

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**



**for the years ended September 30, 2014 and 2013**







RED RIVER AUTHORITY OF TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
for the years ended September 30, 2014 and 2013

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## **INTRODUCTORY SECTION**



ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS §

COUNTY OF WICHITA §

I, Cliff A. Skiles, Jr., D.V.M., President  
(Name of Duly Authorized District Representative)

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

hereby swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the 21<sup>st</sup> day of January, 20 15 its annual audit report for the fiscal period ended September 30, 2014 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.

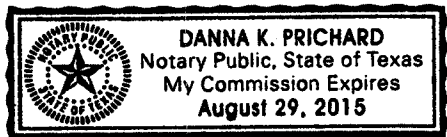
This filing affidavit and the attached copy of the annual audit report will be submitted to the Texas Commission on Environmental Quality to satisfy the annual filing requirements of Texas Water Code Section 49.194.

Date: January 21, 20 15

*Cliff A. Skiles, Jr.*  
(Signature of District Representative)

Cliff A. Skiles, Jr., D.V.M., President  
(Typed Name & Title of above District Representative)

Sworn to and subscribed to before me this 21<sup>st</sup> day of January, 20 15.



*Danna K. Prichard*  
(Signature of Notary)

(Seal)

My Commission Expires on: 08-29-2015  
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, 2014**

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, 2014	Title at Year End	Resident of District
<b>Board Members:</b>				
Cliff A. Skiles, Jr., D.V.M. P. O. Box 1729 Dalhart, Texas 79022	08-11-09 – 08-11-15	\$5,017	President	Yes
George Wilson Scaling, II 450 Rhat Road Henrietta, Texas 76365	08-11-09 – 08-11-15	988	Vice President	Yes
Jerry Bob Daniel 4911 FM 1756 West Truscott, Texas 79227	08-11-09 – 08-11-15	1,062	Secretary	Yes
Penny C. Carpenter 1899 CR 12 Silverton, Texas 79257	07-28-08 – 08-11-19	1,041	Assistant Secretary	Yes
Nathan J. (Jim) Bell, IV 2221 Lamar Avenue Paris, Texas 75461	10-16-00 – 08-11-17	1,662	Director	Yes
C. Cole Camp 4402 Charlene Avenue Amarillo, Texas 76106	07-28-08 – 08-11-19	1,480	Director	Yes
Mayfield McCraw P. O. Box 9 Telephone, Texas 75488	09-22-09 – 08-11-17	560	Director	Yes
Stephen A. Thornhill 2470 West Crawford Denison, Texas 75020	09-05-14 – 08-11-19	234	Director	Yes
Montford T. Johnson, III P. O. Box 32365 Amarillo, Texas 79120	10-04-12 - 08-11-17	0	Director	Yes

**RED RIVER AUTHORITY OF TEXAS**

**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
for the year ended September 30, 2014**

Names and Addresses	Term of Office Elected and Expired or Date Hired	Fees and Expense Reimbursements September 30, 2014	Title at Year End
<b>Key Administrative Personnel:</b>			
Curtis W. Campbell 903 East Wichita Street Henrietta, Texas 76365	08-16-1981	\$ 0	General Manager
<b>Engineering Consultants:</b>			
Kerry D. Maroney, P.E. Biggs and Mathews, Inc. 2500 Brook Avenue Wichita Falls, Texas 76301		42,949	Consultant
Jim R. Nichols, P.E. Freese and Nichols, Inc. 811 Lamar Street Fort Worth, Texas 76102		0	Consultant
HDR Engineering, Inc. 4401 W. Gate Blvd, Suite 400 Austin, Texas 78745		0	Consultant
Peggy Glass, Ph.D. Alan Plummer Associates, Inc. 6300 La Calma, Suite 400 Austin, Texas 78752-3825		0	Consultant
<b>Legal Consultants:</b>			
Todd Davenport Gibson, Davenport and Anderson 3711 Maplewood Avenue Suite 200 Wichita Falls, Texas 76308		7,925	General Counsel

**RED RIVER AUTHORITY OF TEXAS**

**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
for the year ended September 30, 2014**

<b>Names and Addresses</b>	<b>Term of Office Elected and Expired or Date Hired</b>	<b>Fees and Expense Reimbursements September 30, 2014</b>	<b>Title at Year End</b>
<b>Legal Consultants, Continued</b>			
Doug Caroom Bickerstaff, Heath, Delgado, Acosta, LLP 3711 S Mo-Pac Expressway Building One, Suite 300 Austin, Texas 78746		\$ 16,004	Special Counsel
Rick Porter M <sup>c</sup> Call, Parkhurst and Horton 717 N Harwood, Suite 900 Dallas, Texas 75201		0	Bond Counsel
<b>Financial Consultants:</b>			
David Medanich First Southwest Company 777 Main Street, Suite 1200 Fort Worth, Texas 76102		\$ 15,000	Financial Advisor
<b>Depositories:</b>			
American National Bank P. O. Box 4476 Wichita Falls, Texas 76308			
TexPool – Comptroller of Public Accounts P. O. Box 12608 Austin, Texas 78711			







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Red River Authority  
of Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO





# Red River Authority of Texas

CLIFF A. SKILES, JR. DVM, President, Hereford  
GEORGE WILSON SCALING, II, Vice President, Henrietta  
JERRY BOB DANIEL, Secretary, Truscott  
PENNY C. CARPENTER, Assistant Secretary, Silverton  
NATHAN J. (JIM) BELL, IV, Paris  
C. COLE CAMP, Amarillo  
MONTFORD T. (MONTY) JOHNSON, III, Amarillo  
MAYFIELD MCCRAW, Telephone  
STEPHEN A. THORNHILL, Denison

CURTIS W. CAMPBELL, General Manager  
HENRY C. WIED, Assistant General Manager  
DANNA K. PRICHARD, Executive Assistant  
GREGG MILLER, Controller

January 6, 2015

**The Honorable President and Members  
of the Board of Directors  
Red River Authority of Texas**

Board Members:

The Comprehensive Annual Financial Report of the Red River Authority of Texas for the fiscal year ended September 30, 2014 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 believe the data contained herein are 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.

The Comprehensive Annual Financial Report is presented in three major sections to aid the reader in obtaining a clear understanding of the Authority and its activities. These sections are titled Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, an organizational chart, and a description of the Authority's operating divisions' highlights of activities for the year. The Financial Section includes the independent auditor's report, the Management's Discussion and Analysis (which can be found on pages 3-9), the basic financial statements, notes to the financial statements, and supplementary information, such as combining schedules, budget comparison schedules and information required by the State of Texas. The Statistical Section includes selected historical financial information, operations summaries, and demographic information associated with the Authority's activities of primary interest.

## **REPORTING ENTITY**

The Red River Authority of Texas was created in 1959 by Acts of the 56<sup>th</sup> Texas Legislature as a political subdivision of the State, a body politic and corporate under Article XVI, Section 59 of the Texas Constitution. The Authority's Enabling Legislation, Article 8280-228, Vernon's Annotated Texas Civil Statutes (VATCS), enumerates the powers and duties granted under the General and Special Laws of the State to fulfill its purpose. Additionally, the Authority functions under certain provisions of the Texas Water Code, Chapter 30. The Authority's mission is the orderly conservation, reclamation, protection, and development of the water resources throughout the Red River Basin for the benefit of the public.

## **REPORTING ENTITY**, Continued

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 **Red River Authority of Texas 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 separate 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, all of whom are appointed by the Governor, confirmed by the Senate, a legal voter, a property taxpayer, and resident in the Authority's jurisdictional area. Each Director serves a six-year staggered term. The Directors are organized by electing from their membership a President, Vice-President, Secretary, and Assistant Secretary. One Director is appointed from each of the three geographical regions to serve with the President on the Executive Committee. 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.

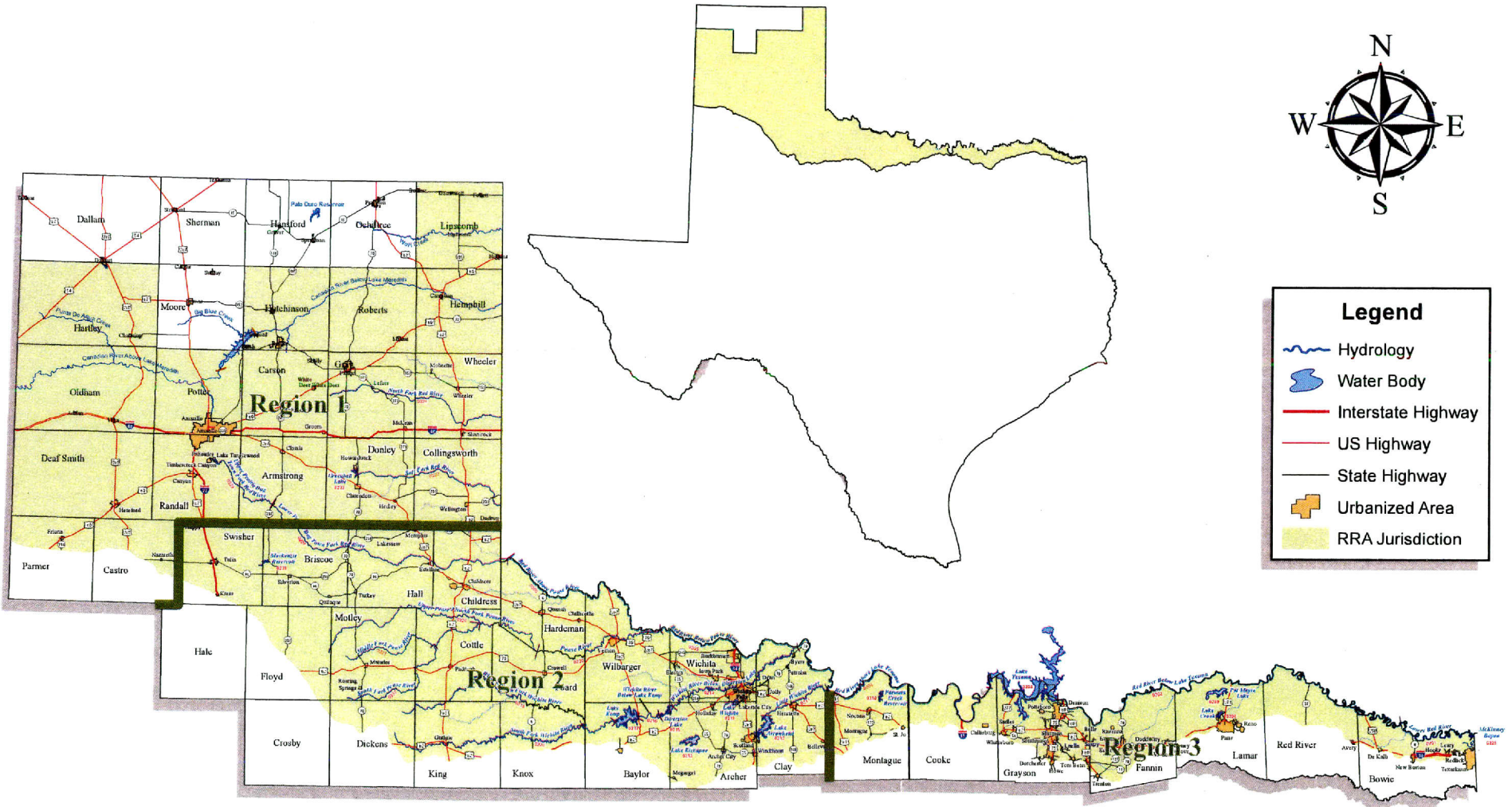
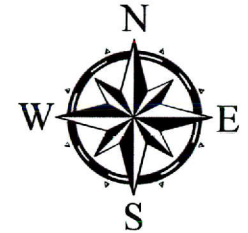
## **ADMINISTRATION**

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 in the accomplishment of his 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 29 full-time classified employees on the Authority's payroll on September 30, 2014. **Refer to the Organizational Chart** for details.



# Red River Authority of Texas

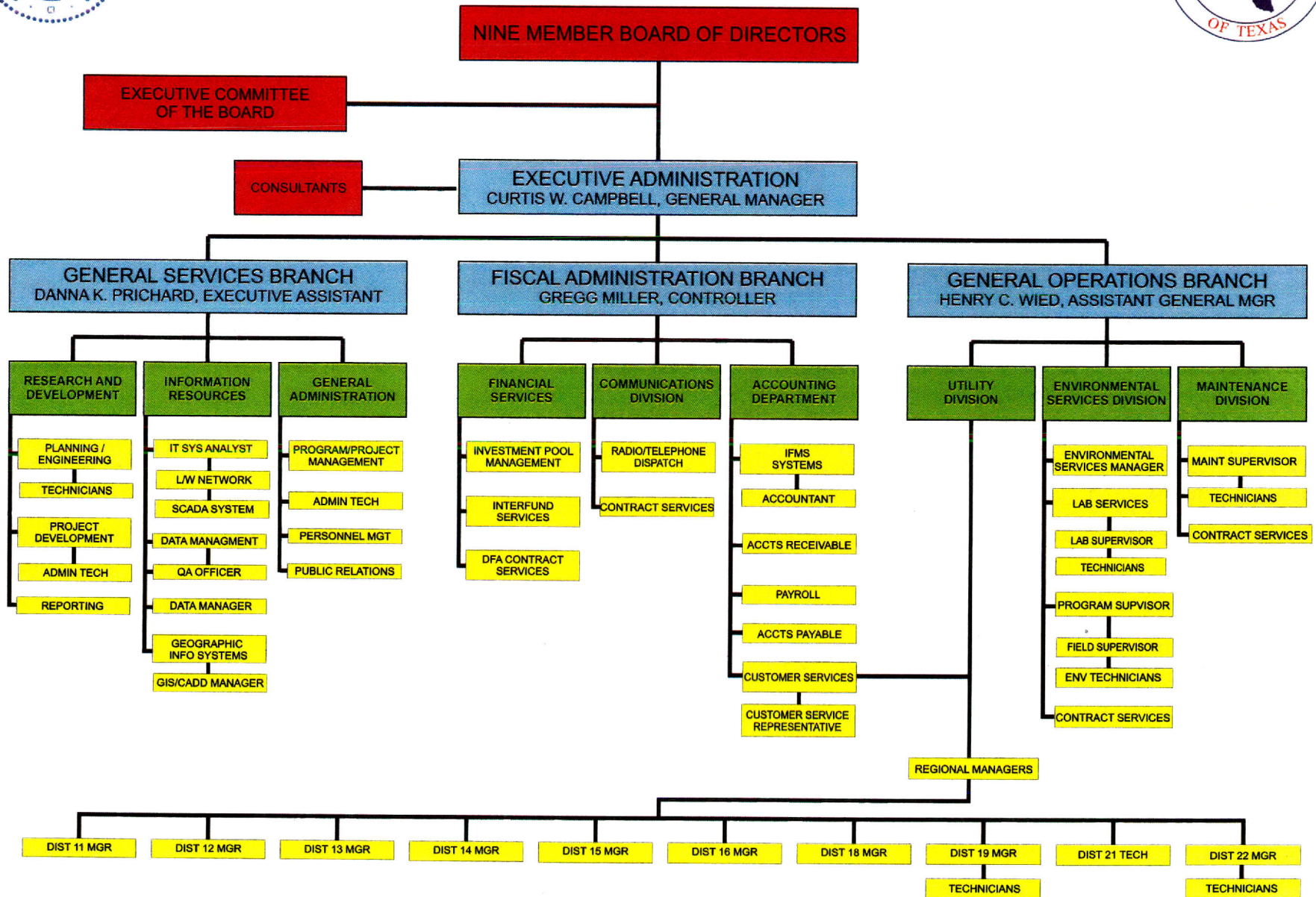
## Jurisdictional Map







# Red River Authority of Texas Organizational Chart







## **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, but not absolute, 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 of the opinion that the Authority's internal controls adequately safeguard the assets and provide reasonable assurance of proper recording of all financial transactions, thereby producing an effective management tool for the conduct of the Authority's business activities.

## **FINANCIAL POLICIES**

During the year ended September 30, 2014, the Authority defeased \$1,189,000 in revenue bonds. This transaction removed all the revenue bonds from the Authority's financial statements. The remaining bonds are the Authority's share of a \$22,000,000 issue by the Greater Texoma Utility Authority for 2,000 acre feet of the 50,000 acre feet purchased by the GTUA.

## **BUDGETARY CONTROLS**

The Authority is not required under its Enabling Legislation to adopt an annual budget. However, as a prudent management tool, an annual budget for each division is prepared on a per fund basis and approved by the Authority's Board of Directors. These budgets do not constitute appropriations, but represent the projected revenues and expenditures as compared to actual of the previous year.

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Red River Authority of Texas for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2013. This was the second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This is the second year the Authority has applied for and received a Certificate. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.


**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.

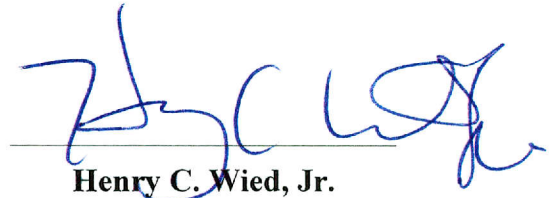
**ACKNOWLEDGEMENTS**

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

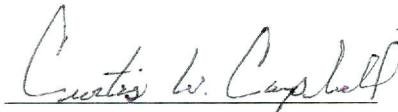
Respectfully submitted,



**Gregg Miller**  
Controller



**Henry C. Wied, Jr.**  
Assistant General Manager



**Curtis W. Campbell**  
General Manager

## **FINANCIAL SECTION**





# EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

4110 KELL BLVD., SECOND FLOOR ▪ 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, CFE  
A. PAUL FLEMING, CPA  
J. MARK FLEMING, CPA

## Independent Auditor's Report on Financial Statements

Board of Directors  
Red River Authority of Texas

Members of the Board of Directors:

We have audited the accompanying financial statements of Red River Authority of Texas (Authority) as of and for the years ended September 30, 2014 and 2013, and the related notes to the financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

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, 2014 and 2013, 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.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Authority. The introductory section, other supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information in Appendixes C-1 through C-42 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information, except for the items marked "unaudited" on which we express no opinion 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 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.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2015, 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 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 6, 2015

## **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, 2014. 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 of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$14,521,270 (net position). Of this amount, \$6,154,206 (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 \$619,452;
3. The Authority's total debt decreased by \$1,778,167 (71.4%) during the current fiscal year. This decrease is the defeasance of the Authority's Series 1981-A, Series 1991 and the Series 1997 water revenue bonds and the scheduled payments on the Series 2010 contract revenue bonds.

### **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 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, Direct Financing Arrangements 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 five internal service funds employed by the Authority. They include the General Division, Interfund Loan Program, Maintenance Division, Communications Division, and Motor Pool.

## MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

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

**Notes to the Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the Authority-wide statements. The notes to the basic financial statements can be found on **pages 14-34** of this report.

### Authority-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the Authority's financial position. In the case of the Authority, assets exceeded liabilities by \$14,521,270 at the close of the most recent fiscal year.

### CONDENSED STATEMENT OF NET POSITION

	2014	2013	2012
<b>Assets:</b>			
Current assets	\$6,547,707	\$6,723,060	\$6,652,615
Restricted assets	127,130	733,659	761,608
Capital assets	8,178,333	8,619,392	9,048,107
Noncurrent assets	811,184	750,894	686,140
Total assets	15,664,354	16,827,005	17,148,470
<b>Liabilities:</b>			
Current liabilities	277,281	829,051	744,455
Noncurrent liabilities	865,803	2,096,136	2,690,873
Total liabilities	1,143,084	2,925,187	3,435,328
<b>Net position:</b>			
Net investment in capital assets	7,467,500	6,124,825	5,995,140
Restricted net position	899,564	1,223,100	1,158,346
Unrestricted net position	6,154,206	6,553,893	6,559,656
<b>Total net position</b>	\$14,521,270	\$13,901,818	\$13,713,142

51.4% of the Authority's net position reflect its investment in capital assets (e.g., land, building, machinery, equipment, and water rights), less any related debt used to acquire those assets that are still outstanding. The Authority uses these capital assets to provide services to customers; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

An additional portion of the Authority's net position (6.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$6,154,206 (42.4%) 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.

The Authority's net position increased by \$619,452 during the current fiscal year. This increase represents a positive increase in the Utility, Communication, Maintenance and General Divisions, off-set by a decrease in the Environmental Service Division funds.

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

	2014	2013	2012
<b>Operating revenues:</b>			
Water and sewer sales	\$ 4,072,153	\$ 3,710,343	\$ 3,677,413
Charges for materials and services	592,542	493,992	536,472
Other	520,952	397,042	445,525
Total operating revenues	5,185,647	4,601,777	4,659,410
<b>Operating expenses:</b>			
Water purchases	601,222	625,545	615,679
Personnel services	1,776,013	1,700,020	1,672,025
Administrative costs	86,298	88,389	94,985
Utilities, supplies, and maintenance	835,578	750,211	868,088
Insurance	52,961	50,471	52,824
Automobile and travel	229,942	238,071	238,380
Professional and directors fees	149,930	102,848	113,799
Research expense	39,690	39,690	36,450
Total operating expenses	3,771,634	3,595,245	3,692,230
Operating income before depreciation and amortization	1,414,013	1,006,532	954,949
Depreciation and amortization	(727,832)	(712,312)	(693,154)
Operating income	686,181	294,220	261,795
<b>Nonoperating revenues (expenses):</b>			
Interest income	7,265	9,197	12,319
Gain on disposal of assets	29,658	17,666	18,451
Interest expense	(103,652)	(132,407)	(164,334)
Total nonoperating revenues (expenses)	(66,729)	(105,544)	(133,564)
Change in net position	619,452	188,676	128,231
Net position, beginning	13,901,818	13,713,142	13,584,911
Net position, ending	\$14,521,270	\$13,901,818	\$13,713,142

## MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

Some of the major variances from fiscal year 2013 to fiscal year 2014 include a \$361,410 increase in water sales. This increase is the result of the drought related restrictions placed on the Authority, countered by a residential rate increase implemented on the August 2013 billing cycle and a wholesale and commercial rate increase implemented on the September 2013 billing cycle. The Authority also incurred \$85,367 more in utilities, supplies and maintenance. This increase was due primarily to large repair costs on the water systems in 2014 that was not incurred in 2013. In fiscal year 2014, the Authority received grant revenue from the Texas Water Development Board in the amount of \$63,886. There was also a decrease in automobile and travel due to lower fuel costs. The interest income decreased \$1,932 due to the drop in interest rates and the interest expense decreased \$28,755 with the timely retirement of the bonded debt of the Authority.

### **Capital Asset and Debt Administration**

**Capital Assets.** The Authority's investment in capital assets funds as of September 30, 2014 amounts to \$8,178,333 (net of accumulated depreciation). This investment in capital assets includes land, water systems, water rights, transportation equipment and other equipment, as well as construction in progress. The total decrease in the Authority's investment in capital assets for the current fiscal year was 5.5%.

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

- New service vehicles in the amount of \$104,994
- Lockett line extension in the amount of \$35,090
- One new submersible pump in the amount of \$32,295
- Preston line extension in the amount of \$24,900
- Beach pump setup and fencing in the amount of \$17,039
- New printer in the amount of \$15,075

**MANAGEMENT'S DISCUSSION AND ANALYSIS**, Continued

**CAPITAL ASSETS**  
(Net of Depreciation)

<u>Asset</u>	<u>Value</u> <u>September 30, 2013</u>	<u>Additions /</u> <u>Completions</u>	<u>Deletions</u>	<u>Value</u> <u>September 30, 2014</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Net</u> <u>Value</u>
Land and easements	\$ 361,963	\$ -	\$ 2,523	\$ 359,440	\$ -	\$ 359,440
Construction in progress	93,099	168,009	159,183	101,925	-	101,925
Building	968,554	-	-	968,554	257,530	711,024
Water storage rights	1,222,700	-	-	1,222,700	234,747	987,953
Water systems	16,160,990	140,889	-	16,301,879	10,794,632	5,507,247
Machinery and equipment	1,083,326	12,652	-	1,095,978	802,036	293,942
Furniture and fixtures	331,875	21,934	-	353,809	304,343	49,466
Motor vehicles	518,653	104,994	97,568	526,079	358,743	167,336
Totals	<u>\$ 20,741,160</u>	<u>\$ 448,478</u>	<u>\$ 259,274</u>	<u>\$ 20,930,364</u>	<u>\$ 12,752,031</u>	<u>\$ 8,178,333</u>

Additional information on the Authority's capital assets can be found in **Note 3** on **pages 22-23** of this report.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**, Continued

**Long-Term Debt.** At the end of the current fiscal year, the Authority had total bonded debt outstanding of \$710,833. 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 at September 30, 2014 are summarized as follows:

	Average Interest Rates	Final Maturity Date	Annual Serial Payments	Bonds Authorized	Bonds Outstanding September 30, 2013	Additions Issuances (Sales) (Retirements)	Bonds Outstanding September 30, 2014
Water Revenue Bonds							
Series 1981-A	5.00%	04/01/2020	1,000 to 5,000	\$ 65,000	\$ 22,000	\$ (22,000)	\$ 0
Series 1991	6.90%	04/01/2016	15,000 to 40,000	600,000	50,000	(50,000)	0
Series 1997	7.90%	04/01/2014	80,000 to 200,000	1,885,000	200,000	(200,000)	0
Series 1997	5.60%	04/01/2017	165,000 to 400,000	4,850,000	1,470,000	(1,470,000)	0
Series 2010	1.90%	08/15/2030	26,600 to 53,600	849,200	747,000	(36,167)	710,833
Total Water Revenue Bonds				<u>\$ 8,249,200</u>	<u>\$ 2,489,000</u>	<u>\$ (1,778,167)</u>	<u>\$ 710,833</u>

The Authority's bonded debt decreased by \$1,778,167 (71.4%) during the current fiscal year. This decrease is the defeasance of the 1981-A, 1991 and 1997 bond series.

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. This is the only debt remaining after the defeasance.

The Authority received an "A-" rating from Standard and Poors in a Summary Report dated October 2, 2012. The last bond issue was in 1997 and was utilized to make capital improvements to two of the Utility Division's Surface Water Treatment Plants and to refund some high interest loans on behalf of the Utility Division.

Additional information on the Authority's long-term debt can be found in **Note 4** on **pages 24-25** of this report.

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

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

- Capital expenditures in the Utility Division
- Increased effort to reduce water purchases
- Three year review of water rates versus expenses
- Inflationary trends in the region compare favorably to national indices
- Motor Pool vehicle rotation purchases

All of these factors were considered in preparing the Authority's budget for the 2015 fiscal year.

The Authority has projected an increase of \$454,796 in net position for the 2015 fiscal year budget.

