

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**



**for the years ended September 30, 2013 and 2012**







**RED RIVER AUTHORITY OF TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
for the years ended September 30, 2013 and 2012**

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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 15<sup>th</sup> day of January, 2014 its annual audit report for the fiscal period ended September 30, 2013 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.

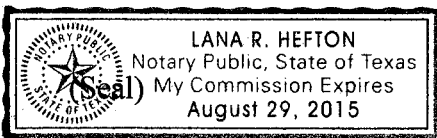
This filing affidavit and the attached copy of the annual audit report will be submitted to the Texas Commission on Environmental Quality to satisfy the annual filing requirements of Texas Water Code Section 49.194.

Date: January 15, 2014

[Signature]  
(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 15<sup>th</sup> day of January, 2014.



[Signature]  
(Signature of Notary)

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, 2013**

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, 2013	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	\$3,348	President	Yes
George Wilson Scaling, II 450 Rhat Road Henrietta, Texas 76365	08-11-09 – 08-11-15	712	Vice President	Yes
Jerry Bob Daniel 4911 FM 1756 West Truscott, Texas 79227	08-11-09 – 08-11-15	1,009	Secretary	Yes
Penny C. Carpenter 1899 CR 12 Silverton, Texas 79257	07-28-08 – 08-11-13	1,046	Assistant Secretary	Yes
Nathan J. (Jim) Bell, IV P. O. Box 1055 Paris, Texas 75461	10-16-00 – 08-11-17	1,354	Director	Yes
C. Cole Camp 4402 Charlene Avenue Amarillo, Texas 76106	07-28-08 – 08-11-13	1,517	Director	Yes
Mayfield McCraw P. O. Box 9 Telephone, Texas 75488	09-22-09 – 08-11-17	824	Director	Yes
Clyde M. Siebman 421 N Crockett Sherman, Texas 75090	06-02-08 – 08-11-13	236	Director	Yes
Montford T. Johnson, III P. O. Box 32365 Amarillo, Texas 79118	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, 2013**

<b>Names and Addresses</b>	<b>Term of Office Elected and Expired or Date Hired</b>	<b>Fees and Expense Reimbursements September 30, 2013</b>	<b>Title at Year End</b>
<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		96,732	Consultant
Jim R. Nichols, P.E. Freese and Nichols, Inc. 811 Lamar Street Fort Worth, Texas 76102		0	Consultant
Herbert W. Grubb, Ph.D. 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>			
Gibson, Davenport and Anderson 3711 Maplewood Avenue, Suite 200 Wichita Falls, Texas 76308		7,156	General Counsel

**RED RIVER AUTHORITY OF TEXAS**

**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
for the year ended September 30, 2013**

<b>Names and Addresses</b>	<b>Term of Office Elected and Expired or Date Hired</b>	<b>Fees and Expense Reimbursements September 30, 2013</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		\$ 21,115	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		0	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, 2012**

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  
CLYDE M. SIEBMAN, Pottsboro

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

January 6, 2014

**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, 2013 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 natural resources within the Red River Basin for the beneficial use 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

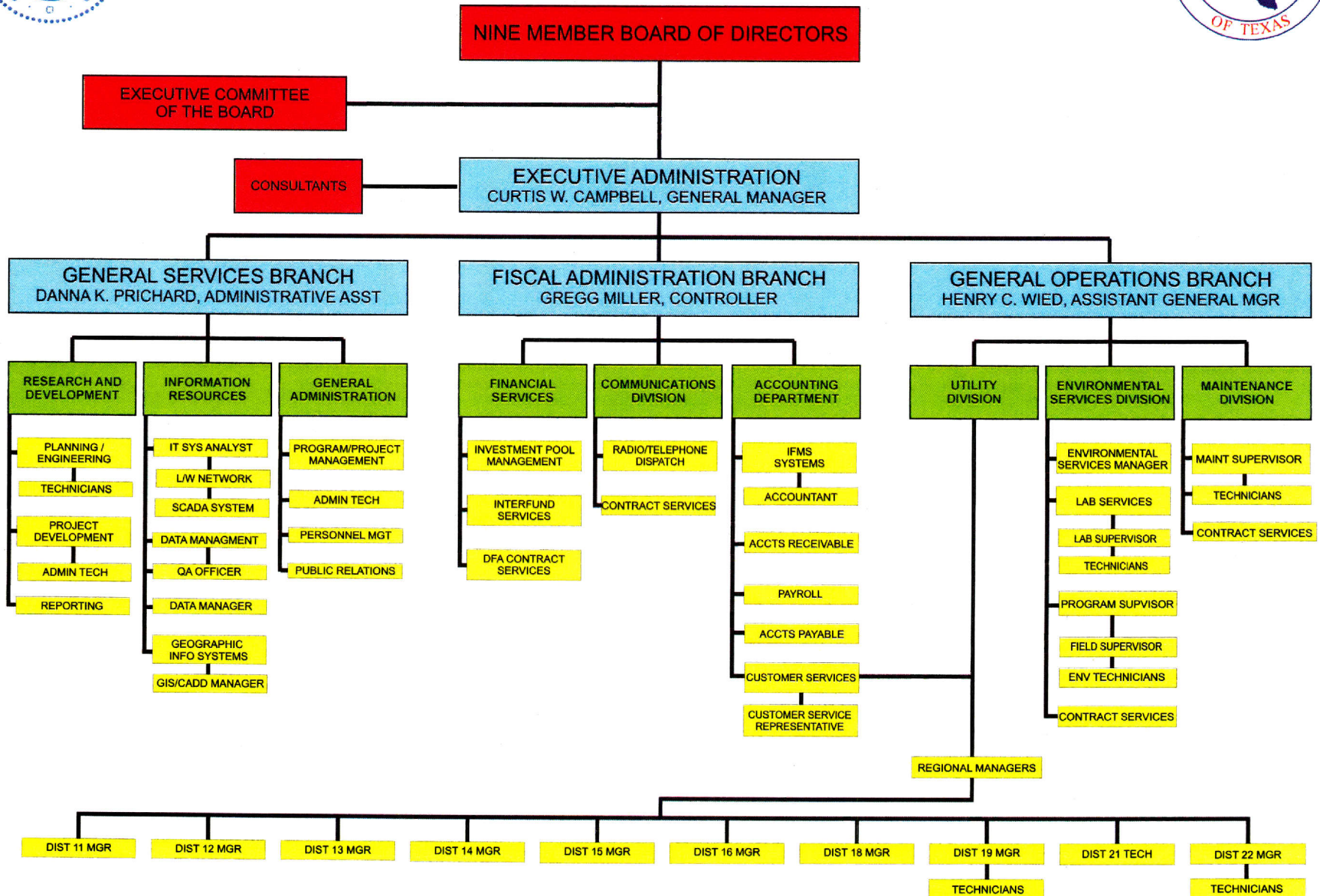
The Authority's governing body is composed of a nine-member Board of Directors, all of whom are appointed by the Governor, confirmed by the Senate, a legal voter, a property taxpayer, and resident in the Authority's jurisdictional area. Each Director serves a six-year staggered term. The Directors are 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 30 full-time classified employees on the Authority's payroll on September 30, 2013. **Refer to the Organizational Chart** for details.



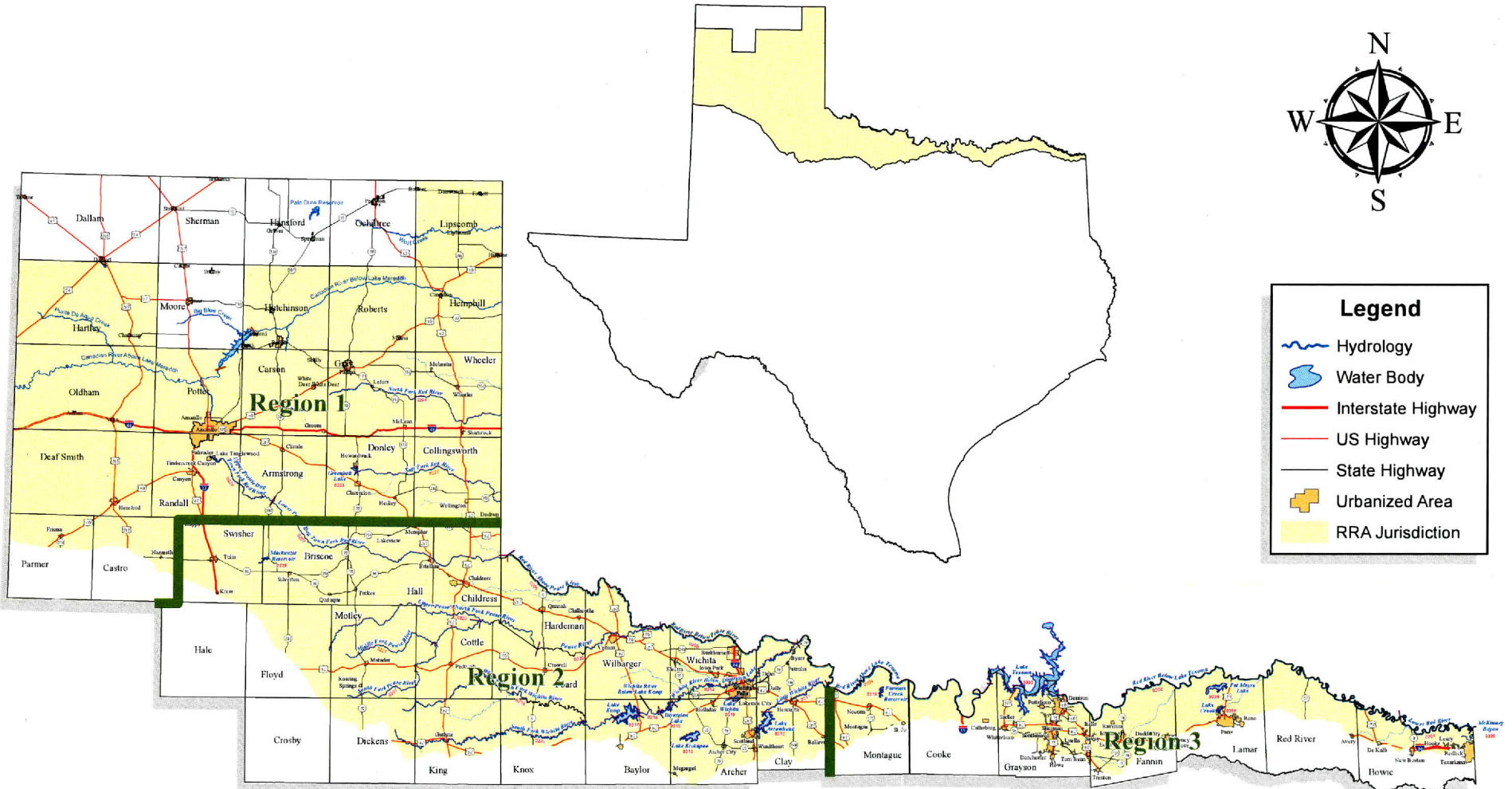
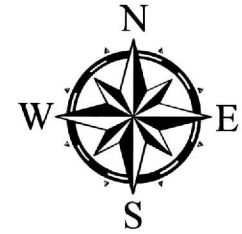
# Red River Authority of Texas Organizational Chart







# Red River Authority of Texas Jurisdictional Map







## **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, 2013, the Authority adopted GASB 65 that required bond issuance costs to be expensed as incurred rather than capitalized and amortized. Therefore, the balance of the remaining capitalized bond issuance cost of \$ 90,955 at October 1, 2011 was removed from the Authority's net position. The amortization for the fiscal year ended September 30, 2012 of \$24,354 was also removed for restatement purposes.

