480,260</u>
Liabilities:			
Current liabilities	4,231,365	1,045,298	1,119,672
Noncurrent liabilities	12,568,622	12,993,666	13,325,737
Total liabilities	<u>16,799,987</u>	<u>14,038,964</u>	<u>14,445,409</u>
Deferred inflows of resources	<u>995,956</u>	<u>1,336,567</u>	<u>569,755</u>
Net position:			
Net investment in capital assets	8,839,458	8,722,330	7,545,644
Restricted net position	6,651,903	3,574,011	1,748,604
Unrestricted net position	9,389,473	11,704,444	11,982,037
Total net position	<u>\$24,880,834</u>	<u>\$24,000,785</u>	<u>\$21,276,285</u>

In fiscal year 2025, 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.

An additional portion of the Authority’s net position (26.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$9,389,473 (37.8%) 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 \$880,049. This increase represents consistent operating revenues and a conservative approach to managing expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

In fiscal year 2024, 36.3% 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 (14.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$11,704,444 (48.8%) 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 \$2,827,926. This increase represents an increase in operating revenues and a conservative approach to managing expenses.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2025	2024	2023
Operating revenues:			
Water and sewer sales	\$ 7,595,226	\$ 7,728,389	\$ 7,011,224
Charges for materials and services	832,358	729,886	728,552
Other	600,677	1,302,608	708,772
Total operating revenues	9,028,261	9,760,883	8,448,548
Operating expenses:			
Water purchases	1,251,009	1,355,804	1,290,029
Personnel services	2,527,820	2,351,914	2,563,719
Administrative costs	227,655	293,671	274,332
Utilities, supplies, and maintenance	1,891,352	1,822,759	1,414,005
Insurance	151,108	144,011	119,972
Automobile and travel	441,883	448,184	441,986
Professional and directors fees	74,016	75,331	68,154
Research expense	466,609	49,325	91,528
Total operating expenses	7,031,452	6,540,999	6,263,725
Operating income before depreciation and amortization	1,996,809	3,219,884	2,184,823
Depreciation and amortization	(1,267,562)	(1,041,201)	(996,106)
Operating income	729,247	2,178,683	1,188,717
Nonoperating revenues (expenses):			
Interest income	607,063	694,733	586,737
Gain (loss) on disposal of assets	3,780	(65,914)	(99,110)
Donation of capital assets	-	498,027	-
Interest expense	(460,041)	(477,603)	(492,763)
Total nonoperating revenues (expenses)	150,802	649,243	(5,136)
Change in net position	880,049	2,827,926	1,183,581
Net position, beginning, as originally stated	24,000,785	21,276,285	20,092,704
Change in accounting principle	-	(103,426)	-
Net position, beginning, as restated	24,000,785	21,172,859	20,092,704
Net position, ending	\$24,880,834	\$24,000,785	\$21,276,285

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

Some of the major variances from fiscal year 2024 to fiscal year 2025 include a \$701,931 decrease in other operating revenues. This decrease is due to grant proceeds from the Bureau of Reclamation received in the prior year for meter replacements. Research expenses increased \$417,284 between years mainly due to accruing multiple years of consultant expenditures for the Regional Water Planning grant. Donation of capital assets decreased \$498,027 due to a donation of construction materials in the prior year. Additionally, the beginning net position for fiscal year 2024 was reduced by \$103,426 due to the implementation of GASB 101.

Some of the major variances from fiscal year 2023 to fiscal year 2024 include a \$717,165 increase in water and sewer sales. This increase is mainly due to a full year of the higher base and incremental water rates charged and a slight increase in consumption. Other operating revenues increased \$593,836 due to grant proceeds from the Bureau of Reclamation received during the year for meter replacements. Utilities, supplies and maintenance expenses increased \$408,754 between years mainly due to meter installation, water leak repairs, and inventory price adjustments. Donation of capital assets increased \$498,027 due to a donation of construction materials during the year.

Capital Asset and Debt Administration

Capital Assets. The Authority's investment in capital assets funds as of September 30, 2025 amounts to \$20,877,965, (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 2%.

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

- Construction and engineering fees on Preston Shores Water System
- Construction and engineering fees on Lockett Water System

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

CAPITAL ASSETS
(Net of Depreciation)

Asset	Value September 30, 2024	Additions / Completions	Deletions	Value September 30, 2025	Accumulated Depreciation	Net Value
Land and easements	\$ 1,120,608	\$ 22,055	\$ -	\$ 1,142,663	\$ -	\$ 1,142,663
Construction in progress	947,054	1,228,751	286,792	1,889,013	-	1,889,013
Building	1,083,271	11,500	-	1,094,771	670,029	424,742
Water storage rights	1,222,700	-	-	1,222,700	315,802	906,898
Water systems	32,024,778	347,692	114,973	32,257,497	16,643,919	15,613,578
Machinery and equipment	1,094,503	151,248	29,430	1,216,321	809,242	407,079
Furniture and fixtures	112,423	5,067	-	117,490	110,835	6,655
Motor vehicles	1,163,536	240,390	22,388	1,381,538	916,051	465,487
Right-to-use leased assets	62,429	-	-	62,429	40,579	21,850
Totals	<u>\$38,831,302</u>	<u>\$2,006,703</u>	<u>\$453,583</u>	<u>\$40,384,422</u>	<u>\$19,506,457</u>	<u>\$20,877,965</u>

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 \$12,667,134. 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, 2025 are summarized as follows:

	Average Interest Rates	Final Maturity Date	Annual Serial Payments	Bonds Authorized	Bonds Outstanding September 30, 2024	Additions Issuances (Sales) (Retirements)	Bonds Outstanding September 30, 2025
Water Revenue Bonds							
Series 2010	1.93%	08/15/2030	\$26,600 to \$53,600	<u>\$ 849,200</u>	<u>\$ 294,734</u>	<u>\$ (47,600)</u>	<u>\$ 247,134</u>
Series 2017	3.57%	04/01/2047	\$300,000 to \$800,000	<u>\$15,130,000</u>	<u>\$12,780,000</u>	<u>\$ (360,000)</u>	<u>\$12,420,000</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued

The Authority’s bonded debt decreased by \$407,600 (3.1%) 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:

	Balance 10/1/24	Issued	Retired	Balance 9/30/25
Right-to-use lease payable	\$36,158	\$ -	\$12,606	\$23,552

Additional information on the Authority’s long-term debt can be found in **Note 4** on **pages 25-28** 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:
 - Preston Shores System improvements and SCADA (completion 2026) for approximately \$248,000
 - Ringgold System improvements (completion 2026) for approximately \$200,000
 - Carey Northfield System improvements (completion 2026) through a Federal grant, along with Authority funds for approximately \$595,000
 - Lockett System improvements (completion 2027) through Federal and State grants, along with Authority funds for approximately \$4,579,000
 - Increased efforts to reduce water purchases and decrease water loss

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

All of these factors were considered in preparing the Authority's budget for the 2026 fiscal year. The proposed budget for 2025-26 reflects a decrease in projected revenue and expenditures, over the prior year's budget, of \$248,553 and \$779,217, respectively. As a result, the Authority has projected an increase of \$681,800 in net position for the 2026 fiscal year, an increase from the prior year's budget expected excess of \$151,136.

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.

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BASIC FINANCIAL STATEMENTS

RED RIVER AUTHORITY OF TEXAS
STATEMENTS OF NET POSITION
September 30, 2025 and 2024

	2025	2024 (restated)
ASSETS		
Current assets:		
Cash and short-term investments	\$ 11,626,015	\$ 11,188,650
Receivables:		
Trade and contracts	2,017,181	1,876,686
Right-to-use leases receivable, current	87,415	83,450
Prepaid expenses	30,790	32,199
Inventory	341,474	187,777
Restricted assets:		
Cash and short-term investments	3,560,538	1,832,028
Total current assets	<u>17,663,413</u>	<u>15,200,790</u>
Long-term assets:		
Net pension asset	3,924,339	3,336,914
Right-to-use leases receivable, noncurrent	75,770	163,186
Capital assets not being depreciated	3,031,676	2,067,662
Capital assets being depreciated (net)	17,846,289	18,357,954
Total long-term assets	<u>24,878,074</u>	<u>23,925,716</u>
 Total assets	 <u>42,541,487</u>	 <u>39,126,506</u>
Deferred outflows of resources:		
Pension related	126,374	237,709
OPEB related	8,916	12,101
Total deferred outflows of resources	<u>135,290</u>	<u>249,810</u>
LIABILITIES		
Current liabilities:		
Accounts payable - trade	1,175,737	509,118
Compensated absences, due within one year	111,853	80,191
Unearned revenue	2,500,568	35,983
OPEB liability, due within one year	1,590	1,488
Right-to-use lease payable, current maturities	13,218	12,606
Bonds payable, current maturities	428,399	407,400
Total current liabilities	<u>4,231,365</u>	<u>1,046,786</u>
Long-term liabilities:		
Compensated absences, long-term	118,105	89,229
Right-to-use lease payable, less current maturities	10,334	23,552
Bonds payable, less current maturities	12,380,780	12,815,909
OPEB liability, long-term	59,403	63,488
Total long-term liabilities	<u>12,568,622</u>	<u>12,992,178</u>
Total liabilities	<u>16,799,987</u>	<u>14,038,964</u>
Deferred inflows of resources:		
Pension related	785,549	1,045,304
OPEB related	20,944	18,825
Right-to-use lease related	189,463	272,438
Total deferred inflows of resources	<u>995,956</u>	<u>1,336,567</u>
Net position:		
Net investment in capital assets	8,839,458	8,722,330
Restricted:		
Debt service	263,564	237,097
Grants	2,464,000	-
Net pension asset	3,924,339	3,336,914
Unrestricted	9,389,473	11,704,444
 Total net position	 <u>\$ 24,880,834</u>	 <u>\$ 24,000,785</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, 2025 and 2024

	2025	2024
Operating revenues:		
Water and sewer sales	\$ 7,595,226	\$ 7,728,389
Charges for materials and services	832,358	729,886
Other	600,677	1,302,608
Total operating revenues	<u>9,028,261</u>	<u>9,760,883</u>
Operating expenses:		
Water purchases	1,251,009	1,355,804
Personnel services	2,527,820	2,351,914
Administrative costs	227,655	293,671
Utilities, supplies, and maintenance	1,891,352	1,822,759
Insurance	151,108	144,011
Automobile and travel	441,883	448,184
Professional and directors fees	74,016	75,331
Research expense	466,609	49,325
Total operating expenses	<u>7,031,452</u>	<u>6,540,999</u>
Operating income before depreciation and amortization	1,996,809	3,219,884
Depreciation and amortization	<u>(1,267,562)</u>	<u>(1,041,201)</u>
Operating income	<u>729,247</u>	<u>2,178,683</u>
Nonoperating revenues (expenses):		
Interest income	607,063	694,733
Gain (loss) on disposal of capital assets	3,780	(65,914)
Donation of capital assets	-	498,027
Interest expense	<u>(460,041)</u>	<u>(477,603)</u>
Total nonoperating revenues (expenses)	<u>150,802</u>	<u>649,243</u>
Change in net position	880,049	2,827,926
Net position - beginning, as originally stated	24,000,785	21,276,285
Change in accounting principle	<u>-</u>	<u>(103,426)</u>
Net position - beginning, as restated	<u>24,000,785</u>	<u>21,172,859</u>
Net position - ending	<u>\$ 24,880,834</u>	<u>\$ 24,000,785</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, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash received from customers and users	\$ 11,435,802	\$ 9,825,156
Cash payments to suppliers for goods and services	(3,928,763)	(4,227,364)
Cash payments to employees for services	<u>(3,345,319)</u>	<u>(3,149,364)</u>
Net cash provided by operating activities	<u>4,161,720</u>	<u>2,448,428</u>
Cash flows from capital and related financing activities:		
Principal paid on right-to-use lease payable	(12,606)	(12,024)
Interest paid on right-to-use lease payable	(1,446)	(2,029)
Principal paid on revenue bonds	(414,130)	(402,932)
Interest paid on revenue bonds	(458,595)	(475,574)
Acquisition of capital assets	(1,719,911)	(1,961,184)
Proceeds from sale of capital assets	3,780	1,800
Net cash used in capital and related financing activities	<u>(2,602,908)</u>	<u>(2,851,943)</u>
Cash flows from investing activities:		
Interest received on right-to-use leases receivable	11,715	15,499
Interest received on investments	595,348	679,234
Net cash provided by investing activities	<u>607,063</u>	<u>694,733</u>
Net increase in cash and cash equivalents	2,165,875	291,218
Cash and cash equivalents, beginning	<u>13,020,678</u>	<u>12,729,460</u>
Cash and cash equivalents, ending	<u>\$ 15,186,553</u>	<u>\$ 13,020,678</u>
Displayed as:		
Current Assets:		
Cash and short-term investments	\$ 11,626,015	\$ 11,188,650
Restricted Assets:		
Cash and short-term investments	<u>3,560,538</u>	<u>1,832,028</u>
	<u>\$ 15,186,553</u>	<u>\$ 13,020,678</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, 2025 and 2024

	2025	2024
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	<u>\$ 729,247</u>	<u>\$ 2,178,683</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	1,267,562	1,041,201
Change in assets and liabilities:		
(Increase) decrease in trade receivables	(140,495)	(15,965)
(Increase) decrease in right-to-use leases receivable	83,451	79,664
(Increase) decrease in prepaid expenses	1,409	1,408
(Increase) decrease in inventory	(153,697)	61,241
(Increase) decrease in net pension asset	(587,425)	(1,800,151)
(Increase) decrease in deferred outflows	114,520	230,450
Increase (decrease) in trade accounts payable	666,619	(110,311)
Increase (decrease) in compensated absences	60,538	9,383
Increase (decrease) in unearned revenues	2,464,585	574
Increase (decrease) in total OPEB liability	(3,983)	5,439
Increase (decrease) in deferred inflows	(340,611)	766,812
Total adjustments	<u>3,432,473</u>	<u>269,745</u>
Net cash provided by operating activities	<u>\$ 4,161,720</u>	<u>\$ 2,448,428</u>
Noncash capital and financing activities:		
Capital assets received by donation	<u>\$ -</u>	<u>\$ 498,027</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, 2025 and 2024

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, 2025 and 2024

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, 2025 and 2024

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%. The Authority received \$95,165 of lease payments in the current year, including \$11,715 of interest. The balance of leases receivable at September 30, 2025 totaled \$163,185.

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, 2025 and 2024

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
Buildings	10-30 years
Machinery and equipment	4-20 years
Furniture and fixtures	4-7 years
Motor vehicles	3-10 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.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Compensated absences

The Authority implemented GASB Statement 101, *Compensated Absences*, during the year ended September 30, 2025. Authority policy permits all employees to accumulate earned, but unused, sick and vacation leave to be carried over each year with max rollovers of 720 hours and 120 hours, respectively. Compensatory time off earned but unused can also be carried over each month with supervisor approval. Sick leave is recognized as a liability if it is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. All unused vacation leave up to a maximum of 120 hours and unused compensatory time off is accrued as a liability 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

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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, 2025 and 2024, the carrying amount of the Authority's deposits (cash, money markets, and interest-bearing savings accounts included in temporary investments) was \$10,938,146 and \$8,811,410, respectively, and the bank balance was \$11,059,015 and \$9,037,279, respectively. The Authority's cash deposits at September 30, 2025 and 2024 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

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024

2. DEPOSITS AND INVESTMENTS, Continued

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.