### **Requests for Information**

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

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

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## **BASIC FINANCIAL STATEMENTS**

**RED RIVER AUTHORITY OF TEXAS**  
**STATEMENTS OF NET POSITION**  
September 30, 2014 and 2013

	2014	2013
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and short-term investments	\$ 3,119,748	\$ 2,792,019
Investments	2,394,235	2,863,017
Receivables:		
Trade and contracts	963,618	1,006,249
Prepaid expenses	10,509	-
Inventory	59,597	61,775
Restricted assets:		
Cash and short-term investments	59,355	643,297
Investments	67,775	90,362
Total current assets	<u>6,674,837</u>	<u>7,456,719</u>
<b>Long-term assets:</b>		
Net pension obligation	811,184	750,894
Capital assets not being depreciated	461,365	455,063
Capital assets being depreciated (net)	7,716,968	8,164,329
Total long-term assets	<u>8,989,517</u>	<u>9,370,286</u>
Total assets	<u>15,664,354</u>	<u>16,827,005</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable - trade	181,628	173,222
Accrued payroll and related taxes	28,776	23,540
Unearned revenue	29,711	43,722
Loans payable - current maturities	-	5,567
Bonds payable - current maturities	37,166	583,000
Total current liabilities	<u>277,281</u>	<u>829,051</u>
<b>Long-term liabilities:</b>		
Bonds payable, less current maturities	673,667	1,906,000
Deposits	192,136	190,136
Total noncurrent liabilities	<u>865,803</u>	<u>2,096,136</u>
Total liabilities	<u>1,143,084</u>	<u>2,925,187</u>
<b>Net position:</b>		
Net investment in capital assets	7,467,500	6,124,825
Restricted:		
Debt service, repair and replacement, and construction	88,380	472,206
Net pension obligation	811,184	750,894
Unrestricted	6,154,206	6,553,893
Total net position	<u>\$ 14,521,270</u>	<u>\$ 13,901,818</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, 2014 and 2013

	2014	2013
<b>Operating revenues:</b>		
Water and sewer sales	\$ 4,072,153	\$ 3,710,743
Charges for materials and services	592,542	493,992
Other	520,952	397,042
Total operating revenues	<u>5,185,647</u>	<u>4,601,777</u>
<b>Operating expenses:</b>		
Water purchases	601,222	625,545
Personnel services	1,776,013	1,700,020
Administrative costs	86,298	88,389
Utilities, supplies, and maintenance	835,578	750,211
Insurance	52,961	50,471
Automobile and travel	229,942	238,071
Professional and directors fees	149,930	102,848
Research expense	39,690	39,690
Total operating expenses	<u>3,771,634</u>	<u>3,595,245</u>
Operating income before depreciation and amortization	1,414,013	1,006,532
Depreciation and amortization	<u>(727,832)</u>	<u>(712,312)</u>
Operating income	<u>686,181</u>	<u>294,220</u>
<b>Nonoperating revenues (expenses):</b>		
Interest income	7,265	9,197
Gain (loss) on disposal of assets	29,658	17,666
Interest expense	<u>(103,652)</u>	<u>(132,407)</u>
Total nonoperating revenues (expenses)	<u>(66,729)</u>	<u>(105,544)</u>
Change in net position	619,452	188,676
Net position, beginning	<u>13,901,818</u>	<u>13,713,142</u>
Net position, ending	<u>\$ 14,521,270</u>	<u>\$ 13,901,818</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, 2014 and 2013

	<b>2014</b>	<b>2013</b>
<b>Cash flows from operating activities:</b>		
Cash received from customers and users	\$ 5,214,269	\$ 4,476,007
Cash payments to suppliers for goods and services	(1,995,546)	(1,818,571)
Cash payments to employees for services	(1,831,067)	(1,767,496)
Customer deposits received	2,000	(175)
Net cash provided by operating activities	<u>1,389,656</u>	<u>889,765</u>
<b>Cash flows from capital and related financing activities:</b>		
Principal paid on revenue bonds	(1,778,167)	(552,330)
Interest paid on revenue bonds	(103,652)	(132,407)
Principal paid on note payable	(5,566)	(6,075)
Acquisition of capital assets	(289,297)	(283,592)
Proceeds from sale of equipment	32,182	17,666
Net cash used in capital and related financing activities	<u>(2,144,500)</u>	<u>(956,738)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	597,425	73,886
Purchases of investments	(106,059)	(49,101)
Interest received on investments	7,265	9,197
Net cash provided by investing activities	<u>498,631</u>	<u>33,982</u>
Net decrease in cash and cash equivalents	(256,213)	(32,991)
Cash and cash equivalents, beginning	<u>3,435,316</u>	<u>3,468,307</u>
Cash and cash equivalents, ending	<u>\$ 3,179,103</u>	<u>\$ 3,435,316</u>
<b>Displayed as:</b>		
<b>Current Assets:</b>		
Cash and short-term investments	\$ 3,119,748	\$ 2,792,019
<b>Restricted Assets:</b>		
Cash and short-term investments	<u>59,355</u>	<u>643,297</u>
	<u>\$ 3,179,103</u>	<u>\$ 3,435,316</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, 2014 and 2013

	2014	2013
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>		
<b>Operating income</b>	<u>\$ 686,181</u>	<u>\$ 294,220</u>
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation and amortization	727,832	712,312
Change in assets and liabilities:		
(Increase) decrease in trade receivables	42,631	(125,887)
(Increase) decrease in prepaid expenses	(10,509)	26,938
(Increase) decrease in inventory	2,178	(1,323)
(Increase) in net pension obligation	(60,290)	(64,754)
Increase (decrease) in trade accounts payable	8,406	51,039
Increase (decrease) in accrued liabilities	5,236	(2,722)
Increase (decrease) in unearned revenues	(14,011)	117
Increase (decrease) in deposits	2,000	(175)
Total adjustments	<u>703,473</u>	<u>595,545</u>
Net cash provided by operating activities	<u>\$ 1,389,654</u>	<u>\$ 889,765</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, 2014 and 2013

### 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 was created in 1959 by Acts of the 56<sup>th</sup> Texas Legislature as a political subdivision of the State, a body politic and corporate under Article XVI, Section 59 of the Texas Constitution. The Authority's Enabling Legislation, Article 8280-228 of Vernon's Annotated Texas Civil Statutes (VATCS), enumerates the primary powers granted under the General and Special Laws of the State to fulfill its purpose as a water conservation and reclamation district. Additionally, the Authority functions under the applicable provisions of the Texas Water Code, Chapter 30. 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, 2014 and 2013

#### 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 nine proprietary funds, which are further divided into two major enterprise funds, two minor enterprise funds, and five 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.

# RED RIVER AUTHORITY OF TEXAS

## NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2014 and 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

#### D. Budgetary Accounting

The Authority maintains control over operating expenses by the establishment of an annual operating budget. The Authority is not required under its enabling act to adopt a budget; 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. 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 the lower of cost or market, using the first-in, first-out method.

#### H. Capital Assets and Depreciation

Capital assets are recorded at their historical cost except for contributed assets which are recorded at their fair market value at the time donated. Interest is capitalized on construction projects until substantially completed.

Capital assets are defined as assets with an initial individual cost of more than \$1,000 and an estimated useful life greater than one year.



**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2014 and 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Water and sewer systems	5-50 years
Machinery and equipment	4-20 years
Motor vehicles	4 years

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.

I. Direct Financing Arrangements

The Authority occasionally acts as an agent or intermediary for obtaining tax-exempt financing of water, sewage, or pollution control facilities for third parties. The Authority does not operate or maintain these facilities. The Authority receives issuance fees at the time of issuance and management fees on an annual basis for their assistance in handling the arrangements, which are reported as revenue. Arrangements of this type are accounted for in an enterprise fund as direct financing arrangements. The bonds are payable solely from and secured by a pledge of the revenues derived from the installment sale of the projects to the various entities that operate and maintain the facilities. The bonds are regarded as debts and responsibilities of the third parties on whose behalf they were issued, and the bonded debt, offsetting contract receivable, interest expense, and offsetting contract revenue are not included in the Authority's financial statements. Additional information concerning these conduit bonds is disclosed in **Note 5**.

J. Vacation and Sick Leave

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

An employee earns eight hours of vacation leave on the last day of each month and is entitled to use 96 hours (12 days) of vacation leave each calendar year. Any unused vacation leave up to a maximum of 96 hours is accrued as a liability of the Authority since payment will be made upon termination of the employee.

## RED RIVER AUTHORITY OF TEXAS

### NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2014 and 2013

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

##### K. 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.

##### L. Estimates

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

#### 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, 2014 and 2013, the carrying amount of the Authority's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$2,664,020 and \$3,168,479, respectively and the bank balance was \$2,681,764 and \$3,184,173, respectively. The Authority's cash deposits at September 30, 2014 and 2013 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

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2014 and 2013**

2. DEPOSITS AND INVESTMENTS, Continued

return, (6) maximum allowable stated maturity or portfolio investments, (7) investment staff quality and capabilities, and (8) bid solicitation preferences for certificates of deposit.

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

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

The Authority's investments at September 30, 2014 and 2013 are shown below:

Investment or Investment Type	2014		2013	
	Weighted Maturity (Months)	Fair Value	Weighted Maturity (Months)	Fair Value
TexPool	1.0	\$ 2,981,777	1.0	\$ 3,230,416
Certificates of Deposit	4.5	2,462,011	5.8	2,953,379
		<u>\$ 5,443,788</u>		<u>\$ 6,183,795</u>

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, 2014 and 2013

#### 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, 2014 and 2013**

2. DEPOSITS AND INVESTMENTS, Continued

E. Public Funds Investment Pools

Public Funds Investment Pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Act, Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: (1) have an advisory board composed of participants in the Pool and other persons who do not have a business relationship with the Pool and are qualified to advise the Pool; (2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The State Comptroller of Public Accounts (State Comptroller) exercises oversight responsibility over TexPool, the Authority approved Investment Pool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review investment policy and management fee structure. Finally, TexPool is rated AAA-m by Standard and Poors.

TexPool operates in a manner consistent with Securities and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2014 and 2013**

3. CAPITAL ASSETS

Capital asset activity for the years ended September 30, 2014 and 2013 was as follows:

At September 30, 2014

	Balance October 1, 2013	Increases	Decreases	Balance September 30, 2014
Capital assets not being depreciated:				
Land and easements	\$ 361,963	\$ -	\$ 2,523	\$ 359,440
Construction in progress	<u>93,099</u>	<u>168,009</u>	<u>159,183</u>	<u>101,925</u>
Total capital assets not being depreciated	<u>455,062</u>	<u>168,009</u>	<u>161,706</u>	<u>461,365</u>
Capital assets being depreciated:				
Water storage rights	1,222,700	-	-	1,222,700
Water systems	16,160,990	140,889	-	16,301,879
Machinery and equipment	1,083,326	12,652	-	1,095,978
Building	968,554	-	-	968,554
Furniture and fixtures	331,875	21,934	-	353,809
Motor vehicles	<u>518,653</u>	<u>104,994</u>	<u>97,568</u>	<u>526,079</u>
Total capital assets being depreciated	<u>20,286,098</u>	<u>280,469</u>	<u>97,568</u>	<u>20,468,999</u>
Less accumulated depreciation for:				
Water storage rights	227,276	7,472	-	234,748
Water systems	10,287,502	507,132	-	10,794,634
Machinery and equipment	724,510	77,528	-	802,038
Building	223,749	33,781	-	257,530
Furniture and fixtures	285,139	19,204	-	304,343
Motor vehicles	<u>373,593</u>	<u>82,716</u>	<u>97,568</u>	<u>358,741</u>
Total accumulated depreciation	<u>12,121,768</u>	<u>727,833</u>	<u>97,568</u>	<u>12,752,034</u>
Total capital assets being depreciated, net	<u>8,164,330</u>	<u>(447,364)</u>	<u>-</u>	<u>7,716,965</u>
Total capital assets, net	<u>\$ 8,619,392</u>	<u>\$(279,355)</u>	<u>\$ 161,706</u>	<u>\$ 8,178,330</u>

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2014 and 2013**

3. CAPITAL ASSETS, Continued

At September 30, 2013

	Balance October 1, 2012	Increases	Decreases	Balance September 30, 2013
Capital assets not being depreciated:				
Land and easements	\$ 361,963	\$ -	\$ -	\$ 361,963
Construction in progress	<u>35,463</u>	<u>90,756</u>	<u>33,150</u>	<u>93,099</u>
Total capital assets not being depreciated	<u>397,426</u>	<u>90,756</u>	<u>33,150</u>	<u>455,062</u>
Capital assets being depreciated:				
Water storage rights	1,222,700	-	-	1,222,700
Water systems	16,107,449	53,541	-	16,160,990
Machinery and equipment	968,134	115,192	-	1,083,326
Building	962,912	5,642	-	968,554
Furniture and fixtures	314,631	17,244	-	331,875
Motor vehicles	<u>510,578</u>	<u>34,340</u>	<u>26,265</u>	<u>518,653</u>
Total capital assets being depreciated	<u>20,086,404</u>	<u>225,959</u>	<u>26,265</u>	<u>20,286,098</u>
Less accumulated depreciation for:				
Water storage rights	219,804	7,472	-	227,276
Water systems	9,786,765	500,736	-	10,287,502
Machinery and equipment	646,709	77,801	-	724,510
Building	190,202	33,547	-	223,749
Furniture and fixtures	268,176	16,963	-	285,139
Motor vehicles	<u>324,067</u>	<u>75,791</u>	<u>26,265</u>	<u>373,593</u>
Total accumulated depreciation	<u>11,435,723</u>	<u>712,310</u>	<u>26,265</u>	<u>12,121,768</u>
Total capital assets being depreciated, net	<u>8,650,681</u>	<u>(486,351)</u>	<u>-</u>	<u>8,164,330</u>
Total capital assets, net	<u>\$ 9,048,107</u>	<u>\$(395,595)</u>	<u>\$ 33,150</u>	<u>\$ 8,619,392</u>

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2014 and 2013**

4. LONG-TERM DEBT

Bonds payable and transactions for the years ended September 30, 2014 and 2013 are summarized as follows:

At September 30, 2014

	<u>Balance</u> <u>10/1/13</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>9/30/14</u>	<u>Due Within</u> <u>One Year</u>
Water revenue bonds	\$2,489,002	\$ -	\$1,778,169	\$710,833	\$37,166
Loan	<u>5,567</u>	<u>-</u>	<u>5,567</u>	<u>-</u>	<u>-</u>
Totals	<u>\$2,494,569</u>	<u>\$ -</u>	<u>\$1,783,736</u>	<u>\$710,833</u>	<u>\$37,166</u>

At September 30, 2013

	<u>Balance</u> <u>10/1/12</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>9/30/13</u>	<u>Due Within</u> <u>One Year</u>
Water revenue bonds	\$3,047,202	\$ -	\$552,200	\$2,489,002	\$583,000
Loan	<u>11,638</u>	<u>-</u>	<u>6,075</u>	<u>5,567</u>	<u>5,567</u>
Totals	<u>\$3,058,840</u>	<u>\$ -</u>	<u>\$558,275</u>	<u>\$2,494,569</u>	<u>\$588,567</u>

Water Revenue Bonds

Water revenue bonds are comprised of the following individual issues:

	<u>Interest</u> <u>Rates</u>	<u>Final</u> <u>Maturity</u> <u>Date</u>	<u>Annual</u> <u>Serial</u> <u>Payments</u>	<u>Bonds</u> <u>Authorized</u>	<u>Outstanding</u> <u>at 9/30/14</u>	<u>Outstanding</u> <u>at 9/30/13</u>
Series 1981-A	5.70%	04-01-20	\$1,000 to \$5,000	\$ 65,000	\$ 0	\$ 22,000
Series 1991	6.90%	04-01-16	\$15,000 to \$40,000	600,000	0	50,000
Series 97 Ref	7.90%	04-01-14	\$80,000 to \$200,000	1,885,000	0	200,000
Series 1997	5.60%	04-01-17	\$165,000 to \$400,000	4,850,000	0	1,470,000
Series 2010	1.93%	08-15-30	\$26,600 to \$53,600	849,200	<u>710,833</u>	<u>747,000</u>
Total					<u>\$ 710,833</u>	<u>\$2,489,000</u>



**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2014 and 2013**

4. LONG-TERM DEBT, Continued

On September 24, 2014, the Authority used interest and sinking funds and other cash reserves to initiate a cash defeasance of its Series 1981-A, Series 1991, and Series 1997 water revenue bonds. The Authority deposited \$1,243,436, including a \$15,000 delivery date expense, to initiate the defeasance. The deposit amount paid all interest due on the issues due October 1, 2014, as well as interest and principal on the defeased debt. A payment from the escrow of \$1,175,020 was made on October 28, 2014 to pay off \$1,170,000 of debt. The remaining \$19,475 will be paid from the escrow fund on the call date of remaining debt on April 1, 2015. The result of the defeasance will be a cash flow savings of almost \$90,000 had the defeasance not been completed.

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 1/12<sup>th</sup> of the annual principal and interest payments.

The annual requirements to pay principal and interest on long-term obligations outstanding as of September 30, 2014 are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Bonds</u> <u>Principal</u>	<u>Interest</u>
2015	\$ 37,166	\$ 12,584
2016	31,667	12,558
2017	38,800	12,372
2018	39,800	12,068
2019	40,800	11,672
2020 – 2024	220,000	48,844
2025 – 2029	249,000	24,896
2030	<u>53,600</u>	<u>1,330</u>
Totals	<u>\$ 710,833</u>	<u>\$ 136,324</u>

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2014 and 2013**

5. DIRECT FINANCING ARRANGEMENT DEBT

The bonds issued under direct financing arrangements represent, in substance, obligations of those entities on whose behalf they were issued and are not reflected on the Authority's financial statements. The following is a summary of changes in the direct financing arrangement obligations for the year ended September 30, 2014:

	Debt Outstanding October 1, 2013	New Obligations Issued	Obligations Retired or Refunded	Debt Outstanding September 30, 2014
Bonds issued under direct financing arrangements	\$95,750,000	\$ -	\$ -	\$95,750,000

Direct financing bonds payable at September 30, 2014, comprise the following individual issuances:

	Range of Interest Rates	Final Maturity Date	Annual Serial Payments	Bonds Authorized	Debt Outstanding September 30, 2014
<u>Pollution Control Revenue Bonds</u> –					
Celanese Corporation – Series 2002A	6.45%	11-01-30	\$ 4,990,000*	\$ 4,990,000	\$ 4,990,000
Celanese Corporation – Series 2002B	6.70%	11-01-30	27,460,000*	27,460,000	27,460,000
AEP Texas North Company, Public Service Company of Oklahoma and AEP Texas Central Company-Series 2007	4.45%	06-01-20	63,300,000*	63,300,000	63,300,000
Total direct financing bonds				\$ 95,750,000	\$ 95,750,000

\* Term payment at maturity

In January 2010, the Authority was notified by the Internal Revenue Service (IRS) that it had selected the \$50,000,000 Red River Authority of Texas Solid Waste Disposal Revenue Bonds (Panda Hereford Ethanol, L.P. Project) Series 2006, for a routine examination to determine compliance with federal tax requirements. The responsibility for submitting the information requested by the IRS would normally fall on the entity for which the bonds were issued. However, since Panda Hereford declared bankruptcy in April 2009, the IRS determined the responsibility for providing the requested information

## RED RIVER AUTHORITY OF TEXAS

### NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2014 and 2013

#### 5. DIRECT FINANCING ARRANGEMENT DEBT, continued

and completing the arbitrage calculation lay with the Authority. The Authority employed its bond counsel and financial consultant to prepare the arbitrage rebate report and respond to the IRS. The arbitrage rebate report reflected that there was no liability to the IRS related to this bond issue, therefore, since no liability exists, under the reporting rules there was no requirement to file documents with the IRS. As of September 30, 2014, the IRS has not responded to any of the information submitted.

#### 6. 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 and/or not estimable are disclosed herein. Remote claims are monitored until such time as they are resolved, disclosed, or accrued.

Five of the Authority's 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. The Authority is satisfying all noncompliance requirements of notifying the customers by letter on a quarterly basis, furnishing affected customers with bottled water reimbursement, and developing compliance plans for each system affected. Currently two (2) of the systems have been brought into current compliance with the SDWA and are awaiting EPA releases. Compliance plans have been developed for the remainder of the systems. Due to the remote locations of the Authority's affected systems and the lack of other available water supplies near the systems, extensive capital outlay and increased operating costs will be required to bring the systems into compliance.

In 2004, the Authority was notified that two water systems were in violation of the SDWA's maximum contaminant level for total trihalomethanes (TTHMs). These violations were brought about by the EPA lowering the maximum contaminant level effective January 1, 2004 and are not associated with operational treatment techniques.

In compliance with an agreed enforcement order between the TCEQ and the Authority, the Authority continues to send Notice of Violation letters to each customer on the affected systems quarterly and will continue to do so until released by the TCEQ. New equipment and treatment techniques placed into service at each plant were not successful

## RED RIVER AUTHORITY OF TEXAS

### NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2014 and 2013

#### 6. COMMITMENTS AND CONTINGENT LIABILITIES, continued

in bringing the TTHM's into compliance levels due to required technique changes being required by the TCEQ. However, the Authority is still working with the TCEQ on developing an effective treatment process. In addition, the ongoing drought conditions being experienced throughout the area is having a detrimental effect on all treatment techniques being attempted.

The EPA is constantly changing the requirements for chemical constituent levels and water treatment methods, which are then implemented by the TCEQ. A possible requirement is the lowering of the arsenic maximum contaminant level. Arsenic is a naturally occurring chemical found in surface waters, such as Lake Arrowhead. The EPA reduced the maximum contaminant level for arsenic from 5ppb to 1ppb. Although Lake Arrowhead levels are just below the new maximum contaminant level, it has indicated a slow increase over the years. Should the level continue to increase, the Lake Arrowhead Water System may be required to implement an alternative treatment process to reduce the arsenic, which will require a major capital outlay.

The Lockett Water System has experienced a total failure with its water supply wells requiring the Authority to depend on its secondary supply, the City of Vernon. As it appears that the wells will not return and to meet the TCEQ requirements, the Authority has negotiated a new contract with the City of Vernon, which will now become the primary water source for the Lockett Water System. This requires a larger transmission line and pump station from Vernon to the Lockett Pump Station, which will require an extensive capital expenditure. The Authority is currently researching economical financing options for the project. To date, the Authority has been able to maintain adequate service to the Lockett Water System through operational changes.

#### 7. EMPLOYEE RETIREMENT PLAN

##### Plan Description

The Authority provides retirement, disability, and death benefits for all full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 535 non-traditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the Authority 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, with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more.

## RED RIVER AUTHORITY OF TEXAS

### NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2014 and 2013

#### 7. EMPLOYEE RETIREMENT PLAN, Continued

Members are vested after 10 years of service, but must leave their accumulated contributions in the plan to receive any Authority-financed benefits. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the Authority. Benefit amounts are determined by the sum of employee's contributions to the plan, with interest, and Authority-financed monetary credits. The level of these monetary credits is adopted by the governing body of the Authority within the actuarial constraints imposed by the TCDRS Act, so that the resulting benefits can be expected to be adequately financed by the Authority'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 Authority-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

#### Funding Policy

The Authority has chosen a fixed rate plan under the provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the Authority based on the covered payroll of employee members.

Under the TCDRS Act, the regular 7.0% contribution rate of the Authority is a fixed percent equal to the 7.0% contribution rate payable by the employee members, as adopted by the governing body of the Authority. This regular contribution rate of the Authority is not actuarially determined and is one of the rates that can be adopted in accordance with the TCDRS Act. However, the plan of benefits adopted by the Authority at the time of plan inception or when benefit increases were adopted was limited by the TCDRS Act to what the actuary determined could be adequately financed by the commitment of the Authority to contribute the same amount as the employees. The employee contribution rate and the Authority contribution rate may be changed by the governing body of the Authority within the options available in the TCDRS Act.

If a plan has had adverse experience, the TCDRS Act has provisions, which allow the Authority to contribute a fixed supplemental contribution rate determined by the system's actuary above the regular rate for 25 years or to reduce benefits earned in the future. The Authority has no supplemental contribution required at this time.

The schedule of funding progress, presented as Required Supplementary Information directly following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Plan assets have increased for each year listed.

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2014 and 2013**

7. EMPLOYEE RETIREMENT PLAN, Continued

Annual Pension Cost

For the Authority's accounting years ending September 30, 2014, 2013, and 2012 the annual pension cost for the TCDRS plan for its employees was \$36,178, \$28,086, and \$24,808 respectively, and actual contributions were \$96,467, \$92,840, and \$91,129 respectively. While the actual contributions were not actuarially determined, but were a fixed percent of the covered payroll of the participating employees, the annual required contributions were in compliance with the GASB Statement 27 parameters based on the actuarial valuations as of December 31, 2011, December 31, 2012, and December 31, 2013, the basis for assessing the adequacy of the financing arrangement beginning with the contribution rates for calendar years 2012-2013. The December 31, 2013 actuarial valuation is the most recent valuation. Since actual contributions were greater than the annual required contribution amount, the Authority has a negative net pension obligation for each indicated year as noted below.

**Actuarial Valuation Information**

	2012	2013	2014
<b><u>GASB 27 Calculation Information</u></b>			
GASB 27 Compliant Rate	2.72%	3.08%	3.70%
Actuarial assumed investment return rate	9.00%	9.00%	9.00%
Actuarial amortization factor	13.6578	13.6578	13.6578
Rate actually used to make contributions	7.00%	7.00%	7.00%
<b><u>Actuarial Valuation Date</u></b>			
	December 31, 2011	December 31, 2012	December 31, 2013
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, open	level percentage of payroll, open	level percentage of payroll, open
Amortization period	30 years	30 years	30 years
Asset valuation method	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value
<b>Actuarial Assumptions:</b>			
Investment return <sup>1</sup>	8.00%	8.00%	8.00%
Projected salary increases <sup>1</sup>	5.40%	5.40%	4.90%
Inflation	3.50%	3.50%	3.00%
Cost-of-living adjustments	0.00%	0.00%	0.00%

<sup>1</sup> Includes inflation at the stated rate

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2014 and 2013**

**7. EMPLOYEE RETIREMENT PLAN, Continued**

**Schedule of Funding Information**

Actuarial valuation date	12/31/2011	12/31/2012	12/31/2013
Actuarial value of assets	\$ 4,237,721	\$ 4,534,656	\$ 5,032,554
Actuarial accrued liability (AAL)	3,732,086	4,116,101	4,548,551
Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)]	(505,635)	(418,555)	(484,003)
Funded ratio	113.55%	110.17%	110.64%
Annual covered payroll	1,249,980	1,307,056	1,336,446
UAAL or (OAAL) as percentage of covered payroll	-40.45%	-32.02%	-36.22%

**Net Pension Obligation information/ARC**

	2012	2013	2014
Covered payroll	\$ 1,301,839	\$ 1,325,855	\$ 1,378,105
Annual Required Contributions (ARC)	35,209	39,601	48,779
Previous period NPO (asset)	(619,819)	(686,140)	(750,894)
Interest on NPO	55,784	61,753	67,580
Adjustments to ARC	45,382	50,238	54,979
Annual pension cost	24,808	28,086	36,178
Actual contributions	91,129	92,840	96,467
Change in NPO	(66,321)	(64,754)	(60,290)
NPO end of year	\$ (686,140)	\$ (750,894)	\$ (811,184)
Percentage of annual pension cost contributed	367%	331%	267%

**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.

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2014 and 2013**

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, 2014:

	Utility Division	Environmental Services Division	Other Enterprise Funds
<b>Condensed Statement of Net Position</b>			
Assets:			
Current assets	\$ 3,554,258	\$ 171,707	\$ 13,054
Restricted assets	88,380	-	38,750
Capital assets	6,768,922	223,346	-
Noncurrent assets	-	-	-
Total assets	<u>10,411,560</u>	<u>395,053</u>	<u>51,804</u>
Liabilities:			
Current liabilities	4,604,381	124,003	13,054
Noncurrent liabilities	1,248,823	6,007	-
Total liabilities	<u>5,853,204</u>	<u>130,010</u>	<u>13,054</u>
Net position:			
Net investment in capital assets	5,569,903	211,793	-
Restricted net position	88,380	-	-
Unrestricted net position	(1,099,927)	53,250	38,750
Total net position	<u>\$ 4,558,356</u>	<u>\$ 265,043</u>	<u>\$ 38,750</u>
<b>Condensed Statement of Revenue, Expenses, and Changes in Net Position</b>			
Operating revenues	\$ 4,216,105	\$ 944,978	\$ 19,725
Operating expense	3,695,908	970,478	59
Operating income (loss)	520,197	(25,500)	19,784
Nonoperating revenues (expenses)	(129,119)	(1,149)	59
Operating transfers and other credits	-	-	(19,725)
Change in net position	391,078	(26,649)	-
Beginning net position	4,167,278	291,692	38,750
Ending net position	<u>\$ 4,558,356</u>	<u>\$ 265,043</u>	<u>\$ 38,750</u>



**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2014 and 2013**

9. SEGMENT INFORMATION FOR ENTERPRISE FUNDS, Continued

	Utility Division	Environmental Services Division	Other Enterprise Funds
<b>Condensed Statement of Cash Flows</b>			
Net cash provided by (used) in:			
Operating activities	\$ 1,111,499	\$ 28,572	\$ 19,666
Noncapital financing activities	-	-	(19,725)
Capital and related financing activities	(2,051,970)	7,797	-
Investing activities	111,362	-	6,944
Net increase (decrease)	(829,109)	36,369	6,885
Beginning cash and cash equivalents	(1,364,901)	(143,689)	11,207
Ending cash and cash equivalents	\$ (2,194,010)	\$ (107,320)	\$ 18,092

10. NEW PRONOUNCEMENTS

**GASB 71: Pension Transaction for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68**

The objective of this statement is to address an issue regarding application of the Transition Provisions of Statement No. 68, which is described below.