In addition, during the year, it was determined that the Authority's negative net pension obligation (asset) was not reflected in its statement of net position as required by GASB 27. Therefore, the NPO of \$618,819 at October 1, 2011 has been retroactively added as well as the net change in the NPO for the year ended September 30, 2012.

## **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.

## **DEBT ADMINISTRATION**

The Authority does not have the power of taxation nor does it derive any of its revenues from taxes. Therefore, the Authority has no outstanding general obligation bonds. Outstanding revenue bonds at September 30, 2013 totaled \$2,489,000, and the obligations of the interest and sinking fund, bond reserve accounts, and repair and replacement fund were met.

## **CASH MANAGEMENT**

Cash, which was temporarily idle during the year including debt retirement funds and operating funds, was invested in money market checking and savings accounts and certificates of deposit with the Authority's depositories in accordance with a Board adopted Investment Policy and the Public Funds Investment Act, as amended. Interest earned during the fiscal year ended September 30, 2013 totaled \$9,197 on invested funds. The dollar weighted average maturity of the portfolio for the period ending September 30, 2013 was 174 days.

## **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 Authority for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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 first year the Authority has applied for and received a Certificate. We believe our current report conforms to the Certificate of Achievement program requirements.

## **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.

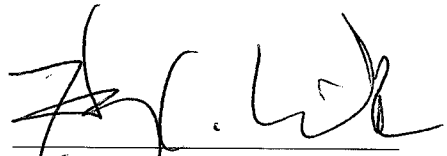
**ACKNOWLEDGEMENTS**

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.

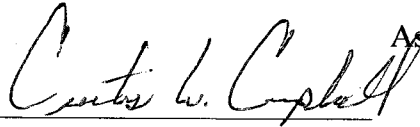
Respectfully submitted,



**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, 2013 and 2012, 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, 2013 and 2012, 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-46 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, 2014, 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, 2014



## **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, 2013. 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 \$13,901,818 (net position). Of this amount, \$6,553,893 (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 \$188,677;
3. The Authority's total debt decreased by \$558,400 (18.0%) during the current fiscal year. This decrease is the net of additional bonds and loans less bond principal maturities.

### **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 14-37** 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 \$13,901,818 at the close of the most recent fiscal year.

**CONDENSED STATEMENT OF NET POSITION**

	2013	2012	2011
<b>Assets:</b>			
Current assets	\$6,723,060	\$6,652,615	\$6,742,094
Restricted assets	733,659	761,608	782,377
Capital assets	8,619,392	9,048,107	9,409,572
Noncurrent assets	750,894	686,140	619,140
Total assets	<u>16,827,005</u>	<u>17,148,470</u>	<u>17,313,183</u>
<b>Liabilities:</b>			
Current liabilities	829,051	744,455	721,578
Noncurrent liabilities	2,096,136	2,690,873	3,006,694
Total liabilities	<u>2,925,187</u>	<u>3,435,328</u>	<u>3,728,272</u>
<b>Net position:</b>			
Net investment in capital assets	6,124,825	5,995,140	6,035,141
Restricted net position	1,223,100	1,158,346	1,092,025
Unrestricted net position	6,553,893	6,559,656	6,457,745
<b>Total net position</b>	<u><u>\$13,901,818</u></u>	<u><u>\$13,713,142</u></u>	<u><u>\$13,584,911</u></u>

44.0% 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 (8.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$6,553,893 (47.2%) may be used to meet the Authority's ongoing obligations to constituents and creditors.

At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position.

The Authority's net position increased by \$188,676 during the current fiscal year. This increase represents a positive increase in the Utility, Communication, Maintenance and General Divisions, off-set by a negative increase in the Environmental Service Division funds.

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

	2013	2012	2011
<b>Operating revenues:</b>			
Water and sewer sales	\$3,710,343	\$3,677,413	\$4,137,858
Charges for materials and services	493,992	536,472	509,152
Issuance fees	-	-	-
Other	397,042	445,525	297,949
Total operating revenues	4,601,777	4,659,410	4,944,959
<b>Operating expenses:</b>			
Water purchases	625,545	615,679	609,118
Personnel services	1,700,020	1,672,025	1,674,131
Administrative costs	88,389	94,985	83,105
Utilities, supplies, and maintenance	750,211	868,088	781,009
Insurance	50,471	52,824	50,359
Automobile and travel	238,071	238,380	222,062
Professional and directors fees	102,848	113,799	74,239
Research expense	39,690	36,450	19,745
Total operating expenses	3,595,245	3,692,230	3,513,768
Operating income before depreciation and amortization	1,006,532	954,949	1,431,191
Depreciation and amortization	(712,312)	(693,154)	(691,989)
Operating income	294,220	261,795	739,202
<b>Nonoperating revenues (expenses):</b>			
Interest income	9,197	12,319	38,190
Gain on disposal of assets	17,666	18,451	36,787
Interest expense	(132,407)	(164,334)	(196,120)
Total nonoperating revenues (expenses)	(105,544)	(133,564)	(121,143)
Income (loss) before operating transfers and other credits	188,676	128,231	618,059
Grant revenues for asset purchases	-	-	186,844
Change in net position	188,676	128,231	804,903
Net position, beginning	13,713,142	13,584,911	12,780,008
Net position, ending	\$13,901,818	\$13,713,142	\$13,584,911

## MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

Some of the major variances from fiscal year 2012 to fiscal year 2013 include a \$45,561 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 \$117,877 less in utilities, supplies and maintenance. This decrease was due primarily to large repair costs on the water systems in 2012 that was not incurred in 2013. In fiscal year 2013, the Authority received grant revenue from the Texas Water Development Board in the amount of \$18,153. There was also a decrease in automobile and travel due to lower fuel costs. The interest income decreased \$3,122 due to the drop in interest rates and the interest expense decreased \$31,927 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, 2013 amounts to \$8,164,392 (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 5.0%.

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

- Radio and tower upgrades in the amount of \$45,515
- New service pickup in the amount of \$34,340
- One new river surveyor in the amount of \$33,150
- Filter refurbish for the Lake Arrowhead Water System in the amount of \$17,327
- Pressure discharge system for the Estelline Water System in the amount of \$12,329
- New copier in the amount of \$10,883
- New backhoe trailer in the amount of \$10,861

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

**CAPITAL ASSETS**  
(Net of Depreciation)

Asset	Value September 30, 2012	Additions / Completions	Deletions	Value September 30, 2013	Accumulated Depreciation	Net Value
Land and easements	\$ 361,963	\$ -	\$ -	\$ 361,963	\$ -	\$ 361,963
Construction in progress	35,463	90,786	33,150	93,099	-	93,099
Building	962,912	5,642	-	968,554	223,749	744,805
Water storage rights	1,222,700	-	-	1,222,700	227,276	227,276
Water systems	16,107,449	53,541	-	16,160,990	10,287,502	5,819,947
Machinery and equipment	968,134	115,192	-	1,083,326	724,510	361,816
Furniture and fixtures	314,631	17,244	-	331,875	285,139	46,736
Motor vehicles	510,578	34,340	26,265	518,653	373,593	145,060
Totals	<u>\$ 20,483,830</u>	<u>\$ 316,745</u>	<u>\$ 59,415</u>	<u>\$ 20,741,160</u>	<u>\$ 12,121,768</u>	<u>\$ 8,619,392</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 \$2,489,000. The Authority also maintains a four (4) year loan with John Deere Credit at zero percent interest for the purchase of a backhoe. 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, 2013 are summarized as follows:

	Average Interest Rates	Final Maturity Date	Annual Serial Payments	Bonds Authorized	Bonds Outstanding September 30, 2012	Additions Issuances (Sales) (Retirements)	Bonds Outstanding September 30, 2013
Water Revenue Bonds							
Series 1981-A	5.00%	04/01/2020	1,000 to 5,000	\$ 65,000	\$ 24,000	\$ (2,000)	\$ 22,000
Series 1991	6.90%	04/01/2016	15,000 to 40,000	600,000	65,000	(15,000)	50,000
Series 1997	7.90%	04/01/2014	80,000 to 200,000	1,885,000	380,000	(180,000)	200,000
Series 1997	5.60%	04/01/2017	165,000 to 400,000	4,850,000	1,790,000	(320,000)	1,470,000
Series 2010	1.90%	08/15/2030	26,600 to 53,600	849,200	788,200	(35,200)	747,000
Total Water Revenue Bonds				<u>\$ 8,249,200</u>	<u>\$ 3,047,200</u>	<u>\$ (552,200)</u>	<u>\$ 2,489,000</u>

The Authority's bonded debt decreased by \$552,200 (17.0%) during the current fiscal year. This decrease is the scheduled bond principal maturities net of bond amortization. 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.

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 24-26** 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 2014 fiscal year.