The Authority’s investments at September 30, 2025 and 2024 are shown below:

Investment or Investment Type	2025		2024	
	Weighted Maturity (Months)	Fair Value	Weighted Maturity (Months)	Fair Value
TexPool	1.0	\$ 3,194,103	1.0	\$ 3,200,389
Bank Money Markets	1.0	317,131	1.0	285,060
TexSTAR	1.0	1,054,304	1.0	1,008,879
Insured Cash Sweep	1.0	7,940,753	1.0	8,563,037
		<u>\$12,506,291</u>		<u>\$13,057,365</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 and TexSTAR balances at net asset value per unit/share. Money market and insured cash sweep 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, 2025 or 2024.

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:

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2025 and 2024

2. DEPOSITS AND INVESTMENTS, Continued

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.

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.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024

2. DEPOSITS AND INVESTMENTS, Continued

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 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.

The TexSTAR 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. TexSTAR is administered by Hilltop Securities and J.P. Asset Management, Inc., a subsidiary of JPMorgan Chase & Co. J.P. Morgan Asset Management provides investment management, fund accounting, transfer agency and custodial services for the pool with Standish and American Beacon Advisors managing the investment and reinvestment of the pool and Hilltop Securities, Inc. provides administrative, marketing and participant services. TexSTAR is overseen by a governing board consisting of individuals from participating government entities in the pool. TexSTAR fund is rated AAAM by Standard and Poor's and seeks to maintain a net asset value of \$1.00 per unit.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024

3. CAPITAL ASSETS

Capital asset activity for the years ended September 30, 2025 and 2024 was as follows:

At September 30, 2025

	<u>Balance</u> <u>October 1,</u> <u>2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>September 30,</u> <u>2025</u>
Capital assets not being depreciated:				
Land and easements	\$ 1,120,608	\$ 22,055	\$ -	\$ 1,142,663
Construction in progress	<u>947,054</u>	<u>1,228,751</u>	<u>286,792</u>	<u>1,889,013</u>
Total capital assets not being depreciated	<u>2,067,662</u>	<u>1,250,806</u>	<u>286,792</u>	<u>3,031,676</u>
Capital assets being depreciated:				
Water storage rights	1,222,700	-	-	1,222,700
Water systems	32,024,778	347,692	114,973	32,257,497
Machinery and equipment	1,094,503	151,248	29,430	1,216,321
Building	1,083,271	11,500	-	1,094,771
Furniture and fixtures	112,423	5,067	-	117,490
Motor vehicles	1,163,536	240,390	22,388	1,381,538
Right-to-use leased assets	<u>62,429</u>	<u>-</u>	<u>-</u>	<u>62,429</u>
Total capital assets being depreciated	<u>36,763,640</u>	<u>755,897</u>	<u>166,791</u>	<u>37,352,746</u>
Less accumulated depreciation for:				
Water storage rights	308,514	7,288	-	315,802
Water systems	15,757,309	1,001,583	114,973	16,643,919
Machinery and equipment	781,479	57,193	29,430	809,242
Building	629,299	40,730	-	670,029
Furniture and fixtures	109,383	1,452	-	110,835
Motor vehicles	791,609	146,830	22,388	916,051
Right-to-use leased assets	<u>28,093</u>	<u>12,486</u>	<u>-</u>	<u>40,579</u>
Total accumulated depreciation	<u>18,405,686</u>	<u>1,267,562</u>	<u>166,791</u>	<u>19,506,457</u>
Total capital assets being depreciated, net	<u>18,357,954</u>	<u>(511,665)</u>	<u>-</u>	<u>17,846,289</u>
Total capital assets, net	<u>\$20,425,616</u>	<u>\$ 739,141</u>	<u>\$286,792</u>	<u>\$20,877,965</u>

At September 30, 2024

	<u>Balance</u> <u>October 1,</u> <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>September 30,</u> <u>2024</u>
Capital assets not being depreciated:				
Land and easements	\$ 1,120,608	\$ -	\$ -	\$ 1,120,608
Construction in progress	<u>3,412,704</u>	<u>2,072,896</u>	<u>4,538,546</u>	<u>947,054</u>
Total capital assets not being depreciated	<u>4,533,312</u>	<u>2,072,896</u>	<u>4,538,546</u>	<u>2,067,662</u>

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024

3. CAPITAL ASSETS, Continued

Capital assets being depreciated:				
Water storage rights	1,222,700	-	-	1,222,700
Water systems	27,532,742	4,492,036	-	32,024,778
Machinery and equipment	947,632	146,871	-	1,094,503
Building	1,083,271	-	-	1,083,271
Furniture and fixtures	112,423	-	-	112,423
Motor vehicles	945,296	218,240	-	1,163,536
Right-to-use leased assets	<u>62,429</u>	<u>-</u>	<u>-</u>	<u>62,429</u>
Total capital assets being depreciated	<u>31,906,493</u>	<u>4,857,147</u>	<u>-</u>	<u>36,763,640</u>
Less accumulated depreciation for:				
Water storage rights	301,226	7,288	-	308,514
Water systems	14,916,694	840,615	-	15,757,309
Machinery and equipment	737,541	43,938	-	781,479
Building	589,336	39,963	-	629,299
Furniture and fixtures	105,791	3,592	-	109,383
Motor vehicles	698,290	93,319	-	791,609
Right-to-use leased assets	<u>15,607</u>	<u>12,486</u>	<u>-</u>	<u>28,093</u>
Total accumulated depreciation	<u>17,364,485</u>	<u>1,041,201</u>	<u>-</u>	<u>18,405,686</u>
Total capital assets being depreciated, net	<u>14,542,008</u>	<u>3,815,946</u>	<u>-</u>	<u>18,357,954</u>
Total capital assets, net	<u>\$19,075,320</u>	<u>\$5,888,842</u>	<u>\$ 4,538,546</u>	<u>\$20,425,616</u>

4. LONG-TERM LIABILITIES

Long-term liabilities for the years ended September 30, 2025 and 2024 are summarized as follows:

At September 30, 2025

	Balance <u>10/1/24</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>9/30/25</u>	Due Within <u>One Year</u>
Water revenue bonds	\$13,074,734	\$ -	\$407,600	\$12,667,134	\$428,399
Premium on bonds	148,575	-	6,530	142,045	-
Right-to-use lease payable	36,158	-	12,606	23,552	13,218
Compensated absences *	169,420	60,538	-	229,958	111,853
Other post employment benefits	<u>64,976</u>	<u>6,024</u>	<u>10,007</u>	<u>60,993</u>	<u>1,590</u>
Totals	<u>\$13,493,863</u>	<u>\$66,562</u>	<u>\$436,743</u>	<u>\$13,123,682</u>	<u>\$555,060</u>

* Compensated absences displayed as issuances or retirements represent the net change in the liability.

RED RIVER AUTHORITY OF TEXAS

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024**

4. LONG-TERM LIABILITIES, Continued

At September 30, 2024

	Balance 10/1/23 <u>(Restated)</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 9/30/24</u>	<u>Due Within One Year</u>
Water revenue bonds	\$13,471,134	\$ -	\$396,400	\$13,074,734	\$407,400
Premium on bonds	155,108	-	6,533	148,575	-
Right-to-use lease payable	48,181	-	12,023	36,158	12,606
Compensated absences *	160,037	9,383	-	169,420	80,191
Other post employment benefits	<u>59,537</u>	<u>8,482</u>	<u>3,043</u>	<u>64,976</u>	<u>1,488</u>
Totals	<u>\$13,893,997</u>	<u>\$17,865</u>	<u>\$417,999</u>	<u>\$13,493,863</u>	<u>\$501,685</u>

* Compensated absences displayed as issuances or retirements represent the net change in the liability.

Water Revenue Bonds

Water revenue bonds are comprised of the following individual issues as of September 30, 2025:

	<u>Interest Rates</u>	<u>Final Maturity Date</u>	<u>Annual Serial Payments</u>	<u>Bonds Authorized</u>	<u>Outstanding at 9/30/25</u>	<u>Outstanding at 9/30/24</u>
Series 2010	1.93%	08-15-30	\$26,600 to \$53,600	<u>\$ 849,200</u>	<u>\$ 247,134</u>	<u>\$ 294,734</u>
Series 2017	3.57%	04-01-47	\$300,000 to \$800,000	<u>\$15,130,000</u>	<u>\$12,420,000</u>	<u>\$12,780,000</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.

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.

RED RIVER AUTHORITY OF TEXAS

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024**

4. LONG-TERM LIABILITIES, Continued

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, 2025 and 2024 is \$142,045 and \$148,575, 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, 2025 are as follows:

<u>Year Ending September 30,</u>	<u>Bond</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 428,399	\$ 454,006
2027	449,800	433,897
2028	466,000	416,720
2029	482,200	398,878
2030	490,735	384,679
2031 – 2035	2,445,000	1,698,231
2036 – 2040	2,885,000	1,252,024
2041 – 2045	3,450,000	689,413
2046 – 2047	1,570,000	88,875
Totals	\$12,667,134	\$5,816,723

The net revenue of the Authority is pledged as collateral for the revenue bonds outstanding. \$263,564 is available in the interest and sinking fund at September 30, 2025 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.

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, 2025, accumulated amortization on the backhoe is \$40,579. Therefore, the net value of capital assets acquired under right-to-use lease is \$21,850.

The annual requirements to pay principal and interest on the long-term right-to-use lease payable obligation outstanding as of September 30, 2025 are as follows:

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024

4. LONG-TERM LIABILITIES, Continued

<u>Year Ending</u> <u>September 30,</u>	<u>Right-to-Use Lease Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$13,218	\$ 833
2027	<u>10,334</u>	<u>205</u>
Totals	<u>\$23,552</u>	<u>\$1,038</u>

The aggregate annual requirements to pay principal and interest on all debt obligations outstanding as of September 30, 2025 are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 441,617	\$ 454,839
2027	460,134	434,102
2028	466,000	416,720
2029	482,200	398,878
2030	490,735	384,679
2031 – 2035	2,445,000	1,698,231
2036 – 2040	2,885,000	1,252,024
2041 – 2045	3,450,000	689,413
2046 – 2047	<u>1,570,000</u>	<u>88,875</u>
Totals	<u>\$12,690,686</u>	<u>\$5,817,761</u>

5. COMMITMENTS AND CONTINGENT LIABILITIES

In the normal course of business, the Authority is subject to certain contingent liabilities and unasserted 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 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. With completion of capital projects using the 2017 bond funding, the Authority is compliant with EPA regulations for all three systems.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024

5. COMMITMENTS AND CONTINGENT LIABILITIES, continued

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 Trihalomethane (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 Acid (HAA5). With completion of capital projects using the 2017 bond funding, the Authority is in compliance with EPA and TCEQ regulations for both systems.

The Authority learned in July of 2024 that as an agency of the State supplying public water, that the Authority is eligible to offset any TCEQ-issued enforcement penalty with a supplemental environmental project (SEP), where the Authority can offset the penalty amount with any costs of the repairs the Authority spends fixing its deficiencies. These include grant funded projects.

The Authority was issued an Administrative Enforcement in April of 2024 by TCEQ for the Lockett Water System for failure to provide total storage capacity of 200 gallons per connection, to provide a pressure tank capacity of 20 gallons per connection, and to provide two or more pumps that have a total storage capacity of 2.0 gpm per connection. The penalty of \$11,998 will be offset by an SEP through a Federal EPA community grant to upgrade the system as authorized in 2024. This project is ongoing.

The Authority was issued an Administrative Enforcement in July of 2024 by TCEQ for the Truscott Gilliland Water System for failure to provide an elevated storage capacity of 100 gallons per connection or a pressure tank capacity of 20 gallons per connection, and to have the water treatment plant and all pumping units located in a well-drained area that is not subject to flooding. The penalty of \$20,840 is being offset by an SEP through a Federal EPA community grant to upgrade the system to be authorized in 2026.

The Authority was issued an Administrative Enforcement in September of 2024 by TCEQ for the Foard County Water System for failure to maintain system drawings, to operate the system under a licensed operator, and ground storage tank issue. The penalty of \$6,716 is being offset by an SEP through a Federal EPA community grant to repair the system to be authorized in 2026.

The Authority was issued an Administrative Enforcement in March of 2025 by TCEQ for the Tell Cee Vee Water System for failure to provide increased pressure by means of booster pumps taking suction from ground storage tanks or obtain an exception. The penalty of \$1,200 is being offset by an SEP through an Authority project redoing the Tell Cee Vee booster station. This project is ongoing.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2025 and 2024

5. COMMITMENTS AND CONTINGENT LIABILITIES, continued

The Authority was issued an Administrative Enforcement in April of 2025 by TCEQ for the Samnorwood Water System for failure to maintain the water works operation and maintenance records, to inspect each of the facility's two GST's annually, and to verify the accuracy of the manual disinfectant residual analyzer. The penalty of \$3,496 has been offset by an SEP through an Authority project redoing meters at the station. This Enforcement is closed, and the Authority is compliant.

The Authority was issued an Administrative Enforcement in May of 2025 by TCEQ for the Preston Shores Water System for failure to provide an intruder-resistant fence, to verify the accuracy of the facility's continuous disinfectant analyzer, and to maintain all pumps, motors, valves, and other mechanical devices in good working condition. The penalty of \$5,894 is being offset by an SEP through an Authority project replacing two ground storage tanks. This project is ongoing.

At September 30, 2025, the Authority had a total of \$398,790 in remaining contractual commitments for construction costs and engineering fees related to the installation of new ground storage tanks in the Preston Shores water system.

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.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024

6. DEFINED BENEFIT PENSION PLAN, continued

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.

Membership Information

<u>Members</u>	<u>December 31, 2023</u>	<u>December 31, 2024</u>
Number of inactive employees entitled to but not yet receiving benefits:	34	36
Number of active employees:	37	39
Average monthly salary *:	\$4,653	\$4,693
Average age *:	40.62	40.15
Average length of service in years *:	7.10	5.54
 Inactive Employees (or their Beneficiaries)		
<u>Receiving Benefits</u>		
Number of benefit recipients:	22	24
Average monthly benefit:	\$1,752	\$1,847

* 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 2023, 2024 and 2025, which was in excess of the Authority's compliant rates of 2.31%, 2.06% and 0.00% for those respective years. The deposit rate payable by the employee members for the years 2023, 2024 and 2025 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.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024

6. DEFINED BENEFIT PENSION PLAN, continued

Contributions to the Plan in 2023 and 2024 were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2024</u>
Members (Employees)	\$148,790	\$158,961
Employer (Authority)	<u>148,790</u>	<u>158,961</u>
 Total contributions	 <u>\$297,580</u>	 <u>\$317,922</u>

Net Pension Liability / (Asset)

<u>Net Pension Liability / (Asset)</u>	<u>December 31, 2023</u>	<u>December 31, 2024</u>
Total Pension Liability	\$ 8,257,847	\$ 8,576,437
Fiduciary Net Position	11,594,761	12,500,776
Net Pension Liability (Asset)	(3,336,914)	(3,924,339)
Fiduciary Net Position as a % of Total		
Pension Liability	140.41%	145.76%
Covered Payroll ⁽¹⁾	\$ 2,125,570	\$ 2,270,865
Net Pension Liability as a % of Covered Payroll	(156.99%)	(172.81%)

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.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024

6. DEFINED BENEFIT PENSION PLAN, continued

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
Inflation	2.50%
Salary Increases	Varies by age and service, 4.7% average over career including inflation
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
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.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024

6. DEFINED BENEFIT PENSION PLAN, continued

Actuarial Methods and Assumptions Used for Funding Valuation:

Following is a description of the assumptions used in the December 31, 2024 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.