**GASB 68: Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27**

The requirements of this Statement will improve the decision-usefulness of information in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information as follows:

More robust disclosures of assumptions will allow for better informed assessments of the reasonableness of pension measurements.

Explanations of how and why the net pension liability changed from year to year will improve transparency.

## RED RIVER AUTHORITY OF TEXAS

### NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2014 and 2013

#### 10. NEW PRONOUNCEMENTS, Continued

The summary net pension liability information, including ratios, will offer an indication of the extent to which the total pension liability is covered by resources held by the pension plan.

The contribution schedules will provide measures to evaluate decisions related to the assessment of contribution rates – in comparison to actuarially, statutorily, or contractually determined rates, when such rates are determined.

It will also provide information about whether employers and non-employer contributing entities, if applicable, are keeping pace with those contribution rates.

The consistency and transparency of the information reported by employers and governmental non-employer contributing entities about pension transactions will be improved by requiring:

The use of a discount rate that considers the availability of the pension plan's fiduciary net position associated with the pensions of current active and inactive employees and the investment horizon of those resources, rather than utilizing only the long term expected rate of return regardless of whether the pension plan's fiduciary net position is projected to be sufficient to make projected benefit payments and is expected to be invested using a strategy to achieve that return.

A single method of attributing the actuarial present value of projected benefit payments to periods of employee service, rather than allowing a choice among six methods with additional variations.

Immediate recognition in pension expense, rather than a choice of recognition periods, of the effects of changes of benefit terms and the effects of projected pension plan investment earnings.

Recognition of pension expense that incorporates deferred outflows of resources and deferred inflows of resources related to pensions over a defined, closed period, rather than a choice between an open or closed period.

The comparability of reported pension information will also be improved by the changes related to the attribution method used to determine service cost and the total pension liability, requirements for immediate recognition in pension expense and the establishment of standardized expense recognition periods for amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions. This statement is effective for fiscal years beginning after June 15, 2014.

**REQUIRED SUPPLEMENTARY INFORMATION**



**RED RIVER AUTHORITY OF TEXAS**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**  
**ANALYSIS OF FUNDING PROGRESS (Unaudited)**

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage Funded (1) ÷ (2)	Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll (4) ÷ (5)
12/31/09	\$ 3,651,973	\$ 3,083,220	118.4%	\$ (568,753)	\$ 1,221,798	-46.6%
12/31/10	3,987,979	3,444,473	115.8%	(543,506)	1,245,691	-43.6%
12/31/11	4,237,721	3,732,086	113.5%	(505,635)	1,249,980	-40.5%
12/31/12	4,534,656	4,116,101	110.2%	(418,555)	1,307,056	-32.0%
12/31/13	5,032,554	4,548,551	110.6%	(484,003)	1,336,446	-36.2%

Analysis of the dollar amounts of the actuarial value of assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the Authority's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Authority's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage, the stronger the plan.



## **OTHER SUPPLEMENTARY INFORMATION**

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION**  
**September 30, 2014**

	Enterprise Funds			
	Utility Division Fund	Environmental Services Division Fund	Direct Financing Arrangements Fund	Industrial Development Authority Fund
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and short-term investments	\$ 2,122,100	\$ -	\$ -	\$ -
Investments	765,500	-	-	-
Receivables:				
Trade and contracts	666,658	171,707	13,054	-
Due from other funds	-	-	-	-
Interfund loans	-	-	-	-
Prepaid expenses	-	-	-	-
Inventory	-	-	-	-
Restricted assets:				
Cash and short-term investments	41,368	-	-	18,092
Investments	47,012	-	-	20,658
Total current assets	<u>3,642,638</u>	<u>171,707</u>	<u>13,054</u>	<u>38,750</u>
<b>Long-term assets:</b>				
Interfund loans, less current portion	-	-	-	-
Net pension obligation	-	-	-	-
Capital assets not being depreciated	273,723	-	-	-
Capital assets being depreciated (net)	6,495,199	223,346	-	-
Total long-term assets	<u>6,768,922</u>	<u>223,346</u>	<u>-</u>	<u>-</u>
Total assets	<u>10,411,560</u>	<u>395,053</u>	<u>13,054</u>	<u>38,750</u>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Bank overdraft	4,357,373	107,320	-	-
Accounts payable - trade	87,186	6,696	-	-
Due to other Authority funds	-	-	13,054	-
Accrued payroll and related taxes	14,935	4,441	-	-
Unearned revenue	2,555	-	-	-
Interfund loans payable, current maturities	105,166	5,546	-	-
Loans payable, current maturities	-	-	-	-
Bonds payable, current maturities	37,166	-	-	-
Total current liabilities	<u>4,604,381</u>	<u>124,003</u>	<u>13,054</u>	<u>-</u>
<b>Long-term liabilities:</b>				
Interfund loans payable, less current maturities	383,020	6,007	-	-
Bonds payable, less current maturities	673,667	-	-	-
Deposits	192,136	-	-	-
Total long-term liabilities	<u>1,248,823</u>	<u>6,007</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,853,204</u>	<u>130,010</u>	<u>13,054</u>	<u>-</u>
<b>Net position:</b>				
Net investment in capital assets	5,569,903	211,793	-	-
Restricted:				
Debt service, repair and replacement, and construction	88,380	-	-	-
Net pension obligation	-	-	-	-
Unrestricted	<u>(1,099,927)</u>	<u>53,250</u>	<u>-</u>	<u>38,750</u>
Total net position	<u>\$ 4,558,356</u>	<u>\$ 265,043</u>	<u>\$ -</u>	<u>\$ 38,750</u>



## Internal Service Funds

General Division Fund	Interfund Loan Fund	Maintenance Division Fund	Communications Division Fund	Motor Vehicle Pool Fund	Eliminations	Totals
\$ 2,180,477	\$ 2,370,730	\$ 114,270	\$ 628,903	\$ 167,961	\$ (4,464,693)	\$ 3,119,748
768,978	538,402	40,303	221,812	59,240	-	2,394,235
97,879	-	6,175	8,145	-	-	963,618
13,054	-	-	-	-	(13,054)	-
-	220,415	-	-	-	(220,415)	-
10,509	-	-	-	-	-	10,509
-	-	59,597	-	-	-	59,597
-	-	-	-	-	-	59,460
-	-	-	-	-	-	67,670
<u>3,070,897</u>	<u>3,129,547</u>	<u>220,345</u>	<u>858,860</u>	<u>227,201</u>	<u>(4,698,162)</u>	<u>6,674,837</u>
-	1,416,124	-	-	-	(1,416,124)	-
811,184	-	-	-	-	-	811,184
183,331	-	4,311	-	-	-	461,365
776,399	-	65,344	60,605	96,075	-	7,716,968
<u>1,770,914</u>	<u>1,416,124</u>	<u>69,655</u>	<u>60,605</u>	<u>96,075</u>	<u>(1,416,124)</u>	<u>8,989,517</u>
4,841,811	4,545,671	290,000	919,465	323,276	(6,114,286)	15,664,354
-	-	-	-	-	(4,464,693)	-
69,167	-	3,338	167	15,074	-	181,628
-	-	-	-	-	(13,054)	-
8,105	-	1,295	-	-	-	28,776
-	-	-	27,156	-	-	29,711
42,704	-	13,757	8,181	45,061	(220,415)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	37,166
<u>119,976</u>	<u>-</u>	<u>18,390</u>	<u>35,504</u>	<u>60,135</u>	<u>(4,698,162)</u>	<u>277,281</u>
900,831	-	30,388	40,475	55,403	(1,416,124)	-
-	-	-	-	-	-	673,667
-	-	-	-	-	-	192,136
<u>900,831</u>	<u>-</u>	<u>30,388</u>	<u>40,475</u>	<u>55,403</u>	<u>(1,416,124)</u>	<u>865,803</u>
1,020,807	-	48,778	75,979	115,538	(6,114,286)	1,143,084
16,195	-	25,510	11,949	(4,389)	1,636,539	7,467,500
-	-	-	-	-	-	88,380
811,184	-	-	-	-	-	811,184
2,993,625	4,545,671	215,712	831,537	212,127	(1,636,539)	6,154,206
<u>\$ 3,821,004</u>	<u>\$ 4,545,671</u>	<u>\$ 241,222</u>	<u>\$ 843,486</u>	<u>\$ 207,738</u>	<u>\$ -</u>	<u>\$ 14,521,270</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
for the year ended September 30, 2014

	Enterprise Funds			
	Utility Division Fund	Environmental Services Division Fund	Direct Financing Arrangements Fund	Industrial Development Authority Fund
<b>Operating revenues:</b>				
Water and sewer sales	\$ 4,072,153	\$ -	\$ -	\$ -
Charges for materials and services	-	568,037	19,725	-
Administrative fee income	-	-	-	-
Other	143,952	376,941	-	-
Total operating revenues	<u>4,216,105</u>	<u>944,978</u>	<u>19,725</u>	<u>-</u>
<b>Operating expenses:</b>				
Water purchases	601,222	-	-	-
Personnel services	897,263	340,003	-	-
Administrative costs	676,593	173,137	-	59
Utilities, supplies, and maintenance	752,243	325,836	-	-
Insurance	-	-	-	-
Automobile and travel	238,983	29,322	-	-
Professional and directors fees	15,000	2,320	-	-
Research expense	-	39,690	-	-
Total operating expenses	<u>3,181,304</u>	<u>910,308</u>	<u>-</u>	<u>59</u>
Operating income before depreciation and amortization	1,034,801	34,670	19,725	(59)
Depreciation and amortization	(514,604)	(60,170)	-	-
Operating income (loss)	<u>520,197</u>	<u>(25,500)</u>	<u>19,725</u>	<u>(59)</u>
<b>Nonoperating revenues (expenses):</b>				
Interest income	2,500	-	-	59
Gain on disposal of assets	5,166	-	-	-
Interest expense	(136,785)	(1,149)	-	-
Total nonoperating revenues (expenses)	<u>(129,119)</u>	<u>(1,149)</u>	<u>-</u>	<u>59</u>
Income (loss) before transfers	391,078	(26,649)	19,725	-
Transfers	-	-	(19,725)	-
Change in net position	391,078	(26,649)	-	-
Net position, beginning	<u>4,167,278</u>	<u>291,692</u>	<u>-</u>	<u>38,750</u>
Net position, ending	<u>\$ 4,558,356</u>	<u>\$ 265,043</u>	<u>\$ -</u>	<u>\$ 38,750</u>

**Internal Service Funds**

<b>General Division Fund</b>	<b>Interfund Loan Fund</b>	<b>Maintenance Division Fund</b>	<b>Communications Division Fund</b>	<b>Motor Vehicle Pool Fund</b>	<b>Eliminations</b>	<b>Totals</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,072,153
68,763	-	258,223	53,786	232,972	(608,964)	592,542
855,146	-	-	-	-	(855,146)	-
59	-	-	-	-	-	520,952
<u>923,968</u>	<u>-</u>	<u>258,223</u>	<u>53,786</u>	<u>232,972</u>	<u>(1,464,110)</u>	<u>5,185,647</u>
-	-	-	-	-	-	601,222
436,377	-	102,370	-	-	-	1,776,013
36,630	9,702	30,496	3,750	11,077	(855,146)	86,298
92,641	-	31,468	9,382	-	(375,992)	835,578
52,961	-	-	-	-	-	52,961
14,691	-	38,963	-	140,955	(232,972)	229,942
132,610	-	-	-	-	-	149,930
-	-	-	-	-	-	39,690
<u>765,910</u>	<u>9,702</u>	<u>203,297</u>	<u>13,132</u>	<u>152,032</u>	<u>(1,464,110)</u>	<u>3,771,634</u>
158,058	(9,702)	54,926	40,654	80,940	-	1,414,013
(63,238)	-	(16,014)	(11,386)	(62,420)	-	(727,832)
<u>94,820</u>	<u>(9,702)</u>	<u>38,912</u>	<u>29,268</u>	<u>18,520</u>	<u>-</u>	<u>686,181</u>
2,147	97,020	110	609	154	(95,334)	7,265
9,640	-	-	-	14,852	-	29,658
(43,735)	-	(4,089)	(4,228)	(9,000)	95,334	(103,652)
<u>(31,948)</u>	<u>97,020</u>	<u>(3,979)</u>	<u>(3,619)</u>	<u>6,006</u>	<u>-</u>	<u>(66,729)</u>
62,872	87,318	34,933	25,649	24,526	-	619,452
19,725	-	-	-	-	-	-
82,597	87,318	34,933	25,649	24,526	-	619,452
<u>3,738,407</u>	<u>4,458,353</u>	<u>206,289</u>	<u>817,837</u>	<u>183,212</u>	<u>-</u>	<u>13,901,818</u>
<u>\$ 3,821,004</u>	<u>\$ 4,545,671</u>	<u>\$ 241,222</u>	<u>\$ 843,486</u>	<u>\$ 207,738</u>	<u>\$ -</u>	<u>\$ 14,521,270</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF CASH FLOWS**  
for the year ended September 30, 2014

**Enterprise Funds**

	<b>Utility Division Fund</b>	<b>Environmental Services Division Fund</b>	<b>Direct Financing Arrangements Fund</b>	<b>Industrial Development Authority Fund</b>
<b>Increase (decrease) in cash and cash equivalents:</b>				
<b>Cash flows from operating activities:</b>				
Cash received from customers and users	\$ 4,303,322	\$ 939,268	\$ 19,725	\$ -
Cash received from internal services provided	-	-	-	-
Cash payments to suppliers for goods and services	(2,298,467)	(572,024)	-	-
Cash payments to employees for services	(895,356)	(338,672)	-	-
Cash payments for internal services used	-	-	-	(59)
Customer deposits received	2,000	-	-	-
Net cash provided (used in) by operating activities	<u>1,111,499</u>	<u>28,572</u>	<u>19,725</u>	<u>(59)</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers to other funds	-	-	(19,725)	-
Transfers from other funds	-	-	-	-
Proceeds from interfund loans	-	-	-	-
Principal paid on interfund loans	-	-	-	-
Interest paid on interfund loans	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(19,725)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>				
Principal paid on revenue bonds and notes	(1,778,167)	-	-	-
Interest paid on revenue bonds and notes	(103,653)	-	-	-
Proceeds from interfund loans	102,246	16,674	-	-
Principal paid on interfund loans	(97,237)	(5,121)	-	-
Interest paid on interfund loans	(33,132)	(1,148)	-	-
Principal paid on loans	-	-	-	-
Acquisition of capital assets	(149,717)	(2,608)	-	-
Proceeds from sale of equipment	7,690	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(2,051,970)</u>	<u>7,797</u>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Interfund loan advances	-	-	-	-
Collections received on interfund loans	-	-	-	-
Interest received on interfund loans	-	-	-	-
Proceeds from sales of investments	108,862	-	-	8,794
Purchase of investments	-	-	-	(1,909)
Interest received on investments	2,500	-	-	59
Net cash provided by (used in) investing activities	<u>111,362</u>	<u>-</u>	<u>-</u>	<u>6,944</u>
Net increase (decrease) in cash and cash equivalents	(829,109)	36,369	-	6,885
Cash and cash equivalents (deficit), beginning	<u>(1,364,901)</u>	<u>(143,689)</u>	<u>-</u>	<u>11,207</u>
Cash and cash equivalents (deficit), ending	<u>\$ (2,194,010)</u>	<u>\$ (107,320)</u>	<u>\$ -</u>	<u>\$ 18,092</u>

Internal Service Funds

General Division Fund	Interfund Loan Fund	Maintenance Division Fund	Communications Division Fund	Motor Vehicle Pool Fund	Eliminations	Totals
\$ 21,863	\$ -	\$ 60,951	\$ 35,782	\$ -	\$ (166,642)	\$ 5,214,269
855,146	-	196,698	12,650	232,972	(1,297,466)	-
(298,131)	-	(118,638)	(13,128)	(149,507)	1,454,349	(1,995,546)
(493,964)	-	(103,075)	-	-	-	(1,831,067)
-	(9,702)	-	-	-	9,761	-
-	-	-	-	-	-	2,000
<u>84,914</u>	<u>(9,702)</u>	<u>35,936</u>	<u>35,304</u>	<u>83,465</u>	<u>2</u>	<u>1,389,656</u>
-	-	-	-	-	19,725	-
19,725	-	-	-	-	(19,725)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>19,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	(1,778,167)
-	-	-	-	-	-	(103,653)
34,517	-	-	-	85,552	(238,989)	-
(46,696)	-	(12,703)	(7,878)	(61,354)	230,989	-
(43,735)	-	(4,089)	(4,228)	(9,000)	95,332	-
-	-	(5,567)	-	-	-	(5,567)
(41,374)	-	(8,122)	(1,924)	(85,552)	-	(289,297)
9,640	-	-	-	14,852	-	32,182
<u>(87,648)</u>	<u>-</u>	<u>(30,481)</u>	<u>(14,030)</u>	<u>(55,502)</u>	<u>87,332</u>	<u>(2,144,502)</u>
-	(290,325)	-	-	-	290,325	-
-	282,327	-	-	-	(282,327)	-
-	95,332	-	-	-	(95,332)	-
248,682	147,180	11,112	64,835	7,960	-	597,425
(53,985)	(31,950)	(2,412)	(14,075)	(1,728)	-	(106,059)
2,147	1,688	110	609	154	-	7,267
<u>196,844</u>	<u>204,252</u>	<u>8,810</u>	<u>51,369</u>	<u>6,386</u>	<u>(87,334)</u>	<u>498,633</u>
213,835	194,550	14,265	72,643	34,349	-	(256,213)
<u>1,966,642</u>	<u>2,176,180</u>	<u>100,005</u>	<u>556,260</u>	<u>133,612</u>	<u>-</u>	<u>3,435,316</u>
<u>\$ 2,180,477</u>	<u>\$ 2,370,730</u>	<u>\$ 114,270</u>	<u>\$ 628,903</u>	<u>\$ 167,961</u>	<u>\$ -</u>	<u>\$ 3,179,103</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF CASH FLOWS - ENTERPRISE FUNDS, Continued**  
**for the year ended September 30, 2014**

	Enterprise Funds			
	Utility Division Fund	Environmental Services Division Fund	Direct Financing Arrangements Fund	Industrial Development Authority Fund
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
<b>Operating income (loss)</b>	\$ 520,197	\$ (25,500)	\$ 19,725	\$ (59)
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>				
Depreciation and amortization	514,604	60,170	-	-
Change in assets and liabilities:				
(Increase) decrease in trade receivables	91,636	(5,710)	-	-
(Increase) decrease in prepaid expenses	-	-	-	-
(Increase) decrease in inventory	-	-	-	-
(Increase) in net pension obligation	-	-	-	-
Increase (decrease) in trade accounts payable	(14,426)	(1,719)	-	-
Increase (decrease) in accrued payroll and related liabilities	1,907	1,331	-	-
Increase (decrease) in deferred revenues	(4,419)	-	-	-
Increase (decrease) in deposits	2,000	-	-	-
Total adjustments	591,302	54,072	-	-
Net cash provided by operating activities	\$ 1,111,499	\$ 28,572	\$ 19,725	\$ (59)

Internal Service Funds

<u>General Division Fund</u>	<u>Interfund Loan Fund</u>	<u>Maintenance Division Fund</u>	<u>Communications Division Fund</u>	<u>Motor Vehicle Pool Fund</u>	<u>Eliminations</u>	<u>Totals</u>
\$ 94,820	\$ (9,702)	\$ 38,912	\$ 29,268	\$ 18,520	\$ -	\$ 686,181
63,238	-	16,014	11,386	62,420		727,832
(46,959)	-	(574)	4,238	-	-	42,631
(10,509)	-	-	-	-	-	(10,509)
-	-	2,178	-	-	-	2,178
(60,290)	-	-	-	-	-	(60,290)
41,911	-	(19,889)	4	2,525	-	8,406
2,703	-	(705)	-	-	-	5,236
-	-	-	(9,592)	-	-	(14,011)
-	-	-	-	-	-	2,000
<u>(9,906)</u>	<u>-</u>	<u>(2,976)</u>	<u>6,036</u>	<u>64,945</u>	<u>-</u>	<u>703,473</u>
<u>\$ 84,914</u>	<u>\$ (9,702)</u>	<u>\$ 35,936</u>	<u>\$ 35,304</u>	<u>\$ 83,465</u>	<u>\$ -</u>	<u>\$ 1,389,654</u>

RED RIVER AUTHORITY OF TEXAS

COMBINING SCHEDULE OF NET POSITION - ALL WATER AND SEWER SYSTEMS BY DISTRICT

September 30, 2014, with comparable totals for 2013

ASSETS	District	District	District	District	District	District	District	District	District	District	Totals	
	11	12	13	14	15	16	18	19	21	22	2014	2013
<b>Current assets:</b>												
Cash and short-term investments	\$ 367,353	\$ 193,834	\$ 358,332	\$ 185,783	\$ 474,868	\$ 279,345	\$ 262,585	\$ -	\$ -	\$ -	\$ 2,122,100	\$ 1,830,326
Investments	146,606	68,365	126,382	65,525	167,485	98,524	92,613	-	-	-	765,500	858,661
Receivables:												
Trade and contracts	71,313	67,536	69,731	61,189	62,595	49,602	41,197	122,798	2,761	117,936	666,658	758,294
Total current assets	585,272	329,735	554,445	312,497	704,948	427,471	396,395	122,798	2,761	117,936	3,554,258	3,447,281
<b>Restricted assets:</b>												
Cash and short-term investments	3,112	7,267	3,423	2,818	2,328	1,824	3,956	4,701	-	11,939	41,368	632,090
Investments	3,069	8,558	3,910	3,217	2,658	2,081	4,518	5,369	-	13,632	47,012	62,819
Total restricted assets	6,181	15,825	7,333	6,035	4,986	3,905	8,474	10,070	-	25,571	88,380	694,909
<b>Capital assets:</b>												
<b>Capital assets not being depreciated:</b>												
Land and easements	52,123	-	1,004	100	-	81,100	28,000	-	-	9,471	171,798	122,298
Construction in progress	15,040	-	15,000	-	30,000	15,000	21,896	-	-	4,989	101,925	93,099
Total capital assets not being depreciated	67,163	-	16,004	100	30,000	96,100	49,896	-	-	14,460	273,723	215,397
<b>Capital assets being depreciated and amortized:</b>												
Water storage rights	-	-	-	-	-	-	-	-	1,213,600	9,100	1,222,700	1,222,700
Water and sewer systems	1,180,440	951,406	962,164	1,070,387	1,987,637	1,849,890	678,176	4,384,236	-	3,237,543	16,301,879	16,213,012
Total capital assets being depreciated and amortized	1,180,440	951,406	962,164	1,070,387	1,987,637	1,849,890	678,176	4,384,236	1,213,600	3,246,643	17,524,579	17,435,712
Less accumulated depreciation and amortization	(891,587)	(737,350)	(724,025)	(741,426)	(1,227,831)	(1,400,103)	(594,857)	(2,698,557)	(226,534)	(1,787,110)	(11,029,380)	(10,514,777)
Total capital assets being depreciated and amortized, net	288,853	214,056	238,139	328,961	759,806	449,787	83,319	1,685,679	987,066	1,459,533	6,495,199	6,920,935
Total capital assets, net	356,016	214,056	254,143	329,061	789,806	545,887	133,215	1,685,679	987,066	1,473,993	6,768,922	7,136,332
Total assets	947,469	559,616	815,921	647,593	1,499,740	977,263	538,084	1,818,547	989,827	1,617,500	10,411,560	11,278,522
<b>LIABILITIES AND NET POSITION</b>												
<b>Current liabilities (payable from current assets):</b>												
Bank overdraft	240,826	245,310	660,075	107,632	92,701	186,699	-	1,417,345	751,481	655,304	4,357,373	3,827,317
Accounts payable - trade	11,826	13,612	15,579	12,182	5,934	4,949	4,186	10,611	-	8,307	87,186	101,612
Accrued payroll and related taxes	1,688	352	1,033	826	2,555	847	730	3,467	5	3,432	14,935	13,028
Unearned Revenue	-	-	-	-	-	-	-	2,555	-	-	2,555	6,974
Interfund loans payable, current	9,526	-	1,308	3,933	49,336	3,666	843	18,030	-	18,524	105,166	97,178
Total current liabilities (payable from current assets)	263,866	259,274	677,995	124,573	150,526	196,161	5,759	1,452,008	751,486	685,567	4,567,215	4,046,109
<b>Current liabilities (payable from restricted assets):</b>												
Bonds payable, current	-	-	-	-	-	-	-	-	37,166	-	37,166	583,000
Total current liabilities	263,866	259,274	677,995	124,573	150,526	196,161	5,759	1,452,008	788,652	685,567	4,604,381	4,629,109
<b>Noncurrent liabilities:</b>												
Bonds payable, less current maturities	-	-	-	-	-	-	-	-	673,667	-	673,667	1,906,000
Interfund loans payable, less current maturities	83,798	-	228	24,130	106,796	17,971	4,542	70,296	-	75,259	383,020	385,999
Deposits	14,355	18,325	22,350	20,900	15,300	10,350	18,525	35,025	-	37,006	192,136	190,136
Total noncurrent liabilities	98,153	18,325	22,578	45,030	122,096	28,321	23,067	105,321	673,667	112,265	1,248,823	2,482,135
Total liabilities	362,019	277,599	700,573	169,603	272,622	224,482	28,826	1,557,329	1,462,319	797,832	5,853,204	7,111,244
<b>Net position:</b>												
Net investment in capital assets	262,692	214,056	252,607	300,998	633,674	524,250	127,830	1,597,353	276,233	1,380,210	5,569,903	4,164,155
Restricted for:												
Debt service, repair and replacement, and construction	6,181	15,825	7,333	6,035	4,986	3,905	8,474	10,070	-	25,571	88,380	472,206
Unrestricted	316,577	52,136	(144,592)	170,957	588,458	224,626	372,954	(1,346,205)	(748,725)	(586,113)	(1,099,927)	(469,083)
Total net position	\$ 585,450	\$ 282,017	\$ 115,348	\$ 477,990	\$ 1,227,118	\$ 752,781	\$ 509,258	\$ 261,218	\$ (472,492)	\$ 819,668	\$ 4,558,356	\$ 4,167,278