The Authority has projected an increase of \$283,945 in net position for the 2014 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, 2013 and 2012

	2013	2012
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and short-term investments	\$ 2,792,019	\$ 2,793,886
Investments	2,863,017	2,890,977
Receivables:		
Trade and contracts	1,006,249	880,362
Prepaid expenses	-	26,938
Inventory	61,775	60,452
Restricted assets:		
Cash and short-term investments	643,297	674,421
Investments	90,362	87,187
Total current assets	<u>7,456,719</u>	<u>7,414,223</u>
<b>Long-term assets:</b>		
Net pension obligation	750,894	686,140
Capital assets not being depreciated	455,063	397,426
Capital assets being depreciated (net)	8,164,329	8,650,681
Total long-term assets	<u>9,370,286</u>	<u>9,734,247</u>
Total assets	<u>16,827,005</u>	<u>17,148,470</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable - trade	173,222	122,183
Accrued payroll and related taxes	23,540	26,262
Unearned revenue	43,722	43,605
Loans payable - current maturities	5,567	6,075
Bonds payable - current maturities (from restricted assets)	583,000	546,330
Total current liabilities	<u>829,051</u>	<u>744,455</u>
<b>Long-term liabilities:</b>		
Loans payable, less current maturities	-	5,567
Bonds payable, less current maturities	1,906,000	2,494,995
Deposits	190,136	190,311
Total noncurrent liabilities	<u>2,096,136</u>	<u>2,690,873</u>
Total liabilities	<u>2,925,187</u>	<u>3,435,328</u>
<b>Net position:</b>		
Net investment in capital assets	6,124,825	5,995,140
Restricted:		
Debt service, repair and replacement, and construction	472,206	472,206
Net pension obligation	750,894	686,140
Unrestricted	6,553,893	6,559,656
Total net position	<u>\$ 13,901,818</u>	<u>\$ 13,713,142</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, 2013 and 2012

	2013	2012
<b>Operating revenues:</b>		
Water and sewer sales	\$ 3,710,743	\$ 3,665,182
Charges for materials and services	493,992	536,472
Other	397,042	445,525
Total operating revenues	<u>4,601,777</u>	<u>4,647,179</u>
<b>Operating expenses:</b>		
Water purchases	625,545	615,679
Personnel services	1,700,020	1,672,025
Administrative costs	88,389	94,985
Utilities, supplies, and maintenance	750,211	868,088
Insurance	50,471	52,824
Automobile and travel	238,071	238,380
Professional and directors fees	102,848	113,799
Research expense	39,690	36,450
Total operating expenses	<u>3,595,245</u>	<u>3,692,230</u>
Operating income before depreciation and amortization	1,006,532	954,949
Depreciation and amortization	<u>(712,312)</u>	<u>(693,154)</u>
Operating income	<u>294,220</u>	<u>261,795</u>
<b>Nonoperating revenues (expenses):</b>		
Interest income	9,197	12,319
Gain (loss) on disposal of assets	17,666	18,451
Interest expense	<u>(132,407)</u>	<u>(164,334)</u>
Total nonoperating revenues (expenses)	<u>(105,544)</u>	<u>(133,564)</u>
Change in net position	188,676	128,231
Net position, beginning, as restated	<u>13,713,142</u>	<u>13,584,911</u>
Net position, ending	<u>\$ 13,901,818</u>	<u>\$ 13,713,142</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, 2013 and 2012

	<b>2013</b>	<b>2012</b>
<b>Increase (decrease) in cash and cash equivalents:</b>		
<b>Cash flows from operating activities:</b>		
Cash received from customers and users	\$ 4,476,007	\$ 4,903,181
Cash payments to suppliers for goods and services	(1,818,571)	(2,146,222)
Cash payments to employees for services	(1,767,496)	(1,739,296)
Customer deposits received	(175)	1,825
Net cash provided by operating activities	<u>889,765</u>	<u>1,019,488</u>
<b>Cash flows from capital and related financing activities:</b>		
Principal paid on revenue bonds	(552,330)	(521,586)
Interest paid on revenue bonds	(132,407)	(164,334)
Principal paid on note payable	(6,075)	(6,075)
Acquisition of capital assets	(283,592)	(331,746)
Proceeds from sale of equipment	17,666	18,451
Net cash used in capital and related financing activities	<u>(956,738)</u>	<u>(1,005,290)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	73,886	1,078,294
Purchases of investments	(49,101)	(564,693)
Interest received on investments	9,197	12,319
Net cash provided by (used in) investing activities	<u>33,982</u>	<u>525,920</u>
Net increase (decrease) in cash and cash equivalents	(32,991)	540,118
Cash and cash equivalents, beginning	<u>3,468,307</u>	<u>2,928,189</u>
Cash and cash equivalents, ending	<u>\$ 3,435,316</u>	<u>\$ 3,468,307</u>
	<b>2013</b>	<b>2012</b>
Displayed as:		
Current Assets:		
Cash and short-term investments	\$ 2,792,019	\$ 2,793,886
Restricted Assets:		
Cash and short-term investments	<u>643,297</u>	<u>674,421</u>
	<u>\$ 3,435,316</u>	<u>\$ 3,468,307</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, 2013 and 2012

	2013	2012
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>		
<b>Operating income</b>	<u>\$ 294,220</u>	<u>\$ 261,795</u>
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation and amortization	712,312	693,153
Change in assets and liabilities:		
(Increase) decrease in trade receivables	(125,887)	152,292
(Increase) decrease in prepaid expenses	26,938	(1,271)
(Increase) decrease in inventory	(1,323)	(12,941)
(Increase) in net pension obligation	(64,754)	(66,321)
Increase (decrease) in trade accounts payable	51,039	(20,733)
Increase (decrease) in accrued liabilities	(2,722)	(950)
Increase (decrease) in unearned revenues	117	12,639
Increase (decrease) in deposits	(175)	1,825
Total adjustments	<u>595,545</u>	<u>757,693</u>
Net cash provided by operating activities	<u>\$ 889,765</u>	<u>\$ 1,019,488</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, 2013 and 2012

### 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, 2013 and 2012

#### 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 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, 2013 and 2012

### 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, 2013 and 2012

### 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 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, 2013 and 2012

#### 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, 2013 and 2012, the carrying amount of the Authority's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$3,168,479 and \$3,087,215, respectively and the bank balance was \$3,184,173 and \$3,267,430, respectively. The Authority's cash deposits at September 30, 2013 and 2012 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, 2013 and 2012**

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, 2013 and 2012 are shown below:

Investment or Investment Type	2013		2012	
	Weighted Maturity (Months)	Fair Value	Weighted Maturity (Months)	Fair Value
TexPool	1.0	\$ 3,230,416	1.0	\$ 3,359,256
Certificates of Deposit	5.8	2,953,379	5.4	2,947,298
		<u>\$ 6,183,795</u>		<u>\$ 6,306,554</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, 2013 and 2012

#### 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, 2013 and 2012

#### 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, 2013 and 2012**

3. CAPITAL ASSETS

Capital asset activity for the years ended September 30, 2013 and 2012 was as follows:

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	35,463	90,756	33,150	93,099
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	510,578	34,340	26,265	518,653
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	324,067	75,791	26,265	373,593
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>0</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, 2013 and 2012**

3. CAPITAL ASSETS, Continued

At September 30, 2012

	<u>Balance</u> <u>October 1,</u> <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>September 30,</u> <u>2012</u>
Capital assets not being depreciated:				
Land and easements	\$ 310,940	\$ 51,023	\$ -	\$ 361,963
Construction in progress	<u>66,849</u>	<u>156,401</u>	<u>187,787</u>	<u>35,463</u>
Total capital assets not being depreciated	<u>377,789</u>	<u>207,424</u>	<u>187,787</u>	<u>397,426</u>
Capital assets being depreciated:				
Water storage rights	1,222,700	-	-	1,222,700
Water systems	15,979,261	128,188	-	16,107,449
Machinery and equipment	906,527	64,523	2,916	968,134
Building	946,112	16,800	-	962,912
Furniture and fixtures	287,629	27,002	-	314,631
Motor vehicles	<u>498,491</u>	<u>75,538</u>	<u>63,451</u>	<u>510,578</u>
Total capital assets being depreciated	<u>19,840,720</u>	<u>312,051</u>	<u>66,367</u>	<u>20,086,404</u>
Less accumulated depreciation for:				
Water storage rights	212,334	7,470	-	219,804
Water systems	9,291,777	494,988	-	9,786,765
Machinery and equipment	580,508	69,116	2,919	646,709
Building	157,685	32,517	-	190,202
Furniture and fixtures	255,443	12,733	-	268,176
Motor vehicles	<u>311,188</u>	<u>76,330</u>	<u>63,451</u>	<u>324,067</u>
Total accumulated depreciation	<u>10,808,935</u>	<u>693,154</u>	<u>66,367</u>	<u>11,435,723</u>
Total capital assets being depreciated, net	<u>9,031,785</u>	<u>(381,103)</u>	<u>0</u>	<u>8,650,681</u>
Total capital assets, net	<u>\$ 9,409,574</u>	<u>\$(173,679)</u>	<u>\$187,787</u>	<u>\$ 9,048,107</u>

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2013 and 2012**

4. LONG-TERM DEBT

Bonds payable and transactions for the years ended September 30, 2013 and 2012 are summarized as follows:

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>

At September 30, 2012

	<u>Balance</u> <u>10/1/11</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>9/30/12</u>	<u>Due Within</u> <u>One Year</u>
Water revenue bonds	\$3,562,868	\$ -	\$515,666	\$3,047,202	\$546,334
Loan	<u>17,713</u>	<u>-</u>	<u>6,075</u>	<u>11,638</u>	<u>6,075</u>
Totals	<u>\$3,580,581</u>	<u>\$ -</u>	<u>\$521,741</u>	<u>\$3,058,840</u>	<u>\$552,409</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 9/30/13</u>	<u>Outstanding</u> <u>at 9/30/12</u>
Series 1981-A	5.70%	04-01-20	\$1,000 to \$5,000	\$ 65,000	\$ 22,000	\$ 24,000
Series 1991	6.90%	04-01-16	\$15,000 to \$40,000	600,000	50,000	65,000
Series 97 Ref	7.90%	04-01-14	\$80,000 to \$200,000	1,885,000	200,000	380,000
Series 1997	5.60%	04-01-17	\$165,000 to \$400,000	4,850,000	1,470,000	1,790,000
Series 2010	1.93%	08-15-30	\$26,600 to \$53,600	849,200	<u>747,000</u>	<u>788,200</u>
Total					<u>\$2,489,000</u>	<u>\$3,047,200</u>

## RED RIVER AUTHORITY OF TEXAS

### NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2013 and 2012

#### 4. LONG-TERM DEBT, Continued

On April 1, 1981, the Authority issued \$65,000 of Water System Revenue Bonds, Series 1981-A, with \$1,000 par value and an interest rate of 5.7%. These bonds mature from April 1, 1982 through April 1, 2020 and are callable on and after April 1, 1999 in whole or in part in principal amounts of \$1,000 or any multiple thereof. The proceeds of the bonds were used to move water and sewer lines as part of a Texas Department of Transportation road project.