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.

RED RIVER AUTHORITY OF TEXAS

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024**

6. DEFINED BENEFIT PENSION 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.
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.

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 29 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 2025 information for a 10-year time horizon.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2025 and 2024

6. DEFINED BENEFIT PENSION PLAN, continued

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.

<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	13.00%	5.35%
Global Equities	MSCI World (net) Index	4.00%	5.15%
International Equities – Developed Markets	MSCI World Ex USA (net) Index	6.00%	4.75%
International Equities – Emerging Markets	MSCI Emerging Markets (net) Index	0.00%	4.75%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.55%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.70%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.85%
Distressed Debt	Cambridge Associates Distressed Securities ⁽³⁾	4.00%	6.80%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.95%
Master Limited Partnerships	Alerian MLP Index	2.00%	4.95%
Commodities	Bloomberg Commodities Index	2.00%	1.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.75%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	8.15%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.60%
Cash Equivalents	90-Day U.S. Treasury	2.00%	1.10%

⁽¹⁾ Target asset allocation adopted at the March 2025 TCDRS Board Meeting.

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.35%, per Cliffwater's 2025 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.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024

6. DEFINED BENEFIT PENSION PLAN, continued

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:

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.

The funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act are such that a depletion is not projected to occur. To illustrate this, a projection of the Fiduciary Net Position was shown for 2025 to 2104.

Since the 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 long-term assumed rate of return on investments. For GASB 68 this long-term assumed rate of return is net of investment expenses, but gross of administrative expenses. Therefore, we have used a discount rate of 7.60% which 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.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024

6. DEFINED BENEFIT PENSION PLAN, continued

Changes in Net Pension Liability / (Asset) at December 31, 2024 is as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) – (b)
Balances as of December 31, 2023	\$8,257,847	\$11,594,761	(\$3,336,914)
Changes for the year:			
Service cost	260,590	-	260,590
Interest on total pension liability ⁽¹⁾	626,096	-	626,096
Effect of plan changes ⁽²⁾	-	-	-
Effect of economic/demographic gains or losses	3,024	-	3,024
Effect of assumption changes or inputs	-	-	-
Refund of contributions	(80,780)	(80,780)	-
Benefit payments	(490,340)	(490,340)	-
Administrative expenses	-	(6,805)	6,805
Member contributions	-	158,961	(158,961)
Net investment income	-	1,176,521	(1,176,521)
Employer contributions	-	158,961	(158,961)
Other ⁽³⁾	-	(10,503)	10,503
Balances as of December 31, 2024	<u>\$8,576,437</u>	<u>\$12,500,776</u>	<u>(\$3,924,339)</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, 2025 and 2024

6. DEFINED BENEFIT PENSION PLAN, continued

Changes in Net Pension Liability / (Asset) at December 31, 2023 is as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) – (b)
Balances as of December 31, 2022	\$9,128,844	\$10,665,607	(\$1,536,763)
Changes for the year:			
Service cost	238,771	-	238,771
Interest on total pension liability ⁽¹⁾	692,348	-	692,348
Effect of plan changes ⁽²⁾	-	-	-
Effect of economic/demographic gains or losses	(1,276,950)	-	(1,276,950)
Effect of assumption changes or inputs	-	-	-
Refund of contributions	(49,859)	(49,859)	-
Benefit payments	(475,307)	(475,307)	-
Administrative expenses	-	(6,054)	6,054
Member contributions	-	148,790	(148,790)
Net investment income	-	1,169,910	(1,169,910)
Employer contributions	-	148,790	(148,790)
Other ⁽³⁾	-	(7,116)	7,116
Balances as of December 31, 2023	<u>\$8,257,847</u>	<u>\$11,594,761</u>	<u>(\$3,336,914)</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, 2024 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 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$ 9,580,140	\$ 8,576,437	\$ 7,726,228
Fiduciary net position	<u>12,500,776</u>	<u>12,500,776</u>	<u>12,500,776</u>
Net pension liability / (asset)	<u>(\$ 2,920,636)</u>	<u>(\$ 3,924,339)</u>	<u>(\$ 4,774,548)</u>

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024

6. DEFINED BENEFIT PENSION PLAN, continued

Sensitivity Analysis at December 31, 2023 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	\$ 9,246,769	\$ 8,257,847	\$ 7,419,469
Fiduciary net position	<u>11,594,761</u>	<u>11,594,761</u>	<u>11,594,761</u>
Net pension liability / (asset)	<u>(\$ 2,347,992)</u>	<u>(\$ 3,336,914)</u>	<u>(\$ 4,175,292)</u>

Pension Expense / (Income)

	January 1, 2023 to <u>December 31, 2023</u>	January 1, 2024 to <u>December 31, 2024</u>
Service cost	\$238,771	\$260,590
Interest on total pension liability ⁽¹⁾	692,348	626,096
Effect of plan changes	-	-
Administrative expenses	6,054	6,805
Member contributions	(148,790)	(158,961)
Expected investment return net of investment expenses	(801,605)	(871,111)
Recognition of deferred inflows/outflows of resources:		
Recognition of economic/demographic gains or losses	(411,309)	(377,058)
Recognition of assumption changes or inputs	79,656	79,657
Recognition of investment gains or losses	(221,672)	(146,591)
Other ⁽²⁾	<u>7,116</u>	<u>10,503</u>
Pension expense	<u>(\$559,431)</u>	<u>(\$570,070)</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, 2025:

As of September 30, 2025 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, 2025 and 2024

6. DEFINED BENEFIT PENSION PLAN, continued

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,016	\$656,183
Changes of assumptions	-	-
Net difference between projected and actual earnings	-	129,366
Contributions made subsequent to measurement date	<u>124,358</u>	<u>-</u>
Total	<u>\$126,374</u>	<u>\$785,549</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>	
2025	(\$440,817)
2026	(146,891)
2027	(134,743)
2028	(61,082)

For the year ended December 31, 2024, there were no changes to the Plan relative to assumptions and benefit terms.

As of September 30, 2024 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	\$ -	\$1,034,249
Changes of assumptions	90,712	11,055
Net difference between projected and actual earnings	29,453	-
Contributions made subsequent to measurement date	<u>117,544</u>	<u>-</u>
Total	<u>\$237,709</u>	<u>\$1,045,304</u>

RED RIVER AUTHORITY OF TEXAS

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024**

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, 2025 and 2024**

7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN, Continued

Membership Information

<u>Members</u>	<u>12/31/23</u>	<u>12/31/24</u>
Number of inactive employees entitled to but not yet receiving benefits ⁽¹⁾	1	1
Number of active employees	37	39
Average age of active employees	40.62	40.15
Average length of service in years for active employees	7.10	5.54
 <u>Inactive Employees Receiving Benefits ⁽¹⁾</u>		
Number of benefit recipients ⁽¹⁾	16	18

⁽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, 2023</u>	<u>December 31, 2024</u>
Total OPEB liability	<u>\$64,976</u>	<u>\$60,993</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, 2023</u>	<u>December 31, 2024</u>
Discount rate ⁽¹⁾	3.26%	4.08%
Long-term expected rate of return, net of investment expense ⁽¹⁾	Does not apply	Does not apply
Municipal bond rate ⁽¹⁾	3.26%	4.08%

⁽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, 2025 and 2024

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, 2024 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)	4.08% (20-year Bond GO Index published by bondbuyer.com as of 12/26/24)
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, 2025 and 2024**

7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN, Continued

Sensitivity analysis at December 31, 2024 is as follows:

The following presents the total OPEB liability of the Authority, calculated using the discount rate of 4.08%, 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 (3.08%) or 1 percentage point higher (5.08%) 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	Current Discount Rate	1% Increase
	<u>3.08%</u>	<u>4.08%</u>	<u>5.08%</u>
Total OPEB liability	<u>\$71,480</u>	<u>\$60,993</u>	<u>\$52,618</u>

Sensitivity analysis at December 31, 2023 is as follows:

The following presents the total OPEB liability of the Authority, calculated using the discount rate of 3.26%, 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 (2.26%) or 1 percentage point higher (4.26%) 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	Current Discount Rate	1% Increase
	<u>2.26%</u>	<u>3.26%</u>	<u>4.26%</u>
Total OPEB liability	<u>\$77,069</u>	<u>\$64,976</u>	<u>\$55,397</u>

2023 and 2024 Employer OPEB Contributions and Benefit Payments

The following shows a breakdown of the Authority's contributions to the GTL program for the calendar years 2023 and 2024. 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, 2025 and 2024

7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN, Continued

<u>Coverage Type</u>	2023 GTL <u>Rate</u>	<u>Amount</u>	<u>Financial Reporting</u>
Active Member GTL Benefit	0.14%	\$2,976	No change from prior year
Retiree GTL Benefit	0.07%	1,488	GASB 75

<u>Coverage Type</u>	2024 GTL <u>Rate</u>	<u>Amount</u>	<u>Financial Reporting</u>
Active Member GTL Benefit	0.13%	\$2,952	No change from prior year
Retiree GTL Benefit	0.07%	1,590	GASB 75

OPEB Expense

	<u>January 1, 2023 to December 31, 2023</u>	<u>January 1, 2024 to December 31, 2024</u>
Service cost	\$1,558	\$2,102
Interest on total pension liability ⁽¹⁾	2,245	2,161
Effect of plan changes	-	-
Recognition of deferred inflows/outflows of resources:		
Recognition of economic/demographic gains or losses	(1,986)	(1,404)
Recognition of assumption changes or inputs	872	128
Other	<u>-</u>	<u>-</u>
OPEB expense	<u>\$2,689</u>	<u>\$2,987</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, 2025, 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, 2025 and 2024

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	\$1,467	\$ 4,337
Changes of assumptions	6,198	16,607
Contributions made subsequent to measurement date	<u>1,251</u>	<u>-</u>
Total	<u>\$8,916</u>	<u>\$20,944</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:

2025	(\$3,618)
2026	(3,624)
2027	(4,336)
2028	(590)
2029	(1,111)
Thereafter	-

As of September 30, 2024, 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	\$ -	\$ 6,035
Changes of assumptions	10,926	12,790
Contributions made subsequent to measurement date	<u>1,175</u>	<u>-</u>
Total	<u>\$12,101</u>	<u>\$18,825</u>

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024

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, 2025:

	Utility Division	Environmental Services Division	Other Enterprise Funds
Condensed Statement of Net Position			
Assets:			
Current assets	\$ 6,116,259	\$196,619	\$ -
Restricted assets	3,521,788	-	38,750
Capital assets	20,141,983	141,467	-
Total assets	<u>29,780,030</u>	<u>338,086</u>	<u>38,750</u>
Liabilities:			
Current liabilities	3,629,822	183,667	-
Noncurrent liabilities	12,450,490	15,260	-
Total liabilities	<u>16,080,312</u>	<u>198,927</u>	<u>-</u>
Net position:			
Net investment in capital assets	8,103,476	141,467	-
Restricted net position	2,727,564	-	-
Unrestricted net position	2,868,678	(2,308)	38,750
Total net position	<u>\$13,699,718</u>	<u>\$139,159</u>	<u>\$38,750</u>

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024

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	\$ 7,907,549	\$ 928,416	\$ -
Operating expenses	6,363,164	1,082,520	-
Operating income	1,544,385	(154,104)	-
Nonoperating revenues (expenses)	(181,934)	-	-
Change in net position	1,362,451	(154,104)	-
Beginning net position, as originally stated	12,412,502	299,836	38,750
Change in accounting principle	(75,235)	(6,573)	-
Beginning net position, as restated	12,337,267	293,263	38,750
Ending net position	\$13,699,718	\$ 139,159	\$38,750
Condensed Statement of Cash Flows			
Operating activities	\$5,324,466	(\$ 53,929)	\$ -
Capital and related financing activities	(2,544,436)	(41,905)	-
Investing activities	274,327	-	-
Net increase (decrease)	3,054,357	(95,834)	-
Beginning cash and cash equivalents	4,864,290	(33,392)	38,750
Ending cash and cash equivalents	\$7,918,647	(\$129,226)	\$38,750

10. CHANGE IN ACCOUNTING PRINCIPLE

During the current year, the Authority adopted GASB Statement No. 101, *Compensated Absences*. This adoption led to recognizing an additional liability for accrued sick leave that is estimated to be payable. The effect of reporting this change in accounting principle in the Statement of Net Position resulted in an increase in current liabilities of \$14,197, an increase in long term liabilities of \$89,229, and a decrease in beginning net position of \$103,426 for the year ended September 30, 2024.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued
Years Ended September 30, 2025 and 2024

11. NEW PRONOUNCEMENTS

GASB has new pronouncements below that will become effective during the following year and affect the Authority, although the financial impact is not known at this time:

Statement No. 103 – Financial Reporting Model Improvements, is effective for fiscal years beginning after June 15, 2025. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. That objective is achieved and financial reporting will improve when the requirements and definitions of the statement are applied to management’s discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information.

Statement No. 104 – Disclosure of Certain Capital Assets, is effective for fiscal years beginning after June 15, 2025. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. It requires separate disclosure of certain types of capital assets, such as lease assets, intangible right-to-use assets, subscription assets, and other intangible assets to be disclosed separately by major class. It also requires additional disclosures for capital assets held for sale. The requirements of this statement will improve financial reporting by providing essential information to users in order to make informed decisions and assess accountability, and improve consistency and comparability between governments.