**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**ALL WATER AND SEWER SYSTEMS BY DISTRICT**

Exhibit C-5

for the year ended September 30, 2014, with comparable totals for 2013

	District 11	District 12	District 13	District 14	District 15	District 16	District 18	District 19	District 21	District 22	Totals	
											2014	2013
<b>Operating revenues:</b>												
Water and sewer sales	\$ 395,876	\$ 403,737	\$ 460,310	\$ 376,742	\$ 415,724	\$ 299,611	\$ 225,854	\$ 786,112	\$ 14,095	\$ 694,092	\$ 4,072,153	\$ 3,710,743
Other	7,586	6,722	47,046	7,897	6,747	4,231	4,962	24,389	250	34,122	143,952	72,532
Total operating revenues	403,462	410,459	507,356	384,639	422,471	303,842	230,816	810,501	14,345	728,214	4,216,105	3,783,275
<b>Operating expenses:</b>												
Water purchases	91,746	134,041	127,788	134,806	28,081	26,176	17,212	38,925	-	2,447	601,222	625,545
Personnel services	89,276	81,647	95,550	66,737	90,556	74,614	58,488	168,438	244	171,713	897,263	838,625
Administrative costs	50,568	65,775	76,328	69,703	60,506	40,588	67,684	123,282	3,728	118,431	676,593	667,618
Utilities, supplies, and maintenance	65,415	36,709	95,829	37,695	95,585	59,670	32,153	123,013	2,091	204,083	752,243	677,400
Automobile and travel	17,485	23,127	26,879	24,408	21,279	14,522	24,240	43,124	61	43,858	238,983	252,896
Professional and directors fees	240	-	-	-	-	-	-	8,220	245	6,295	15,000	-
Total operating expenses	314,730	341,299	422,374	333,349	296,007	215,570	199,777	505,002	6,369	546,827	3,181,304	3,062,084
Operating income (loss) before depreciation	88,732	69,160	84,982	51,290	126,464	88,272	31,039	305,499	7,976	181,387	1,034,801	721,191
Depreciation	(32,167)	(20,928)	(26,686)	(42,489)	(73,754)	(51,786)	(18,827)	(134,640)	(7,288)	(106,039)	(514,604)	(508,209)
Operating income (loss)	56,565	48,232	58,296	8,801	52,710	36,486	12,212	170,859	688	75,348	520,197	212,982
<b>Nonoperating revenues (expenses):</b>												
Interest income	404	193	366	178	459	270	268	197	11	154	2,500	3,550
Gain on disposal of assets	-	-	-	-	-	-	-	-	-	5,166	5,166	-
Interest expense	(8,020)	(709)	(1,009)	(3,061)	(15,568)	(3,176)	(1,174)	(50,405)	(14,141)	(39,522)	(136,785)	(171,894)
Total nonoperating expenses	(7,616)	(516)	(643)	(2,883)	(15,109)	(2,906)	(906)	(50,208)	(14,130)	(34,202)	(129,119)	(168,344)
Change in net position	48,949	47,716	57,653	5,918	37,601	33,580	11,306	120,651	(13,442)	41,146	391,078	44,638
Net position, beginning	536,501	234,301	57,695	472,072	1,189,517	719,201	497,952	140,567	(459,050)	778,522	4,167,278	4,122,640
Net position, ending	\$ 585,450	\$ 282,017	\$ 115,348	\$ 477,990	\$ 1,227,118	\$ 752,781	\$ 509,258	\$ 261,218	\$ (472,492)	\$ 819,668	\$ 4,558,356	\$ 4,167,278

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 11**  
**September 30, 2014, with comparable totals for 2013**

Exhibit C-6

ASSETS	Turkey- Estelline	Newlin	Harrel's Chapel	Northfield- Carey	Rural #1	Totals	
						2014	2013
<b>Current assets:</b>							
Cash and short-term investments	\$ -	\$ 351,050	\$ -	\$ -	\$ 16,303	\$ 367,353	\$ 325,128
Investments	17,041	123,815	-	-	5,750	146,606	169,344
Receivables:							
Trade and contracts	39,976	11,604	4,178	12,965	2,590	71,313	72,105
Total current assets	57,017	486,469	4,178	12,965	24,643	585,272	566,577
<b>Restricted assets:</b>							
Cash and short-term investments	1,816	203	98	386	609	3,112	19,758
Investments	1,590	231	113	440	695	3,069	4,394
Total restricted assets	3,406	434	211	826	1,304	6,181	24,152
<b>Capital assets:</b>							
Capital assets not being depreciated:							
Land and easements	52,123	-	-	-	-	52,123	52,123
Construction in progress	15,000	-	-	40	-	15,040	13,500
Total capital assets not being depreciated	67,123	-	-	40	-	67,163	13,600
Capital assets being depreciated:							
Water and sewer systems	616,968	36,378	40,202	478,041	8,851	1,180,440	1,180,440
Total capital assets being depreciated	616,968	36,378	40,202	478,041	8,851	1,180,440	1,232,463
Less accumulated depreciation	(469,844)	(29,622)	(31,917)	(351,539)	(8,665)	(891,587)	(859,420)
Total capital assets, being depreciated, net	147,124	6,756	8,285	126,502	186	288,853	373,043
Total capital assets, net	214,247	6,756	8,285	126,542	186	356,016	386,643
Total assets	274,670	493,659	12,674	140,333	26,133	947,469	977,372
<b>LIABILITIES AND NET POSITION</b>							
<b>Current liabilities (payable from current assets):</b>							
Bank overdraft	210,664	-	16,517	13,645	-	240,826	270,278
Accounts payable - trade	6,209	2,377	971	1,755	514	11,826	12,253
Accrued payroll and related taxes	920	174	140	384	70	1,688	1,193
Interfund loans payable, current	9,526	-	-	-	-	9,526	8,867
	227,319	2,551	17,628	15,784	584	263,866	292,591
<b>Current liabilities (payable from restricted assets):</b>							
Bonds payable, current	-	-	-	-	-	-	23,511
Total current liabilities	227,319	2,551	17,628	15,784	584	263,866	316,102
<b>Noncurrent liabilities:</b>							
Bonds payable, less current maturities	-	-	-	-	-	-	19,000
Interfund loans payable, less current maturities	83,798	-	-	-	-	83,798	91,689
Deposits	7,330	1,225	1,100	4,000	700	14,355	14,080
Total noncurrent liabilities	91,128	1,225	1,100	4,000	700	98,153	124,769
Total liabilities	318,447	3,776	18,728	19,784	1,284	362,019	440,871
<b>Net position:</b>							
Net investment in capital assets	120,923	6,756	8,285	126,542	186	262,692	243,576
Restricted for:							
Debt service, repair and replacement, and construction	3,406	434	211	826	1,304	6,181	13,686
Unrestricted	(168,106)	482,693	(14,550)	(6,819)	23,359	316,577	279,239
Total net position	\$ (43,777)	\$ 489,883	\$ (6,054)	\$ 120,549	\$ 24,849	\$ 585,450	\$ 536,501

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**DISTRICT 11**

for the year ended September 30, 2014, with comparable totals for 2013

	Turkey- Estelline	Newlin	Harrel's Chapel	Northfield- Carey	Rural #1	Totals	
						2014	2013
<b>Operating revenues:</b>							
Water and sewer sales	\$ 215,526	\$ 59,979	\$ 27,384	\$ 78,387	\$ 14,600	\$ 395,876	\$ 346,929
Other	2,659	692	-	4,019	216	7,586	3,178
Total operating revenues	<u>218,185</u>	<u>60,671</u>	<u>27,384</u>	<u>82,406</u>	<u>14,816</u>	<u>403,462</u>	<u>350,107</u>
<b>Operating expenses:</b>							
Water purchases	37,634	26,038	7,615	16,381	4,078	91,746	90,366
Personnel services	48,649	9,233	7,407	20,293	3,694	89,276	83,926
Administrative costs	27,003	5,160	4,120	11,507	2,778	50,568	49,514
Utilities, supplies, and maintenance	43,450	5,617	3,536	11,807	1,005	65,415	73,778
Automobile and travel	9,499	1,790	1,431	3,998	767	17,485	18,496
Professional and directors fees	240	-	-	-	-	240	-
Total operating expenses	<u>166,475</u>	<u>47,838</u>	<u>24,109</u>	<u>63,986</u>	<u>12,322</u>	<u>314,730</u>	<u>316,080</u>
Operating income (loss) before depreciation	51,710	12,833	3,275	18,420	2,494	88,732	34,027
Depreciation	<u>(18,334)</u>	<u>(601)</u>	<u>(737)</u>	<u>(12,318)</u>	<u>(177)</u>	<u>(32,167)</u>	<u>(31,662)</u>
Operating income (loss)	<u>33,376</u>	<u>12,232</u>	<u>2,538</u>	<u>6,102</u>	<u>2,317</u>	<u>56,565</u>	<u>2,365</u>
<b>Nonoperating revenues (expenses):</b>							
Interest income	36	344	1	6	17	404	501
Interest expense	<u>(7,560)</u>	<u>(23)</u>	<u>(36)</u>	<u>(401)</u>	<u>-</u>	<u>(8,020)</u>	<u>(9,238)</u>
Total nonoperating revenues (expenses)	<u>(7,524)</u>	<u>321</u>	<u>(35)</u>	<u>(395)</u>	<u>17</u>	<u>(7,616)</u>	<u>(8,737)</u>
Change in net position	25,852	12,553	2,503	5,707	2,334	48,949	(6,372)
Net position, beginning	<u>(69,629)</u>	<u>477,330</u>	<u>(8,557)</u>	<u>114,842</u>	<u>22,515</u>	<u>536,501</u>	<u>542,873</u>
Net position, ending	<u>\$ (43,777)</u>	<u>\$ 489,883</u>	<u>\$ (6,054)</u>	<u>\$ 120,549</u>	<u>\$ 24,849</u>	<u>\$ 585,450</u>	<u>\$ 536,501</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 12**  
**September 30, 2014, with comparable totals for 2013**

Exhibit C-8

ASSETS	Goodlett	Quanah	Rural #2	Old	Medicine	Quanah	Kirkland	Totals	
		Southwest		Goodlett	Mound	Northeast	Lazare	2014	2013
<b>Current assets:</b>									
Cash and short-term investments	\$ 1,471	\$ -	\$ 38,533	\$ 4,064	\$ 106,341	\$ 43,425	\$ -	\$ 193,834	\$ 145,387
Investments	519	-	13,590	1,434	37,506	15,316	-	68,365	64,913
Receivables:									
Trade and contracts	5,314	5,341	6,145	4,139	19,980	15,952	10,665	67,536	67,561
Total current assets	7,304	5,341	58,268	9,637	163,827	74,693	10,665	329,735	277,861
<b>Restricted assets:</b>									
Cash and short-term investments	197	368	1,591	2,086	330	797	1,898	7,267	13,658
Investments	226	679	1,817	2,383	376	910	2,167	8,558	11,249
Total restricted assets	423	1,047	3,408	4,469	706	1,707	4,065	15,825	24,907
<b>Capital assets:</b>									
Capital assets not being depreciated:									
Land and easements	-	-	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-	-	-
Total capital assets not being depreciated	-	-	-	-	-	-	-	-	-
Capital assets being depreciated:									
Water and sewer systems	105,982	107,989	24,935	39,654	233,987	260,173	178,686	951,406	951,406
Total capital assets being depreciated	105,982	107,989	24,935	39,654	233,987	260,173	178,686	951,406	951,406
Less accumulated depreciation	(83,353)	(84,921)	(24,409)	(38,436)	(158,273)	(203,006)	(144,952)	(737,350)	(716,422)
Total capital assets, being depreciated, net	22,629	23,068	526	1,218	75,714	57,167	33,734	214,056	234,984
Total capital assets, net	22,629	23,068	526	1,218	75,714	57,167	33,734	214,056	234,984
Total assets	30,356	29,456	62,202	15,324	240,247	133,567	48,464	559,616	537,752
<b>LIABILITIES AND NET POSITION</b>									
<b>Current liabilities (payable from current assets):</b>									
Bank overdraft	-	93,908	-	-	-	-	151,402	245,310	254,882
Accounts payable - trade	786	534	940	576	5,894	2,601	2,281	13,612	12,106
Accrued payroll and related taxes	25	40	51	35	44	93	64	352	829
Interfund loans payable, current	-	-	-	-	-	-	-	-	-
	811	94,482	991	611	5,938	2,694	153,747	259,274	267,817
<b>Current liabilities (payable from restricted assets):</b>									
Bonds payable, current	-	-	-	-	-	-	-	-	18,009
Total current liabilities	811	94,482	991	611	5,938	2,694	153,747	259,274	285,826
<b>Noncurrent liabilities:</b>									
Bonds payable, less current maturities	-	-	-	-	-	-	-	-	-
Interfund loans payable, less current maturities	-	-	-	-	-	-	-	-	-
Deposits	1,450	1,975	2,450	1,500	2,275	5,400	3,275	18,325	17,625
Total noncurrent liabilities	1,450	1,975	2,450	1,500	2,275	5,400	3,275	18,325	17,625
Total liabilities	2,261	96,457	3,441	2,111	8,213	8,094	157,022	277,599	303,451
<b>Net position:</b>									
Net investment in capital assets	22,629	23,068	526	1,218	75,714	57,167	33,734	214,056	216,975
Restricted for:									
Debt service, repair and replacement, and construction	423	1,047	3,408	4,469	706	1,707	4,065	15,825	15,201
Unrestricted	5,043	(91,116)	54,827	7,526	155,614	66,599	(146,357)	52,136	2,125
Total net position	\$ 28,095	\$ (67,001)	\$ 58,761	\$ 13,213	\$ 232,034	\$ 125,473	\$ (108,558)	\$ 282,017	\$ 234,301

RED RIVER AUTHORITY OF TEXAS

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

DISTRICT 12

for the year ended September 30, 2014, with comparable totals for 2013

	Goodlett	Quanah Southwest	Rural #2	Old Goodlett	Medicine Mound	Quanah Northeast	Kirkland- Lazare	Totals	
								2014	2013
<b>Operating revenues:</b>									
Water and sewer sales	\$ 28,483	\$ 32,834	\$ 39,997	\$ 27,708	\$ 111,037	\$ 97,627	\$ 66,051	\$ 403,737	\$ 339,276
Other	550	643	250	1,190	763	3,131	195	6,722	7,032
Total operating revenues	<u>29,033</u>	<u>33,477</u>	<u>40,247</u>	<u>28,898</u>	<u>111,800</u>	<u>100,758</u>	<u>66,246</u>	<u>410,459</u>	<u>346,308</u>
<b>Operating expenses:</b>									
Water purchases	10,529	5,673	10,044	5,418	52,889	28,470	21,018	134,041	119,212
Personnel services	5,903	9,267	11,775	8,006	10,078	21,642	14,976	81,647	79,646
Administrative costs	4,748	7,496	9,377	6,463	8,080	17,509	12,102	65,775	64,630
Utilities, supplies, and maintenance	3,209	2,090	1,545	3,348	7,549	10,694	8,274	36,709	40,226
Automobile and travel	1,668	2,668	3,311	2,265	2,839	6,140	4,236	23,127	24,600
Professional and directors fees	-	-	-	-	-	-	-	-	-
Total operating expenses	<u>26,057</u>	<u>27,194</u>	<u>36,052</u>	<u>25,500</u>	<u>81,435</u>	<u>84,455</u>	<u>60,606</u>	<u>341,299</u>	<u>328,314</u>
Operating income (loss) before depreciation	2,976	6,283	4,195	3,398	30,365	16,303	5,640	69,160	17,994
Depreciation	(2,013)	(2,052)	(499)	(861)	(6,888)	(5,085)	(3,530)	(20,928)	(20,928)
Operating income (loss)	<u>963</u>	<u>4,231</u>	<u>3,696</u>	<u>2,537</u>	<u>23,477</u>	<u>11,218</u>	<u>2,110</u>	<u>48,232</u>	<u>(2,934)</u>
<b>Nonoperating revenues (expenses):</b>									
Interest income	2	3	41	8	94	37	8	193	209
Interest expense	(100)	(97)	-	-	(130)	(258)	(124)	(709)	(2,056)
Total nonoperating revenues (expenses)	<u>(98)</u>	<u>(94)</u>	<u>41</u>	<u>8</u>	<u>(36)</u>	<u>(221)</u>	<u>(116)</u>	<u>(516)</u>	<u>(1,847)</u>
Change in net position	865	4,137	3,737	2,545	23,441	10,997	1,994	47,716	(4,781)
Net position, beginning	27,230	(71,138)	55,024	10,668	208,593	114,476	(110,552)	234,301	239,082
Net position, ending	<u>\$ 28,095</u>	<u>\$ (67,001)</u>	<u>\$ 58,761</u>	<u>\$ 13,213</u>	<u>\$ 232,034</u>	<u>\$ 125,473</u>	<u>\$ (108,558)</u>	<u>\$ 282,017</u>	<u>\$ 234,301</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 13**  
**September 30, 2014, with comparable totals for 2013**

Exhibit C-10

ASSETS	Lockett	Box	Hinds	Farmers	Totals	
				Valley	2014	2013
<b>Current assets:</b>						
Cash and short-term investments	\$ -	\$ 335,510	\$ -	\$ 22,822	\$ 358,332	\$ 313,999
Investments	-	118,333	-	8,049	126,382	151,471
Receivables:						
Trade and contracts	43,560	8,936	9,659	7,576	69,731	90,617
Total current assets	<u>43,560</u>	<u>462,779</u>	<u>9,659</u>	<u>38,447</u>	<u>554,445</u>	<u>556,087</u>
<b>Restricted assets:</b>						
Cash and short-term investments	2,336	338	390	359	3,423	12,794
Investments	2,667	387	446	410	3,910	5,211
Total restricted assets	<u>5,003</u>	<u>725</u>	<u>836</u>	<u>769</u>	<u>7,333</u>	<u>18,005</u>
<b>Capital assets:</b>						
Capital assets not being depreciated:						
Land and easements	1,004	-	-	-	1,004	1,004
Construction in progress	-	-	15,000	-	15,000	19,832
Total capital assets not being depreciated	<u>1,004</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>16,004</u>	<u>20,836</u>
Capital assets being depreciated:						
Water and sewer systems	461,805	140,324	177,819	182,216	962,164	920,742
Total capital assets being depreciated	<u>461,805</u>	<u>140,324</u>	<u>177,819</u>	<u>182,216</u>	<u>962,164</u>	<u>920,742</u>
Less accumulated depreciation	<u>(351,331)</u>	<u>(109,596)</u>	<u>(119,257)</u>	<u>(143,841)</u>	<u>(724,025)</u>	<u>(697,339)</u>
Total capital assets, being depreciated, net	<u>110,474</u>	<u>30,728</u>	<u>58,562</u>	<u>38,375</u>	<u>238,139</u>	<u>223,403</u>
Total capital assets, net	<u>111,478</u>	<u>30,728</u>	<u>73,562</u>	<u>38,375</u>	<u>254,143</u>	<u>244,239</u>
<b>Total assets</b>	<u>160,041</u>	<u>494,232</u>	<u>84,057</u>	<u>77,591</u>	<u>815,921</u>	<u>818,331</u>
<b>LIABILITIES AND NET POSITION</b>						
<b>Current liabilities (payable from current assets):</b>						
Bank overdraft	601,231	-	58,844	-	660,075	691,585
Accounts payable - trade	10,914	380	3,167	1,118	15,579	21,705
Accrued payroll and related taxes	627	118	162	126	1,033	1,533
Interfund loans payable, current	-	-	1,308	-	1,308	1,208
	<u>612,772</u>	<u>498</u>	<u>63,481</u>	<u>1,244</u>	<u>677,995</u>	<u>716,031</u>
<b>Current liabilities (payable from restricted assets):</b>						
Bonds payable, current	-	-	-	-	-	21,169
Total current liabilities	<u>612,772</u>	<u>498</u>	<u>63,481</u>	<u>1,244</u>	<u>677,995</u>	<u>737,200</u>
<b>Noncurrent liabilities:</b>						
Bonds payable, less current maturities	-	-	-	-	-	-
Interfund loans payable, less current maturities	-	-	228	-	228	1,536
Deposits	14,300	2,975	3,025	2,050	22,350	21,900
Total noncurrent liabilities	<u>14,300</u>	<u>2,975</u>	<u>3,253</u>	<u>2,050</u>	<u>22,578</u>	<u>23,436</u>
<b>Total liabilities</b>	<u>627,072</u>	<u>3,473</u>	<u>66,734</u>	<u>3,294</u>	<u>700,573</u>	<u>760,636</u>
<b>Net position:</b>						
Net investment in capital assets	111,478	30,728	72,026	38,375	252,607	220,326
Restricted for:						
Debt service, repair and replacement, and construction	5,003	725	836	769	7,333	12,130
Unrestricted	<u>(583,512)</u>	<u>459,306</u>	<u>(55,539)</u>	<u>35,153</u>	<u>(144,592)</u>	<u>(174,761)</u>
<b>Total net position</b>	<u>\$ (467,031)</u>	<u>\$ 490,759</u>	<u>\$ 17,323</u>	<u>\$ 74,297</u>	<u>\$ 115,348</u>	<u>\$ 57,695</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**DISTRICT 13**

Exhibit C-11

for the year ended September 30, 2014, with comparable totals for 2013

	Lockett	Box	Hinds	Farmers Valley	Totals	
					2014	2013
<b>Operating revenues:</b>						
Water and sewer sales	\$ 278,912	\$ 61,617	\$ 71,666	\$ 48,115	\$ 460,310	\$ 434,127
Other	43,456	945	1,535	1,110	47,046	23,202
Total operating revenues	<u>322,368</u>	<u>62,562</u>	<u>73,201</u>	<u>49,225</u>	<u>507,356</u>	<u>457,329</u>
<b>Operating expenses:</b>						
Water purchases	84,931	20,586	16,690	5,581	127,788	153,385
Personnel services	58,010	10,882	14,922	11,736	95,550	92,316
Administrative costs	46,209	8,376	12,217	9,526	76,328	73,586
Utilities, supplies, and maintenance	59,409	8,489	14,798	13,133	95,829	70,001
Automobile and travel	16,326	3,044	4,200	3,309	26,879	28,124
Professional and directors fees	-	-	-	-	-	-
Total operating expenses	<u>264,885</u>	<u>51,377</u>	<u>62,827</u>	<u>43,285</u>	<u>422,374</u>	<u>417,412</u>
Operating income (loss) before depreciation	57,483	11,185	10,374	5,940	84,982	39,917
Depreciation	(13,213)	(2,911)	(6,931)	(3,631)	(26,686)	(24,049)
Operating income (loss)	<u>44,270</u>	<u>8,274</u>	<u>3,443</u>	<u>2,309</u>	<u>58,296</u>	<u>15,868</u>
<b>Nonoperating revenues (expenses):</b>						
Interest income	14	329	3	20	366	435
Interest expense	(576)	(41)	(246)	(146)	(1,009)	(2,686)
Total nonoperating revenues (expenses)	<u>(562)</u>	<u>288</u>	<u>(243)</u>	<u>(126)</u>	<u>(643)</u>	<u>(2,251)</u>
Change in net position	43,708	8,562	3,200	2,183	57,653	13,617
Net position, beginning	<u>(510,739)</u>	<u>482,197</u>	<u>14,123</u>	<u>72,114</u>	<u>57,695</u>	<u>44,078</u>
Net position, ending	<u>\$ (467,031)</u>	<u>\$ 490,759</u>	<u>\$ 17,323</u>	<u>\$ 74,297</u>	<u>\$ 115,348</u>	<u>\$ 57,695</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 14**  
**September 30, 2014, with comparable totals for 2013**

Exhibit C-12

ASSETS	Tell	Childress	Saied	Garden	Rural #3	Totals	
	Cee Vee		Addition	Valley		2014	2013
<b>Current assets:</b>							
Cash and short-term investments	\$ -	\$ 104,684	\$ 33,390	\$ 32,891	\$ 14,818	\$ 185,783	\$ 148,127
Investments	-	36,922	11,776	11,600	5,227	65,525	68,311
Receivables:							
Trade and contracts	25,725	19,683	6,091	8,147	1,543	61,189	71,490
Total current assets	25,725	161,289	51,257	52,638	21,588	312,497	287,928
<b>Restricted assets:</b>							
Cash and short-term investments	1,193	598	251	251	525	2,818	10,159
Investments	1,363	682	286	287	599	3,217	4,290
Total restricted assets	2,556	1,280	537	538	1,124	6,035	14,449
<b>Capital assets:</b>							
Capital assets not being depreciated:							
Land and easements	100	-	-	-	-	100	100
Construction in progress	-	-	-	-	-	-	-
Total capital assets not being depreciated	100	-	-	-	-	100	100
Capital assets being depreciated:							
Water and sewer systems	624,856	178,771	50,594	208,395	7,771	1,070,387	1,063,757
Total capital assets being depreciated	624,856	178,771	50,594	208,395	7,771	1,070,387	1,063,757
Less accumulated depreciation	(450,309)	(126,504)	(40,417)	(116,425)	(7,771)	(741,426)	(698,937)
Total capital assets, being depreciated, net	174,547	52,267	10,177	91,970	-	328,961	364,820
Total capital assets, net	174,647	52,267	10,177	91,970	-	329,061	364,920
Total assets	202,928	214,836	61,971	145,146	22,712	647,593	667,297
<b>LIABILITIES AND NET POSITION</b>							
<b>Current liabilities (payable from current assets):</b>							
Bank overdraft	107,632	-	-	-	-	107,632	110,026
Accounts payable - trade	5,850	3,555	1,223	1,333	221	12,182	15,676
Accrued payroll and related taxes	387	240	52	117	30	826	790
Interfund loans payable, current	1,328	2,605	-	-	-	3,933	3,632
	115,197	6,400	1,275	1,450	251	124,573	130,124
<b>Current liabilities (payable from restricted assets):</b>							
Bonds payable, current	-	-	-	-	-	-	16,688
Total current liabilities	115,197	6,400	1,275	1,450	251	124,573	146,812
<b>Noncurrent liabilities:</b>							
Bonds payable, less current maturities	-	-	-	-	-	-	-
Interfund loans payable, less current maturities	8,149	15,981	-	-	-	24,130	28,063
Deposits	10,375	5,975	1,350	2,650	550	20,900	20,350
Total noncurrent liabilities	18,524	21,956	1,350	2,650	550	45,030	48,413
Total liabilities	133,721	28,356	2,625	4,100	801	169,603	195,225
<b>Net position:</b>							
Net investment in capital assets	165,170	33,681	10,177	91,970	-	300,998	316,537
Restricted for:							
Debt service, repair and replacement, and construction	2,556	1,280	537	538	1,124	6,035	10,440
Unrestricted	(98,519)	151,519	48,632	48,538	20,787	170,957	145,095
Total net position	\$ 69,207	\$ 186,480	\$ 59,346	\$ 141,046	\$ 21,911	\$ 477,990	\$ 472,072