On November 20, 1991, the Authority issued \$600,000 of Water System Revenue Refunding Bonds, Series 1991, with \$5,000 par value and an interest rate of 6.9%. These bonds mature from April 1, 1992 through April 1, 2016 and are callable on and after April 1, 2003 in whole or in part in principal amounts of \$5,000 or any multiple thereof. The proceeds of the bonds were used to retire \$255,000 of outstanding water revenue bonds and \$317,669 of notes payable for water storage rights.

On April 1, 1997, the Authority issued \$4,850,000 of Water System Revenue Bonds, Series 1997, with \$5,000 par value and interest rates varying between 4.2% and 5.7%. These bonds mature from April 1, 1998 through April 1, 2017 and are callable on and after April 1, 2008 in whole or in part in principal amounts of \$5,000 or any multiple thereof. The proceeds of the bonds were used to construct two water treatment plants, a wastewater treatment plant addition, and associated storage and piping.

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 net revenue of the Authority is pledged as collateral for the revenue bonds outstanding. \$332,010 is available in the interest and sinking fund at September 30, 2013 to service the bonds.

#### Bond Covenants and Compliance

The Water Revenue Bonds issued by the Authority have various rate covenant requirements, one requirement being that net revenue from the water systems equal or exceed 1.1 times the annual debt service requirement. The Authority failed to meet this covenant in fiscal years 2012 and 2013 due to restrictions put in place as a result of drought conditions limiting the availability of water to sell. To ensure the Authority's

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2013 and 2012**

4. LONG-TERM DEBT, Continued

ability to meet this requirement in the future, management performed a comprehensive residential rate analysis presented to, and adopted by the Board at the May 8, 2013 regularly scheduled meeting for residential rates and a commercial and wholesale rate analysis presented to, and adopted by the Board at the July 17, 2013 regularly scheduled meeting. The new residential rates went into effect on the August 31, 2013 billing cycle and the commercial and wholesale rates on the September 30, 2013 billing cycle.

Loan Payable

The Authority had been leasing a John Deere backhoe for several months to increase the productivity of the Maintenance Division. In August 2010, the Authority purchased the backhoe and financed it through John Deere Credit in the amount of \$24,295. This is a four (4) year loan at zero percent interest. The Authority makes monthly payments on this loan, which are a third of the monthly lease fee. The balance of this note is \$5,567 and \$11,638 as of September 30, 2013 and 2012, respectively.

The annual requirements to pay principal and interest on long-term obligations outstanding as of September 30, 2013 are as follows:

Year Ending September 30,	Bonds		Loan		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 583,000	\$ 117,161	\$ 5,567	\$ -	\$ 594,567	\$ 117,161
2015	410,000	80,468	-	-	410,000	80,468
2016	441,000	59,197	-	-	441,000	59,197
2017	441,800	35,823	-	-	441,800	35,823
2018	42,800	12,568	-	-	42,800	12,568
2019 – 2023	221,600	52,905	-	-	221,600	52,905
2024 – 2028	243,000	30,429	-	-	243,000	30,429
2029 - 2030	<u>105,800</u>	<u>3,957</u>	<u>-</u>	<u>-</u>	<u>105,800</u>	<u>3,957</u>
Totals	<u>\$2,489,000</u>	<u>\$ 392,508</u>	<u>\$ 5,567</u>	<u>\$ -</u>	<u>\$2,494,567</u>	<u>\$ 392,508</u>

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2013 and 2012**

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, 2013:

	Debt Outstanding October 1, 2012	New Obligations Issued	Obligations Retired or Refunded	Debt Outstanding September 30, 2013
Bonds issued under direct financing arrangements	\$95,750,000	\$ -	\$ -	\$95,750,000

Direct financing bonds payable at September 30, 2013, comprise the following individual issuances:

	Range of Interest Rates	Final Maturity Date	Annual Serial Payments	Bonds Authorized	Debt Outstanding September 30, 2013
<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, 2013 and 2012

#### 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, 2013, 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.

Seven 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 compliance with the SDWA, while compliance plans are being 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). In 2006, the Authority was notified that one water system was also in violation of the SDWA's maximum contaminant level for Halocetic Acids (HAA5s). 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 these systems quarterly and will continue to do so until released by the TCEQ. The new equipment and treatment techniques placed into service at each plant appear to be bringing the TTHM's into compliance levels. However, the Authority is still waiting on final process approval from the TCEQ.

## RED RIVER AUTHORITY OF TEXAS

### NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2013 and 2012

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

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 reverse osmosis treatment to remove the arsenic as it is currently the only approved treatment 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 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 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. 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

## RED RIVER AUTHORITY OF TEXAS

### NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2013 and 2012

#### 7. EMPLOYEE RETIREMENT PLAN, Continued

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.

#### Annual Pension Cost

For the Authority's accounting years ending September 30, 2013, 2012, and 2011 the annual pension cost for the TCDRS plan for its employees was \$28,086, \$24,808, and \$24,252 respectively, and actual contributions were \$92,840, \$91,129, and \$87,856 respectively.



**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2013 and 2012**

7. EMPLOYEE RETIREMENT PLAN, Continued

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, 2010, December 31, 2011, and December 31, 2012, the basis for assessing the adequacy of the financing arrangement beginning with the contribution rates for calendar years 2011-2012. The December 31, 2012 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.

<b>Actuarial Valuation Information</b>			
	2011	2012	2013
<b><u>GASB 27 Calculation Information</u></b>			
GASB 27 Compliant Rate	2.66%	2.72%	3.08%
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, 2010	December 31, 2011	December 31, 2012
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%	5.40%
Inflation	3.50%	3.50%	3.50%
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, 2013 and 2012**

7. EMPLOYEE RETIREMENT PLAN, Continued

**Schedule of Funding Information**

	12/31/2010	12/31/2011	12/31/2012
Actuarial valuation date			
actuarial value of assets	\$ 3,987,979	\$ 4,237,721	\$ 4,534,656
actuarial accrued liability (AAL)	3,444,473	3,732,086	4,116,101
Unfunded of (overfunded) actuarial accrued liability [UAAL or (OAAL)]	(543,506)	(505,635)	(418,555)
Funded ratio	115.78%	113.55%	110.17%
Annual covered payroll	1,245,691	1,249,980	1,307,056
UAAL or (OAAL) as percentage of covered payroll	-43.63%	-40.45%	-32.02%

**Net Pension Obligation information/ARC**

	2011	2012	2013
Covered payroll	1,255,084	1,301,839	1,325,855
Annual Required Contributions (ARC)	33,587	35,209	39,601
Previous period NPO (asset)	(556,216)	(619,819)	(686,140)
Interest on NPO	50,059	55,784	61,753
Adjustments to ARC	40,725	45,382	50,238
Annual pension cost	24,252	24,808	28,086
Actual contributions	87,856	91,129	92,840
Change in NPO	(63,604)	(66,321)	(64,754)
NPO end of year	\$ (619,819)	\$ (686,140)	(750,894)
Percentage of annual pension cost contributed	362%	367%	331%

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 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, 2013 and 2012**

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, 2013:

	Utility Division	Environmental Services Division	Other Enterprise Funds
<b>Condensed Statement of Net Position</b>			
Assets:			
Current assets	\$ 3,447,281	\$ 165,997	\$ 13,054
Restricted assets	694,909	-	38,750
Capital assets	7,136,332	280,909	-
Noncurrent assets	-	-	-
Total assets	<u>11,278,522</u>	<u>446,906</u>	<u>51,804</u>
Liabilities:			
Current liabilities	4,629,109	155,214	13,054
Noncurrent liabilities	2,482,135	-	-
Total liabilities	<u>7,111,244</u>	<u>155,214</u>	<u>13,054</u>
Net position:			
Net investment in capital assets	4,164,155	280,909	-
Restricted net position	472,206	-	-
Unrestricted net position	(469,083)	10,783	38,750
Total net position	<u>\$ 4,167,278</u>	<u>\$ 291,692</u>	<u>\$ 38,750</u>
<b>Condensed Statement of Revenue, Expenses, and Changes in Net Position</b>			
Operating revenues	\$ 3,783,275	\$ 862,053	\$ 19,725
Operating expense	3,570,293	927,571	70
Operating income (loss)	212,982	(65,518)	19,795
Nonoperating revenues (expenses)	(168,344)	17,666	70
Operating transfers and other credits	-	-	(19,725)
Change in net position	44,638	(47,852)	-
Beginning net position	4,122,640	339,544	38,750
Ending net position	<u>\$ 4,167,278</u>	<u>\$ 291,692</u>	<u>\$ 38,750</u>

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2013 and 2012**

9. SEGMENT INFORMATION FOR ENTERPRISE FUNDS, Continued

<b>Condensed Statement of Cash Flows</b>	<u>Utility Division</u>	<u>Environmental Services Division</u>	<u>Other Enterprise Funds</u>
Net cash provided by (used) in:			
Operating activities	\$ 606,098	\$ 8,739	\$ 19,655
Noncapital financing activities	-	-	(19,725)
Capital and related financing activities	(923,799)	(42,340)	-
Investing activities	<u>59,773</u>	<u>-</u>	<u>(898)</u>
Net increase (decrease)	(257,928)	(33,601)	(968)
Beginning cash and cash equivalents	<u>(1,103,433)</u>	<u>(110,088)</u>	<u>12,175</u>
Ending cash and cash equivalents	<u>\$ (1,361,361)</u>	<u>\$ (143,689)</u>	<u>\$ 11,207</u>

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2013 and 2012**

10. PRIOR PERIOD ADJUSTMENTS

During the year ended September 30, 2013, the Authority adopted GASB 65 that required bond issuance costs to be expensed as incurred rather than capitalized and amortized. Therefore, the balance of the remaining capitalized bond issuance cost of \$90,955 at October 1, 2011 was removed from the Authority's net position. The amortization for the fiscal year ended September 30, 2012 of \$24,354 was also removed for restatement purposes.