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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 260,590	\$ 238,771	\$ 221,494	\$ 217,748	\$ 206,721	\$ 192,538	\$ 186,368	\$ 170,704	\$ 189,043	\$ 177,653
Interest on total pension liability	626,096	692,348	668,408	649,721	634,587	620,792	608,914	571,650	540,261	500,695
Effect of plan changes	-	-	-	-	-	-	-	-	-	(33,872)
Effect of assumption changes or inputs	-	-	-	(44,217)	453,552	-	-	24,458	-	58,664
Effect of economic/demographic (gains) or losses	3,024	(1,276,950)	(70,833)	(67,492)	(121,243)	(166,197)	(161,881)	55,906	(126,702)	20,889
Benefit payments/refunds of contribution:	(571,120)	(525,166)	(517,674)	(509,715)	(431,392)	(548,349)	(439,633)	(319,382)	(267,816)	(191,663)
Net change in total pension liability	318,590	(870,997)	301,395	246,045	742,225	98,784	193,768	503,336	334,786	532,366
Total pension liability, beginning	8,257,847	9,128,844	8,827,449	8,581,404	7,839,179	7,740,395	7,546,627	7,043,291	6,708,505	6,176,139
Total pension liability, ending (a)	<u>\$ 8,576,437</u>	<u>\$ 8,257,847</u>	<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>
Fiduciary Net Position										
Employer contributions	\$ 158,961	\$ 148,790	\$ 138,969	\$ 126,792	\$ 123,022	\$ 120,067	\$ 108,963	\$ 103,611	\$ 99,671	\$ 99,794
Member contributions	158,961	148,790	138,969	126,792	123,022	120,067	108,963	103,611	99,671	99,794
Investment income net of investment expense:	1,176,521	1,169,910	(659,269)	2,112,110	931,019	1,317,762	(159,258)	1,085,548	518,631	(109,237)
Benefit payments/refunds of contribution:	(571,120)	(525,166)	(517,674)	(509,715)	(431,392)	(548,349)	(439,633)	(319,381)	(267,816)	(191,663)
Administrative expenses	(6,805)	(6,054)	(6,250)	(6,273)	(7,134)	(6,870)	(6,444)	(5,597)	(5,633)	(5,073)
Other	(10,503)	(7,116)	(24,063)	(4,571)	(4,592)	(9,297)	(5,758)	(1,556)	1,306	11,611
Net change in fiduciary net position	906,015	929,154	(929,318)	1,845,135	733,945	993,380	(393,167)	966,236	445,830	(94,774)
Fiduciary net position, beginning	11,594,761	10,665,607	11,594,925	9,749,790	9,015,845	8,022,465	8,415,632	7,449,396	7,003,566	7,098,339
Fiduciary net position, ending (b)	<u>\$ 12,500,776</u>	<u>\$ 11,594,761</u>	<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>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ (3,924,339)</u>	<u>\$ (3,336,914)</u>	<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>
Fiduciary net position as a % of total pension liability	<u>145.76%</u>	<u>140.41%</u>	<u>116.83%</u>	<u>131.35%</u>	<u>113.62%</u>	<u>115.01%</u>	<u>103.64%</u>	<u>111.52%</u>	<u>105.77%</u>	<u>104.40%</u>
Covered payroll	<u>\$ 2,270,865</u>	<u>\$ 2,125,570</u>	<u>\$ 1,985,264</u>	<u>\$ 1,811,320</u>	<u>\$ 1,757,452</u>	<u>\$ 1,715,248</u>	<u>\$ 1,556,621</u>	<u>\$ 1,480,157</u>	<u>\$ 1,423,868</u>	<u>\$ 1,425,630</u>
Net pension liability as a % of covered payroll	<u>-172.81%</u>	<u>-156.99%</u>	<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>

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
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%
2024	47,302	156,185	(108,884)	2,231,221	7.0%
2025	12,301	165,586	(153,285)	2,365,514	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**

	Year Ended December 31									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total OPEB Liability										
Service cost	\$ 2,102	\$ 1,558	\$ 2,495	\$ 2,087	\$ 2,105	\$ 1,332	\$ 1,620	\$ 1,350	N/A	N/A
Interest on total OPEB liability	2,161	2,245	1,674	1,699	1,938	2,201	2,070	2,035	N/A	N/A
Effect of plan changes	-	-	-	-	-	-	-	-	N/A	N/A
Effect of assumption changes or inputs	(8,417)	4,679	(19,184)	1,900	8,572	14,431	(6,394)	2,848	N/A	N/A
Effect of economic/demographic (gains) or losses	1,761	(1,555)	(3,294)	(3,367)	(1,855)	(389)	(2,359)	749	N/A	N/A
Benefit payments	(1,590)	(1,488)	(1,787)	(1,449)	(1,230)	(1,372)	(934)	(888)	N/A	N/A
Net change in total OPEB liability	(3,983)	5,439	(20,096)	870	9,530	16,203	(5,997)	6,094	N/A	N/A
Total OPEB liability, beginning	64,976	59,537	79,633	78,763	69,233	53,030	59,027	52,933	N/A	N/A
Total OPEB liability, ending (a)	<u>\$ 60,993</u>	<u>\$ 64,976</u>	<u>\$ 59,537</u>	<u>\$ 79,633</u>	<u>\$ 78,763</u>	<u>\$ 69,233</u>	<u>\$ 53,030</u>	<u>\$ 59,027</u>	N/A	N/A
									N/A	N/A
Covered-employee payroll	<u>\$ 2,270,865</u>	<u>\$ 2,125,570</u>	<u>\$ 1,985,264</u>	<u>\$ 1,811,320</u>	<u>\$ 1,757,452</u>	<u>\$ 1,715,248</u>	<u>\$ 1,556,621</u>	<u>\$ 1,480,157</u>	N/A	N/A
Net OPEB liability as a % of covered-employee payroll	<u>2.69%</u>	<u>3.06%</u>	<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

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, 2025

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 3.26% to 4.08%.

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, 2025

	Enterprise Funds		
	Utility Division Fund	Environmental Services Division Fund	Industrial Development Authority Fund
ASSETS			
Current assets:			
Cash and short-term investments	\$ 4,396,859	\$ -	\$ -
Receivables:			
Trade and contracts	1,347,136	196,619	-
Right-to-use leases receivable, current	-	-	-
Prepaid expenses	30,790	-	-
Inventory	341,474	-	-
Restricted assets:			
Cash and short-term investments	3,521,788	-	38,750
Total current assets	<u>9,638,047</u>	<u>196,619</u>	<u>38,750</u>
Long-term assets:			
Net pension asset	-	-	-
Right-to-use leases receivable, noncurrent	-	-	-
Capital assets not being depreciated	2,848,344	-	-
Capital assets being depreciated (net)	17,293,639	141,467	-
Total long-term assets	<u>20,141,983</u>	<u>141,467</u>	<u>-</u>
Total assets	<u>29,780,030</u>	<u>338,086</u>	<u>38,750</u>
Deferred outflows of resources:			
Pension and OPEB related	-	-	-
LIABILITIES			
Current liabilities:			
Bank overdraft	-	129,226	-
Accounts payable - trade	661,249	39,989	-
Compensated absences, due within one year	56,233	14,452	-
Unearned revenue	2,470,723	-	-
OPEB liability, due within one year	-	-	-
Lease payable, current maturities	13,218	-	-
Bonds payable, current maturities	428,399	-	-
Total current liabilities	<u>3,629,822</u>	<u>183,667</u>	<u>-</u>
Long-term liabilities:			
Compensated absences, long-term	59,376	15,260	-
Lease payable, less current maturities	10,334	-	-
Bonds payable, less current maturities	12,380,780	-	-
OPEB liability, long-term	-	-	-
Total long-term liabilities	<u>12,450,490</u>	<u>15,260</u>	<u>-</u>
Total liabilities	<u>16,080,312</u>	<u>198,927</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	8,103,476	141,467	-
Restricted:			
Debt service	263,564	-	-
Grants	2,464,000	-	-
Net pension asset	-	-	-
Unrestricted	2,868,678	(2,308)	38,750
Total net position	<u>\$ 13,699,718</u>	<u>\$ 139,159</u>	<u>\$ 38,750</u>

Internal Service Funds			
General Division Fund	Communications Division Fund	Eliminations	Totals
\$ 5,683,511	\$ 1,674,871	\$ (129,226)	\$ 11,626,015
473,426	-	-	2,017,181
-	87,415	-	87,415
-	-	-	30,790
-	-	-	341,474
-	-	-	3,560,538
<u>6,156,937</u>	<u>1,762,286</u>	<u>(129,226)</u>	<u>17,663,413</u>
3,924,339	-	-	3,924,339
-	75,770	-	75,770
183,332	-	-	3,031,676
403,975	7,208	-	17,846,289
<u>4,511,646</u>	<u>82,978</u>	<u>-</u>	<u>24,878,074</u>
<u>10,668,583</u>	<u>1,845,264</u>	<u>(129,226)</u>	<u>42,541,487</u>
<u>135,290</u>	<u>-</u>	<u>-</u>	<u>135,290</u>
-	-	(129,226)	-
471,134	3,365	-	1,175,737
41,168	-	-	111,853
-	29,845	-	2,500,568
1,590	-	-	1,590
-	-	-	13,218
-	-	-	428,399
<u>513,892</u>	<u>33,210</u>	<u>(129,226)</u>	<u>4,231,365</u>
43,469	-	-	118,105
-	-	-	10,334
-	-	-	12,380,780
59,403	-	-	59,403
<u>102,872</u>	<u>-</u>	<u>-</u>	<u>12,568,622</u>
<u>616,764</u>	<u>33,210</u>	<u>(129,226)</u>	<u>16,799,987</u>
806,493	-	-	806,493
-	189,463	-	189,463
<u>806,493</u>	<u>189,463</u>	<u>-</u>	<u>995,956</u>
587,307	7,208	-	8,839,458
-	-	-	263,564
-	-	-	2,464,000
3,924,339	-	-	3,924,339
<u>4,868,970</u>	<u>1,615,383</u>	<u>-</u>	<u>9,389,473</u>
<u>\$ 9,380,616</u>	<u>\$ 1,622,591</u>	<u>\$ -</u>	<u>\$ 24,880,834</u>

RED RIVER AUTHORITY OF TEXAS
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
for the year ended September 30, 2025

	Enterprise Funds		
	Utility Division Fund	Environmental Services Division Fund	Industrial Development Authority Fund
Operating revenues:			
Water and sewer sales	\$ 7,595,226	\$ -	\$ -
Charges for materials and services	-	640,062	-
Other	312,323	288,354	-
Total operating revenues	<u>7,907,549</u>	<u>928,416</u>	<u>-</u>
Operating expenses:			
Water purchases	1,251,009	-	-
Personnel services	1,914,695	494,353	-
Administrative costs	143,709	25,070	-
Utilities, supplies, and maintenance	1,343,649	497,128	-
Insurance	108,958	16,208	-
Automobile and travel	397,706	26,150	-
Professional and directors fees	-	-	-
Research expense	-	-	-
Total operating expenses	<u>5,159,726</u>	<u>1,058,909</u>	<u>-</u>
Operating income (loss) before depreciation and amortization	2,747,823	(130,493)	-
Depreciation and amortization	(1,203,438)	(23,611)	-
Operating income (loss)	<u>1,544,385</u>	<u>(154,104)</u>	<u>-</u>
Nonoperating revenues (expenses):			
Interest income	274,327	-	-
Gain (loss) on disposal of assets	3,780	-	-
Interest expense	(460,041)	-	-
Total nonoperating revenues (expenses)	<u>(181,934)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>1,362,451</u>	<u>(154,104)</u>	<u>-</u>
Net position - beginning, as originally stated	12,412,502	299,836	38,750
Change in accounting principle	(75,235)	(6,573)	-
Net position - beginning, as restated	<u>12,337,267</u>	<u>293,263</u>	<u>38,750</u>
Net position - ending	<u>\$ 13,699,718</u>	<u>\$ 139,159</u>	<u>\$ 38,750</u>

Internal Service Funds			
General Division Fund	Communications Division Fund	Eliminations	Totals
\$ -	\$ -	\$ -	\$ 7,595,226
311,198	83,439	(202,341)	832,358
-	-	-	600,677
<u>311,198</u>	<u>83,439</u>	<u>(202,341)</u>	<u>9,028,261</u>
-	-	-	1,251,009
118,772	-	-	2,527,820
58,876	-	-	227,655
241,726	11,190	(202,341)	1,891,352
25,795	147	-	151,108
18,027	-	-	441,883
74,016	-	-	74,016
466,609	-	-	466,609
<u>1,003,821</u>	<u>11,337</u>	<u>(202,341)</u>	<u>7,031,452</u>
(692,623)	72,102	-	1,996,809
<u>(38,681)</u>	<u>(1,832)</u>	<u>-</u>	<u>(1,267,562)</u>
<u>(731,304)</u>	<u>70,270</u>	<u>-</u>	<u>729,247</u>
257,133	75,603	-	607,063
-	-	-	3,780
-	-	-	(460,041)
<u>257,133</u>	<u>75,603</u>	<u>-</u>	<u>150,802</u>
(474,171)	145,873	-	880,049
9,876,405	1,476,718	-	24,104,211
<u>(21,618)</u>	<u>-</u>	<u>-</u>	<u>(103,426)</u>
<u>9,854,787</u>	<u>1,476,718</u>	<u>-</u>	<u>24,000,785</u>
<u>\$ 9,380,616</u>	<u>\$ 1,622,591</u>	<u>\$ -</u>	<u>\$ 24,880,834</u>

RED RIVER AUTHORITY OF TEXAS
COMBINING SCHEDULE OF CASH FLOWS
for the year ended September 30, 2025

	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	\$ 10,417,718	\$ 964,707	\$ -
Cash payments to suppliers for goods and services	(3,170,925)	(543,228)	-
Cash payments to employees for services	(1,922,327)	(475,408)	-
Net cash provided by (used in) operating activities	<u>5,324,466</u>	<u>(53,929)</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Principal paid on right-to-use lease payable	(12,606)	-	-
Interest paid on right-to-use lease payable	(1,446)	-	-
Principal paid on revenue bonds and notes	(414,130)	-	-
Interest paid on revenue bonds and notes	(458,595)	-	-
Acquisition of capital assets	(1,661,439)	(41,905)	-
Proceeds from sale of equipment	3,780	-	-
Net cash provided by (used in) capital and related financing activities	<u>(2,544,436)</u>	<u>(41,905)</u>	<u>-</u>
Cash flows from investing activities:			
Interest received on right-to-use leases receivable	-	-	-
Interest received on investments	274,327	-	-
Net cash provided by (used in) investing activities	<u>274,327</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	3,054,357	(95,834)	-
Cash and cash equivalents (deficit), beginning	<u>4,864,290</u>	<u>(33,392)</u>	<u>38,750</u>
Cash and cash equivalents (deficit), ending	<u>\$ 7,918,647</u>	<u>\$ (129,226)</u>	<u>\$ 38,750</u>

<u>Internal Service Funds</u>			
<u>General Division Fund</u>	<u>Communications Division Fund</u>	<u>Eliminations</u>	<u>Totals</u>
\$ 88,243	\$ 84,500	\$ (119,366)	\$ 11,435,802
(469,031)	(8,458)	262,879	(3,928,763)
(804,071)	-	(143,513)	(3,345,319)
<u>(1,184,859)</u>	<u>76,042</u>	<u>-</u>	<u>4,161,720</u>
-	-	-	(12,606)
-	-	-	(1,446)
-	-	-	(414,130)
-	-	-	(458,595)
(16,567)	-	-	(1,719,911)
-	-	-	3,780
<u>(16,567)</u>	<u>-</u>	<u>-</u>	<u>(2,602,908)</u>
-	11,715	-	11,715
257,133	63,888	-	595,348
<u>257,133</u>	<u>75,603</u>	<u>-</u>	<u>607,063</u>
(944,293)	151,645	-	2,165,875
<u>6,627,804</u>	<u>1,523,226</u>	<u>-</u>	<u>13,020,678</u>
<u>\$ 5,683,511</u>	<u>\$ 1,674,871</u>	<u>\$ -</u>	<u>\$ 15,186,553</u>