RED RIVER AUTHORITY OF TEXAS

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

DISTRICT 14

for the year ended September 30, 2014, with comparable totals for 2013

	Tell	Childress	Saied	Garden	Rural #3	Totals	
	Cee Vee		Addition	Valley		2014	2013
<b>Operating revenues:</b>							
Water and sewer sales	\$ 177,690	\$ 114,623	\$ 27,205	\$ 47,778	\$ 9,446	\$ 376,742	\$ 349,806
Other	3,231	2,469	2,147	50	-	7,897	2,220
Total operating revenues	<u>180,921</u>	<u>117,092</u>	<u>29,352</u>	<u>47,828</u>	<u>9,446</u>	<u>384,639</u>	<u>352,026</u>
<b>Operating expenses:</b>							
Water purchases	70,569	34,182	12,353	15,275	2,427	134,806	141,339
Personnel services	31,208	19,405	4,244	9,439	2,441	66,737	63,485
Administrative costs	32,474	20,065	4,741	9,868	2,555	69,703	68,549
Utilities, supplies, and maintenance	26,539	6,600	1,449	2,876	231	37,695	35,053
Automobile and travel	11,420	7,059	1,579	3,456	894	24,408	26,132
Professional and directors fees	-	-	-	-	-	-	-
Total operating expenses	<u>172,210</u>	<u>87,311</u>	<u>24,366</u>	<u>40,914</u>	<u>8,548</u>	<u>333,349</u>	<u>334,558</u>
Operating income (loss) before depreciation	8,711	29,781	4,986	6,914	898	51,290	17,468
Depreciation	<u>(27,428)</u>	<u>(5,364)</u>	<u>(905)</u>	<u>(8,792)</u>	<u>-</u>	<u>(42,489)</u>	<u>(42,434)</u>
Operating income (loss)	<u>(18,717)</u>	<u>24,417</u>	<u>4,081</u>	<u>(1,878)</u>	<u>898</u>	<u>8,801</u>	<u>(24,966)</u>
<b>Nonoperating revenues (expenses):</b>							
Interest income	8	93	32	29	16	178	211
Interest expense	<u>(1,154)</u>	<u>(1,733)</u>	<u>(51)</u>	<u>(123)</u>	<u>-</u>	<u>(3,061)</u>	<u>(4,588)</u>
Total nonoperating revenues (expenses)	<u>(1,146)</u>	<u>(1,640)</u>	<u>(19)</u>	<u>(94)</u>	<u>16</u>	<u>(2,883)</u>	<u>(4,377)</u>
Change in net position	(19,863)	22,777	4,062	(1,972)	914	5,918	(29,343)
Net position, beginning	<u>89,070</u>	<u>163,703</u>	<u>55,284</u>	<u>143,018</u>	<u>20,997</u>	<u>472,072</u>	<u>501,415</u>
Net position, ending	<u>\$ 69,207</u>	<u>\$ 186,480</u>	<u>\$ 59,346</u>	<u>\$ 141,046</u>	<u>\$ 21,911</u>	<u>\$ 477,990</u>	<u>\$ 472,072</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 15**  
September 30, 2014, with comparable totals for 2013

Exhibit C-14

ASSETS	Guthrie- Dumont	Foard County	Truscott- Gilliland	Totals	
				2014	2013
<b>Current assets:</b>					
Cash and short-term investments	\$ 330,258	\$ 144,610	\$ -	\$ 474,868	\$ 401,698
Investments	116,481	51,004	-	167,485	189,457
Receivables:					
Trade and contracts	24,827	19,270	18,498	62,595	80,081
Total current assets	<u>471,566</u>	<u>214,884</u>	<u>18,498</u>	<u>704,948</u>	<u>671,236</u>
<b>Restricted assets:</b>					
Cash and short-term investments	749	769	810	2,328	15,259
Investments	856	878	924	2,658	3,544
Total restricted assets	<u>1,605</u>	<u>1,647</u>	<u>1,734</u>	<u>4,986</u>	<u>18,803</u>
<b>Capital assets:</b>					
Capital assets not being depreciated:					
Land and easements	-	-	-	-	-
Construction in progress	15,000	-	15,000	30,000	29,170
Total capital assets not being depreciated	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>30,000</u>	<u>29,170</u>
Capital assets being depreciated:					
Water and sewer systems	845,055	476,661	665,921	1,987,637	1,982,850
Total capital assets being depreciated	<u>845,055</u>	<u>476,661</u>	<u>665,921</u>	<u>1,987,637</u>	<u>1,982,850</u>
Less accumulated depreciation	(441,302)	(323,343)	(463,186)	(1,227,831)	(1,154,076)
Total capital assets, being depreciated, net	<u>403,753</u>	<u>153,318</u>	<u>202,735</u>	<u>759,806</u>	<u>828,774</u>
Total capital assets, net	<u>418,753</u>	<u>153,318</u>	<u>217,735</u>	<u>789,806</u>	<u>857,944</u>
Total assets	<u>891,924</u>	<u>369,849</u>	<u>237,967</u>	<u>1,499,740</u>	<u>1,547,983</u>
<b>LIABILITIES AND NET POSITION</b>					
<b>Current liabilities (payable from current assets):</b>					
Bank overdraft	-	-	92,701	92,701	102,267
Accounts payable - trade	2,233	2,345	1,356	5,934	10,164
Accrued payroll and related taxes	953	888	714	2,555	2,242
Interfund loans payable, current	18,391	15,441	15,504	49,336	45,555
	<u>21,577</u>	<u>18,674</u>	<u>110,275</u>	<u>150,526</u>	<u>160,228</u>
<b>Current liabilities (payable from restricted assets):</b>					
Bonds payable, current	-	-	-	-	27,406
Total current liabilities	<u>21,577</u>	<u>18,674</u>	<u>110,275</u>	<u>150,526</u>	<u>187,634</u>
<b>Noncurrent liabilities:</b>					
Bonds payable, less current maturities	-	-	-	-	-
Interfund loans payable, less current maturities	40,046	42,558	24,192	106,796	156,132
Deposits	5,050	6,100	4,150	15,300	14,700
Total noncurrent liabilities	<u>45,096</u>	<u>48,658</u>	<u>28,342</u>	<u>122,096</u>	<u>170,832</u>
Total liabilities	<u>66,673</u>	<u>67,332</u>	<u>138,617</u>	<u>272,622</u>	<u>358,466</u>
<b>Net position:</b>					
Net investment in capital assets	360,316	95,319	178,039	633,674	628,851
Restricted for:					
Debt service, repair and replacement, and construction	1,605	1,647	1,734	4,986	15,705
Unrestricted	463,330	205,551	(80,423)	588,458	544,961
Total net position	<u>\$ 825,251</u>	<u>\$ 302,517</u>	<u>\$ 99,350</u>	<u>\$ 1,227,118</u>	<u>\$ 1,189,517</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**DISTRICT 15**

Exhibit C-15

for the year ended September 30, 2014, with comparable totals for 2013

	Guthrie- Dumont	Foard County	Truscott- Gilliland	Totals	
				2014	2013
<b>Operating revenues:</b>					
Water and sewer sales	\$ 154,873	\$ 132,626	\$ 128,225	\$ 415,724	\$ 373,410
Other	3,000	2,710	1,037	6,747	4,072
Total operating revenues	<u>157,873</u>	<u>135,336</u>	<u>129,262</u>	<u>422,471</u>	<u>377,482</u>
<b>Operating expenses:</b>					
Water purchases	-	27,052	1,029	28,081	25,229
Personnel services	33,777	31,474	25,305	90,556	81,027
Administrative costs	22,884	20,602	17,020	60,506	59,468
Utilities, supplies, and maintenance	38,087	18,794	38,704	95,585	78,690
Automobile and travel	7,933	7,355	5,991	21,279	22,446
Professional and directors fees	-	-	-	-	-
Total operating expenses	<u>102,681</u>	<u>105,277</u>	<u>88,049</u>	<u>296,007</u>	<u>266,860</u>
Operating income (loss) before depreciation	55,192	30,059	41,213	126,464	110,622
Depreciation	(34,631)	(15,613)	(23,510)	(73,754)	(73,799)
Operating income (loss)	<u>20,561</u>	<u>14,446</u>	<u>17,703</u>	<u>52,710</u>	<u>36,823</u>
<b>Nonoperating revenues (expenses):</b>					
Interest income	311	139	9	459	542
Interest expense	(5,651)	(5,590)	(4,327)	(15,568)	(21,109)
Total nonoperating revenues (expenses)	<u>(5,340)</u>	<u>(5,451)</u>	<u>(4,318)</u>	<u>(15,109)</u>	<u>(20,567)</u>
Change in net position	15,221	8,995	13,385	37,601	16,256
Net position, beginning	<u>810,030</u>	<u>293,522</u>	<u>85,965</u>	<u>1,189,517</u>	<u>1,173,261</u>
Net position, ending	<u>\$ 825,251</u>	<u>\$ 302,517</u>	<u>\$ 99,350</u>	<u>\$ 1,227,118</u>	<u>\$ 1,189,517</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 16**  
**September 30, 2014, with comparable totals for 2013**

Exhibit C-16

ASSETS	Samnorwood	Dodson	Plaska Friendship	Club Lake- Memphis NE	Totals	
					2014	2013
<b>Current assets:</b>						
Cash and short-term investments	\$ -	\$ 279,345	\$ -	\$ -	\$ 279,345	\$ 241,890
Investments	-	98,524	-	-	98,524	108,541
Receivables:						
Trade and contracts	14,991	21,187	7,793	5,631	49,602	57,385
Total current assets	<u>14,991</u>	<u>399,056</u>	<u>7,793</u>	<u>5,631</u>	<u>427,471</u>	<u>407,816</u>
<b>Restricted assets:</b>						
Cash and short-term investments	727	618	267	212	1,824	17,731
Investments	830	705	304	242	2,081	2,774
Total restricted assets	<u>1,557</u>	<u>1,323</u>	<u>571</u>	<u>454</u>	<u>3,905</u>	<u>20,505</u>
<b>Capital assets:</b>						
Capital assets not being depreciated:						
Land and easements	9,000	72,100	-	-	81,100	81,100
Construction in progress	-	15,000	-	-	15,000	13,500
Total capital assets not being depreciated	<u>9,000</u>	<u>87,100</u>	<u>-</u>	<u>-</u>	<u>96,100</u>	<u>94,600</u>
Capital assets being depreciated:						
Water and sewer systems	553,222	744,065	441,237	111,366	1,849,890	1,849,890
Total capital assets being depreciated	<u>553,222</u>	<u>744,065</u>	<u>441,237</u>	<u>111,366</u>	<u>1,849,890</u>	<u>1,849,890</u>
Less accumulated depreciation	<u>(453,312)</u>	<u>(568,311)</u>	<u>(294,875)</u>	<u>(83,605)</u>	<u>(1,400,103)</u>	<u>(1,348,317)</u>
Total capital assets, being depreciated, net	<u>99,910</u>	<u>175,754</u>	<u>146,362</u>	<u>27,761</u>	<u>449,787</u>	<u>501,573</u>
Total capital assets, net	<u>108,910</u>	<u>262,854</u>	<u>146,362</u>	<u>27,761</u>	<u>545,887</u>	<u>596,173</u>
Total assets	<u>125,458</u>	<u>663,233</u>	<u>154,726</u>	<u>33,846</u>	<u>977,263</u>	<u>1,024,494</u>
<b>LIABILITIES AND NET POSITION</b>						
<b>Current liabilities (payable from current assets):</b>						
Bank overdraft	72,290	-	11,099	103,310	186,699	230,970
Accounts payable - trade	1,136	2,230	823	760	4,949	5,588
Accrued payroll and related taxes	263	388	64	132	847	834
Interfund loans payable, current	3,666	-	-	-	3,666	3,385
	<u>77,355</u>	<u>2,618</u>	<u>11,986</u>	<u>104,202</u>	<u>196,161</u>	<u>240,777</u>
<b>Current liabilities (payable from restricted assets):</b>						
Bonds payable, current	-	-	-	-	-	32,929
Total current liabilities	<u>77,355</u>	<u>2,618</u>	<u>11,986</u>	<u>104,202</u>	<u>196,161</u>	<u>273,706</u>
<b>Noncurrent liabilities:</b>						
Bonds payable, less current maturities	-	-	-	-	-	-
Interfund loans payable, less current maturities	17,971	-	-	-	17,971	21,637
Deposits	2,825	4,950	775	1,800	10,350	9,950
Total noncurrent liabilities	<u>20,796</u>	<u>4,950</u>	<u>775</u>	<u>1,800</u>	<u>28,321</u>	<u>31,587</u>
Total liabilities	<u>98,151</u>	<u>7,568</u>	<u>12,761</u>	<u>106,002</u>	<u>224,482</u>	<u>305,293</u>
<b>Net position:</b>						
Net investment in capital assets	87,273	262,854	146,362	27,761	524,250	538,222
Restricted for:						
Debt service, repair and replacement, and construction	1,557	1,323	571	454	3,905	18,870
Unrestricted	<u>(61,523)</u>	<u>391,488</u>	<u>(4,968)</u>	<u>(100,371)</u>	<u>224,626</u>	<u>162,109</u>
Total net position	<u>\$ 27,307</u>	<u>\$ 655,665</u>	<u>\$ 141,965</u>	<u>\$ (72,156)</u>	<u>\$ 752,781</u>	<u>\$ 719,201</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**DISTRICT 16**

Exhibit C-17

for the year ended September 30, 2014, with comparable totals for 2013

	Samnorwood	Dodson	Plaska Friendship	Club Lake- Memphis NE	Totals	
					2014	2013
<b>Operating revenues:</b>						
Water and sewer sales	\$ 91,869	\$ 133,772	\$ 38,828	\$ 35,142	\$ 299,611	\$ 279,754
Other	1,915	2,021	265	30	4,231	4,946
Total operating revenues	<u>93,784</u>	<u>135,793</u>	<u>39,093</u>	<u>35,172</u>	<u>303,842</u>	<u>284,700</u>
<b>Operating expenses:</b>						
Water purchases	-	10,687	9,999	5,490	26,176	27,685
Personnel services	23,329	33,951	5,658	11,676	74,614	67,548
Administrative costs	12,587	18,701	3,121	6,179	40,588	38,112
Utilities, supplies, and maintenance	21,528	29,352	6,599	2,191	59,670	72,055
Automobile and travel	4,559	6,643	1,097	2,223	14,522	14,962
Professional and directors fees	-	-	-	-	-	-
Total operating expenses	<u>62,003</u>	<u>99,334</u>	<u>26,474</u>	<u>27,759</u>	<u>215,570</u>	<u>220,362</u>
Operating income (loss) before depreciation	31,781	36,459	12,619	7,413	88,272	64,338
Depreciation	<u>(15,186)</u>	<u>(17,065)</u>	<u>(17,048)</u>	<u>(2,487)</u>	<u>(51,786)</u>	<u>(51,505)</u>
Operating income (loss)	<u>16,595</u>	<u>19,394</u>	<u>(4,429)</u>	<u>4,926</u>	<u>36,486</u>	<u>12,833</u>
<b>Nonoperating revenues (expenses):</b>						
Interest income	5	260	3	2	270	341
Interest expense	<u>(2,106)</u>	<u>(785)</u>	<u>(174)</u>	<u>(111)</u>	<u>(3,176)</u>	<u>(5,899)</u>
Total nonoperating revenues (expenses)	<u>(2,101)</u>	<u>(525)</u>	<u>(171)</u>	<u>(109)</u>	<u>(2,906)</u>	<u>(5,558)</u>
Change in net position	14,494	18,869	(4,600)	4,817	33,580	7,275
Net position, beginning	<u>12,813</u>	<u>636,796</u>	<u>146,565</u>	<u>(76,973)</u>	<u>719,201</u>	<u>711,926</u>
Net position, ending	<u>\$ 27,307</u>	<u>\$ 655,665</u>	<u>\$ 141,965</u>	<u>\$ (72,156)</u>	<u>\$ 752,781</u>	<u>\$ 719,201</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 18**  
**September 30, 2014, with comparable totals for 2013**

Exhibit C-18

ASSETS	Howardwick	Greenbelt Lake	Totals	
			2014	2013
<b>Current assets:</b>				
Cash and short-term investments	\$ 223,024	\$ 39,561	\$ 262,585	\$ 254,097
Investments	78,660	13,953	92,613	106,624
Receivables:				
Trade and contracts	34,291	6,906	41,197	37,597
Total current assets	335,975	60,420	396,395	398,318
<b>Restricted assets:</b>				
Cash and short-term investments	3,371	585	3,956	11,532
Investments	3,849	669	4,518	6,023
Total restricted assets	7,220	1,254	8,474	17,555
<b>Capital assets:</b>				
Capital assets not being depreciated:				
Land and easements	28,000	-	28,000	28,000
Construction in progress	21,896	-	21,896	-
Total capital assets not being depreciated	49,896	-	49,896	28,000
Capital assets being depreciated:				
Water and sewer systems	568,323	109,853	678,176	678,176
Total capital assets being depreciated	568,323	109,853	678,176	678,176
Less accumulated depreciation	(508,487)	(86,370)	(594,857)	(576,031)
Total capital assets, being depreciated, net	59,836	23,483	83,319	102,145
Total capital assets, net	109,732	23,483	133,215	130,145
Total assets	452,927	85,157	538,084	546,018
<b>LIABILITIES AND NET POSITION</b>				
<b>Current liabilities (payable from current assets):</b>				
Accounts payable - trade	1,827	2,359	4,186	3,884
Accrued payroll and related taxes	589	141	730	630
Interfund loans payable, current	843	-	843	779
	3,259	2,500	5,759	5,293
<b>Current liabilities (payable from restricted assets):</b>				
Bonds payable, current	-	-	-	18,013
Total current liabilities	3,259	2,500	5,759	23,306
<b>Noncurrent liabilities:</b>				
Bonds payable, less current maturities	-	-	-	-
Interfund loans payable, less current maturities	4,542	-	4,542	5,385
Deposits	15,200	3,325	18,525	19,375
Total noncurrent liabilities	19,742	3,325	23,067	24,760
Total liabilities	23,001	5,825	28,826	48,066
<b>Net position:</b>				
Net investment in capital assets	104,347	23,483	127,830	105,968
Restricted for:				
Debt service, repair and replacement, and construction	7,220	1,254	8,474	10,322
Unrestricted	318,359	54,595	372,954	381,662
Total net position	\$ 429,926	\$ 79,332	\$ 509,258	\$ 497,952

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**DISTRICT 18**

Exhibit C-19

for the year ended September 30, 2014, with comparable totals for 2013

	<u>Howardwick</u>	<u>Greenbelt Lake</u>	<u>Totals</u>	
			<u>2014</u>	<u>2013</u>
<b>Operating revenues:</b>				
Water and sewer sales	\$ 178,299	\$ 47,555	\$ 225,854	\$ 192,918
Other	4,775	187	4,962	2,123
Total operating revenues	<u>183,074</u>	<u>47,742</u>	<u>230,816</u>	<u>195,041</u>
<b>Operating expenses:</b>				
Water purchases	-	17,212	17,212	16,683
Personnel services	47,171	11,317	58,488	56,699
Administrative costs	54,497	13,187	67,684	70,156
Utilities, supplies, and maintenance	29,167	2,986	32,153	33,599
Automobile and travel	19,537	4,703	24,240	26,701
Professional and directors fees	-	-	-	-
Total operating expenses	<u>150,372</u>	<u>49,405</u>	<u>199,777</u>	<u>203,838</u>
Operating income (loss) before depreciation	32,702	(1,663)	31,039	(8,797)
Depreciation	<u>(16,738)</u>	<u>(2,089)</u>	<u>(18,827)</u>	<u>(18,880)</u>
Operating income (loss)	<u>15,964</u>	<u>(3,752)</u>	<u>12,212</u>	<u>(27,677)</u>
<b>Nonoperating revenues (expenses):</b>				
Interest income	228	40	268	353
Interest expense	<u>(1,059)</u>	<u>(115)</u>	<u>(1,174)</u>	<u>(2,581)</u>
Total nonoperating revenues (expenses)	<u>(831)</u>	<u>(75)</u>	<u>(906)</u>	<u>(2,228)</u>
Change in net position	15,133	(3,827)	11,306	(29,905)
Net position, beginning	<u>414,793</u>	<u>83,159</u>	<u>497,952</u>	<u>527,857</u>
Net position, ending	<u>\$ 429,926</u>	<u>\$ 79,332</u>	<u>\$ 509,258</u>	<u>\$ 497,952</u>

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**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 19**  
**September 30, 2014 with comparable totals for 2013**

Exhibit C-20

ASSETS	Lake	Ringgold	Totals	
	Arrowhead		2014	2013
<b>Current assets:</b>				
Receivables:				
Trade and contracts	\$ 113,224	\$ 9,574	\$ 122,798	\$ 130,279
Total current assets	113,224	9,574	122,798	130,279
<b>Restricted assets:</b>				
Cash and short-term investments	4,033	668	4,701	302,465
Investments	4,606	763	5,369	7,158
Total restricted assets	8,639	1,431	10,070	309,623
<b>Capital assets:</b>				
Capital assets not being depreciated:				
Land and easements	-	-	-	-
Construction in progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated:				
Water and sewer systems	4,166,111	218,125	4,384,236	4,370,419
Total capital assets being depreciated	4,166,111	218,125	4,384,236	4,370,419
Less accumulated depreciation	(2,542,053)	(156,504)	(2,698,557)	(2,563,917)
Total capital assets, being depreciated, net	1,624,058	61,621	1,685,679	1,806,502
Total capital assets, net	1,624,058	61,621	1,685,679	1,806,502
<b>Total assets</b>	<b>1,745,921</b>	<b>72,626</b>	<b>1,818,547</b>	<b>2,246,404</b>
<b>LIABILITIES AND NET POSITION</b>				
<b>Current liabilities (payable from current assets):</b>				
Bank overdraft	1,268,987	148,358	1,417,345	1,110,708
Accounts payable - trade	9,814	797	10,611	11,599
Accrued payroll and related taxes	3,139	328	3,467	2,248
Unearned revenue	2,555	-	2,555	6,974
Interfund loans payable, current	18,030	-	18,030	16,648
	1,302,525	149,483	1,452,008	1,148,177
<b>Current liabilities (payable from restricted assets):</b>				
Bonds payable, current	-	-	-	238,215
Total current liabilities	1,302,525	149,483	1,452,008	1,386,392
<b>Noncurrent liabilities:</b>				
Bonds payable, less current maturities	-	-	-	651,595
Interfund loans payable, less current maturities	70,296	-	70,296	32,325
Deposits	31,950	3,075	35,025	35,525
Total noncurrent liabilities	102,246	3,075	105,321	719,445
Total liabilities	1,404,771	152,558	1,557,329	2,105,837
<b>Net position:</b>				
Net investment in capital assets	1,535,732	61,621	1,597,353	867,719
Restricted for:				
Debt service, repair and replacement, and construction	8,639	1,431	10,070	210,947
Unrestricted	(1,203,221)	(142,984)	(1,346,205)	(938,099)
Total net position	\$ 341,150	\$ (79,932)	\$ 261,218	\$ 140,567



**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**DISTRICT 19**

Exhibit C-21

for the year ended September 30, 2014, with comparable totals for 2013

	<u>Lake</u>		<u>Totals</u>	
	<u>Arrowhead</u>	<u>Ringgold</u>	<u>2014</u>	<u>2013</u>
<b>Operating revenues:</b>				
Water and sewer sales	\$ 732,106	\$ 54,006	\$ 786,112	\$ 727,754
Other	23,765	624	24,389	16,327
Total operating revenues	<u>755,871</u>	<u>54,630</u>	<u>810,501</u>	<u>744,081</u>
<b>Operating expenses:</b>				
Water purchases	38,554	371	38,925	47,453
Personnel services	152,471	15,967	168,438	158,989
Administrative costs	111,602	11,680	123,282	122,320
Utilities, supplies, and maintenance	111,010	12,003	123,013	147,669
Automobile and travel	38,907	4,217	43,124	45,731
Professional and directors fees	8,220	-	8,220	-
Total operating expenses	<u>460,764</u>	<u>44,238</u>	<u>505,002</u>	<u>522,162</u>
Operating income before depreciation	295,107	10,392	305,499	221,919
Depreciation	<u>(127,108)</u>	<u>(7,532)</u>	<u>(134,640)</u>	<u>(133,477)</u>
Operating income (loss)	<u>167,999</u>	<u>2,860</u>	<u>170,859</u>	<u>88,442</u>
<b>Nonoperating revenues (expenses):</b>				
Interest income	192	5	197	546
Interest expense	<u>(50,283)</u>	<u>(122)</u>	<u>(50,405)</u>	<u>(62,228)</u>
Total nonoperating revenues (expenses)	<u>(50,091)</u>	<u>(117)</u>	<u>(50,208)</u>	<u>(61,682)</u>
Change in net position	117,908	2,743	120,651	26,760
Net position, beginning	<u>223,242</u>	<u>(82,675)</u>	<u>140,567</u>	<u>113,807</u>
Net position, ending	<u>\$ 341,150</u>	<u>\$ (79,932)</u>	<u>\$ 261,218</u>	<u>\$ 140,567</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 21**  
**September 30, 2014, with comparable totals for 2013**

Exhibit C-22

	<u>Lake Texoma</u>	
<b>ASSETS</b>	<u>2014</u>	<u>2013</u>
<b>Current assets:</b>		
Receivables:		
Trade and contracts	\$ 2,761	\$ 633
Total current assets	<u>2,761</u>	<u>633</u>
<b>Restricted assets:</b>		
Cash and short-term investments	-	9,095
Investments	-	-
Total restricted assets	<u>-</u>	<u>9,095</u>
<b>Capital assets:</b>		
Capital assets not being depreciated:		
Land and easements	-	-
Construction in progress	-	-
Total capital assets not being depreciated	<u>-</u>	<u>-</u>
Capital assets being amortized:		
Water storage rights	1,213,600	1,213,600
Total capital assets being amortized	<u>1,213,600</u>	<u>1,213,600</u>
Less accumulated amortization	<u>(226,534)</u>	<u>(219,246)</u>
Total capital assets, being amortized, net	<u>987,066</u>	<u>994,354</u>
Total capital assets, net	<u>987,066</u>	<u>994,354</u>
Total assets	<u>989,827</u>	<u>1,004,082</u>
 <b>LIABILITIES AND NET POSITION</b>		
<b>Current liabilities (payable from current assets):</b>		
Bank overdraft	751,481	688,392
Accounts payable, trade	-	-
Accrued payroll and related taxes	5	4
	<u>751,486</u>	<u>688,396</u>
<b>Current liabilities (payable from restricted assets):</b>		
Bonds payable, current	37,166	38,321
Total current liabilities	<u>788,652</u>	<u>726,717</u>
<b>Noncurrent liabilities:</b>		
Bonds payable, less current maturities	673,667	736,415
Total noncurrent liabilities	<u>673,667</u>	<u>736,415</u>
Total liabilities	<u>1,462,319</u>	<u>1,463,132</u>
<b>Net position:</b>		
Net investment in capital assets	276,233	219,618
Restricted for:		
Debt service, repair and replacement, and construction	-	7,983
Unrestricted	<u>(748,725)</u>	<u>(686,651)</u>
Total net position	<u>\$ (472,492)</u>	<u>\$ (459,050)</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**DISTRICT 21**

for the year ended September 30, 2014, with comparable totals for 2013

	Lake Texoma	
	2014	2013
<b>Operating revenues:</b>		
Water and sewer sales	\$ 14,095	\$ 9,718
Other	250	250
Total operating revenues	14,345	9,968
<b>Operating expenses:</b>		
Personnel services	244	219
Administrative costs	3,728	3,804
Utilities, supplies, and maintenance	2,091	2,973
Automobile and travel	61	63
Professional and directors fees	245	-
Total operating expenses	6,369	7,059
Operating income before depreciation	7,976	2,909
Depreciation	(7,288)	(7,288)
Operating income (loss)	688	(4,379)
<b>Nonoperating revenues (expenses):</b>		
Interest income	11	31
Interest expense	(14,141)	(14,642)
Total nonoperating revenues (expenses)	(14,130)	(14,611)
Change in net position	(13,442)	(18,990)
Net position, beginning	(459,050)	(440,060)
Net position, ending	\$ (472,492)	\$ (459,050)

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 22**  
**September 30, 2014, with comparable totals for 2013**