In addition, during the year, it was determined that the Authority's negative net pension obligation (NPO) (asset) was not reflected in its statement of net position as required by GASB 27. Therefore, the NPO of \$619,819 at October 1, 2011 has been retroactively added, as well as the net change in the NPO for the year ended September 30, 2012.

The total change to the previously issued financial statements for the year ended September 30, 2012 is as follows:

Net Position as previously reported at September 30, 2011	\$ 13,056,094
Add NPO at October 1, 2011	619,819
Write-off bond issuance cost at October 1, 2011	(91,002)
Net Position as restated at October 1, 2011	<u>13,584,911</u>
Net change in net position for fiscal year ended September 30, 2012 as previously reported	<u>37,717</u>
Change to NPO not previously reported for fiscal year end September 30, 2012	66,321
Removal of amortization of bond issuance cost for fiscal year end September 30, 2012	24,193
Net change to change in net position for the fiscal year ended September 30, 2012	<u>90,514</u>
Net change in net position for the fiscal year ended September 30, 2012 as restated	<u>128,231</u>
Net position as restated at September 30, 2012	<u>\$ 13,713,142</u>

## RED RIVER AUTHORITY OF TEXAS

### NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2013 and 2012

#### 11. NEW PRONOUNCEMENTS

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.

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.

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2013 and 2012**

11. NEW PRONOUNCEMENTS, continued

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 total pension 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.

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**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)
12/31/08	\$ 3,169,009	\$ 2,681,774	118.2%	\$ (487,235)	\$ 1,110,014	-43.9%
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%

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.

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## **OTHER SUPPLEMENTARY INFORMATION**

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION**  
September 30, 2013

	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	\$ 1,830,326	\$ -	\$ -	\$ -
Investments	858,661	-	-	-
Receivables:				
Trade and contracts	758,294	165,997	13,054	-
Due from other funds	-	-	-	-
Interfund loans	-	-	-	-
Prepaid expenses	-	-	-	-
Inventory	-	-	-	-
Restricted assets:				
Cash and short-term investments	632,090	-	-	11,207
Investments	62,819	-	-	27,543
Total current assets	<u>4,142,190</u>	<u>165,997</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	267,421	-	-	-
Capital assets being depreciated (net)	6,868,911	280,909	-	-
Total long-term assets	<u>7,136,332</u>	<u>280,909</u>	<u>-</u>	<u>-</u>
Total assets	<u>11,278,522</u>	<u>446,906</u>	<u>13,054</u>	<u>38,750</u>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Bank overdraft	3,827,317	143,689	-	-
Accounts payable - trade	101,612	8,415	-	-
Due to other Authority funds	-	-	13,054	-
Accrued payroll and related taxes	13,028	3,110	-	-
Unearned revenue	6,974	-	-	-
Interfund loans payable, current maturities	97,178	-	-	-
Loans payable, current maturities	-	-	-	-
Bonds payable, current maturities (from restricted assets)	583,000	-	-	-
Total current liabilities	<u>4,629,109</u>	<u>155,214</u>	<u>13,054</u>	<u>-</u>
<b>Long-term liabilities:</b>				
Interfund loans payable, less current maturities	385,999	-	-	-
Loans payable, less current maturities	-	-	-	-
Bonds payable, less current maturities	1,906,000	-	-	-
Deposits	190,136	-	-	-
Total long-term liabilities	<u>2,482,135</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>7,111,244</u>	<u>155,214</u>	<u>13,054</u>	<u>-</u>
<b>Net position:</b>				
Net investment in capital assets	4,164,155	280,909	-	-
Restricted:				
Debt service, repair and replacement, and construction	472,206	-	-	-
Net pension obligation	-	-	-	-
Unrestricted	<u>(469,083)</u>	<u>10,783</u>	<u>-</u>	<u>38,750</u>
Total net position	<u>\$ 4,167,278</u>	<u>\$ 291,692</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
\$ 1,966,642	\$ 2,176,180	\$ 100,005	\$ 556,260	\$ 133,612	\$ (3,971,006)	\$ 2,792,019
963,676	653,632	49,003	272,573	65,472	-	2,863,017
50,920	-	5,601	12,383	-	-	1,006,249
13,054	-	-	-	-	(13,054)	-
-	206,254	-	-	-	(206,254)	-
-	-	-	-	-	-	-
-	-	61,775	-	-	-	61,775
-	-	-	-	-	-	643,297
-	-	-	-	-	-	90,362
<u>2,994,292</u>	<u>3,036,066</u>	<u>216,384</u>	<u>841,216</u>	<u>199,084</u>	<u>(4,190,314)</u>	<u>7,456,719</u>
-	1,422,287	-	-	-	(1,422,287)	-
750,894	-	-	-	-	-	750,894
183,331	-	4,311	-	-	-	455,063
798,262	-	73,236	70,068	72,943	-	8,164,329
<u>1,732,487</u>	<u>1,422,287</u>	<u>77,547</u>	<u>70,068</u>	<u>72,943</u>	<u>(1,422,287)</u>	<u>9,370,286</u>
4,726,779	4,458,353	293,931	911,284	272,027	(5,612,601)	16,827,005
-	-	-	-	-	(3,971,006)	-
27,256	-	23,227	163	12,549	-	173,222
-	-	-	-	-	(13,054)	-
5,402	-	2,000	-	-	-	23,540
-	-	-	36,748	-	-	43,722
41,174	-	12,702	7,879	47,321	(206,254)	-
-	-	5,567	-	-	-	5,567
-	-	-	-	-	-	583,000
<u>73,832</u>	<u>-</u>	<u>43,496</u>	<u>44,790</u>	<u>59,870</u>	<u>(4,190,314)</u>	<u>829,051</u>
914,540	-	44,146	48,657	28,945	(1,422,287)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,906,000
-	-	-	-	-	-	190,136
<u>914,540</u>	<u>-</u>	<u>44,146</u>	<u>48,657</u>	<u>28,945</u>	<u>(1,422,287)</u>	<u>2,096,136</u>
988,372	-	87,642	93,447	88,815	(5,612,601)	2,925,187
25,879	-	15,132	13,532	(3,323)	1,628,541	6,124,825
-	-	-	-	-	-	472,206
750,894	-	-	-	-	-	750,894
<u>2,961,634</u>	<u>4,458,353</u>	<u>191,157</u>	<u>804,305</u>	<u>186,535</u>	<u>(1,628,541)</u>	<u>6,553,893</u>
<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>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**for the year ended September 30, 2013**

	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	\$ 3,710,743	\$ -	\$ -	\$ -
Charges for materials and services	-	537,774	19,725	-
Administrative fee income	-	-	-	-
Other	72,532	324,279	-	-
Total operating revenues	<u>3,783,275</u>	<u>862,053</u>	<u>19,725</u>	<u>-</u>
<b>Operating expenses:</b>				
Water purchases	625,545	-	-	-
Personnel services	838,625	310,248	-	-
Administrative costs	667,618	165,412	-	70
Utilities, supplies, and maintenance	677,400	341,548	-	-
Insurance	-	-	-	-
Automobile and travel	252,896	15,118	-	-
Professional and directors fees	-	1,105	-	-
Research expense	-	39,690	-	-
Total operating expenses	<u>3,062,084</u>	<u>873,121</u>	<u>-</u>	<u>70</u>
Operating income before depreciation and amortization	721,191	(11,068)	19,725	(70)
Depreciation and amortization	(508,209)	(54,450)	-	-
Operating income (loss)	<u>212,982</u>	<u>(65,518)</u>	<u>19,725</u>	<u>(70)</u>
<b>Nonoperating revenues (expenses):</b>				
Interest income	3,550	-	-	70
Gain on disposal of assets	-	17,666	-	-
Grant revenues for asset purchases	-	-	-	-
Interest expense	(171,894)	-	-	-
Total nonoperating revenues (expenses)	<u>(168,344)</u>	<u>17,666</u>	<u>-</u>	<u>70</u>
Income (loss) before transfers	44,638	(47,852)	19,725	-
Transfers	-	-	(19,725)	-
Change in net position	44,638	(47,852)	-	-
Net position, beginning	4,122,640	339,544	-	38,750
Net position, ending	<u>\$ 4,167,278</u>	<u>\$ 291,692</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,710,743
18,153	-	266,803	59,245	247,495	(655,203)	493,992
839,907	-	-	-	-	(839,907)	-
231	-	-	-	-	-	397,042
<u>858,291</u>	<u>-</u>	<u>266,803</u>	<u>59,245</u>	<u>247,495</u>	<u>(1,495,110)</u>	<u>4,601,777</u>
-	-	-	-	-	-	625,545
423,226	-	125,409	2,512	-	-	1,700,020
34,725	10,124	36,189	2,999	11,159	(839,907)	88,389
95,106	-	36,336	7,529	-	(407,708)	750,211
50,471	-	-	-	-	-	50,471
21,821	-	41,755	19	153,957	(247,495)	238,071
101,743	-	-	-	-	-	102,848
-	-	-	-	-	-	39,690
<u>727,092</u>	<u>10,124</u>	<u>239,689</u>	<u>13,059</u>	<u>165,116</u>	<u>(1,495,110)</u>	<u>3,595,245</u>
131,199	(10,124)	27,114	46,186	82,379	-	1,006,532
(56,713)	-	(21,043)	(7,855)	(64,042)	-	(712,312)
<u>74,486</u>	<u>(10,124)</u>	<u>6,071</u>	<u>38,331</u>	<u>18,337</u>	<u>-</u>	<u>294,220</u>
2,513	101,236	121	688	166	(99,147)	9,197
-	-	-	-	-	-	17,666
-	-	-	-	-	-	-
(43,425)	-	(5,177)	(2,080)	(8,978)	99,147	(132,407)
<u>(40,912)</u>	<u>101,236</u>	<u>(5,056)</u>	<u>(1,392)</u>	<u>(8,812)</u>	<u>-</u>	<u>(105,544)</u>
33,574	91,112	1,015	36,939	9,525	-	188,676
19,725	-	-	-	-	-	-
53,299	91,112	1,015	36,939	9,525	-	188,676
3,685,108	4,367,241	205,274	780,898	173,687	-	13,713,142
<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>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF CASH FLOWS**  
for the year ended September 30, 2013