RED RIVER AUTHORITY OF TEXAS
COMBINING SCHEDULE OF CASH FLOWS, Continued
for the year ended September 30, 2025

	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)	\$ 1,544,385	\$ (154,104)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	1,203,438	23,611	-
Change in assets and liabilities:			
(Increase) decrease in trade receivables	46,169	36,291	-
(Increase) decrease in right-to-use leases receivable	-	-	-
(Increase) decrease in prepaid expenses	1,409	-	-
(Increase) decrease in inventory	(153,697)	-	-
(Increase) decrease in net pension assets	-	-	-
(Increase) decrease in deferred outflows	-	-	-
Increase (decrease) in trade accounts payable	226,394	21,328	-
Increase (decrease) in compensated absences	(7,632)	18,945	-
Increase (decrease) in unearned revenues	2,464,000	-	-
Increase (decrease) in total OPEB liability	-	-	-
Increase (decrease) in deferred inflows	-	-	-
Total adjustments	<u>3,780,081</u>	<u>100,175</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ 5,324,466</u>	<u>\$ (53,929)</u>	<u>\$ -</u>
Noncash capital and financing activities:			
Capital assets received by donation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Internal Service Funds</u>			
<u>General Division Fund</u>	<u>Communications Division Fund</u>	<u>Eliminations</u>	<u>Totals</u>
\$ (731,304)	\$ 70,270	\$ -	\$ 729,247
38,681	1,832	-	1,267,562
(222,955)	-	-	(140,495)
-	83,451	-	83,451
-	-	-	1,409
-	-	-	(153,697)
(587,425)	-	-	(587,425)
114,520	-	-	114,520
416,018	2,879	-	666,619
49,225	-	-	60,538
-	585	-	2,464,585
(3,983)	-	-	(3,983)
(257,636)	(82,975)	-	(340,611)
(453,555)	5,772	-	3,432,473
<u>\$ (1,184,859)</u>	<u>\$ 76,042</u>	<u>\$ -</u>	<u>\$ 4,161,720</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

RED RIVER AUTHORITY OF TEXAS
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
ENTERPRISE FUNDS
BUDGET AND ACTUAL
for the year ended September 30, 2025

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	\$ 8,402,357	\$ 7,595,226	\$ (807,131)	\$ -	\$ -	\$ -
Charges for materials and services	11,500	-	(11,500)	805,000	640,062	(164,938)
Other	441,394	312,323	(129,071)	350,448	288,354	(62,094)
Total operating revenues	<u>8,855,251</u>	<u>7,907,549</u>	<u>(947,702)</u>	<u>1,155,448</u>	<u>928,416</u>	<u>(227,032)</u>
Operating expenses:						
Water purchases	1,523,454	1,251,009	272,445	-	-	-
Personnel services	2,536,206	1,914,695	621,511	506,758	494,353	12,405
Administrative costs	202,187	143,709	58,478	22,689	25,070	(2,381)
Utilities, supplies, and maintenance	1,292,543	1,343,649	(51,106)	559,992	497,128	62,864
Insurance	100,216	108,958	(8,742)	20,147	16,208	3,939
Automobile and travel	466,014	397,706	68,308	20,845	26,150	(5,305)
Professional and directors fees	-	-	-	407	-	407
Bad debt	54,965	-	54,965	-	-	-
Total operating expenses	<u>6,175,585</u>	<u>5,159,726</u>	<u>1,015,859</u>	<u>1,130,838</u>	<u>1,058,909</u>	<u>71,929</u>
Operating income (loss) before depreciation and amortization	2,679,666	2,747,823	68,157	24,610	(130,493)	(155,103)
Depreciation and amortization	(1,200,000)	(1,203,438)	(3,438)	(24,000)	(23,611)	389
Operating income (loss)	<u>1,479,666</u>	<u>1,544,385</u>	<u>64,719</u>	<u>610</u>	<u>(154,104)</u>	<u>(154,714)</u>
Nonoperating revenues (expenses):						
Interest income	169,012	274,327	105,315	3,038	-	(3,038)
Gain (loss) on disposal of capital asset	-	3,780	3,780	-	-	-
Interest expense	(473,045)	(460,041)	13,004	-	-	-
Total nonoperating revenues (expenses)	<u>(304,033)</u>	<u>(181,934)</u>	<u>122,099</u>	<u>3,038</u>	<u>-</u>	<u>(3,038)</u>
Change in net position	<u>\$ 1,175,633</u>	<u>1,362,451</u>	<u>\$ 186,818</u>	<u>\$ 3,648</u>	<u>(154,104)</u>	<u>\$ (157,752)</u>
Net position, beginning, as originally stated		12,412,502			299,836	
Change in accounting principle		(75,235)			(6,573)	
Net position - beginning, as restated		<u>12,337,267</u>			<u>293,263</u>	
Net position, ending		<u>\$ 13,699,718</u>			<u>\$ 139,159</u>	

RED RIVER AUTHORITY OF TEXAS
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
INTERNAL SERVICE FUNDS
BUDGET AND ACTUAL
for the year ended September 30, 2025

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	\$ -	\$ 311,198	\$ 311,198	\$ 119,243	\$ 83,439	\$ (35,804)
Other	208,098	-	(208,098)	-	-	-
Total operating revenues	<u>208,098</u>	<u>311,198</u>	<u>103,100</u>	<u>119,243</u>	<u>83,439</u>	<u>(35,804)</u>
Operating expenses:						
Personnel services	974,321	118,772	855,549	-	-	-
Administrative costs	48,929	58,876	(9,947)	-	-	-
Utilities, supplies, and maintenance	173,006	241,726	(68,720)	13,452	11,190	2,262
Insurance	27,539	25,795	1,744	237	147	90
Automobile and travel	16,344	18,027	(1,683)	-	-	-
Professional and directors fees	289,708	74,016	215,692	-	-	-
Research expense	-	466,609	(466,609)	-	-	-
Total operating expenses	<u>1,529,847</u>	<u>1,003,821</u>	<u>526,026</u>	<u>13,689</u>	<u>11,337</u>	<u>2,352</u>
Operating income (loss) before depreciation	(1,321,749)	(692,623)	629,126	105,554	72,102	(33,452)
Depreciation	(38,000)	(38,681)	(681)	(1,900)	(1,832)	68
Operating income (loss)	<u>(1,359,749)</u>	<u>(731,304)</u>	<u>628,445</u>	<u>103,654</u>	<u>70,270</u>	<u>(33,384)</u>
Nonoperating revenues (expenses):						
Interest income	193,962	257,133	63,171	33,987	75,603	41,616
Total nonoperating revenues (expenses)	<u>193,962</u>	<u>257,133</u>	<u>63,171</u>	<u>33,987</u>	<u>75,603</u>	<u>41,616</u>
Change in net position	<u>\$ (1,165,787)</u>	<u>(474,171)</u>	<u>\$ 691,616</u>	<u>\$ 137,641</u>	<u>145,873</u>	<u>\$ 8,232</u>
Net position, beginning		9,876,405			1,476,718	
Change in accounting principle		(21,618)			-	
Net position - beginning, as restated		<u>9,854,787</u>			<u>1,476,718</u>	
Net position, ending		<u>\$ 9,380,616</u>			<u>\$ 1,622,591</u>	

RED RIVER AUTHORITY OF TEXAS
Service and Rates
Fiscal Year Ending September 30, 2025
(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 sixty (4,060) metered connections as of September 30, 2025. During the fiscal year, 568.92 million gallons of treated water was produced, with 321.47 million gallons being sold. The total anticipated debt service for the Utility Division in fiscal year 2026 is eight hundred eighty-two thousand four hundred five dollars (\$882,405).

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, 2025

Personnel (including benefits and GASB 68/75 adjustments)	\$ 2,527,820
Professional fees:	
Accounting and audit	46,000
Legal	17,327
Purchased services for resale:	
Bulk water and wastewater service purchases	1,251,009
Utilities	220,572
Repairs and maintenance	1,001,726
Office supplies	297,212
Administrative expenditures:	
Directors fees	9,214
Other administrative expenses	227,655
Insurance	151,108
Regulatory fees	56,400
Other expenditures	3,155,353
	<u>3,155,353</u>
TOTAL EXPENSES	\$ 8,961,396
	<u><u>8,961,396</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, 2025

Exhibit C-8

<u>Investment</u>	<u>Account Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>
Insured Cash Sweep	98841117	4.76%	N/A	\$ 5,894,171
Insured Cash Sweep	98841091	4.76%	N/A	2,015,641
Money Market	98841091	0.10%	N/A	317,131
Insured Cash Sweep	98841158	4.76%	N/A	30,941
TexSTAR	2430175380	4.15%	N/A	1,054,304
TexPool	2431400001	4.18%	N/A	836,261
TexPool	2431400002	4.18%	N/A	1,330,996
TexPool	2431400004	4.18%	N/A	763,282
TexPool	2431400005	4.18%	N/A	<u>263,564</u>
Total Temporary Investments				<u><u>\$ 12,506,291</u></u>

RED RIVER AUTHORITY OF TEXAS
TAXES LEVIED AND RECEIVABLE
for the year ended September 30, 2025

Exhibit C-9

The Red River Authority of Texas does not levy taxes.

RED RIVER AUTHORITY OF TEXAS
BONDED DEBT AND INTEREST MATURITIES

Exhibit C-10

September 30, 2025

Fiscal Year	Annual Requirements for all Series		
	Bond Maturities	Interest on Bonds	Annual Requirements
25-26	\$ 428,399	\$ 454,006	\$ 882,405
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	490,735	384,679	875,414
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	307,831	827,831
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
	\$ 12,667,134	\$ 5,816,723	\$ 18,483,857

**RED RIVER AUTHORITY OF TEXAS
DEBT SERVICE COVERAGE
WATER REVENUE BONDS**

Exhibit C-11

September 30, 2025

Water Revenue Bonds

Net income (loss) utility division (Exhibit C – 2)		\$ 1,362,451
Add:		
Revenue bond interest expense	\$ 458,596	
Depreciation and amortization, net	<u>1,203,438</u>	
		<u>1,662,034</u>
Net earnings for determining debt service coverage		<u><u>\$ 3,024,485</u></u>
Total principal and interest requirements		\$ 18,483,857
Number of years remaining to pay bonds		<u>÷22</u>
Average annual principal and interest requirement		<u><u>\$ 840,175</u></u>
Average annual debt service coverage		<u><u>3.60</u></u>
Maximum principal and interest requirement		<u><u>\$ 883,697</u></u>
Maximum debt service coverage		<u><u>3.42</u></u>
Interest and Sinking Fund as of September 30, 2025		\$ 263,564
Bond Reserve Fund as of September 30, 2025		\$ -

**RED RIVER AUTHORITY OF TEXAS
 CONTRACT REVENUE BONDS - SERIES 2010
 DATED AUGUST 5, 2010**

Exhibit C-12

TOTAL BOND ISSUE: \$849,200

<u>Year</u>	<u>Bond Principal Due August 15</u>	<u>Interest Due 1.93%</u>		<u>Total Annual Requirement</u>	<u>Bonds Outstanding September 30</u>
		<u>February 15</u>	<u>August 15</u>		
24-25					\$ 247,134
25-26	\$ 48,399	\$ 3,078	\$ 3,078	\$ 54,555	198,735
26-27	49,800	2,523	2,524	54,847	148,935
27-28	51,000	1,935	1,935	54,870	97,935
28-29	52,200	1,314	1,314	54,828	45,735
29-30	45,735	665	664	47,064	-
	<u>\$ 247,134</u>	<u>\$ 9,515</u>	<u>\$ 9,515</u>	<u>\$ 266,164</u>	

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

CONTRACT REVENUE BONDS - SERIES 2017
DATED JUNE 1, 2017

TOTAL BOND ISSUE: \$15,130,000

Year	Bond Principal Due April 30	Interest Due 3.57%		Total Annual Requirement	Bonds
		October 1	April 30		Outstanding September 30
24-25					\$ 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>\$ 12,420,000</u>	<u>\$ 2,898,626</u>	<u>\$ 2,898,617</u>	<u>\$ 18,217,243</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, 2025

Exhibit C-14

	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	\$ 294,934	\$ 12,780,000	\$ 13,074,934
Principal Retirements	47,800	360,000	407,800
Bonds Outstanding, End of Year	247,134	12,420,000	12,667,134
Interest payments	7,195	456,850	464,045
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:			
	Tax Bonds	Other Bonds	Refunding Bonds
Amount Issued	\$ -	\$ 15,792,000	\$ -
Remaining to be Issued	\$ -	\$ -	\$ -

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

	AMOUNTS				
	2025	2024	2023	2022	2021
Operating revenues:					
Water service	\$ 7,488,581	\$ 7,620,625	\$ 6,913,538	\$ 5,655,333	\$ 5,418,108
Sewer service	106,645	107,764	97,686	87,324	85,538
Tap connection fees	48,197	56,336	58,520	75,964	97,488
Other	1,587,179	2,180,855	1,564,572	2,572,590	2,794,202
Total operating revenues	9,230,602	9,965,580	8,634,316	8,391,211	8,395,336
Operating expenses:					
Water purchases	1,251,009	1,355,804	1,290,029	1,312,922	1,168,773
Personnel services less NPO	2,527,820	2,351,914	2,563,719	2,091,898	2,188,250
Administrative costs	227,655	293,671	274,332	1,562,554	1,389,245
Utilities, supplies, and maintenance	2,093,693	2,027,456	1,599,773	1,460,435	1,215,200
Insurance	151,108	144,011	119,972	116,556	81,310
Automobile and travel	441,883	448,184	441,986	375,679	222,147
Professional and directors fees	74,016	75,331	68,154	77,857	78,227
Research expense	466,609	49,325	91,528	10,890	225,696
Depreciation and amortization	1,267,562	1,041,201	996,106	870,245	785,201
Total operating expenses	8,501,355	7,786,897	7,445,599	7,879,036	7,354,049
Operating income	729,247	2,178,683	1,188,717	512,175	1,041,287
Nonoperating revenues (expenses)					
Interest	607,063	694,733	586,737	167,451	99,834
Gain (loss) on disposal of assets	3,780	(65,914)	(99,110)	4,800	-
Donation of capital assets	-	498,027	-	-	-
Interest expense and fiscal fees	(460,041)	(477,603)	(492,763)	(503,304)	(489,948)
Total nonoperating revenues (expenses)	150,802	649,243	(5,136)	(331,053)	(390,114)
Change in net position	\$ 880,049	\$ 2,827,926	\$ 1,183,581	\$ 181,122	\$ 651,173