Exhibit C-24

	<u>Preston Shores</u>	
	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Receivables:		
Trade and contracts	\$ 117,936	\$ 150,546
Total current assets	<u>117,936</u>	<u>150,546</u>
<b>Restricted assets:</b>		
Cash and short-term investments	11,939	219,639
Investments	13,632	18,176
Total restricted assets	<u>25,571</u>	<u>237,815</u>
<b>Capital assets:</b>		
Capital assets not being depreciated:		
Land and easements	9,471	11,994
Construction in progress	4,989	17,097
Total capital assets not being depreciated	<u>14,460</u>	<u>29,091</u>
Capital assets being depreciated and amortized:		
Water storage rights	9,100	9,100
Water and sewer systems	3,237,543	3,163,309
Total capital assets being depreciated and amortized	<u>3,246,643</u>	<u>3,172,409</u>
Less accumulated depreciation and amortization	<u>(1,787,110)</u>	<u>(1,681,072)</u>
Total capital assets, being depreciated and amortized, net	<u>1,459,533</u>	<u>1,491,337</u>
Total capital assets, net	<u>1,473,993</u>	<u>1,520,428</u>
Total assets	<u>1,617,500</u>	<u>1,908,789</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>Current liabilities (payable from current assets):</b>		
Bank overdraft	655,304	368,209
Accounts payable, trade	8,307	8,637
Accrued payroll and related taxes	3,432	2,725
Interfund loan payable, current	18,524	17,104
	<u>685,567</u>	<u>396,675</u>
Current liabilities (payable from restricted assets)		
Bonds payable, current	-	148,739
Total current liabilities	<u>685,567</u>	<u>545,414</u>
<b>Noncurrent liabilities:</b>		
Bonds payable, less current maturities	-	498,990
Interfund loan payable, less current maturities	75,259	49,232
Deposits	37,006	36,631
Total noncurrent liabilities	<u>112,265</u>	<u>584,853</u>
Total liabilities	<u>797,832</u>	<u>1,130,267</u>
<b>Net position:</b>		
Net investment in capital assets	1,380,210	806,363
Restricted for:		
Debt service, repair and replacement, and construction	25,571	156,922
Unrestricted	<u>(586,113)</u>	<u>(184,763)</u>
Total net position	<u>\$ 819,668</u>	<u>\$ 778,522</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**DISTRICT 22**  
**for the year ended September 30, 2014, with comparable totals for 2013**

	<b>Preston Shores</b>	
	<b>2014</b>	<b>2013</b>
<b>Operating revenues:</b>		
Water and sewer sales	\$ 694,092	\$ 657,051
Other	34,122	9,182
Total operating revenues	728,214	666,233
<b>Operating expenses:</b>		
Water purchases	2,447	4,193
Personnel services	171,713	154,770
Administrative costs	118,431	117,479
Utilities, supplies, and maintenance	204,083	123,356
Automobile and travel	43,858	45,641
Professional and directors fees	6,295	-
Total operating expenses	546,827	445,439
Operating income before depreciation	181,387	220,794
Depreciation	(106,039)	(104,187)
Operating income	75,348	116,607
<b>Nonoperating revenues (expenses):</b>		
Interest income	154	381
Gain on disposal of assets	5,166	-
Interest expense	(39,522)	(46,867)
Total nonoperating revenues (expenses)	(34,202)	(46,486)
Change in net position	41,146	70,121
Net position, beginning	778,522	708,401
Net position, ending	\$ 819,668	\$ 778,522

**RED RIVER AUTHORITY OF TEXAS**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**ENTERPRISE FUNDS**  
**BUDGET AND ACTUAL (Unaudited)**  
**for the year ended September 30, 2014**

Exhibit C-26

	Utility Division Fund			Environmental Services Fund		
	Original and Final Budget	Actual	Variance Positive (Negative)	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues:</b>						
Water and sewer sales	\$ 3,926,138	\$ 4,072,153	\$ 146,015	\$ -	\$ -	\$ -
Charges for materials and services	-	-	-	539,096	568,037	28,941
Other	78,436	143,952	65,516	311,118	376,941	65,823
Total operating revenues	<u>4,004,574</u>	<u>4,216,105</u>	<u>211,531</u>	<u>850,214</u>	<u>944,978</u>	<u>94,764</u>
<b>Operating expenses:</b>						
Water purchases	639,572	601,222	38,350	-	-	-
Personnel services	862,225	897,263	(35,038)	329,130	340,003	(10,873)
Administrative costs	640,169	676,593	(36,424)	143,017	173,137	(30,120)
Utilities, supplies, and maintenance	767,607	752,243	15,364	269,487	325,836	(56,349)
Automobile and travel	237,359	238,983	(1,624)	13,301	29,322	(16,021)
Professional and directors fees	-	15,000	(15,000)	3,027	2,320	707
Research expense	-	-	-	39,993	39,690	303
Total operating expenses	<u>3,146,932</u>	<u>3,181,304</u>	<u>(34,372)</u>	<u>797,955</u>	<u>910,308</u>	<u>(112,353)</u>
Operating income (loss) before depreciation and amortization	857,642	1,034,801	177,159	52,259	34,670	(17,589)
Depreciation and amortization	<u>(528,779)</u>	<u>(514,604)</u>	<u>14,175</u>	<u>(50,648)</u>	<u>(60,170)</u>	<u>(9,522)</u>
Operating income (loss)	<u>328,863</u>	<u>520,197</u>	<u>191,334</u>	<u>1,611</u>	<u>(25,500)</u>	<u>(27,111)</u>
<b>Nonoperating revenues (expenses):</b>						
Interest income	7,444	2,500	(4,944)	170	-	(170)
Gain on sale	-	5,166	5,166	267	-	(267)
Interest expense	<u>(202,618)</u>	<u>(136,785)</u>	<u>65,833</u>	<u>(1,602)</u>	<u>(1,149)</u>	<u>453</u>
Total nonoperating revenues (expenses)	<u>(195,174)</u>	<u>(129,119)</u>	<u>66,055</u>	<u>(1,165)</u>	<u>(1,149)</u>	<u>16</u>
Income (loss) before other credits	133,689	391,078	257,389	446	(26,649)	(27,095)
Grant revenue for asset purchases	-	-	-	62,281	-	(62,281)
Change in net position	<u>\$ 133,689</u>	<u>391,078</u>	<u>\$ 257,389</u>	<u>\$ 62,727</u>	<u>(26,649)</u>	<u>\$ (89,376)</u>
Net position, beginning		<u>4,167,278</u>			<u>291,692</u>	
Net position, ending		<u>\$ 4,558,356</u>			<u>\$ 265,043</u>	

**RED RIVER AUTHORITY OF TEXAS**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**INTERNAL SERVICE FUNDS**  
**BUDGET AND ACTUAL (Unaudited)**  
**for the year ended September 30, 2014**

Exhibit C-27  
Page 1 of 2

	General Division Fund			Interfund Loan Fund		
	Original and Final Budget	Actual	Variance Positive (Negative)	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues:</b>						
Charges for materials and services	\$ 25,117	\$ 68,763	\$ 43,646	\$ -	\$ -	\$ -
Administrative fee income	859,875	855,146	(4,729)			
Other	-	59	59	-	-	-
Total operating revenues	<u>884,992</u>	<u>923,968</u>	<u>38,976</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Operating expenses:</b>						
Personnel services	496,711	436,377	60,334	-	-	-
Administrative costs	37,144	36,630	514	10,174	9,702	472
Utilities, supplies, and maintenance	91,785	92,641	(856)	-	-	-
Insurance	51,782	52,961	(1,179)	-	-	-
Automobile and travel	24,228	14,691	9,537	-	-	-
Professional and directors fees	90,670	132,610	(41,940)	-	-	-
Total operating expenses	<u>792,320</u>	<u>765,910</u>	<u>26,410</u>	<u>10,174</u>	<u>9,702</u>	<u>472</u>
Operating income (loss) before depreciation	92,672	158,058	65,386	(10,174)	(9,702)	472
Depreciation	(63,130)	(63,238)	(108)	-	-	-
Operating income (loss)	<u>29,542</u>	<u>94,820</u>	<u>65,278</u>	<u>(10,174)</u>	<u>(9,702)</u>	<u>472</u>
<b>Nonoperating revenues (expenses):</b>						
Interest income	3,499	2,147	(1,352)	101,718	97,020	(4,698)
Gain on disposal of asset	-	9,640	9,640	-	-	-
Interest expense	(44,665)	(43,735)	930	-	-	-
Total nonoperating revenues (expenses)	<u>(41,166)</u>	<u>(31,948)</u>	<u>9,218</u>	<u>101,718</u>	<u>97,020</u>	<u>(4,698)</u>
Income (loss) before operating transfers	(11,624)	62,872	74,496	91,544	87,318	(4,226)
Operating transfers in (out)	21,768	19,725	(2,043)	-	-	-
Change in net position	<u>\$ 10,144</u>	<u>82,597</u>	<u>\$ 72,453</u>	<u>\$ 91,544</u>	<u>87,318</u>	<u>\$ (4,226)</u>
Net position, beginning		3,738,407			4,458,353	
Net position, ending		<u>\$ 3,821,004</u>			<u>\$ 4,545,671</u>	

**RED RIVER AUTHORITY OF TEXAS**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**INTERNAL SERVICE FUNDS**  
**BUDGET AND ACTUAL(Unaudited)**  
**for the year ended September 30, 2014**

	Maintenance Division Fund			Communications Division Fund			Motor Vehicle Pool Fund		
	Original and Final Budget	Actual	Variance Positive (Negative)	Original and Final Budget	Actual	Variance Positive (Negative)	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues:</b>									
Charges for materials and services	\$ 305,043	\$ 258,223	\$ (46,820)	\$ 60,080	\$ 53,786	\$ (6,294)	\$ 248,162	\$ 232,972	\$ (15,190)
<b>Operating expenses:</b>									
Personnel services	133,520	102,370	31,150	3,357	-	3,357	-	-	-
Administrative costs	39,807	30,496	9,311	3,505	3,750	(245)	11,665	11,077	588
Utilities, supplies, and maintenance	48,600	31,468	17,132	12,536	9,382	3,154	-	-	-
Automobile and travel	48,960	38,963	9,997	12	-	12	161,896	140,955	20,941
Total operating expenses	270,887	203,297	67,590	19,410	13,132	6,278	173,561	152,032	21,529
Operating income before depreciation	34,156	54,926	20,770	40,670	40,654	(16)	74,601	80,940	6,339
Depreciation	(23,141)	(16,014)	7,127	(6,462)	(11,386)	(4,924)	(62,789)	(62,420)	369
Operating income (loss)	11,015	38,912	27,897	34,208	29,268	(4,940)	11,812	18,520	6,708
<b>Nonoperating revenues (expenses):</b>									
Interest income	348	110	(238)	2,904	609	(2,295)	693	154	(539)
Gain on disposal of asset	448	-	(448)	-	-	-	9,217	14,852	5,635
Interest expense	(6,701)	(4,089)	2,612	(1,026)	(4,228)	(3,202)	(14,796)	(9,000)	5,796
Total nonoperating revenues (expenses)	(5,905)	(3,979)	1,926	1,878	(3,619)	(5,497)	(4,886)	6,006	10,892
Change in net position	\$ 5,110	34,933	\$ 29,823	\$ 36,086	25,649	\$ (10,437)	\$ 6,926	24,526	\$ 17,600
Net position, beginning		206,289			817,837			183,212	
Net position, ending		\$ 241,222			\$ 843,486			\$ 207,738	



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**RED RIVER AUTHORITY OF TEXAS**  
**Service and Rates**  
**Fiscal Year Ending September 30, 2014**  
**(unaudited)**

SYSTEM IDENTIFICATION		SERVICES PROVIDED														EXISTING RATE STRUCTURE			ACTIVE CONNECTIONS					ANTICIPATED FUND SOURCES FOR DEBT SERVICE								
System Name	Fund	RETAIL WATER	RETAIL WASTE WATER	PARKS/RECONCILIATION	SOLID WASTE/GARBAGE	WHOLESALE WATER	WHOLESALE WASTE WTR	FIRE PROTECTION	FLOOD CONTROL	DRAINAGE	IRRIGATION	SECURITY	ROADS	PARTIC. JOINT VENTURE	OTHER	5/8" METER	MINIMUM	BLK 1 PER K	BLK 2 PER K	CHARGE/10K GALLONS	K GALLONS PROD	K GALLONS BILLED	SINGLE FAMILY	MULTI-FAMILY	COMMERCIAL	OTHER	TOTAL	WTR/WSWTR REVENUES	BEG DEBT SERV FUND BAL	INTEREST REVENUES	OTHER FUNDS	TOTAL FUNDS
ESTELLINE/TURKEY	100	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	59.00/2K	4.50>2K<7K	6.50>7K	\$ 101.00	16,955	14,359	145	0	7	0	152	\$ 13,985	0	0	0	\$ 13,985
CITY OF ESTELLINE	-	-	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	41.50 FLAT RATE			\$ 41.50	-	-	59	0	7	0	66	\$ -	0	0	0	\$ -
NEWLIN	111	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	45.75/2K	4.50>2K<7K	6.50>7K	\$ 87.75	9,753	7,261	29	0	1	0	30	\$ 653	0	0	0	\$ 653
HARREL'S CHAPEL	112	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	49.75/2K	4.50>2K<7K	6.75>7K	\$ 92.50	2,872	2,356	24	0	0	0	24	\$ 1,011	0	0	0	\$ 1,011
NORTHFIELD/CAREY	113	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	63.50/2K	5.00>2K<7K	8.25>7K	\$ 113.25	9,108	4,494	70	0	1	0	71	\$ 10,045	0	0	0	\$ 10,045
GB RURAL NO 1	120	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	30.50/2K	4.25>2K<7K	6.50>7K	\$ 71.25	1,564	1,564	10	0	2	0	12	\$ -	0	0	0	\$ -
NEW GOODLETT	211	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	52.50/2K	4.50>2K<7K	6.50>7K	\$ 94.50	3,941	2,169	26	0	1	0	27	\$ 2,827	0	0	0	\$ 2,827
QUANAH/QUANAH SW	212	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	48.25/2K	4.50>2K<7K	6.50>7K	\$ 90.25	2,107	2,009	46	0	0	0	46	\$ 968	0	0	0	\$ 968
GB RURAL NO 2	220	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	30.50/2K	4.50>2K<7K	5.75>7K	\$ 78.25	3,729	3,729	54	0	1	0	55	\$ -	0	0	0	\$ -
OLD GOODLETT	221	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	40.50/2K	4.50>2K<7K	6.50>7K	\$ 82.50	2,022	1,679	31	0	6	0	37	\$ -	0	0	0	\$ -
MEDICINE MOUND	230	Y	-	-	-	Y	-	-	-	-	-	-	-	-	-	Y	61.50/2K	4.50>2K<7K	6.25>7K	\$ 102.75	20,525	19,781	42	0	4	1	47	\$ 18,962	0	0	0	\$ 18,962
QUANAH NORTHEAST	231	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	50.50/2K	4.50>2K<7K	6.50>7K	\$ 92.50	10,621	7,449	104	0	1	0	105	\$ 7,297	0	0	0	\$ 7,297
KIRKLAND LAZARE	235	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	53.25/2K	4.75>2K<7K	6.75>7K	\$ 97.25	7,835	4,669	71	0	0	0	71	\$ 3,500	0	0	0	\$ 3,500
LOCKETT	300	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	68.00/2K	5.00>2K<7K	8.00>7K	\$ 117.00	24,235	14,890	279	0	5	0	284	\$ 16,306	0	0	0	\$ 16,306
BOX	311	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	36.50/2K	3.75>2K<7K	6.50>7K	\$ 74.75	6,431	6,419	51	0	2	0	53	\$ 1,170	0	0	0	\$ 1,170
HINDS	312	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	61.00/2K	4.50>2K<7K	6.75>7K	\$ 103.75	8,471	4,569	66	0	5	0	71	\$ 9,414	0	0	0	\$ 9,414
FARMERS VALLEY	313	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	45.50/2K	3.50>2K<7K	4.75>7K	\$ 77.25	8,616	5,098	54	0	1	0	55	\$ 4,136	0	0	0	\$ 4,136
TELL CEE-VEE	410	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	53.25/2K	4.50>2K<7K	6.00>7K	\$ 93.75	26,283	13,669	195	0	2	0	197	\$ 9,675	0	0	0	\$ 9,675
CHILDRESS CO NE	411	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	50.75/2K	4.50>2K<7K	6.50>7K	\$ 92.75	12,602	9,505	123	0	0	0	123	\$ 3,989	0	0	0	\$ 3,989

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**RED RIVER AUTHORITY OF TEXAS**  
**Service and Rates**  
**Fiscal Year Ending September 30, 2014**  
**(unaudited)**

SYSTEM IDENTIFICATION		SERVICES PROVIDED													EXISTING RATE STRUCTURE			ACTIVE CONNECTIONS					ANTICIPATED FUND SOURCES FOR DEBT SERVICE									
System Name	Fund	RETAIL WATER	RETAIL WASTE WATER	PARKS/RECONCILIATION	SOLID WASTE/GARBAGE	WHOLESALE WATER	WHOLESALE WASTE WTR	FIRE PROTECTION	FLOOD CONTROL	DRAINAGE	IRRIGATION	SECURITY	ROADS	PARTIC. JOINT VENTURE	OTHER	5/8" METER	MINIMUM	BLK 1 PER K	BLK 2 PER K	CHARGE/10K GALLONS	K GALLONS PROD	K GALLONS BILLED	SINGLE FAMILY	MULTI-FAMILY	COMMERCIAL	OTHER	TOTAL	WTR/WSTWTR REVENUES	BEG DEBT SERV FUND BAL.	INTEREST REVENUES	OTHER FUNDS	TOTAL FUNDS
CHILDRESS SAIED	412	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	40.25/2K	4.00>2K<7K	5.75>7K	\$ 77.50	2,105	1,975	27	0	0	0	27	\$ 1,451	0	0	0	\$ 1,451
CHILDRESS SAIED	-	-	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	25.0 FLAT RATE			\$ 25.00	-	-	27	0	0	0	27	\$ -	0	0	0	\$ -
GARDEN VALLEY	413	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	46.00/2K	3.50>2K<7K	5.25>7K	\$ 79.25	5,719	4,422	57	0	1	0	58	\$ 3,479	0	0	0	\$ 3,479
GB RURAL NO 3	421	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	30.00/2K	4.25>2K<7K	6.50>7K	\$ 70.75	831	831	14	0	1	0	15	\$ -	0	0	0	\$ -
GUTHRIE DUMONT	500	Y	-	-	-	-	-	-	-	-	-	-	-	-	Y	Y	46.25/2K	3.75>2K<8K	5.50>10K	\$ 76.25	34,646	19,111	121	0	11	1	133	\$ 29,039	0	0	0	\$ 29,039
FOARD CO RURAL	510	Y	-	-	-	-	-	-	-	-	-	-	-	-	Y	59.00/2K	4.75>2K<7K	5.75>7K	\$ 100.00	10,086	9,857	127	0	0	0	127	\$ 9,193	0	0	0	\$ 9,193	
TRUSCOTT GILLILAND	520	Y	-	-	-	-	-	-	-	-	-	-	-	-	Y	66.25/2K	5.75>2K<7K	7.50>7K	\$ 117.50	19,947	8,297	99	0	2	0	101	\$ 33,211	0	0	0	\$ 33,211	
SAMNORWOOD	600	Y	-	-	-	-	-	-	-	-	-	-	-	-	Y	64.00/2K	4.75>2K<7K	7.25>7K	\$ 109.50	16,334	9,320	73	0	1	2	76	\$ 6,405	0	0	0	\$ 6,405	
DODSON	610	Y	-	-	-	-	-	-	-	-	-	-	-	-	Y	51.50/2K	4.00>2K<7K	6.50>7K	\$ 91.00	22,458	13,500	110	0	0	0	110	\$ 22,618	0	0	0	\$ 22,618	
FLASKA FRIENDSHIP	611	Y	-	-	-	-	-	-	-	-	-	-	-	Y	Y	69.00/2K	4.50>2K<7K	8.00>7K	\$ 115.50	3,983	3,265	16	0	2	0	18	\$ 4,922	0	0	0	\$ 4,922	
CLUB LAKE/MEMPHIS	612	Y	-	-	-	-	-	-	-	-	-	-	-	Y	68.25/2K	6.00>2K<7K	8.00>7K	\$ 122.25	2,058	1,039	37	0	0	0	37	\$ 3,148	0	0	0	\$ 3,148		
CITY HOWARDWICK	800	Y	-	-	-	-	-	-	-	-	-	-	-	Y	40.75/2K	3.50>2K<7K	5.00>7K	\$ 82.25	10,819	7,336	321	0	2	0	323	\$ 16,807	0	0	0	\$ 16,807		
GREENBELT LAKE	811	Y	-	-	-	-	-	-	-	-	-	-	-	Y	Y	41.50/2K	4.25>2K<7K	6.50>7K	\$ 121.00	6,469	2,477	74	0	1	0	75	\$ 3,363	0	0	0	\$ 3,363	
LAKE ARROWHEAD	900	Y	-	-	-	-	-	-	-	-	-	-	-	Y	73.50/2K	5.00>2K<7K	7.50>7K	\$ 121.00	44,803	25,586	643	0	5	0	648	\$ 310,004	0	0	0	\$ 310,004		
ARROWHEAD RANCH ES	-	-	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	63.00 FLAT RATE			\$ 63.00	-	-	75	0	0	0	75	\$ -	0	0	0	\$ -
RINGGOLD	902	Y	-	-	-	-	-	-	-	-	-	-	-	Y	56.00/2K	4.50>2K<7K	6.25>7K	\$ 97.25	6,259	2,830	67	0	0	0	67	\$ 31,812	0	0	0	\$ 31,812		
LAKE TEXOMA R WTR	721	-	-	-	Y	-	-	-	-	-	-	-	-	<	<	PER INDIVIDUAL CONTRACT			\$ 380.00	45,244	45,244	0	0	0	1	1	\$ -	0	0	0	\$ -	
PRESTON SHORES	722	Y	-	-	Y	-	-	-	-	-	-	-	-	Y	53.00/2K	4.50>2K<7K	6.75>7K	\$ 82.00	79,469	63,832	673	0	27	3	703	\$ 238,644	0	0	0	\$ 238,644		

Red River Authority of Texas does not:

Utilize winter averaging for wastewater rates  
 Collect or utilize Standby Fees  
 Maintain or bill for inactive services

Collect and / or receive tax revenue  
 < 6" Meter utilized for Wholesale Raw Water  
 Excess revenue of the Red River Authority of Texas will be utilized to cover deficiencies  
 Maintain or utilize surplus construction funds

**RED RIVER AUTHORITY OF TEXAS**  
**SCHEDULE OF PROPRIETARY FUND EXPENSES**  
**(Before Intrafund Eliminations)**  
**for the year ended September 30, 2014**

Exhibit C-29

Current	
Personnel (including benefits less NPO)	\$ 1,776,013
Professional fees:	
Auditing	33,400
Legal	23,918
Purchased services for resale:	
Bulk water and wastewater service purchases	601,222
Utilities	161,312
Repairs and maintenance	592,913
Administrative expenditures:	
Directors fees	16,069
Office supplies	52,981
Insurance	52,961
Other administrative expenses	941,444
Solid waste disposal	8,209
Other expenditures	<u>1,901,820</u>
<b>TOTAL EXPENSES</b>	<b><u><u>\$ 6,162,262</u></u></b>

Number of persons employed by the Authority:

29

**RED RIVER AUTHORITY OF TEXAS**  
**SCHEDULE OF TEMPORARY INVESTMENTS**  
for the year ended September 30, 2014

Exhibit C-30

Proprietary Funds	Identification or Certificate Number	Yield to Maturity Interest Rate	Maturity Date	Balance at End of Year
Bank CD #1	231511	0.10%	10/06/2014	\$ 194,554
Bank CD #2	231502	0.15%	02/28/2015	96,298
Bank CD #3	233278	0.10%	11/06/2014	96,526
Bank CD #4	233495	0.15%	03/02/2015	562,603
Bank CD #5	42063	0.30%	11/16/2014	100,101
Bank CD #6	234338	0.15%	02/26/2015	661,415
Bank CD #7	2253	0.15%	10/02/2014	96,375
Bank CD #8	39616	0.30%	10/08/2014	98,523
Bank CD #9	232941	0.15%	03/23/2015	555,616
				<u>\$ 2,462,011</u>

**RED RIVER AUTHORITY OF TEXAS**  
**TAXES LEVIED AND RECEIVABLE**  
for the year ended September 30, 2014

**Exhibit C-31**

The Red River Authority of Texas does not levy taxes.

**RED RIVER AUTHORITY OF TEXAS  
BONDED DEBT AND INTEREST MATURITIES**

Exhibit C-32

September 30, 2014

Fiscal Year	Annual Requirements for all Series		
	Bond Maturities	Interest on Bonds	Annual Requirements
2014-2015	\$ 37,166	\$ 12,584	\$ 49,750
15-16	31,667	12,558	44,225
16-17	38,800	12,372	51,172
17-18	39,800	12,068	51,868
18-19	40,800	11,672	52,472
19-20	41,800	11,188	52,988
20-21	43,000	10,584	53,584
21-22	44,000	9,858	53,858
22-23	45,000	9,052	54,052
23-24	46,200	8,161	54,361
24-25	47,400	7,195	54,595
25-26	48,600	6,156	54,756
26-27	49,800	5,048	54,848
27-28	51,000	3,870	54,870
28-29	52,200	2,628	54,828
29-30	53,600	1,330	54,930
	\$ 710,833	\$ 136,324	\$ 847,157

\* The interest due October 1 was already paid on September 30.