	Enterprise Funds			
	Utility Division Fund	Environmental Services Division Fund	Direct Financing Arrangements Fund	Industrial Development Authority Fund
<b>Increase (decrease) in cash and cash equivalents:</b>				
<b>Cash flows from operating activities:</b>				
Cash received from customers and users	\$ 3,639,269	\$ 879,684	\$ 19,725	\$ -
Cash received from internal services provided	-	-	-	-
Cash payments to suppliers for goods and services	(2,195,769)	(559,117)	-	-
Cash payments to employees for services	(837,227)	(311,828)	-	-
Cash payments for internal services used	-	-	-	(70)
Customer deposits received	(175)	-	-	-
Net cash provided by operating activities	<u>606,098</u>	<u>8,739</u>	<u>19,725</u>	<u>(70)</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	(552,330)	-	-	-
Interest paid on revenue bonds and notes	(132,407)	-	-	-
Proceeds from interfund loans	36,016	-	-	-
Principal paid on interfund loans	(87,904)	-	-	-
Interest paid on interfund loans	(39,487)	-	-	-
Principal paid on loans	-	-	-	-
Acquisition of capital assets	(151,227)	(60,006)	-	-
Proceeds from sale of equipment	-	17,666	-	-
Proceeds from grants	-	-	-	-
Net cash used in capital and related financing activities	<u>(927,339)</u>	<u>(42,340)</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	56,223	-	-	-
Purchase of investments	-	-	-	(968)
Interest received on investments	3,550	-	-	70
Net cash provided by (used in) investing activities	<u>59,773</u>	<u>-</u>	<u>-</u>	<u>(898)</u>
Net increase (decrease) in cash and cash equivalents	<u>(261,468)</u>	<u>(33,601)</u>	<u>-</u>	<u>(968)</u>
Cash and cash equivalents (deficit), beginning	<u>(1,103,433)</u>	<u>(110,088)</u>	<u>-</u>	<u>12,175</u>
Cash and cash equivalents (deficit), ending	<u>\$ (1,364,901)</u>	<u>\$ (143,689)</u>	<u>\$ -</u>	<u>\$ 11,207</u>

Internal Service Funds

General Division Fund	Interfund Loan Fund	Maintenance Division Fund	Communications Division Fund	Motor Vehicle Pool Fund	Eliminations	Totals
\$ 17,695	\$ -	\$ 65,240	\$ 41,078	\$ -	\$ (186,684)	\$ 4,476,007
839,907	-	200,384	18,597	247,495	(1,306,383)	-
(261,994)	-	(73,622)	(7,548)	(154,732)	1,434,211	(1,818,571)
(490,495)	-	(125,428)	(2,518)	-	-	(1,767,496)
-	(10,124)	(34,684)	(2,999)	(10,980)	58,857	-
-	-	-	-	-	-	(175)
<u>105,113</u>	<u>(10,124)</u>	<u>31,890</u>	<u>46,610</u>	<u>81,783</u>	<u>1</u>	<u>889,765</u>
-	-	-	-	-	19,725	-
19,725	-	-	-	-	(19,725)	-
49,206	-	-	-	-	(49,206)	-
(53,370)	-	-	-	-	53,370	-
(3,375)	-	-	-	-	3,375	-
<u>12,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,539</u>	<u>-</u>
-	-	-	-	-	-	(552,330)
-	-	-	-	-	-	(132,407)
16,525	-	10,861	45,515	-	(108,917)	-
(37,460)	-	(14,556)	(5,879)	(65,580)	211,379	-
(40,050)	-	(5,177)	(2,080)	(8,978)	95,772	-
-	-	(6,075)	-	-	-	(6,075)
(22,886)	-	(10,861)	(45,515)	-	6,903	(283,592)
-	-	-	-	-	-	17,666
-	-	-	-	-	-	-
<u>(83,871)</u>	<u>-</u>	<u>(25,808)</u>	<u>(7,959)</u>	<u>(74,558)</u>	<u>205,137</u>	<u>(956,738)</u>
-	(151,762)	-	-	-	151,762	-
-	265,293	-	-	-	(265,293)	-
-	99,147	-	-	-	(99,147)	-
17,662	-	-	-	-	1	73,886
-	(44,782)	(254)	(3,063)	(34)	-	(49,101)
2,513	2,089	121	688	166	-	9,197
<u>20,175</u>	<u>169,985</u>	<u>(133)</u>	<u>(2,375)</u>	<u>132</u>	<u>(212,677)</u>	<u>33,982</u>
53,603	159,861	5,949	36,276	7,357	-	(32,991)
1,913,039	2,016,319	94,056	519,984	126,255	-	3,468,307
<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>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF CASH FLOWS - ENTERPRISE FUNDS, Continued**  
for the year ended September 30, 2013

	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>	\$ 212,982	\$ (65,518)	\$ 19,725	\$ (70)
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>				
Depreciation and amortization	508,209	54,449	-	-
Change in assets and liabilities:				
(Increase) decrease in trade receivables	(144,006)	17,631	2,043	-
(Increase) decrease in prepaid expenses	-	-	-	-
(Increase) decrease in inventory	-	-	-	-
(Increase) in net pension obligation	-	-	-	-
Increase (decrease) in trade accounts payable	27,690	3,757	(2,043)	-
Increase (decrease) in accrued liabilities	1,398	(1,580)	-	-
Increase (decrease) in deferred revenues	-	-	-	-
Increase (decrease) in deposits	(175)	-	-	-
Total adjustments	393,116	74,257	-	-
Net cash provided by operating activities	<u>\$ 606,098</u>	<u>\$ 8,739</u>	<u>\$ 19,725</u>	<u>\$ (70)</u>

Internal Service Funds

General Division Fund	Interfund Loan Fund	Maintenance Division Fund	Communications Division Fund	Motor Vehicle Pool Fund	Eliminations	Totals
\$ 74,486	\$ (10,124)	\$ 6,071	\$ 38,331	\$ 18,337	\$ -	\$ 294,220
56,713	-	21,043	7,855	64,042	1	712,312
1,354	-	(1,179)	313	-	(2,043)	(125,887)
26,938	-	-	-	-	-	26,938
-	-	(1,323)	-	-	-	(1,323)
(64,754)	-	7,297	-	(596)	2,043	(64,754)
12,891	-	(19)	(6)	-	-	51,039
(2,515)	-	-	117	-	-	(2,722)
-	-	-	-	-	-	117
-	-	-	-	-	-	(175)
<u>30,627</u>	<u>-</u>	<u>25,819</u>	<u>8,279</u>	<u>63,446</u>	<u>1</u>	<u>595,545</u>
<u>\$ 105,113</u>	<u>\$ (10,124)</u>	<u>\$ 31,890</u>	<u>\$ 46,610</u>	<u>\$ 81,783</u>	<u>\$ 1</u>	<u>\$ 889,765</u>