PERCENT OF FUND TOTAL REVENUES				
2025	2024	2023	2022	2021
81.1%	76.5%	80.1%	67.4%	64.5%
1.2%	1.1%	1.1%	1.0%	1.0%
0.5%	0.6%	0.7%	0.9%	1.2%
17.2%	21.9%	18.1%	30.7%	33.3%
100.0%	100.0%	100.0%	100.0%	100.0%
13.6%	13.6%	14.9%	15.6%	13.9%
27.4%	23.6%	29.7%	24.9%	26.1%
2.5%	2.9%	3.2%	18.6%	16.5%
22.7%	20.3%	18.5%	17.4%	14.5%
1.6%	1.4%	1.4%	1.4%	1.0%
4.8%	4.5%	5.1%	4.5%	2.6%
0.8%	0.8%	0.8%	0.9%	0.9%
5.1%	0.5%	1.1%	0.1%	2.7%
13.7%	10.4%	11.5%	10.4%	9.4%
92.1%	78.1%	86.2%	93.9%	87.6%
7.9%	21.9%	13.8%	6.1%	12.4%
6.6%	7.0%	6.8%	2.0%	1.2%
0.0%	-0.7%	-1.1%	0.1%	0.0%
0.0%	5.0%	0.0%	0.0%	0.0%
-5.0%	-4.8%	-5.7%	-6.0%	-5.8%
1.6%	6.5%	-0.1%	-3.9%	-4.6%
9.5%	28.4%	13.7%	2.2%	7.8%

RED RIVER AUTHORITY OF TEXAS
ENTERPRISE FUNDS
CAPITAL ASSETS
for the year ended September 30, 2025

Exhibit C-16

	Balance October 1, 2024	Additions / Completions	Deletions / Adjustments	Balance September 30, 2025
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
UTILITY DIVISION FUND				
Capital assets not being depreciated:				
Land and easements	\$ 937,276	\$ 22,055	\$ -	\$ 959,331
Construction in progress	947,054	1,228,751	(286,792)	1,889,013
Total capital assets not being depreciated	<u>1,884,330</u>	<u>1,250,806</u>	<u>(286,792)</u>	<u>2,848,344</u>
Capital assets, being depreciated and amortized:				
Building	55,014	-	-	55,014
Machinery and equipment	315,370	109,343	-	424,713
Motor vehicles	1,070,266	240,390	(22,388)	1,288,268
Right-to-use leased assets	62,429	-	-	62,429
Water storage rights	1,222,700	-	-	1,222,700
Water and sewer systems	32,024,778	347,692	(114,973)	32,257,497
Total capital assets being depreciated and amortized	<u>34,750,557</u>	<u>697,425</u>	<u>(137,361)</u>	<u>35,310,621</u>
Less accumulated depreciation and amortization for:				
Building	(24,091)	(3,501)	-	(27,592)
Machinery and equipment	(134,559)	(31,750)	-	(166,309)
Motor vehicles	(698,339)	(146,830)	22,388	(822,781)
Right-to-use leased assets	(28,093)	(12,486)	-	(40,579)
Water storage rights	(308,514)	(7,288)	-	(315,802)
Water and sewer systems	(15,757,309)	(1,001,583)	114,973	(16,643,919)
Total accumulated depreciation and amortization	<u>(16,950,905)</u>	<u>(1,203,438)</u>	<u>137,361</u>	<u>(18,016,982)</u>
Total capital assets being depreciated and amortized, net	<u>17,799,652</u>	<u>(506,013)</u>	<u>-</u>	<u>17,293,639</u>
Total capital assets, net	<u>\$ 19,683,982</u>	<u>\$ 744,793</u>	<u>\$ (286,792)</u>	<u>\$ 20,141,983</u>
ENVIRONMENTAL SERVICES DIVISION FUND				
Capital assets being depreciated:				
Machinery and equipment	\$ 530,751	\$ 41,905	\$ (29,430)	\$ 543,226
Motor vehicles	34,340	-	-	34,340
Total capital assets being depreciated	<u>565,091</u>	<u>41,905</u>	<u>(29,430)</u>	<u>577,566</u>
Less accumulated depreciation for:				
Machinery and equipment	(407,578)	(23,611)	29,430	(401,759)
Motor vehicles	(34,340)	-	-	(34,340)
Total accumulated depreciation	<u>(441,918)</u>	<u>(23,611)</u>	<u>29,430</u>	<u>(436,099)</u>
Total capital assets being depreciated, net	<u>123,173</u>	<u>18,294</u>	<u>-</u>	<u>141,467</u>
Total capital assets, net	<u>\$ 123,173</u>	<u>\$ 18,294</u>	<u>\$ -</u>	<u>\$ 141,467</u>

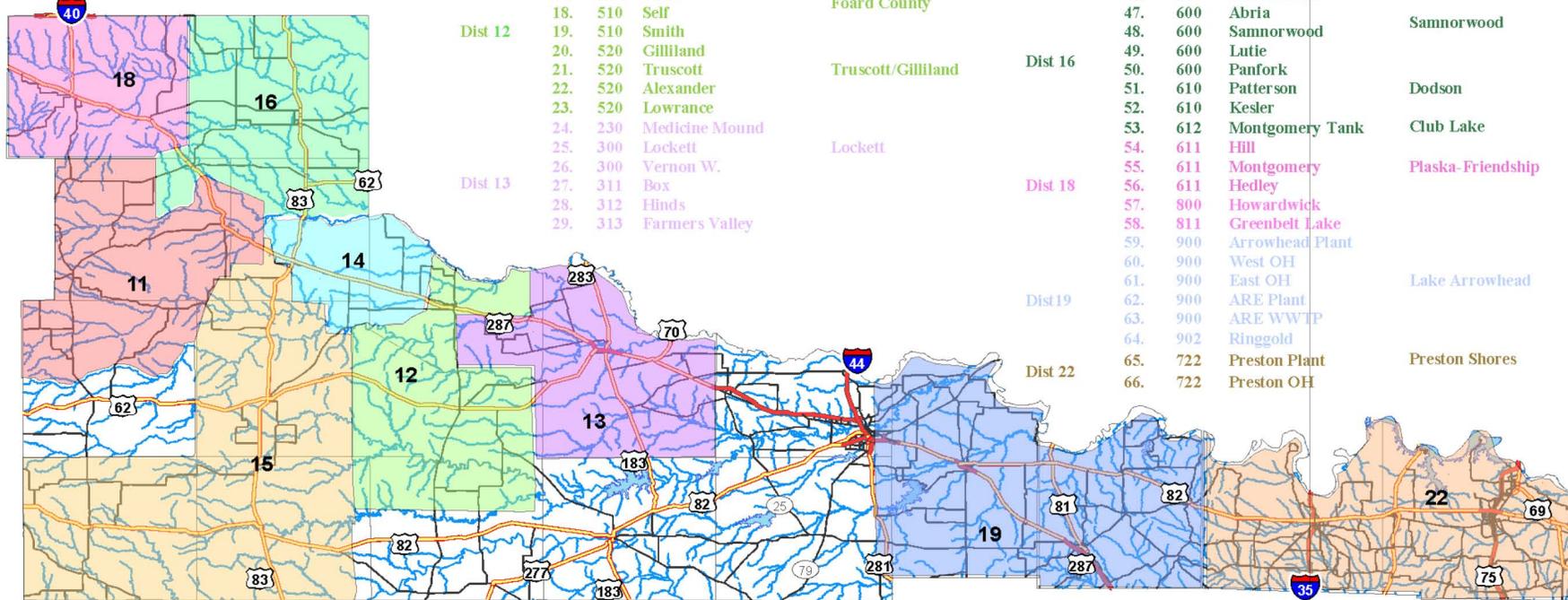
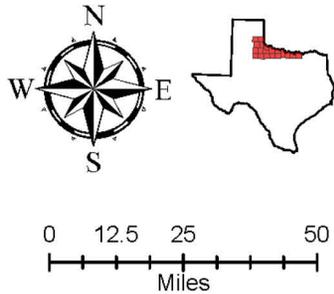
RED RIVER AUTHORITY OF TEXAS
INTERNAL SERVICE FUNDS
CAPITAL ASSETS
for the year ended September 30, 2025

Exhibit C-17

	<u>Balance</u> <u>October 1,</u> <u>2024</u>	<u>Additions /</u> <u>Completions</u>	<u>Deletions /</u> <u>Adjustments</u>	<u>Balance</u> <u>September 30,</u> <u>2025</u>
GENERAL DIVISION FUND				
Capital assets not being depreciated:				
Land and easements	\$ 183,332	\$ -	\$ -	\$ 183,332
Total capital assets not being depreciated	<u>183,332</u>	<u>-</u>	<u>-</u>	<u>183,332</u>
Capital assets, being depreciated:				
Furniture and fixtures	112,423	5,067	-	117,490
Building	1,028,257	11,500	-	1,039,757
Motor vehicles	<u>58,930</u>	<u>-</u>	<u>-</u>	<u>58,930</u>
Total capital assets being depreciated	<u>1,199,610</u>	<u>16,567</u>	<u>-</u>	<u>1,216,177</u>
Less accumulated depreciation for:				
Furniture and fixtures	(109,383)	(1,452)	-	(110,835)
Building	(605,208)	(37,229)	-	(642,437)
Motor vehicles	<u>(58,930)</u>	<u>-</u>	<u>-</u>	<u>(58,930)</u>
Total accumulated depreciation	<u>(773,521)</u>	<u>(38,681)</u>	<u>-</u>	<u>(812,202)</u>
Total capital assets being depreciated, net	<u>426,089</u>	<u>(22,114)</u>	<u>-</u>	<u>403,975</u>
Total capital assets, net	<u>\$ 609,421</u>	<u>\$ (22,114)</u>	<u>\$ -</u>	<u>\$ 587,307</u>
 COMMUNICATIONS DIVISION FUND				
Capital assets, being depreciated:				
Machinery and equipment	\$ 248,382	\$ -	\$ -	\$ 248,382
Total capital assets, being depreciated	<u>248,382</u>	<u>-</u>	<u>-</u>	<u>248,382</u>
Less accumulated depreciation for:				
Machinery and equipment	<u>(239,342)</u>	<u>(1,832)</u>	<u>-</u>	<u>(241,174)</u>
Total accumulated depreciation	<u>(239,342)</u>	<u>(1,832)</u>	<u>-</u>	<u>(241,174)</u>
Total capital assets being depreciated, net	<u>9,040</u>	<u>(1,832)</u>	<u>-</u>	<u>7,208</u>
Total capital assets, net	<u>\$ 9,040</u>	<u>\$ (1,832)</u>	<u>\$ -</u>	<u>\$ 7,208</u>



Red River Authority of Texas Regional Water Supply Facilities



	1.	100	Estelline	Estelline		30.	211	N. Goodlett	
	2.	100	Estelline WWTP			31.	221	O. Goodlett	
	3.	110	Parnell		Dist 14	32.	235	Kirkland	Kirkland / Lazare
	4.	110	Ed House	Turkey/Estelline		33.	235	Lazare	
	5.	110	Reece			34.	411	Childress NE	
Dist 11	6.	110	Rodriguez			35.	412	Saled	
	7.	111	Newlin			36.	413	Garden Valley	
	8.	112	Harrels Chapel			37.	500	Guthrie	
	9.	113	LA Tucker			38.	500	Pitchfork	
	10.	113	Smith	Northfield		39.	500	McAdoo WF	Guthrie/Dumont
	11.	113	Nimmo		Dist 15	40.	500	Dumont WF	
	12.	113	Taylor			41.	500	Dumont	
	13.	213	Quanah SW			42.	410	Airport	
	14.	231	Quanah NE			43.	410	Tell	Tell / Cee Vee
	15.	510	Foard City			44.	410	Cee Vee	
	16.	510	Johnson			45.	600	Clark	
	17.	510	Potts	Foard County		46.	600	Lone Mound	
	18.	510	Self			47.	600	Abria	Sammorwood
Dist 12	19.	510	Smith			48.	600	Sammorwood	
	20.	520	Gilliland		Dist 16	49.	600	Lutie	
	21.	520	Truscott	Truscott/Gilliland		50.	600	Panfork	
	22.	520	Alexander			51.	610	Patterson	Dodson
	23.	520	Lowrance			52.	610	Kesler	
	24.	230	Medicine Mound			53.	612	Montgomery Tank	Club Lake
	25.	300	Lockett	Lockett		54.	611	Hill	
	26.	300	Vernon W.		Dist 18	55.	611	Montgomery	Plaska-Friendship
Dist 13	27.	311	Box			56.	611	Hedley	
	28.	312	Hinds			57.	800	Howardwick	
	29.	313	Farmers Valley			58.	811	Greenbelt Lake	
					Dist 19	59.	900	Arrowhead Plant	
						60.	900	West OH	
						61.	900	East OH	Lake Arrowhead
					Dist 22	62.	900	ARE Plant	
						63.	900	ARE WWTP	
						64.	902	Ringgold	
						65.	722	Preston Plant	Preston Shores
						66.	722	Preston OH	

RED RIVER AUTHORITY OF TEXAS

SCHEDULE OF CLEAN RIVERS PROGRAM EXPENSES for the year ended September 30, 2025

State Agency

Texas Commission on Environmental Quality

Contract Number	582-24-50123		Total	582-26-00037
	Year 1	Year 2		Year 1
Contract Amount			\$ 740,896	\$ 740,896
Total Receipts and Billings	\$ 435,655	\$ 305,241	\$ 740,896	\$ -
Disbursements/Expenditures				
Personnel/Salaries	79,411	65,842	145,253	7,488
Fringe Benefits	21,488	16,261	37,749	1,207
Travel	20,878	19,346	40,224	1,709
Supplies	3,162	3,210	6,372	2,963
Equipment	-	-	-	-
Contractual	43,000	8,750	51,750	-
Other	256,215	184,401	440,616	11,209
Indirect Costs	11,501	7,431	18,932	856
	\$ 435,655	\$ 305,241	\$ 740,896	\$ 25,432
Accrued Revenue at 09-30		\$ 101,781		\$ 25,342

RED RIVER AUTHORITY OF TEXAS
INDIRECT RATE FACTOR
for the years ended September 30, 2025 and 2024

Exhibit C-20

	<u>FY 2025</u>	<u>FY 2024</u>
Direct Salary Cost		
Regular Salaries	\$ 1,895,836	\$ 1,815,855
Overtime Salaries	279,363	237,905
Total Salaries	<u>2,175,199</u>	<u>2,053,760</u>
 Fringe Benefit Pool		
FICA / Medicare	174,634	165,744
Retirement System Contribution	(563,507)	(556,166)
Health / Life Insurance Plan	487,434	491,437
Workers Compensation Insurance	33,513	32,915
Vacation / Holiday Leave	250,851	191,642
Unemployment Insurance	3,209	5,497
Total Fringe Benefits	<u>386,134</u>	<u>331,069</u>
 Total Personnel Cost	<u>\$ 2,561,333</u>	<u>\$ 2,384,829</u>
 Reconciliation of Total Personnel Cost		
Total Personnel Cost per Exhibit A-2	\$ 2,527,820	\$ 2,351,914
Add: Workers Compensation Paid	33,513	32,915
Total Reconciled Personnel Cost	<u>\$ 2,561,333</u>	<u>\$ 2,384,829</u>
 Fringe Benefit Rate	<u>17.75%</u>	<u>16.12%</u>
 General Overhead		
General Division Operating Expense	\$ 261,033	\$ 219,607
General Insurance	16,848	15,164
Total General Overhead	<u>\$ 277,881</u>	<u>\$ 234,771</u>
 General Overhead Rate	<u>12.77%</u>	<u>11.43%</u>

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	87
<i>This schedule contains information to help the reader assess the Authority's most significant local revenue source, water sales.</i>	
Debt Capacity	92-93
<i>These schedules present information intended to help the reader understand the Authority's current levels of outstanding debt.</i>	
Operating Information	94
<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	96-97
<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			
	2015-16	2016-17	2017-18	2018-19
Net investment in capital assets	\$ 7,453,330	\$ 6,572,305	\$ 7,314,700	\$ 7,368,622
Restricted	88,380	274,937	159,829	169,276
Unrestricted	8,473,689	10,019,706	10,296,219	10,929,640
Total net position	<u>\$ 16,015,399</u>	<u>\$ 16,866,948</u>	<u>\$ 17,770,748</u>	<u>\$ 18,467,538</u>

Note: OPEB obligations are not reflected in this exhibit for years 2015-16 through 2016-17.