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

Exhibit C-33

September 30, 2014

Water Revenue Bonds

Net income utility division (Exhibit C – 2)		\$ 391,078
Add:		
Revenue bond interest expense	\$ 103,652	
Depreciation and amortization, net	<u>514,604</u>	
		<u>618,256</u>
Net earnings for determining debt service coverage		<u><u>\$ 1,009,334</u></u>
Total principal and interest requirements		\$ 847,157
Number of years remaining to pay bonds		<u>÷16</u>
Average annual principal and interest requirement		<u><u>\$ 52,947</u></u>
<b>Average annual debt service coverage</b>		<u><u>19.06</u></u>
Maximum principal and interest requirement		<u><u>\$ 54,930</u></u>
<b>Maximum debt service coverage</b>		<u><u>18.37</u></u>
Interest and Sinking Fund as of September 30, 2014		\$ -
Bond Reserve Fund as of September 30, 2014		\$ -



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

Exhibit C-34

**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>		
2013-14					\$ 710,833
14-15	\$ 37,166	\$ 6,292	\$ 6,292	\$ 49,750	673,667
15-16	31,667	6,279	6,279	44,225	642,000
16-17	38,800	6,186	6,186	51,172	603,200
17-18	39,800	6,034	6,034	51,868	563,400
18-19	40,800	5,836	5,836	52,472	522,600
19-20	41,800	5,594	5,594	52,988	480,800
20-21	43,000	5,292	5,292	53,584	437,800
21-22	44,000	4,929	4,929	53,858	393,800
22-23	45,000	4,526	4,526	54,052	348,800
23-24	46,200	4,081	4,081	54,362	302,600
24-25	47,400	3,597	3,597	54,594	255,200
25-26	48,600	3,078	3,078	54,756	206,600
26-27	49,800	2,524	2,524	54,848	156,800
27-28	51,000	1,935	1,935	54,870	105,800
28-29	52,200	1,314	1,314	54,828	53,600
29-30	53,600	665	665	54,930	-
	<u>\$ 710,833</u>	<u>\$ 68,162</u>	<u>\$ 68,162</u>	<u>\$ 847,157</u>	

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

**RED RIVER AUTHORITY OF TEXAS**  
**ANALYSIS OF CHANGES IN BONDED DEBT**  
for the year ended September 30, 2014

Exhibit C-35

	<u>Series 1981-A</u>	<u>Series 1991 Refunding</u>	<u>Series 1997 Refunding</u>	<u>Series 1997</u>	<u>Series 2010</u>	<u>Totals</u>
Interest Rate	5.00%	6.90%	7.88%	5.59%	1.93%	
Dates Interest Payable	4/1; 10/1	4/1; 10/1	4/1; 10/1	4/1; 10/1	2/15; 8/15	
Maturity Dates	04/01/2020	04/01/2016	04/01/2014	04/01/2017	08/15/2030	
Bonds Outstanding, Beginning of Current Year	\$ 22,000	\$ 50,000	\$ 200,000	\$ 1,470,000	\$ 747,000	\$ 2,489,000
Principal Retirements	22,000	50,000	200,000	1,470,000	36,167	1,778,167
Bonds Outstanding, End of Year	-	-	-	-	710,833	710,833
Interest payments	1,150	3,968	22,838	92,158	12,441	132,555

Paying Agent's Name and Address

Berkadia Commercial Mortgage, LLC  
P.O. Box 1687  
Horsham, PA 19044-6687 - (Series 1981-A)

JP Morgan Chase Bank  
P.O. Box 911542  
Dallas, TX 75391-1542 - (Series 1991, Series 1997 Refunding, Series 1997)

Greater Texoma Utility Authority  
5100 Airport Drive  
Denison, TX 75020 - (Series 2010)

Bond Authority:

	<u>Tax Bonds</u>	<u>Other Bonds</u>	<u>Refunding Bonds</u>
Amount Issued	\$ -	\$ 5,962,200	\$ 2,485,000
Remaining to be Issued	\$ -	\$ -	\$ -

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

	AMOUNTS				
	2014	2013	2012	2011	2010
<b>Operating revenues:</b>					
Water service	\$ 3,683,626	\$ 3,629,505	\$ 3,585,000	\$ 4,059,676	\$ 3,190,993
Sewer service	96,169	81,239	80,182	78,182	71,780
Issuance fees	-	-	-	-	-
Tap connection fees	26,740	32,959	28,260	30,560	22,800
Other	2,843,222	2,353,184	2,371,565	2,177,702	2,230,764
<b>Total operating revenues</b>	<b>6,649,757</b>	<b>6,096,887</b>	<b>6,065,007</b>	<b>6,363,047</b>	<b>5,523,445</b>
<b>Operating expenses:</b>					
Water purchases	601,222	625,545	615,678	609,118	554,987
Personnel services less NPO	1,776,013	1,700,020	1,672,025	1,610,528	1,629,989
Administrative costs	941,444	928,296	945,629	884,950	897,440
Utilities, supplies, and maintenance	1,211,570	1,157,919	1,212,200	1,156,676	1,088,260
Insurance	52,961	50,471	52,824	50,359	51,666
Automobile and travel	462,914	485,566	461,452	445,713	384,794
Professional and directors fees	149,930	102,848	113,799	74,239	125,987
Research expense	39,690	39,690	36,450	19,745	19,590
Depreciation and amortization	727,832	712,312	693,154	691,989	666,589
<b>Total operating expenses</b>	<b>5,963,576</b>	<b>5,802,667</b>	<b>5,803,211</b>	<b>5,623,847</b>	<b>5,493,946</b>
<b>Operating income</b>	<b>686,181</b>	<b>294,220</b>	<b>261,796</b>	<b>739,200</b>	<b>29,499</b>
<b>Nonoperating revenues (expenses)</b>					
Interest	102,599	108,344	116,538	144,014	196,680
Gain on disposal of assets	29,658	17,666	18,451	36,787	11,345
Grant revenues for asset purchases	-	-	-	186,844	-
Interest expense and fiscal fees	(198,986)	(231,554)	(292,746)	(326,137)	(345,274)
<b>Total nonoperating revenues (expenses)</b>	<b>(66,729)</b>	<b>(105,544)</b>	<b>(157,757)</b>	<b>41,508</b>	<b>(137,249)</b>
Extraordinary income - abandonment	-	-	-	-	(123,443)
<b>Change in net position</b>	<b>\$ 619,452</b>	<b>\$ 188,676</b>	<b>\$ 104,039</b>	<b>\$ 780,708</b>	<b>\$ (231,193)</b>

**PERCENT OF FUND TOTAL REVENUES**

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
55.4%	59.5%	59.1%	64.1%	57.9%
1.4%	1.3%	1.3%	1.2%	1.3%
0.0%	0.0%	0.0%	0.0%	0.0%
0.4%	0.5%	0.5%	0.5%	0.4%
<u>42.8%</u>	<u>38.6%</u>	<u>39.1%</u>	<u>34.2%</u>	<u>40.4%</u>
<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
9.0%	10.3%	10.2%	9.6%	10.0%
26.7%	27.9%	27.6%	26.3%	30.7%
14.2%	15.2%	15.6%	13.9%	16.2%
18.2%	19.0%	20.0%	18.2%	19.7%
0.8%	0.8%	0.9%	0.8%	0.9%
7.0%	8.0%	7.6%	7.0%	7.0%
2.3%	1.7%	1.9%	1.2%	2.3%
0.6%	0.7%	0.6%	0.3%	0.4%
<u>10.9%</u>	<u>11.7%</u>	<u>11.4%</u>	<u>10.9%</u>	<u>12.1%</u>
<u>89.7%</u>	<u>95.2%</u>	<u>95.7%</u>	<u>88.5%</u>	<u>99.4%</u>
<u>10.3%</u>	<u>4.8%</u>	<u>4.3%</u>	<u>11.5%</u>	<u>0.6%</u>
1.5%	1.8%	1.9%	2.3%	3.6%
0.4%	0.3%	0.3%	0.6%	0.2%
0.0%	0.0%	0.0%	2.9%	0.0%
<u>-3.0%</u>	<u>-3.8%</u>	<u>-4.8%</u>	<u>-5.1%</u>	<u>-6.3%</u>
<u>-1.0%</u>	<u>-1.7%</u>	<u>-2.6%</u>	<u>-2.2%</u>	<u>-2.5%</u>
<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>-2.2%</u>
<u>9.3%</u>	<u>3.1%</u>	<u>1.7%</u>	<u>12.2%</u>	<u>-4.1%</u>

**RED RIVER AUTHORITY OF TEXAS**  
**ENTERPRISE FUNDS**  
**CAPITAL ASSETS**

Exhibit C-37

for the year ended September 30, 2014

	Balance October 1, 2013	Additions / Completions	Deletions / Adjustments	Balance September 30, 2014
<b>UTILITY DIVISION FUND</b>				
Capital assets not being depreciated:				
Land and easements	\$ 174,321	\$ -	\$ (2,523)	\$ 171,798
Construction in progress	93,099	168,009	(159,183)	101,925
Total capital assets not being depreciated	267,420	168,009	(161,706)	273,723
Capital assets, being depreciated and amortized:				
Water storage rights	1,222,700	-	-	1,222,700
Water and sewer systems	16,160,990	140,889	-	16,301,879
Total capital assets being depreciated and amortized	17,383,690	140,889	-	17,524,579
Less accumulated depreciation and amortization for:				
Water storage rights	(227,276)	(7,472)	-	(234,748)
Water and sewer systems	(10,287,500)	(507,132)	-	(10,794,632)
Total accumulated depreciation and amortization	(10,514,776)	(514,604)	-	(11,029,380)
Total capital assets being depreciated and amortized, net	6,868,914	(373,715)	-	6,495,199
Total capital assets, net	\$ 7,136,334	\$ (205,706)	\$ (161,706)	\$ 6,768,922

**ENVIRONMENTAL SERVICES DIVISION FUND**

Capital assets not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Capital assets being depreciated:				
Machinery and equipment	601,304	2,607	-	603,911
Motor vehicles	34,340	-	-	34,340
Total capital assets being depreciated	635,644	2,607	-	638,251
Less accumulated depreciation for:				
Machinery and equipment	(354,326)	(55,265)	-	(409,591)
Motor vehicles	(409)	(4,905)	-	(5,314)
Total accumulated depreciation	(354,735)	(60,170)	-	(414,905)
Total capital assets being depreciated and amortized, net	280,909	(57,563)	-	223,346
Total capital assets, net	\$ 280,909	\$ (57,563)	\$ -	\$ 223,346

**RED RIVER AUTHORITY OF TEXAS**  
**INTERNAL SERVICE FUNDS**  
**CAPITAL ASSETS**  
for the year ended September 30, 2014

Exhibit C-38  
Page 1 of 2

	Balance October 1, 2013	Additions / Completions	Deletions / Adjustments	Balance September 30, 2014
<b>GENERAL DIVISION FUND</b>				
Capital assets not being depreciated:				
Land and easements	\$ 183,331	\$ -	\$ -	\$ 183,331
Total capital assets not being depreciated	183,331	-	-	183,331
Capital assets, being depreciated:				
Furniture and fixtures	331,875	21,934	-	353,809
Building	968,554	-	-	968,554
Motor vehicles	93,388	19,442	(41,337)	71,493
Total capital assets being depreciated	1,393,817	41,376	(41,337)	1,393,856
Less accumulated depreciation for:				
Furniture and fixtures	(285,139)	(19,204)	-	(304,343)
Building	(223,749)	(33,781)	-	(257,530)
Motor vehicles	(86,667)	(10,254)	41,337	(55,584)
Total accumulated depreciation	(595,555)	(63,239)	41,337	(617,457)
Total capital assets being depreciated, net	798,262	(21,863)	-	776,399
Total capital assets, net	\$ 981,593	\$ (21,863)	\$ -	\$ 959,730
 <b>MAINTENANCE DIVISION FUND</b>				
Capital assets not being depreciated:				
Land easements	\$ 4,311	\$ -	\$ -	\$ 4,311
Construction in progress	-	-	-	-
Total capital assets not being depreciated	4,311	-	-	4,311
Capital assets, being depreciated:				
Machinery and equipment	163,219	8,122	-	171,341
Motor vehicles	59,281	-	-	59,281
Total capital assets being depreciated	222,500	8,122	-	230,622
Less accumulated depreciation for:				
Machinery and equipment	(121,447)	(10,877)	-	(132,324)
Motor vehicles	(27,817)	(5,137)	-	(32,954)
Total accumulated depreciation	(149,264)	(16,014)	-	(165,278)
Total capital assets, being depreciated, net	73,236	(7,892)	-	65,344
Total capital assets, net	\$ 77,547	\$ (7,892)	\$ -	\$ 69,655

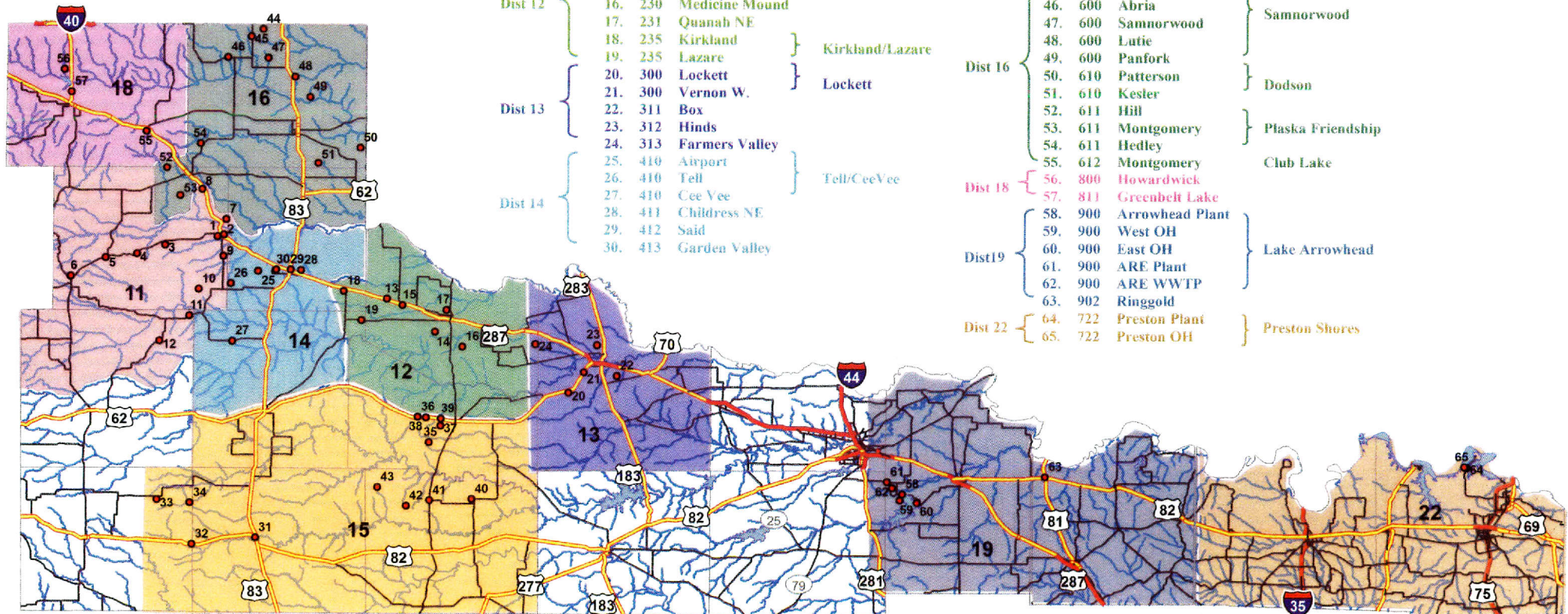
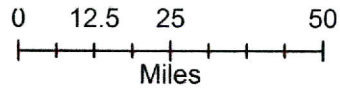
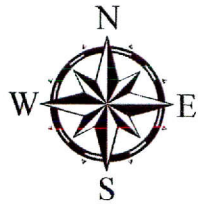
**RED RIVER AUTHORITY OF TEXAS**  
**INTERNAL SERVICE FUNDS**  
**CAPITAL ASSETS**  
for the year ended September 30, 2014

	Balance October 1, 2013	Additions / Completions	Deletions / Adjustments	Balance September 30, 2014
<b>COMMUNICATIONS DIVISION FUND</b>				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Capital assets, being depreciated:				
Machinery and equipment	318,803	1,923	-	320,726
Total capital assets, being depreciated	318,803	1,923	-	320,726
Less accumulated depreciation for:				
Machinery and equipment	(248,735)	(11,386)	-	(260,121)
Total accumulated depreciation	(248,735)	(11,386)	-	(260,121)
Total capital assets being depreciated, net	70,068	(9,463)	-	60,605
Total capital assets, net	\$ 70,068	\$ (9,463)	\$ -	\$ 60,605
 <b>MOTOR VEHICLE POOL FUND</b>				
Capital assets being depreciated:				
Motor vehicles	\$ 331,645	\$ 85,552	\$ (56,231)	\$ 360,966
Total capital assets being depreciated	331,645	85,552	(56,231)	360,966
Less accumulated depreciation for:				
Motor vehicles	(258,702)	(62,420)	56,231	(264,891)
Total accumulated depreciation	(258,702)	(62,420)	56,231	(264,891)
Total capital assets, being depreciated, net	72,943	23,132	-	96,075
Total capital assets, net	\$ 72,943	\$ 23,132	\$ -	\$ 96,075





# Red River Authority of Texas Regional Water Supply Facilities



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



**RED RIVER AUTHORITY OF TEXAS**  
**SCHEDULE OF CLEAN RIVER PROGRAM EXPENSES**  
for the year ended September 30, 2014  
(Unaudited)

Exhibit C-40

State Agency

Texas Commission on Environmental Quality

Contract Number	<u>5821440093</u>	<u>Total</u>
Contract Amount	<u>\$ 318,118</u>	
Unbilled Revenue at 10-01-13	<u>\$ 20,678</u>	<u>\$ 20,678</u>
Receipts or Revenue Recognized	<u>-</u>	<u>-</u>
Disbursements/Expenditures		
Personnel/Salaries	70,410	70,410
Fringe Benefits	32,368	32,368
Travel	17,950	17,950
Supplies	1,987	1,987
Equipment	-	-
Contractual	29,842	29,842
Other	198,290	198,290
Indirect Costs	<u>14,092</u>	<u>14,092</u>
	<u>364,939</u>	<u>364,939</u>
Unbilled Revenue at 09-30-14	<u>\$ 31,945</u>	<u>\$ 31,945</u>

**RED RIVER AUTHORITY OF TEXAS  
INDIRECT RATE FACTOR**

Exhibit C-41

for the year ended September 30, 2014  
(Unaudited)

	<u>FY 2013</u>	<u>FY 2014</u>
<b>Direct Salary Cost</b>		
Regular Salaries	\$ 1,168,250	\$ 1,219,269
Overtime Salaries	53,991	64,320
<b>Total Salaries</b>	<u>1,222,241</u>	<u>1,283,589</u>
 <b>Fringe Benefit Pool</b>		
FICA / Medicare	95,312	99,767
Retirement System Contribution	96,107	99,938
Health / Life Insurance Plan	249,956	248,779
Workers Compensation Insurance	22,137	20,215
Vacation / Holiday Leave	98,256	96,959
Unemployment Insurance	602	6,411
<b>Total Fringe Benefits</b>	<u>562,370</u>	<u>572,069</u>
 <b>Total Personnel Cost</b>	 <u>\$ 1,784,611</u>	 <u>\$ 1,855,658</u>
 <b>Reconciliation of Total Personnel Cost</b>		
Total Personnel Cost per Exhibit A-2	\$ 1,700,020	\$ 1,776,011
Add: Net Pension Obligation	64,754	60,290
Add: Workers Compensation Paid	22,137	20,215
Less: Contract Labor Paid	2,300	858
<b>Total Reconciled Personnel Cost</b>	<u>\$ 1,784,611</u>	<u>\$ 1,855,658</u>
 <b>Fringe Benefit Rate</b>	 <u>46.01%</u>	 <u>44.57%</u>
 <b>General Overhead</b>		
General Division Operating Expense	\$ 215,446	\$ 204,717
General Insurance	28,334	32,746
<b>Total General Overhead</b>	<u>\$ 243,780</u>	<u>\$ 237,463</u>
 <b>General Overhead Rate</b>	 <u>19.95%</u>	 <u>18.50%</u>

**RED RIVER AUTHORITY OF TEXAS**  
**INTERFUND RECEIVABLE AND PAYABLE BALANCES**  
for the year ended September 30, 2014  
(Unaudited)

**Interfund notes payable to the Interfund Loan Division at September 30, 2014 are:**

Fund	IFL Loan Number	Monthly Payment	Principal	Interest at 8%	Maturity Date	Payable September 30, 2014
General Division	GD0011-11	\$ 4,994	\$ 24,364	\$ 35,568	09/30/2036	\$ 875,915
	GD0011-12	606	6,918	352	10/28/2014	602
	GD0011-14	266	2,536	652	01/01/2017	6,766
	GD0011-15	240	1,179	24	02/02/2014	-
	GD0011-16	238	1,773	1,077	02/01/2020	12,494
	GD0011-17	210	1,665	879	07/30/2019	10,090
	GD0011-18	218	2,211	408	04/30/2016	3,882
	GD0011-19	80	550	407	02/01/2021	4,791
	GD0011-20	475	3,189	1,082	12/01/2017	16,253
	GD0011-21	305	2,334	1,029	10/01/2018	12,741
Environmental Services	ESD0079-01	523	5,121	1,149	09/01/2016	11,553
Maintenance Division	MD0080-03	220	1,993	650	09/28/2017	7,028
	MD0080-05	453	4,181	1,253	06/30/2017	13,376
	MD0080-06	726	6,529	2,186	10/30/2017	23,742
Communication Division	CD0081-02	254	2,610	440	02/28/2016	4,072
	CD0081-03	643	4,318	3,403	06/01/2021	40,170
	CD0081-04	84	626	381	02/01/2020	4,414
Motor Pool	MP0082-11	2,069	23,471	1,357	11/30/2014	4,097
	MP0082-12	525	5,534	764	10/01/2015	6,515
	MP0082-13	485	5,080	740	11/01/2015	6,462
	MP0082-14	834	8,681	1,331	12/01/2015	11,872
	MP0082-15	1,640	11,018	3,739	12/01/2017	56,146
	MP0082-15	449	3,016	1,024	12/28/2017	15,372

**RED RIVER AUTHORITY OF TEXAS**  
**INTERFUND RECEIVABLE AND PAYABLE BALANCES**  
for the year ended September 30, 2014  
(Unaudited)

**Interfund notes payable to the Interfund Loan Division at September 30, 2014, continued**

Fund	IFL Loan Number	Monthly Payment	Principal	Interest at 8%	Maturity Date	Payable September 30, 2014
Utility Division Systems:						
100	ES-1001	125	1,046	456	09/30/2018	5,128
100	ES-1002	309	1,799	1,911	04/30/2032	46,795
100	ES-1003	174	1,177	914	05/01/2021	10,779
100	ES-1004	-	-	-	09/30/2017	1,635
110	TE-1101	287	2,400	1,047	09/30/2018	11,767
110	TE-1102	327	2,443	1,485	02/01/2020	17,220
312	HI-1312-02	115	1,208	176	11/01/2015	1,536
410	CH-1410-01	170	1,226	812	07/30/2020	9,477
411	CH-1411-01	333	2,405	1,592	07/30/2020	18,586
500	GT-1500-01	116	1,135	255	09/30/2016	2,560
500	GT-1500-02	1,751	15,847	5,165	09/30/2017	55,878
510	SPU-1510-01	1,191	9,691	4,600	01/01/2019	52,191
510	FC-1510-02	436	4,566	665	11/01/2015	5,808
520	TG-1520-02	1,510	14,315	3,804	02/28/2017	39,695
600	SNW-1600-01	439	3,385	1,879	09/01/2019	21,637
722	PS-1722-02	1,816	17,104	4,689	03/31/2017	49,232
722	PS-1722-03	-	-	-	09/30/2017	44,551
800	HW-800-01	104	779	465	01/01/2020	5,385
900	ARR-900-01	1,418	14,960	2,065	10/31/2015	17,611
900	ARR-900-02	245	1,688	1,251	02/01/2021	14,714
900	ARR-900-03	-	-	-	09/30/2017	56,001
	Totals		<u>\$226,071</u>	<u>\$ 93,126</u>		

Total payable to Interfund Loan Division September 30, 2014

\$ 1,636,539

## **STATISTICAL SECTION**

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

	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>
Net investment in capital assets	\$ 2,842,394	\$ 3,086,702	\$ 4,969,709
Restricted	493,741	479,358	479,358
Unrestricted	7,147,165	7,618,370	6,365,500
Total net position	<u>\$ 10,483,300</u>	<u>\$ 11,184,430</u>	<u>\$ 11,814,567</u>

Note 1: The Authority began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

Note 2: The net pension obligation figures have been omitted from this exhibit for years 2004-05 through 2009-10.



Fiscal Year					
2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
\$ 5,529,570	\$ 5,537,508	\$ 5,919,946	\$ 5,995,140	\$ 6,124,825	\$ 7,467,500
479,358	472,206	1,001,023	1,158,346	1,223,100	899,564
6,399,444	6,174,709	6,663,942	6,559,656	6,553,893	6,154,206
<u>\$ 12,408,372</u>	<u>\$ 12,184,423</u>	<u>\$ 13,584,911</u>	<u>\$ 13,713,142</u>	<u>\$ 13,901,818</u>	<u>\$ 14,521,270</u>

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

	2005-2006	2006-2007	2007-2008
Operating revenues:			
Water and sewer sales	\$ 3,412,207	\$ 2,961,070	\$ 3,434,540
Charges for materials and services	323,040	405,551	511,173
Other	603,523	824,499	448,643
Total operating revenues	<u>4,338,770</u>	<u>4,191,120</u>	<u>4,394,356</u>
Operating expenses:			
Water purchases	524,848	527,619	558,671
Personnel services	917,543	1,034,590	1,528,327
Administrative costs	655,884	718,038	75,888
Utilities, supplies and maintenance	731,660	746,347	765,600
Insurance	-	-	42,579
Automobile and travel	177,538	180,336	201,598
Professional and directors fees	2,982	1,545	106,211
Research expense	29,316	20,750	10,190
Depreciation and amortization	420,637	445,611	619,250
Total operating expenses	<u>3,460,408</u>	<u>3,674,836</u>	<u>3,908,314</u>
Operating income	<u>878,362</u>	<u>516,284</u>	<u>486,042</u>
Nonoperating revenues (expenses)			
Interest income	89,070	117,713	236,005
Gain (loss) on disposal of assets	-	-	16,338
Grant revenues	-	-	-
Interest expense	(338,344)	(319,244)	(261,002)
Total nonoperating revenues (expenses)	<u>(249,274)</u>	<u>(201,531)</u>	<u>(8,659)</u>
Income (loss) before contributions and other credits:	629,088	314,753	477,383
Insurance proceeds	-	79,034	15,118
Change in net position	<u>\$ 629,088</u>	<u>\$ 393,787</u>	<u>\$ 492,501</u>

Note 1: The Authority began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

Note 2: The net pension obligation figures have been omitted from this exhibit

Fiscal Year					
2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
\$ 3,320,958	\$ 3,262,773	\$ 4,137,858	\$ 3,665,182	\$ 3,710,743	\$ 4,072,153
579,249	459,009	509,152	536,472	493,992	592,542
861,448	459,299	297,949	445,525	397,042	520,952
<u>4,761,655</u>	<u>4,181,081</u>	<u>4,944,959</u>	<u>4,647,179</u>	<u>4,601,777</u>	<u>5,185,647</u>
578,323	554,987	609,118	615,679	625,545	601,222
1,619,796	1,697,525	1,674,131	1,672,025	1,700,020	1,776,013
69,146	91,394	83,105	94,985	88,389	86,298
815,952	769,199	781,009	868,088	750,211	835,578
41,019	51,666	50,359	52,824	50,471	52,961
162,474	187,155	222,062	238,380	238,071	229,942
148,592	130,056	74,239	113,799	102,848	149,930
17,290	19,590	19,745	36,450	39,690	39,690
632,776	666,589	691,989	693,154	712,312	727,832
<u>4,085,368</u>	<u>4,168,161</u>	<u>4,205,757</u>	<u>4,385,384</u>	<u>4,307,557</u>	<u>4,499,466</u>
<u>676,287</u>	<u>12,920</u>	<u>739,202</u>	<u>261,795</u>	<u>294,220</u>	<u>686,181</u>
142,667	86,887	38,190	12,319	9,197	7,265
11,360	(112,098)	36,787	18,451	17,666	29,658
-	-	186,844	-	-	-
<u>(236,509)</u>	<u>(211,658)</u>	<u>(196,161)</u>	<u>(164,334)</u>	<u>(132,407)</u>	<u>(103,652)</u>
<u>(82,482)</u>	<u>(236,869)</u>	<u>65,660</u>	<u>(133,564)</u>	<u>(105,544)</u>	<u>(66,729)</u>
593,805	(223,949)	804,862	128,231	188,676	619,452
-	-	-	-	-	-
<u>\$ 593,805</u>	<u>\$ (223,949)</u>	<u>\$ 804,862</u>	<u>\$ 128,231</u>	<u>\$ 188,676</u>	<u>\$ 619,452</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
2004-05	\$3,236,653	\$ 449,743	\$ 612,709	\$ 27,674	\$ 561,352	\$4,888,131
2005-06	3,592,666	421,182	665,292	32,792	503,628	5,215,560
2006-07	3,145,775	784,003	726,340	55,704	472,201	5,184,023
2007-08	3,659,522	686,255	765,924	55,849	585,357	5,752,907
2008-09	3,451,381	782,733	798,880	41,704	635,222	5,709,920
2009-10	3,371,249	665,632	825,056	27,985	703,012	5,592,934
2010-11	4,272,709	822,560	801,843	12,323	649,274	6,558,709
2011-12	3,750,335	812,008	850,644	12,319	786,921	6,212,227
2012-13	3,783,275	862,053	858,291	9,197	710,081	6,222,897
2013-14	4,072,153	944,978	855,146	7,265	839,473	6,719,015