**RED RIVER AUTHORITY OF TEXAS**

Exhibit C-4

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

**September 30, 2013, with comparable totals for 2012**

ASSETS	District	District	District	District	District	District	District	District	District	District	Totals	
	11	12	13	14	15	16	18	19	21	22	2013	2012
<b>Current assets:</b>												
Cash and short-term investments	\$ 325,128	\$ 145,387	\$ 313,999	\$ 148,127	\$ 401,698	\$ 241,890	\$ 254,097	\$ -	\$ -	\$ -	\$ 1,830,326	\$ 1,867,997
Investments	169,344	64,913	151,471	68,311	189,457	108,541	106,624	-	-	-	858,661	917,091
Receivables:												
Trade and contracts	72,105	67,561	90,617	71,490	80,081	57,385	37,597	130,279	633	150,546	758,294	614,288
Total current assets	566,577	277,861	556,087	287,928	671,236	407,816	398,318	130,279	633	150,546	3,447,281	3,399,376
<b>Restricted assets:</b>												
Cash and short-term investments	19,758	13,658	12,794	10,159	15,259	17,731	11,532	302,465	9,095	219,639	632,090	662,246
Investments	4,394	11,249	5,211	4,290	3,544	2,774	6,023	7,158	-	18,176	62,819	60,612
Total restricted assets	24,152	24,907	18,005	14,449	18,803	20,505	17,555	309,623	9,095	237,815	694,909	722,858
<b>Capital assets:</b>												
<b>Capital assets not being depreciated:</b>												
Land and easements	100	-	1,004	100	-	81,100	28,000	-	-	11,994	122,298	174,321
Construction in progress	13,500	-	19,832	-	29,170	13,500	-	-	-	17,097	93,099	2,313
Total capital assets not being depreciated	13,600	-	20,836	100	29,170	94,600	28,000	-	-	29,091	215,397	176,634
<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	1,232,463	951,406	920,742	1,063,757	1,982,850	1,849,890	678,176	4,370,419	-	3,163,309	16,213,012	16,107,449
Total capital assets being depreciated and amortized	1,232,463	951,406	920,742	1,063,757	1,982,850	1,849,890	678,176	4,370,419	1,213,600	3,172,409	17,435,712	17,330,149
Less accumulated depreciation and amortization	(859,420)	(716,422)	(697,339)	(698,937)	(1,154,076)	(1,348,317)	(576,031)	(2,563,917)	(219,246)	(1,681,072)	(10,514,777)	(10,006,570)
Total capital assets being depreciated and amortized, net	373,043	234,984	223,403	364,820	828,774	501,573	102,145	1,806,502	994,354	1,491,337	6,920,935	7,323,579
Total capital assets, net	386,643	234,984	244,239	364,920	857,944	596,173	130,145	1,806,502	994,354	1,520,428	7,136,332	7,500,213
Total assets	977,372	537,752	818,331	667,297	1,547,983	1,024,494	546,018	2,246,404	1,004,082	1,908,789	11,278,522	11,622,447
<b>LIABILITIES AND NET POSITION</b>												
<b>Current liabilities (payable from current assets):</b>												
Bank overdraft	270,278	254,882	691,585	110,026	102,267	230,970	-	1,110,708	688,392	368,209	3,827,317	3,633,676
Accounts payable - trade	12,253	12,106	21,705	15,676	10,164	5,588	3,884	11,599	-	8,637	101,612	73,922
Accrued payroll and related taxes	1,193	829	1,533	790	2,242	834	630	2,248	4	2,725	13,028	11,630
Unearned Revenue	-	-	-	-	-	-	-	6,974	-	-	6,974	6,974
Interfund loans payable, current	8,867	-	1,208	3,632	45,555	3,385	779	16,648	-	17,104	97,178	87,152
Total current liabilities (payable from current assets)	292,591	267,817	716,031	130,124	160,228	240,777	5,293	1,148,177	688,396	396,675	4,046,109	3,813,354
<b>Current liabilities (payable from restricted assets):</b>												
Bonds payable, current	23,511	18,009	21,169	16,688	27,406	32,929	18,013	238,215	38,321	148,739	583,000	546,330
Total current liabilities (payable from restricted assets)	316,102	285,826	737,200	146,812	187,634	273,706	23,306	1,386,392	726,717	545,414	4,629,109	4,359,684
<b>Noncurrent liabilities:</b>												
Bonds payable, less current maturities	19,000	-	-	-	-	-	-	651,595	736,415	498,990	1,906,000	2,494,995
Interfund loans payable, less current maturities	91,689	-	1,536	28,063	156,132	21,637	5,385	32,325	-	49,232	385,999	454,817
Deposits	14,080	17,625	21,900	20,350	14,700	9,950	19,375	35,525	-	36,631	190,136	190,311
Total noncurrent liabilities	124,769	17,625	23,436	48,413	170,832	31,587	24,760	719,445	736,415	584,853	2,482,135	3,140,123
Total liabilities	440,871	303,451	760,636	195,225	358,466	305,293	48,066	2,105,837	1,463,132	1,130,267	7,111,244	7,499,807
<b>Net position restated:</b>												
Net investment in capital assets	243,576	216,975	220,326	316,537	628,851	538,222	105,968	867,719	219,618	806,363	4,164,155	3,916,919
Restricted for:												
Debt service, repair and replacement, and construction	13,686	15,201	12,130	10,440	15,705	18,870	10,322	210,947	7,983	156,922	472,206	472,206
Unrestricted	279,239	2,125	(174,761)	145,095	544,961	162,109	381,662	(938,099)	(686,651)	(184,763)	(469,083)	(266,485)
Total net position restated	\$ 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

**RED RIVER AUTHORITY OF TEXAS**

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

for the year ended September 30, 2013, with comparable totals for 2012

	District 11	District 12	District 13	District 14	District 15	District 16	District 18	District 19	District 21	District 22	Totals	
											2013	2012
<b>Operating revenues:</b>												
Water and sewer sales	\$ 346,929	\$ 339,276	\$ 434,127	\$ 349,806	\$ 373,410	\$ 279,754	\$ 192,918	\$ 727,754	\$ 9,718	\$ 657,051	\$ 3,710,743	\$ 3,665,182
Other	3,178	7,032	23,202	2,220	4,072	4,946	2,123	16,327	250	9,182	72,532	72,922
Total operating revenues	350,107	346,308	457,329	352,026	377,482	284,700	195,041	744,081	9,968	666,233	3,783,275	3,738,104
<b>Operating expenses:</b>												
Water purchases	90,366	119,212	153,385	141,339	25,229	27,685	16,683	47,453	-	4,193	625,545	615,679
Personnel services	83,926	79,646	92,316	63,485	81,027	67,548	56,699	158,989	219	154,770	838,625	805,525
Administrative costs	49,514	64,630	73,586	68,549	59,468	38,112	70,156	122,320	3,804	117,479	667,618	687,036
Utilities, supplies, and maintenance	73,778	40,226	70,001	35,053	78,690	72,055	33,599	147,669	2,973	123,356	677,400	799,250
Automobile and travel	18,496	24,600	28,124	26,132	22,446	14,962	26,701	45,731	63	45,641	252,896	228,207
Professional and directors fees	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	316,080	328,314	417,412	334,558	266,860	220,362	203,838	522,162	7,059	445,439	3,062,084	3,135,697
Operating income (loss) before depreciation	34,027	17,994	39,917	17,468	110,622	64,338	(8,797)	221,919	2,909	220,794	721,191	602,407
Depreciation	(31,662)	(20,928)	(24,049)	(42,434)	(73,799)	(51,505)	(18,880)	(133,477)	(7,288)	(104,187)	(508,209)	(502,458)
Operating income (loss)	2,365	(2,934)	15,868	(24,966)	36,823	12,833	(27,677)	88,442	(4,379)	116,607	212,982	99,949
<b>Nonoperating revenues (expenses):</b>												
Interest income	501	209	435	211	542	341	353	546	31	381	3,550	4,794
Interest expense	(9,238)	(2,056)	(2,686)	(4,588)	(21,109)	(5,899)	(2,581)	(62,228)	(14,642)	(46,867)	(171,894)	(205,886)
Total nonoperating expenses	(8,737)	(1,847)	(2,251)	(4,377)	(20,567)	(5,558)	(2,228)	(61,682)	(14,611)	(46,486)	(168,344)	(201,092)
Change in net position restated	(6,372)	(4,781)	13,617	(29,343)	16,256	7,275	(29,905)	26,760	(18,990)	70,121	44,638	(101,143)
Net position, beginning restated	542,873	239,082	44,078	501,415	1,173,261	711,926	527,857	113,807	(440,060)	708,401	4,122,640	4,223,783
Net position, ending restated	\$ 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

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 11**  
**September 30, 2013, with comparable totals for 2012**

Exhibit C-6

ASSETS	Turkey- Estelline	Newlin	Harrel's Chapel	Northfield- Carey	Rural #1	Totals	
						2013	2012
<b>Current assets:</b>							
Cash and short-term investments	\$ -	\$ 311,735	\$ -	\$ -	\$ 13,393	\$ 325,128	\$ 355,449
Investments	10,582	152,444	-	-	6,318	169,344	180,044
Receivables:							
Trade and contracts	39,297	9,450	6,331	14,689	2,338	72,105	63,276
Total current assets	49,879	473,629	6,331	14,689	22,049	566,577	598,769
<b>Restricted assets:</b>							
Cash and short-term investments	13,065	421	518	5,377	377	19,758	19,629
Investments	2,421	309	150	587	927	4,394	4,239
Total restricted assets	15,486	730	668	5,964	1,304	24,152	23,868
<b>Capital assets:</b>							
<b>Capital assets not being depreciated:</b>							
Land and easements	100	-	-	-	-	100	52,123
Construction in progress	13,500	-	-	-	-	13,500	-
Total capital assets not being depreciated	13,600	-	-	-	-	13,600	52,123
<b>Capital assets being depreciated:</b>							
Water and sewer systems	668,991	36,378	40,202	478,041	8,851	1,232,463	1,158,513
Total capital assets being depreciated	668,991	36,378	40,202	478,041	8,851	1,232,463	1,158,513
Less accumulated depreciation	(451,510)	(29,021)	(31,180)	(339,221)	(8,488)	(859,420)	(827,758)
Total capital assets, being depreciated, net	217,481	7,357	9,022	138,820	363	373,043	330,755
Total capital assets, net	231,081	7,357	9,022	138,820	363	386,643	382,878
Total assets	296,446	481,716	16,021	159,473	23,716	977,372	1,005,515
<b>LIABILITIES AND NET POSITION</b>							
<b>Current liabilities (payable from current assets):</b>							
Bank overdraft	220,561	-	21,473	28,244	-	270,278	275,946
Accounts payable - trade	5,974	2,452	995	2,380	452	12,253	11,963
Accrued payroll and related taxes	652	123	103	266	49	1,193	1,666
Interfund loans payable, current	8,867	-	-	-	-	8,867	7,168
	236,054	2,575	22,571	30,890	501	292,591	296,743
<b>Current liabilities (payable from restricted assets):</b>							
Bonds payable, current	11,827	586	907	10,191	-	23,511	20,459
Total current liabilities	247,881	3,161	23,478	41,081	501	316,102	317,202
<b>Noncurrent liabilities:</b>							
Bonds payable, less current maturities	19,000	-	-	-	-	19,000	42,511
Interfund loans payable, less current maturities	91,689	-	-	-	-	91,689	88,599
Deposits	7,505	1,225	1,100	3,550	700	14,080	14,330
Total noncurrent liabilities	118,194	1,225	1,100	3,550	700	124,769	145,440
Total liabilities	366,075	4,386	24,578	44,631	1,201	440,871	462,642
<b>Net position restated:</b>							
Net investment in capital assets	99,698	6,771	8,115	128,629	363	243,576	224,141
Restricted for:							
Debt service, repair and replacement, and construction	5,992	336	520	5,840	998	13,686	13,686
Unrestricted	(175,319)	470,223	(17,192)	(19,627)	21,154	279,239	305,046
Total net position restated	\$ (69,629)	\$ 477,330	\$ (8,557)	\$ 114,842	\$ 22,515	\$ 536,501	\$ 542,873