Fiscal Year					
2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
\$ 7,789,703	\$ 7,551,392	\$ 7,652,261	\$ 7,545,644	\$ 8,722,330	\$ 8,839,458
177,834	182,912	1,741,344	1,748,604	3,574,011	6,651,903
11,292,872	12,177,278	10,699,099	11,982,037	11,807,870	9,389,473
<u>\$ 19,260,409</u>	<u>\$ 19,911,582</u>	<u>\$ 20,092,704</u>	<u>\$ 21,276,285</u>	<u>\$ 24,104,211</u>	<u>\$ 24,880,834</u>

RED RIVER AUTHORITY OF TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year			
	2015-2016	2016-2017	2017-2018	2018-2019
Operating revenues:				
Water and sewer sales	\$ 4,104,905	\$ 5,188,070	\$ 5,426,272	\$ 5,227,066
Charges for materials and services	597,030	634,741	589,486	724,521
Other	379,887	351,803	413,221	457,340
Total operating revenues	<u>5,081,822</u>	<u>6,174,614</u>	<u>6,428,979</u>	<u>6,408,927</u>
Operating expenses:				
Water purchases	661,675	714,756	807,778	859,289
Personnel services	1,960,880	2,051,454	2,119,759	2,419,517
Administrative costs	155,203	157,838	160,376	179,918
Utilities, supplies and maintenance	933,240	957,427	1,027,401	922,859
Insurance	53,398	61,470	61,172	76,115
Automobile and travel	178,101	170,987	219,284	240,714
Professional and directors fees	84,145	376,864	155,743	169,575
Research expense	23,710	78,710	27,810	41,500
Depreciation and amortization	693,032	699,233	705,274	746,350
Total operating expenses	<u>4,743,384</u>	<u>5,268,739</u>	<u>5,284,597</u>	<u>5,655,837</u>
Operating income	<u>338,438</u>	<u>905,875</u>	<u>1,144,382</u>	<u>753,090</u>
Nonoperating revenues (expenses)				
Interest income	25,385	97,697	316,142	471,208
Gain (loss) on disposal of assets	5,217	100	35,007	5,000
Donation of capital assets	-	-	-	-
Interest expense	(12,373)	(152,123)	(539,686)	(532,508)
Total nonoperating revenues (expenses)	<u>18,229</u>	<u>(54,326)</u>	<u>(188,537)</u>	<u>(56,300)</u>
Change in net position	<u>\$ 356,667</u>	<u>\$ 851,549</u>	<u>\$ 955,845</u>	<u>\$ 696,790</u>

Fiscal Year					
2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
\$ 5,414,765	\$ 5,503,646	\$ 5,742,657	\$ 7,011,224	\$ 7,728,389	\$ 7,595,226
974,705	564,656	595,397	728,552	729,886	832,358
485,041	1,008,969	641,868	708,772	1,302,608	600,677
<u>6,874,511</u>	<u>7,077,271</u>	<u>6,979,922</u>	<u>8,448,548</u>	<u>9,760,883</u>	<u>9,028,261</u>
928,966	1,168,773	1,312,922	1,290,029	1,355,804	1,251,009
2,344,243	2,188,250	2,091,898	2,563,719	2,351,914	2,527,820
176,001	192,793	223,338	274,332	293,671	227,655
1,034,624	1,093,587	1,388,362	1,414,005	1,822,759	1,891,352
76,717	81,310	116,556	119,972	144,011	151,108
191,407	222,147	375,679	441,986	448,184	441,883
319,136	78,227	77,857	68,154	75,331	74,016
(75)	225,696	10,890	91,528	49,325	466,609
746,499	785,201	870,245	996,106	1,041,201	1,267,562
<u>5,817,518</u>	<u>6,035,984</u>	<u>6,467,747</u>	<u>7,259,831</u>	<u>7,582,200</u>	<u>8,299,014</u>
1,056,993	1,041,287	512,175	1,188,717	2,178,683	729,247
235,912	99,834	167,451	586,737	694,733	607,063
41,735	-	4,800	(99,110)	(65,914)	3,780
-	-	-	-	498,027	-
<u>(541,769)</u>	<u>(489,948)</u>	<u>(503,304)</u>	<u>(492,763)</u>	<u>(477,603)</u>	<u>(460,041)</u>
<u>(264,122)</u>	<u>(390,114)</u>	<u>(331,053)</u>	<u>(5,136)</u>	<u>649,243</u>	<u>150,802</u>
\$ <u>792,871</u>	\$ <u>651,173</u>	\$ <u>181,122</u>	\$ <u>1,183,581</u>	\$ <u>2,827,926</u>	\$ <u>880,049</u>

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

Exhibit D-3

Fiscal Year	Water and Sewer Systems	Environmental Services	Administrative and Mgmt Fees	Interest Income	Other	Total
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
2023-24	8,587,516	1,115,097	-	694,733	262,967	10,660,313
2024-25	7,907,549	928,416	-	607,063	394,637	9,837,665

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
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	6,865,622	139.58	80.14%	5.56%	14.30%
2023-24	4,084	7,590,279	154.88	91.93%	4.85%	3.22%
2024-25	4,060	7,441,946	152.75	78.87%	7.52%	13.61%

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							
	Domestic	Commercial	Treated Wholesale	Raw Wholesale	Total	Peak Month	Monthly Average	Daily Average
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
2023-24	275.53	18.23	32.34	7.52	333.62	43.39	27.80	0.91
2024-25	253.53	24.20	34.85	8.89	321.47	37.25	26.79	0.88

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	1,176	Childress / Hall / Motley	269	27.02	673	G/S
D-12	1,891	Foard / Hardeman / Knox	428	30.91	1,070	S
D-13	760	Hardeman / Wilbarger	508	53.64	1,270	G/S
D-14	673	Childress / Cottle / Foard / Hardeman	354	23.62	885	S
D-15	2,576	Childress / Cottle / Dickens / King	323	32.42	808	G/S
D-16	1,716	Childress / Collingsworth / Donley / Hall	240	25.82	600	G/S
D-18	663	Collingsworth / Donley / Hall	393	21.31	983	G/S
D-19	331	Clay / Montague	808	39.11	2,020	G/S
D-22	20	Grayson	753	67.65	1,883	S

RED RIVER AUTHORITY OF TEXAS
TOP TEN UTILITY CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO
SEPTEMBER 30, 2025
(Unaudited)

Exhibit D-7

Taxpayer	Location	2024-25			2015-16		
		Rank	Average Bill	Average Use (gals)	Rank	Average Bill	Average Use (gals)
Southwest Water Company	Grayson	1	\$ 16,747	214,691	1	\$ 6,152	169,289
Tanglewood Operators, Inc	Grayson	2	992	81,313	-	-	-
City of Chillicothe	Hardeman	3	3,441	58,732	8	2,466	11,466
Texas Dept. of Transportation	Donley	4	5,063	27,846	9	1,104	11,425
Cornerstone Marine Group, LP	Grayson	5	2,861	15,239	4	984	16,060
Vest Ranch	Donley	6	1,575	11,572	2	1,091	18,527
Pitchfork Cattle Operat., LLC	King	7	1,833	11,543	-	-	-
Michaela Clark	Hall	8	1,574	11,415	-	-	-
Patton Springs ISD	Knox	9	1,906	11,270	-	-	-
Bradley 3 Ranches, Ltd	Hall	10	1,571	11,175	-	-	-
Vest Ranch	Donley	-	-	-	3	1,081	16,084
Texas Dept. of Transportation	Hardeman	-	-	-	5	1,406	15,121
Vest Ranch	Hall	-	-	-	6	986	14,542
Bradley 3 Ranch, Ltd	Hall	-	-	-	7	784	11,781
Texas Dept. of Transportation	Donley	-	-	-	10	955	9,300

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>
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
2023-24	13,074,934	4,158,724	841,924	4.94	883,697	4.71
2024-25	12,667,134	3,024,485	840,175	3.60	883,697	3.42

* Does not include bond premiums

RED RIVER AUTHORITY OF TEXAS
SCHEDULE OF DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Exhibit D-9

<u>Fiscal Year</u>	<u>Water Revenue Bonds</u>	<u>Net Premium/ (Discount) on Revenue Bonds</u>	<u>Right-to-Use Lease Payable</u>	<u>Total</u>
2015-16	\$ 635,533	\$ -	\$ -	\$ 635,533
2016-17	15,726,567	195,926	-	15,922,493
2017-18	15,266,601	187,762	-	15,454,363
2018-19	14,925,634	181,231	-	15,106,865
2019-20	14,578,634	174,700	-	14,753,334
2020-21	14,220,501	168,169	-	14,388,670
2021-22	13,851,334	161,638	59,647	14,072,619
2022-23	13,471,134	155,108	48,181	13,674,423
2023-24	13,074,934	148,575	36,158	13,259,667
2024-25	12,667,134	142,045	23,552	12,832,731

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

Exhibit D-10

<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>
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
2023-24	6,630,493	1,030,222	580,621	-	23,164	8,264,500
2024-25	6,823,205	1,082,520	1,042,502	-	13,169	8,961,396

Note: OPEB obligations are not reflected in this exhibit for years 2015-16 through 2016-17.

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RED RIVER AUTHORITY OF TEXAS

Exhibit D-11

Red River Basin General Information

September 30, 2025

(unaudited)

Counties: 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

Region: 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.

Drainage Area: Approximately 94,450 square miles, 24,463 square miles in Texas

Principal Cities (including 2020 population ranges):

100,000	—	500,000	Amarillo, Wichita Falls
10,000	—	50,000	Burkburnett, Canyon, Denison, Gainesville, Hereford, Pampa, Paris, Plainview, Sherman, Texarkana, Vernon

Principal Tributaries: North Fork, Salt Fork, and Prairie Dog Town Fork of the Red River, Pease River, and Wichita River

Principal Aquifers: Ogallala, Seymour, Trinity, Carrizo-Wilcox, Blaine-Gypsum, Woodbine, Blossom Sand, Nacatoch Sand

Regional Economies: Oil and gas production, agriculture, ranching, manufacturing, and tourism

Major Lakes and Reservoirs: There are 32 significant reservoirs which occupy 140,475 surface acres and contain 3,544,259 acre-feet. Refer to **Exhibit D-13**.

Major Eco-Regions: High Plains, North-Central Plains, Coastal Plains

General Topography: Nearly level tablelands in west through rugged canyons and ridges to rolling plain, prairie, and woods in the east

Average Annual Rainfall: 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 2023	Median Household Income 2023	Per Capita Personal Income 2023	Unemployment Rate at 9/30/2025	Median Age 2023	Average Annual Government Employees 2024
Archer	\$ 610,121	\$ 92,292	\$ 67,573	3.70%	43.1	531
Armstrong	130,726	83,938	71,357	3.90%	43.0	137
Baylor	218,044	61,089	62,964	3.20%	47.5	254
Bowie	4,688,158	72,976	51,132	4.30%	38.4	9,184
Briscoe	90,901	63,125	62,907	3.40%	50.8	134
Carson	362,054	113,929	61,595	3.10%	42.3	421
Castro	783,981	64,795	108,479	2.90%	34.9	675
* Childress	300,607	78,828	44,285	2.70%	33.6	982
* Clay	613,083	93,254	57,095	3.90%	47.8	579
* Collingsworth	150,556	64,948	58,742	3.20%	38.1	217
Cooke	2,719,986	91,182	62,126	3.50%	40.3	3,071
* Cottle	138,309	77,717	106,885	2.60%	44.3	115
Crosby	270,855	68,068	55,085	4.20%	39.3	398
Deaf Smith	1,386,093	56,354	75,549	3.50%	31.4	1,300
* Dickens	96,331	68,194	56,301	4.10%	45.7	13
* Donley	170,036	78,091	52,905	4.20%	45.4	401
Fannin	1,855,254	83,681	49,380	4.10%	40.7	2,668
Floyd	263,812	61,726	51,829	4.10%	38.5	512
* Foard	70,551	50,417	65,386	3.10%	45.7	112
Gray	1,119,163	67,128	53,508	4.20%	36.8	1,419
* Grayson	8,218,836	85,605	55,946	4.10%	39.4	7,991
Hale	1,432,521	62,107	45,103	4.40%	34.1	2,351
* Hall	140,377	54,000	49,814	5.00%	44.9	270
* Hardeman	210,769	69,444	60,392	3.50%	44.3	449
Hartley	550,583	91,146	107,013	3.40%	39.5	437
Hemphill	289,318	113,816	90,724	5.00%	41.3	483
Hutchinson	1,053,663	89,844	52,596	4.50%	38.1	1,453
* King	30,342	59,250	139,825	2.70%	49.1	2
* Knox	174,340	62,604	52,798	4.00%	40.5	467
Lamar	2,655,332	75,060	51,936	4.30%	40.0	2,960
Lipscomb	411,814	85,000	141,712	3.30%	37.4	366
* Montague	1,085,325	79,182	50,251	4.40%	44.0	1,233
Motley	56,289	70,156	55,185	5.10%	51.4	101
Oldham	159,165	82,981	89,268	3.10%	32.5	300
Parmer	740,570	80,670	77,006	2.80%	36.2	839
Potter	6,756,493	64,237	58,933	3.60%	35.1	14,024
Randall	8,984,899	101,382	60,604	3.10%	36.8	5,393
Red River	646,996	58,531	55,403	5.00%	49.1	713
Roberts	54,400	83,750	64,762	4.50%	39.4	98
Swisher	591,432	60,250	85,037	4.40%	36.5	758
Wheeler	359,740	72,500	55,278	3.30%	40.6	530
Wichita	7,196,055	81,529	67,115	4.10%	35.0	10,727
* Wilbarger	840,409	75,298	35,832	3.80%	39.5	2,574
Average for Counties in Basin	\$ 1,364,611	\$ 75,583	\$ 66,921	3.80%	40.8	1,806
* Utility Division Service Area	\$ 874,277	\$ 71,202	\$ 63,318	3.66%	43.0	1,100

Source of Information: fred.stlouisfed.org

Source of Information: National Institute on Minority Health and Health Disparities