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

Exhibit D-4

<u>Fiscal Year</u>	<u>Metered Connections</u>	<u>Water Sales</u>	<u>Average Monthly Bill</u>	<u>Type of Service</u>		
				<u>Domestic</u>	<u>Commercial</u>	<u>Wholesale</u>
2005	3,878	\$3,116,445	66.97	87.71%	9.64%	3.85%
2006	3,960	3,424,741	72.07	73.93%	18.36%	7.71%
2007	3,954	2,974,132	62.68	91.61%	4.20%	4.19%
2008	3,965	3,450,727	72.52	89.02%	6.58%	4.40%
2009	3,983	3,331,528	69.70	87.21%	7.45%	5.34%
2010	3,981	3,269,881	68.45	88.58%	6.58%	4.84%
2011	4,003	4,154,785	86.49	88.21%	6.49%	5.30%
2012	4,002	3,597,232	74.90	89.01%	6.25%	4.74%
2013	3,969	3,670,110	77.06	88.79%	6.57%	4.64%
2014	3,934	3,959,162	83.87	88.48%	6.83%	4.69%

**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
2005	279.59	32.99	79.32	38.96	430.86	61.69	35.91	1.18
2006	334.64	31.87	110.51	77.75	554.77	86.18	46.23	1.52
2007	244.67	33.06	78.62	0.01	356.36	45.42	29.70	0.98
2008	284.86	35.91	91.18	-	411.95	56.78	34.33	1.13
2009	266.33	31.77	83.24	45.16	426.50	62.22	35.54	1.17
2010	249.93	30.91	88.05	46.46	415.35	58.36	34.61	1.14
2011	323.42	40.74	120.31	53.33	537.80	91.68	44.82	1.47
2012	248.51	34.26	94.25	48.67	425.69	64.18	35.47	1.17
2013	230.79	32.17	80.93	9.83	353.72	41.92	29.48	0.97
2014	214.71	22.16	60.17	45.24	342.28	40.64	28.52	0.94

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

**Exhibit D-6**

<u>Utility District</u>	<u>Square Miles</u>	<u>Service Area Counties</u>	<u>Number of Meters</u>	<u>Total Water Use - MG</u>	<u>Population Served</u>	<u>Water Source</u>
D-11	1,285	Hall / Childress / Motley	287	33.80	717	G/S
D-12	1,160	Hardeman / Childress / Foard	385	42.37	962	S
D-13	947	Wilbarger	453	37.82	1,132	G/S
D-14	802	Childress / Cottle	417	32.23	1,042	S
D-15	2,111	King / Knox / Foard	358	41.95	962	G/S
D-16	1,405	Collingsworth / Hall / Childress	239	28.08	597	G/S
D-18	929	Donley	393	10.98	982	G/S
D-19	2,013	Clay / Montague	708	30.24	1,770	G/S
D-22	934	Grayson	693	64.87	1,732	S

**RED RIVER AUTHORITY OF TEXAS**  
**TOP TEN UTILITY CUSTOMERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
**SEPTEMBER 30, 2014**  
**(Unaudited)**

**Exhibit D-7**

Taxpayer	Location	Rank	2013-14		Rank	2004-05	
			Average Bill	Average Use (gals)		Average Bill	Average Use (gals)
Southwest Water Company	Grayson	1	\$ 9,377	2,341,650	1	\$ 9,762	3,413,410
Texas Dept of Transportation	Donley/Hardeman	2	\$ 4,452	498,426	5	\$ 1,799	309,800
City of Chillicothe	Hardeman	3	\$ 3,261	1,088,391	4	\$ 1,803	915,770
AEP Oklaunion Power Plant	Wilbarger	4	\$ 2,206	222,225	3	\$ 4,211	693,590
Guthrie School	King	5	\$ 1,916	191,643	8	\$ 587	90,701
Comerstone Marine Group	Grayson	6	\$ 1,645	296,741	6	\$ 816	212,840
Vest Ranch	Hall/Collingsworth	7	\$ 1,322	200,223	2	\$ 7,645	1,741,580
Bradley 3 Ranch LTD	Hall	8	\$ 777	112,421	-	-	-
Panfork Baptist Church	Collingsworth	9	\$ 739	96,951	-	-	-
Rickey L Smith Ranches, Ltd	Hall	10	\$ 689	92,547	-	-	-
Quanah Country Club	Hardeman	-	-	-	7	\$ 716	187,119
Montgomert Ranch	Foard	-	-	-	9	\$ 563	124,806
Anglers Club	Childress	-	-	-	10	\$ 545	92,816



**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 Outstanding</u>	<u>Net Income Available for Debt Service</u>	<u>Average Annual Principal and Interest</u>	<u>Average Annual Times Covered</u>	<u>Maximum Principal and Interest</u>	<u>Maximum Times Covered</u>
2004-05	\$5,135,000	\$ 789,964	\$ 482,351	1.64	\$ 660,222	1.20
2005-06	4,793,000	1,083,233	469,841	2.31	660,222	1.64
2006-07	4,431,000	654,715	455,458	1.44	660,222	0.99
2007-08	4,046,000	850,505	438,598	1.94	660,222	1.29
2008-09	3,635,000	870,535	418,451	2.08	658,938	1.32
2009-10	4,057,200	265,602	237,527	1.12	706,161	0.38
2010-11	3,568,600	1,085,285	225,768	4.81	706,161	1.54
2011-12	3,047,200	565,481	199,190	2.84	706,161	0.80
2012-13	2,489,000	685,254	169,853	4.03	706,161	0.97
2013-14	710,833	1,009,334	52,947	19.06	54,930	18.37

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

Exhibit D-9

Fiscal Year	Water and Sewer Systems	Environmental Services	General	Maintenance	Other	Total
2004-05	\$ 3,129,661	\$ 390,335	\$ 753,962	\$ 135,351	\$ 171,536	\$4,580,845
2005-06	3,366,176	467,530	702,601	145,956	176,288	4,858,551
2006-07	3,312,083	717,479	732,541	188,807	183,013	5,133,923
2007-08	3,524,396	720,440	797,390	227,973	221,808	5,492,007
2008-09	3,683,402	761,344	800,350	261,034	193,044	5,699,174
2009-10	3,855,279	727,532	838,919	302,865	224,376	5,948,971
2010-11	3,893,681	730,699	804,597	256,552	252,747	5,938,276
2011-12	3,880,423	831,390	833,043	299,812	329,841	6,174,509
2012-13	3,742,187	927,571	827,230	265,909	336,008	6,098,905
2013-14	3,832,693	971,627	872,883	223,400	261,959	6,162,562

Note: The net pension obligation figures have been omitted from this exhibit for 2003-04 through 2010-11.

**RED RIVER AUTHORITY OF TEXAS**  
**RED RIVER BASIN GENERAL INFORMATION**

Exhibit D-10

**September 30, 2014**  
**(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 2000 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 158,519 surface acres and contain 3,892,411 acre-feet. Refer to **Exhibit D-12 on page 94**.
- 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
- Wastewater Discharge:* There are 111 wastewater discharge permits within the watershed with a total discharge of 235.9 MGD.
- Average Annual Rainfall:* 15 inches near the Texas-New Mexico border to 48 inches near the Texas-Arkansas border. The average runoff in the watershed is about 159 acre-feet per square mile of contributing drainage area.

*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)

Exhibit D-11

County Name	Region	ID	Square Miles	Population				
				1970	1980	1990	2000	2010
Archer	3	5	903	5,759	7,266	7,973	8,854	9,054
Armstrong	1	6	909	1,895	1,994	2,021	2,148	1,901
Baylor	3	12	868	5,221	4,919	4,385	4,093	3,726
Bowie	5	19	885	68,909	75,301	81,665	89,306	92,565
Briscoe	1	23	900	2,794	2,579	1,971	1,790	1,637
Carson	1	33	920	6,358	6,672	6,576	6,516	6,182
Castro	1	35	894	10,394	10,556	9,070	8,285	8,062
* Childress	1	38	696	6,605	6,950	5,953	7,688	7,041
* Clay	3	39	1,089	8,079	9,582	10,024	11,006	10,752
* Collingsworth	1	44	918	4,755	4,648	3,573	3,206	3,057
Cooke	4	49	875	23,471	27,656	30,777	36,363	38,437
* Cottle	3	51	901	3,204	2,947	2,247	1,904	1,505
Crosby	2	54	900	9,085	8,859	7,304	7,072	6,059
Deaf Smith	1	59	1,497	18,999	21,165	19,153	18,561	19,372
* Dickens	2	63	902	3,737	3,539	2,571	2,762	2,444
* Donley	1	65	927	3,641	4,075	3,696	3,828	3,677
Fannin	4	74	891	22,705	24,285	24,804	31,242	33,915
Floyd	2	77	992	11,044	9,834	8,497	7,771	6,446
* Foard	3	78	704	2,211	2,158	1,794	1,622	1,336
Gray	1	90	926	26,949	26,386	23,967	22,744	22,535
* Grayson	4	91	933	83,225	89,796	95,021	110,595	120,877
Hale	2	95	1,005	34,137	37,592	34,671	36,602	36,273
* Hall	1	96	883	6,015	5,594	3,905	3,782	3,353
* Hardeman	3	99	695	6,795	6,368	5,283	4,724	4,139
Hartley	1	103	1,462	2,782	3,987	3,634	5,537	6,062
Hemphill	1	106	906	3,084	5,304	3,720	3,351	3,807
Hutchinson	1	117	887	24,443	26,304	25,689	23,857	22,150
* King	2	135	911	464	425	354	356	286
* Knox	3	138	851	5,972	5,329	4,837	4,253	3,719
Lamar	5	139	907	36,062	42,156	43,949	48,499	49,793
Lipscomb	1	148	932	3,486	3,766	3,143	3,057	3,302
* Montague	3	169	931	15,326	17,410	17,274	19,117	19,719
Motley	2	173	990	2,178	1,950	1,532	1,426	1,210
Oldham	1	180	1,501	2,258	2,283	2,278	2,185	2,052
Parmer	1	185	881	10,509	11,038	9,863	10,016	10,269
Potter	1	188	908	90,511	98,637	97,874	113,546	121,073
Randall	1	191	912	53,885	75,062	89,673	104,312	120,725
Red River	5	194	1,037	14,298	16,101	14,317	14,314	12,860
Roberts	1	197	927	967	1,187	1,025	887	929
Swisher	1	219	890	10,373	9,723	8,133	8,378	7,854
Wheeler	1	242	915	6,434	7,137	5,879	5,284	5,410
Wichita	3	243	628	120,563	121,082	122,378	131,664	131,500
* Wilbarger	3	244	971	15,355	15,931	15,121	14,676	13,535
Totals for Counties in Basin			40,360	794,937	865,533	867,574	947,179	980,600
* Utility Division Service Area			12,312	165,384	174,752	171,653	189,519	195,440

Source of Information: United States Census Bureau

**RED RIVER AUTHORITY OF TEXAS**  
**SIGNIFICANT RESERVOIRS IN THE RED RIVER BASIN**  
**SEPTEMBER 30, 2014**  
**(Unaudited)**

Exhibit D-12

Reservoir Name	County	Elevation Ft AMSL	Surface Acres	Capacity Acre-Feet	Diversion ACF/YR	Type Uses
Archer City Lake	Archer	1,023	90	396	2,500	M/R
Lake Kickapoo	Archer	1,045	6,028	85,825	40,000	M
Scotland Lake	Archer	934	70	364	-	R
Lake Cooper	Archer	1,145	250	4,500	810	M
Lake Diversion	Archer/Baylor	1,052	3,133	33,420	-	M/I/F/R/Ir/Mi
Lake Kemp	Baylor	1,144	15,357	245,434	-	M/Ir/F
Mackenzie Reservoir	Briscoe/Swisher	3,100	896	46,250	5,200	M/I
Baylor Lake	Childress	1,820	610	9,220	-	M/R
Lake Arrowhead	Clay/Archer	926	14,969	235,997	45,000	M
Hubert H. Moss Lake	Cooke	715	1,140	24,155	7,000	M/I
Greenbelt Reservoir	Donley	2,664	2,250	59,500	-	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 Crockett	Fannin	502	375	3,900	-	R
Valley Lake	Fannin/Grayson	611	1,080	16,400	-	P
Lake McClellan	Gray	2,291	550	5,000	-	R
Randell Lake	Grayson	622	311	5,900	-	M
Lake Texoma	Grayson/Cooke	617	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 Gibbons	Lamar	599	69	3,600	3,600	M
Lake Nocona	Montague	828	1,362	21,749	1,260	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 Cree	Wichita	1,048	1,730	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	-	M/I/Ir
Lake Electra	Wilbarger	1,111	660	8,730	600	M/F
<b>Total Reservoirs: 32</b>			<b>141,201</b>	<b>3,549,826</b>	<b>191,052</b>	

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)**

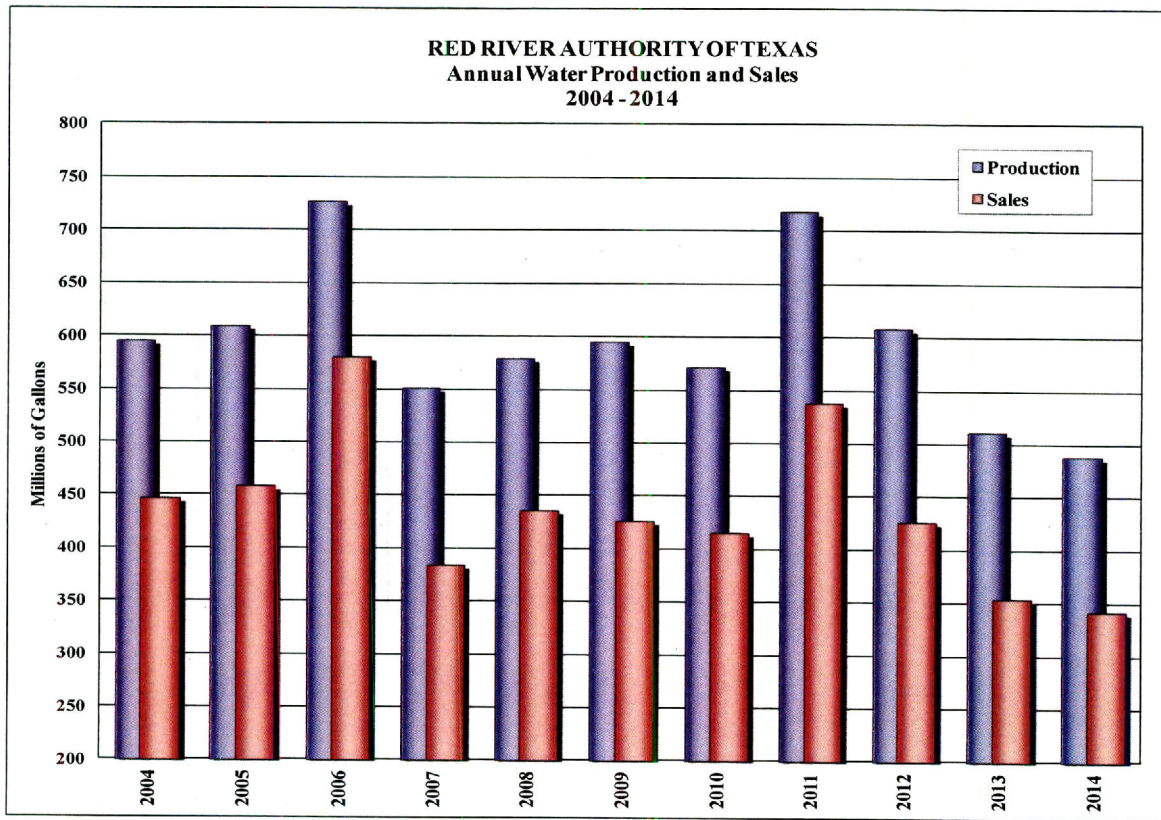


Figure 1

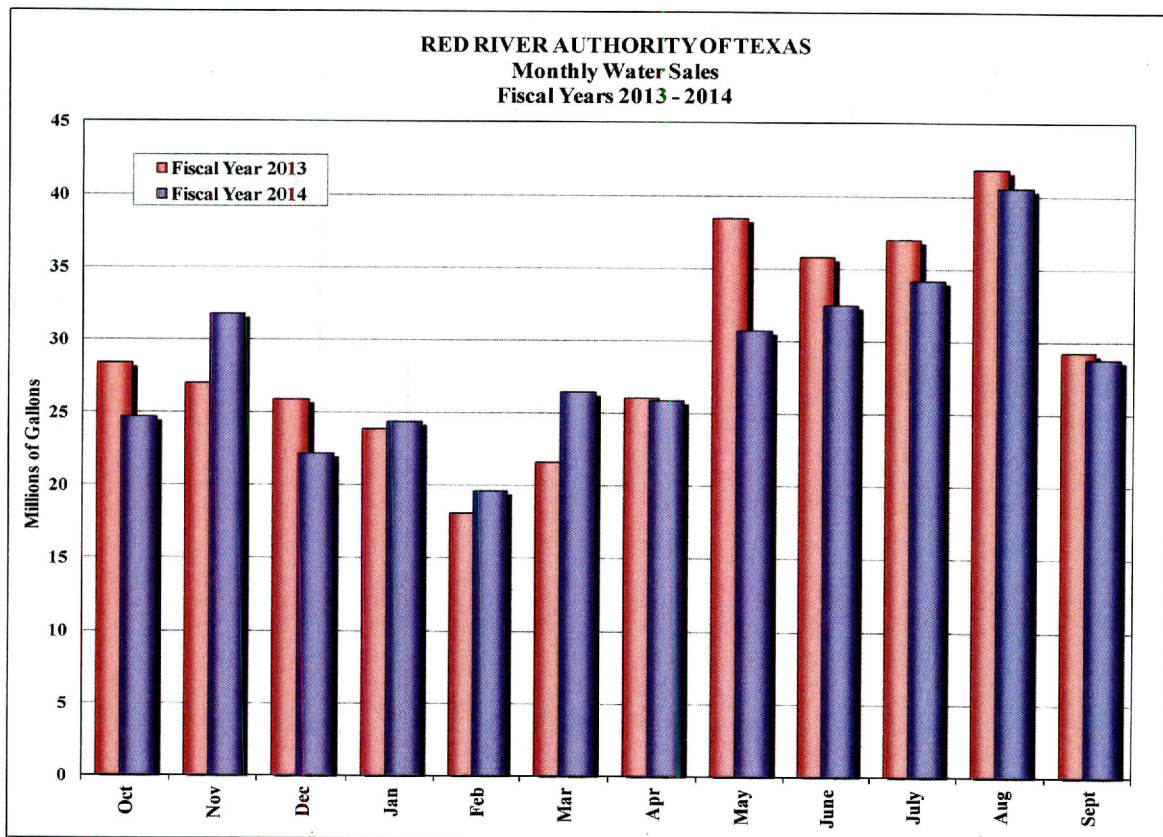


Figure 2





**RED RIVER AUTHORITY OF TEXAS  
ENVIRONMENTAL SERVICES DIVISION  
RED RIVER CHLORIDE CONTROL PROJECT  
AREA VIII  
(Unaudited)**

Exhibit D-14

**PROJECT DESCRIPTION:** Brine is collected at the low flow collection dam on the South Fork Wichita River and pumped via a pipeline to a brine storage and evaporation reservoir near Truscott, Texas.

**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:** \$51,500,000

**CURRENT STATUS:** The Truscott Brine Reservoir was completed and placed in service on May 16, 1987. The reservoir is currently receiving 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 not yet in service. The pump station will transmit brine to the Truscott Reservoir also.

## **TECHNICAL DESCRIPTION**

### **TRUSCOTT BRINE RESERVOIR**

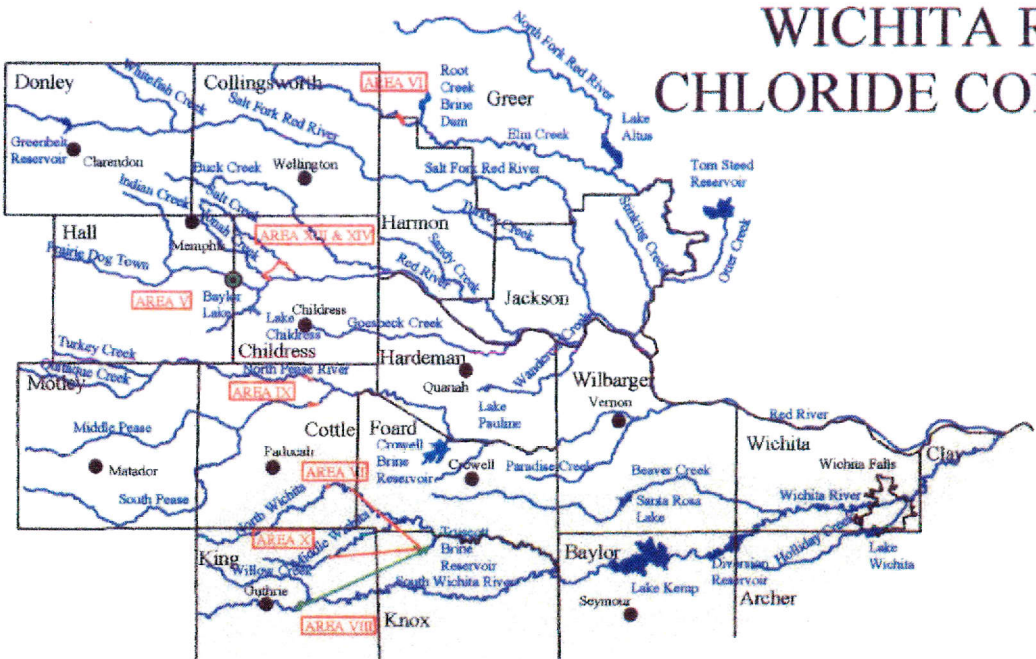
<b>Location:</b>	2 miles northwest of Truscott in Knox County, TX on Bluff Creek
<b>Dam Length:</b>	14,800 feet
<b>Dam Height:</b>	100 feet above stream bed
<b>Surface Area:</b>	Brine storage pool = 2,980 acres Flood control pool = 3,090 acres
<b>Total Capacity:</b>	116,200 acre-feet

### **BATEMAN PUMP STATION**

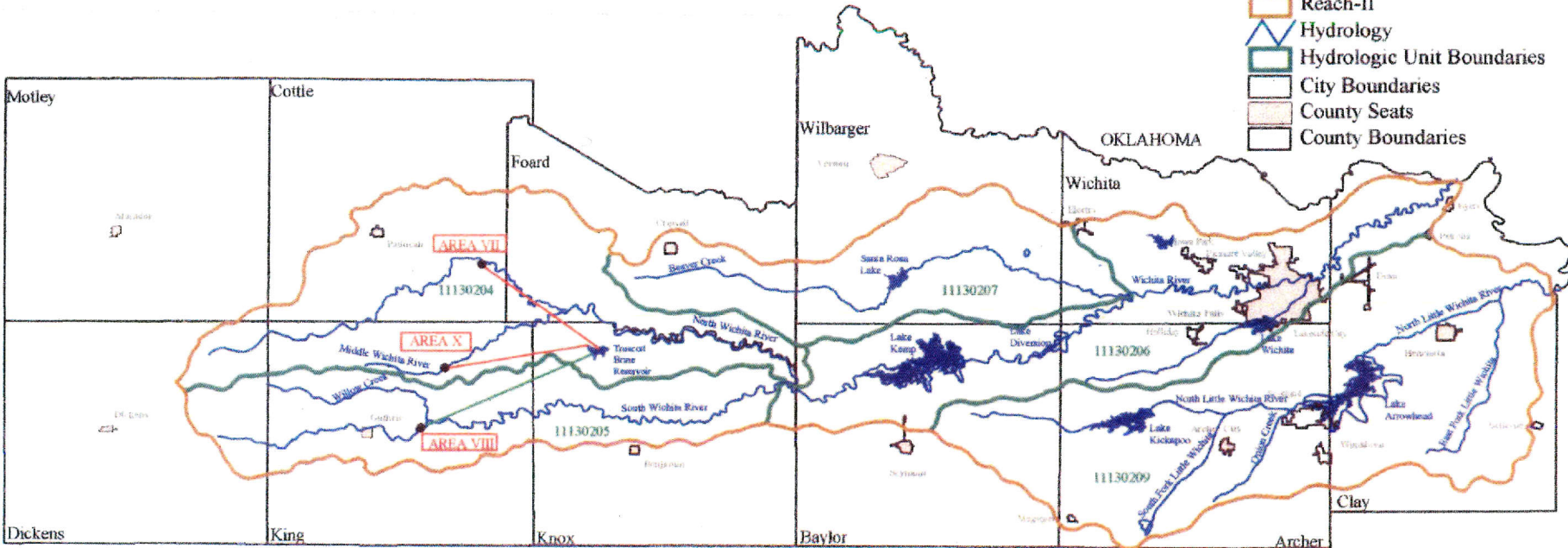
<b>Location:</b>	River mile 74.9 of the South Fork Wichita River in King County, Texas
<b>Type of Dam:</b>	Pneumatic (Inflatable)
<b>Dam Length:</b>	40 feet
<b>Dam Height:</b>	5 feet
<b>Surface Area:</b>	3 acres with the dam inflated



# 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





**INSURANCE COVERAGE**  
**Texas Municipal League Intergovernmental Risk Pool**  
**September 30, 2014**  
**(Unaudited)**

Policy:	Workers Compensation
Policy Period:	10-01-13 to 09-30-14
Perils:	Losses under Workers' Compensation Laws
Coverage:	Statutory
Premium:	\$20,215
Policy:	General Liability
Policy Period:	10-01-13 to 09-30-14
Perils:	Bodily injury, property damage, advertising injury, completed operations, and products hazard
Coverage:	\$1,000,000 per occurrence and annual aggregate
Premium:	\$2,378
Policy:	Automobile Liability
Policy Period:	10-01-13 to 09-30-14
Perils:	Liability
Coverage:	\$1,000,000 per occurrence
Premium:	\$3,297
Policy:	Errors and Omissions Liability
Policy Period:	10-01-13 to 09-30-14
Perils:	Liability, errors, and omissions
Coverage:	\$1,000,000 per claim and annual aggregate
Premium:	\$2,798
Policy:	Property Coverage
Policy Period:	10-01-13 to 09-30-14
Perils:	Risk of direct physical loss of or damage to property
Coverage:	Replacement cost limited to \$8,361,522 – real and personal property, replacement cost limited to \$52,195, mobile equipment coverage – \$558, boiler and machinery comprehensive – \$8,361,522
Premium:	\$18,456
Policy:	Automobile Physical Damage Coverage
Policy Period:	10-01-13 to 09-30-14
Perils:	Physical damage
Coverage:	Actual cash value
Premium:	\$3,762
Policy:	Crime Policy
Policy Period:	10-01-13 to 09-30-14
Perils:	Public employee dishonesty and forgery or alteration
Coverage:	\$200,000 per employee – Public Employee Dishonesty \$100,000 – Forgery or Alteration
Premium:	\$212



**OVERALL COMPLIANCE  
AND  
INTERNAL CONTROL SECTION**







# EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

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A. PAUL FLEMING, CPA  
J. MARK FLEMING, CPA

## Independent Auditor's Report

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

To the Board of Directors  
Red River Authority of Texas

Members of the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Red River Authority of Texas (Authority) as of and for the year ended September 30, 2014, and the related notes to the financial statements and have issued our report thereon dated January 6, 2015.

### Internal Control Over Financial Reporting

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

Respectfully submitted,

*Edgin, Parkman, Fleming & Fleming, PC*

Edgin, Parkman, Fleming & Fleming, PC

January 6, 2015