Source of Information: Texas Labor Market Information

Source of Information: United States Bureau of Labor Statistics

RED RIVER AUTHORITY OF TEXAS
SIGNIFICANT RESERVOIRS IN THE RED RIVER BASIN
SEPTEMBER 30, 2025
(Unaudited)

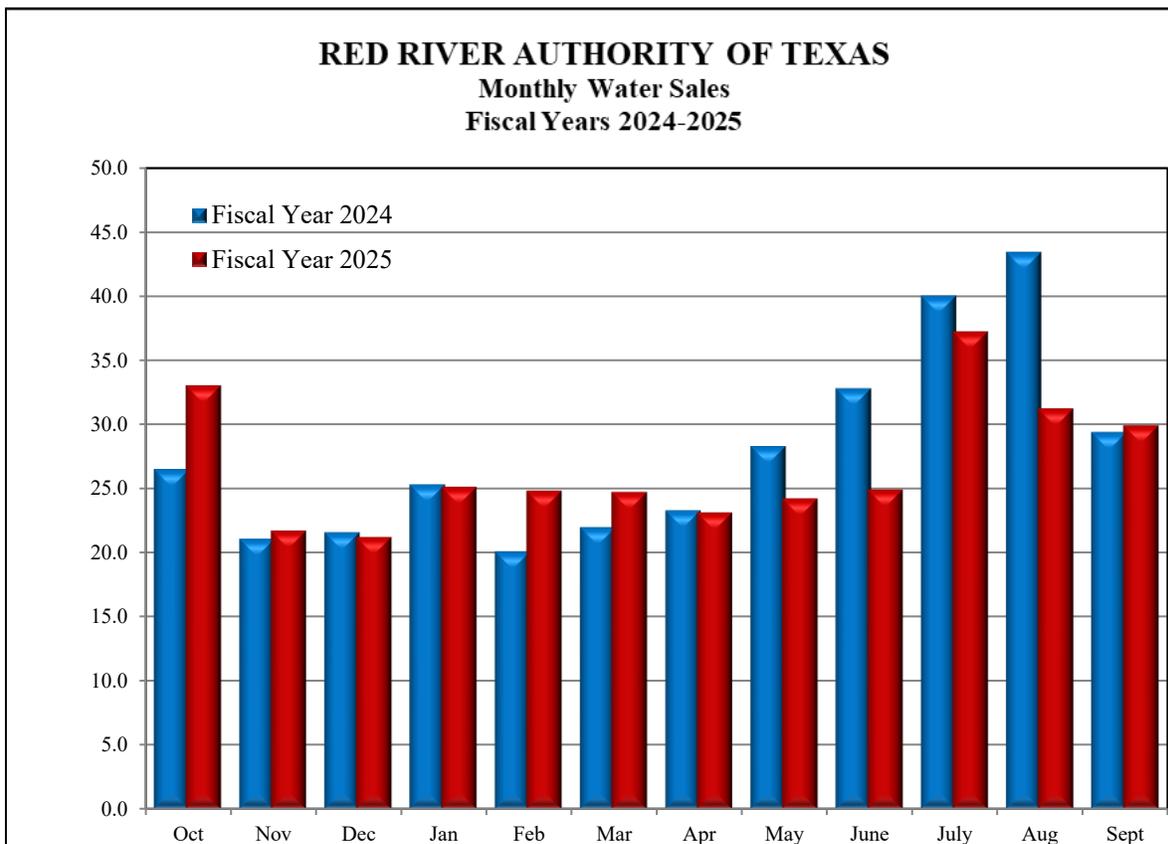
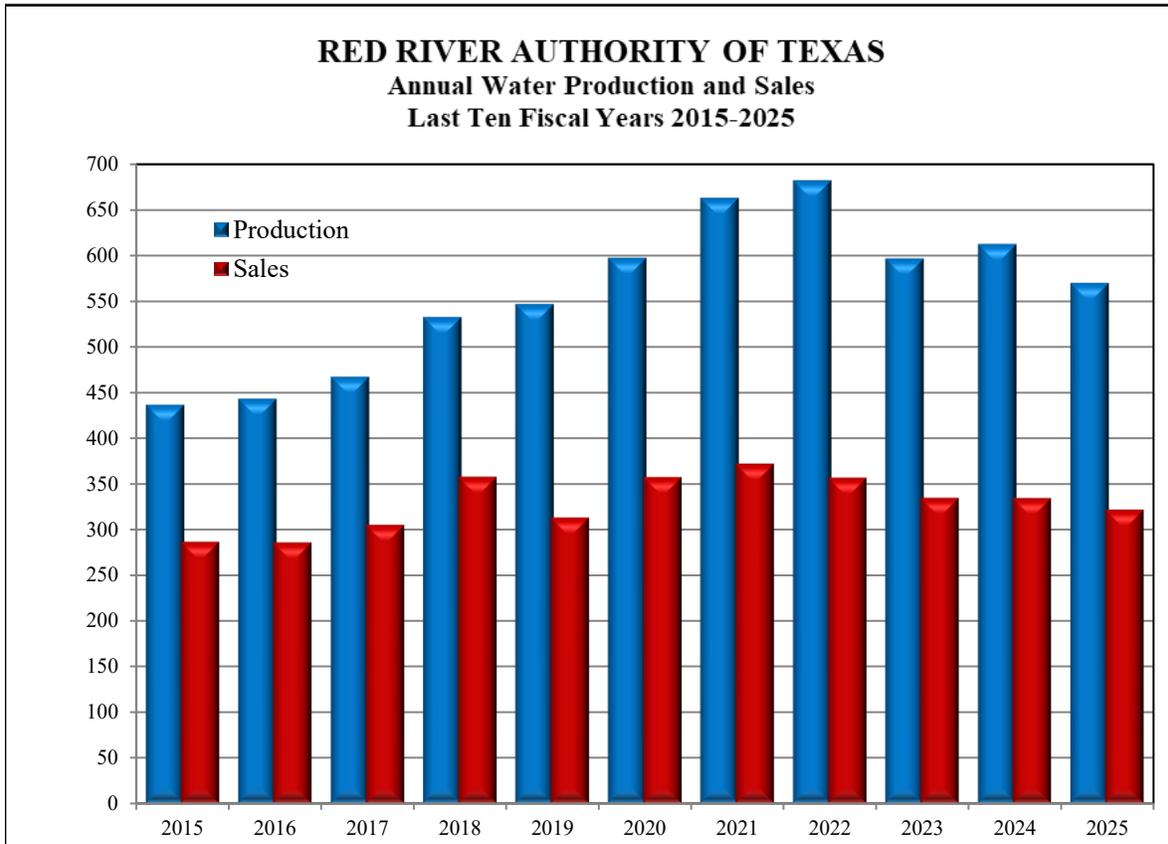
Exhibit D-13

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)**



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

Exhibit D-15

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

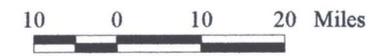
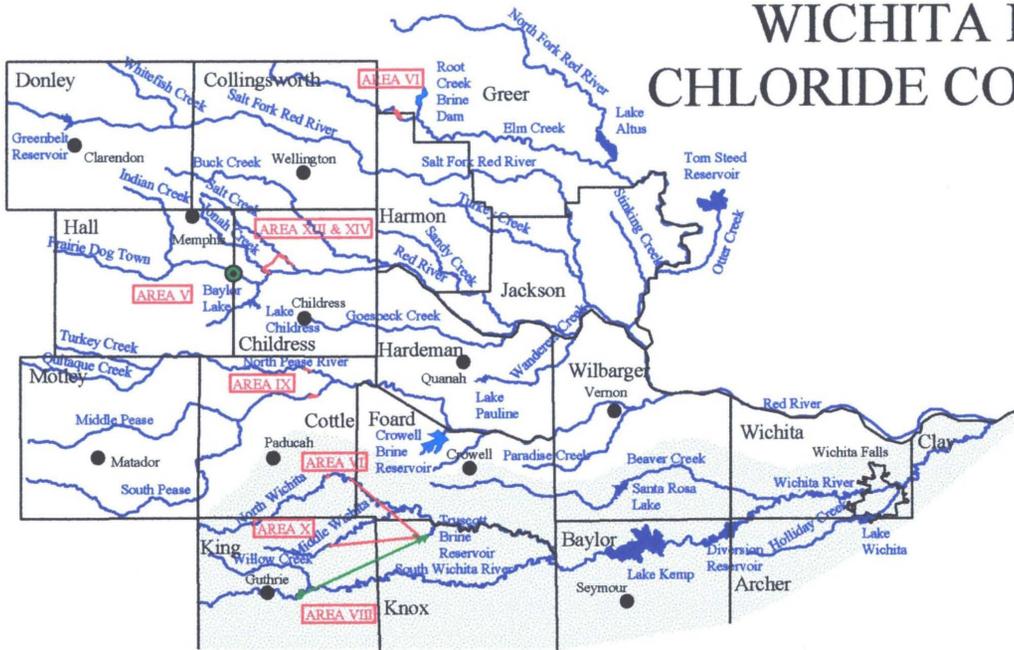
Truscott Brine Reservoir

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

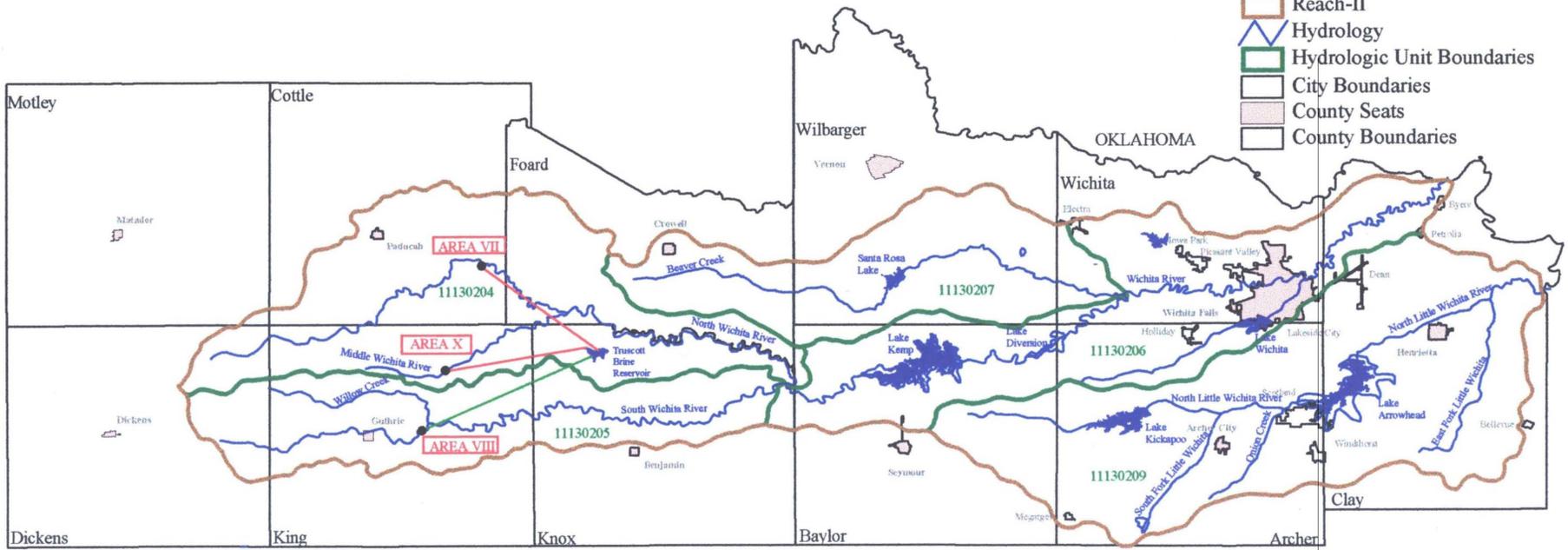
Bateman Pump Station

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



- Identified Chloride Sources
- Operational Control Facilities
- Proposed Diversion Facilities
- Lakes
- Reach-II
- Hydrology
- Hydrologic Unit Boundaries
- City Boundaries
- County Seats
- County Boundaries



RED RIVER AUTHORITY OF TEXAS
Insurance Coverage
Texas Municipal League Intergovernmental Risk Pool
September 30, 2025
(unaudited)

Policy:	Workers Compensation
Policy Period:	10-01-24 to 09-30-25
Perils:	Losses under Workers' Compensation Laws
Coverage:	Statutory
Premium:	\$33,513
Policy:	General Liability
Policy Period:	10-01-24 to 09-30-25
Perils:	Bodily injury, property damage, advertising injury, completed operations, and products hazard
Coverage:	\$1,000,000 per occurrence and annual aggregate
Premium:	\$3,872
Policy:	Automobile Liability
Policy Period:	10-01-24 to 09-30-25
Perils:	Liability
Coverage:	\$1,000,000 per occurrence
Premium:	\$6,952
Policy:	Errors and Omissions Liability
Policy Period:	10-01-24 to 09-30-25
Perils:	Liability, errors, and omissions
Coverage:	\$1,000,000 per claim and annual aggregate
Premium:	\$5,475
Policy:	Property Coverage
Policy Period:	10-01-24 to 09-30-25
Perils:	Risk of direct physical loss of or damage to property
Coverage:	Replacement cost Including boiler and machinery
Premium:	\$84,636
Policy:	Automobile Physical Damage Coverage
Policy Period:	10-01-24 to 09-30-25
Perils:	Physical damage
Coverage:	Actual cash value
Premium:	\$8,851

RED RIVER AUTHORITY OF TEXAS
Insurance Coverage
Texas Municipal League Intergovernmental Risk Pool
September 30, 2025
(unaudited)

Policy: Crime Policy
Policy Period: 10-01-24 to 09-30-25
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: \$870

Policy: Mobile Equipment
Policy Period: 10-01-24 to 09-30-25
Perils: Physical damage
Coverage: Replacement cost
Premium: \$1,709

Policy: Cyber Liability and Data Breach Response Coverage
Policy Period: 10-01-24 to 09-30-25
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: \$1,470

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**OVERALL COMPLIANCE
AND
INTERNAL CONTROL SECTION**



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's 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, 2025, and the related notes to the financial statements and have issued our report thereon dated January 7, 2026.

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 or significant deficiencies may exist that were not 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 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, slightly slanted style.

Edgin, Parkman, Fleming & Fleming, PC

January 7, 2026

RED RIVER AUTHORITY OF TEXAS

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED SEPTEMBER 30, 2025

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, 2025.

B. Financial Statement Findings

None

C. Federal and State Award Findings and Questioned Costs

No Single Audit was required for 2024-25.

RED RIVER AUTHORITY OF TEXAS

CORRECTIVE ACTION PLAN YEAR ENDED SEPTEMBER 30, 2025

There were no findings in the current year.

RED RIVER AUTHORITY OF TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED SEPTEMBER 30, 2025

Finding 2024-001 – Significant Deficiency in Internal Control over Financial Reporting – Bank Reconciliation Discrepancy

In the prior year, the Authority's Operating bank account showed a difference of \$65,015 between the reconciled bank balance and the financial statement balance as of September 30, 2024. There were no bank reconciliation discrepancies noted for the year ended September 30, 2025.