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

for the year ended September 30, 2013, with comparable totals for 2012

	Turkey- Estelline	Newlin	Harrel's Chapel	Northfield- Carey	Rural #1	Totals	
						2013	2012
<b>Operating revenues:</b>							
Water and sewer sales	\$ 185,921	\$ 47,321	\$ 29,996	\$ 73,008	\$ 10,683	\$ 346,929	\$ 335,615
Other	125	248	-	2,805	-	3,178	3,593
Total operating revenues	<u>186,046</u>	<u>47,569</u>	<u>29,996</u>	<u>75,813</u>	<u>10,683</u>	<u>350,107</u>	<u>339,208</u>
<b>Operating expenses:</b>							
Water purchases	36,029	22,474	8,940	19,382	3,541	90,366	76,683
Personnel services	45,991	8,479	7,184	18,823	3,449	83,926	85,606
Administrative costs	26,599	4,872	4,130	10,837	3,076	49,514	50,013
Utilities, supplies, and maintenance	55,723	4,028	1,215	12,325	487	73,778	74,763
Automobile and travel	10,150	1,854	1,569	4,111	812	18,496	16,453
Professional and directors fees	-	-	-	-	-	-	-
Total operating expenses	<u>174,492</u>	<u>41,707</u>	<u>23,038</u>	<u>65,478</u>	<u>11,365</u>	<u>316,080</u>	<u>303,518</u>
Operating income (loss) before depreciation	11,554	5,862	6,958	10,335	(682)	34,027	35,690
Depreciation	<u>(17,369)</u>	<u>(601)</u>	<u>(737)</u>	<u>(12,778)</u>	<u>(177)</u>	<u>(31,662)</u>	<u>(29,477)</u>
Operating income (loss)	<u>(5,815)</u>	<u>5,261</u>	<u>6,221</u>	<u>(2,443)</u>	<u>(859)</u>	<u>2,365</u>	<u>6,213</u>
<b>Nonoperating revenues (expenses):</b>							
Interest income	67	396	2	16	20	501	694
Interest expense	<u>(7,903)</u>	<u>(67)</u>	<u>(104)</u>	<u>(1,164)</u>	-	<u>(9,238)</u>	<u>(8,917)</u>
Total nonoperating revenues (expenses)	<u>(7,836)</u>	<u>329</u>	<u>(102)</u>	<u>(1,148)</u>	<u>20</u>	<u>(8,737)</u>	<u>(8,223)</u>
Change in net position restated	(13,651)	5,590	6,119	(3,591)	(839)	(6,372)	(2,010)
Net position, beginning restated	<u>(55,978)</u>	<u>471,740</u>	<u>(14,676)</u>	<u>118,433</u>	<u>23,354</u>	<u>542,873</u>	<u>544,883</u>
Net position, ending restated	<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>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 12**  
**September 30, 2013, with comparable totals for 2012**

Exhibit C-8

ASSETS	Quanah		Rural #2	Old		Medicine		Quanah		Kirkland		Totals	
	Goodlett	Southwest		Goodlett	Mound	Northeast	Lazare	2013	2012				
<b>Current assets:</b>													
Cash and short-term investments	\$ 1,300	\$ -	\$ 32,388	\$ 319	\$ 79,692	\$ 31,688	\$ -	\$ 145,387	\$ 146,333				
Investments	-	-	15,176	-	37,371	12,366	-	64,913	69,370				
Receivables:													
Trade and contracts	4,406	5,259	6,609	5,983	14,851	18,300	12,153	67,561	50,062				
Total current assets	5,706	5,259	54,173	6,302	131,914	62,354	12,153	277,861	265,765				
<b>Restricted assets:</b>													
Cash and short-term investments	1,402	1,549	986	1,293	1,872	3,796	2,760	13,658	14,581				
Investments	301	744	2,422	3,177	502	1,213	2,890	11,249	10,854				
Total restricted assets	1,703	2,293	3,408	4,470	2,374	5,009	5,650	24,907	25,435				
<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	(81,340)	(82,869)	(23,911)	(37,575)	(151,385)	(197,920)	(141,422)	(716,422)	(695,494)				
Total capital assets, being depreciated, net	24,642	25,120	1,024	2,079	82,602	62,253	37,264	234,984	255,912				
Total capital assets, net	24,642	25,120	1,024	2,079	82,602	62,253	37,264	234,984	255,912				
Total assets	32,051	32,672	58,605	12,851	216,890	129,616	55,067	537,752	547,112				
<b>LIABILITIES AND NET POSITION</b>													
<b>Current liabilities (payable from current assets):</b>													
Bank overdraft	-	98,460	-	-	-	-	156,422	254,882	244,287				
Accounts payable - trade	971	808	1,013	800	2,615	3,325	2,574	12,106	11,360				
Accrued payroll and related taxes	62	95	118	83	99	216	156	829	692				
Interfund loans payable, current	-	-	-	-	-	-	-	-	-				
	1,033	99,363	1,131	883	2,714	3,541	159,152	267,817	256,339				
<b>Current liabilities (payable from restricted assets):</b>													
Bonds payable, current	2,538	2,472	-	-	3,308	6,549	3,142	18,009	16,207				
Total current liabilities	3,571	101,835	1,131	883	6,022	10,090	162,294	285,826	272,546				
<b>Noncurrent liabilities:</b>													
Bonds payable, less current maturities	-	-	-	-	-	-	-	-	18,009				
Interfund loans payable, less current maturities	-	-	-	-	-	-	-	-	-				
Deposits	1,250	1,975	2,450	1,300	2,275	5,050	3,325	17,625	17,475				
Total noncurrent liabilities	1,250	1,975	2,450	1,300	2,275	5,050	3,325	17,625	35,484				
Total liabilities	4,821	103,810	3,581	2,183	8,297	15,140	165,619	303,451	308,030				
<b>Net position restated:</b>													
Net investment in capital assets	22,104	22,648	1,024	2,079	79,294	55,704	34,122	216,975	221,696				
Restricted for:													
Debt service, repair and replacement, and construction	1,455	1,417	2,813	3,867	1,896	3,753	-	15,201	15,201				
Unrestricted	3,671	(95,203)	51,187	4,722	127,403	55,019	(144,674)	2,125	2,185				
Total net position restated	\$ 27,230	\$ (71,138)	\$ 55,024	\$ 10,668	\$ 208,593	\$ 114,476	\$ (110,552)	\$ 234,301	\$ 239,082				

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**DISTRICT 12**

for the year ended September 30, 2013, with comparable totals for 2012

	Quanah			Old Goodlett	Medicine Mound	Quanah		Kirkland- Lazare	Totals	
	Goodlett	Southwest	Rural #2			Northeast	Lazare		2013	2012
<b>Operating revenues:</b>										
Water and sewer sales	\$ 25,630	\$ 28,468	\$ 32,723	\$ 27,317	\$ 82,876	\$ 85,521	\$ 56,741	\$ 339,276	\$ 299,838	
Other	635	100	395	3,385	370	1,967	180	7,032	4,701	
Total operating revenues	<u>26,265</u>	<u>28,568</u>	<u>33,118</u>	<u>30,702</u>	<u>83,246</u>	<u>87,488</u>	<u>56,921</u>	<u>346,308</u>	<u>304,539</u>	
<b>Operating expenses:</b>										
Water purchases	9,189	6,447	9,670	6,743	40,821	26,130	20,212	119,212	110,741	
Personnel services	5,899	9,150	11,392	7,428	9,561	20,957	15,259	79,646	76,452	
Administrative costs	4,755	7,425	9,248	6,023	7,850	16,963	12,366	64,630	65,728	
Utilities, supplies, and maintenance	3,657	4,164	2,785	5,493	2,955	14,784	6,388	40,226	54,932	
Automobile and travel	1,820	2,825	3,516	2,300	2,956	6,478	4,705	24,600	21,916	
Professional and directors fees	-	-	-	-	-	-	-	-	-	
Total operating expenses	<u>25,320</u>	<u>30,011</u>	<u>36,611</u>	<u>27,987</u>	<u>64,143</u>	<u>85,312</u>	<u>58,930</u>	<u>328,314</u>	<u>329,769</u>	
Operating income (loss) before depreciation	945	(1,443)	(3,493)	2,715	19,103	2,176	(2,009)	17,994	(25,230)	
Depreciation	(2,013)	(2,052)	(499)	(860)	(6,888)	(5,085)	(3,531)	(20,928)	(20,927)	
Operating income (loss)	<u>(1,068)</u>	<u>(3,495)</u>	<u>(3,992)</u>	<u>1,855</u>	<u>12,215</u>	<u>(2,909)</u>	<u>(5,540)</u>	<u>(2,934)</u>	<u>(46,157)</u>	
<b>Nonoperating revenues (expenses):</b>										
Interest income	4	5	49	10	79	49	13	209	338	
Interest expense	(289)	(282)	-	-	(378)	(748)	(359)	(2,056)	(3,746)	
Total nonoperating revenues (expenses)	<u>(285)</u>	<u>(277)</u>	<u>49</u>	<u>10</u>	<u>(299)</u>	<u>(699)</u>	<u>(346)</u>	<u>(1,847)</u>	<u>(3,408)</u>	
Change in net position restated	(1,353)	(3,772)	(3,943)	1,865	11,916	(3,608)	(5,886)	(4,781)	(49,565)	
Net position, beginning restated	<u>28,583</u>	<u>(67,366)</u>	<u>58,967</u>	<u>8,803</u>	<u>196,677</u>	<u>118,084</u>	<u>(104,666)</u>	<u>239,082</u>	<u>288,647</u>	
Net position, ending restated	<u>\$ 27,230</u>	<u>\$ (71,138)</u>	<u>\$ 55,024</u>	<u>\$ 10,668</u>	<u>\$ 208,593</u>	<u>\$ 114,476</u>	<u>\$ (110,552)</u>	<u>\$ 234,301</u>	<u>\$ 239,082</u>	

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 13**  
**September 30, 2013, with comparable totals for 2012**

Exhibit C-10

ASSETS	Lockett	Box	Hinds	Farmers Valley	Totals	
					2013	2012
<b>Current assets:</b>						
Cash and short-term investments	\$ -	\$ 294,311	\$ -	\$ 19,688	\$ 313,999	\$ 306,450
Investments	-	143,723	-	7,748	151,471	156,589
Receivables:						
Trade and contracts	54,824	16,282	10,972	8,539	90,617	57,927
Total current assets	54,824	454,316	10,972	35,975	556,087	520,966
<b>Restricted assets:</b>						
Cash and short-term investments	8,825	739	1,136	2,094	12,794	13,602
Investments	3,555	516	594	546	5,211	5,028
Total restricted assets	12,380	1,255	1,730	2,640	18,005	18,630
<b>Capital assets:</b>						
Capital assets not being depreciated:						
Land and easements	1,004	-	-	-	1,004	1,004
Construction in progress	6,332	-	13,500	-	19,832	-
Total capital assets not being depreciated	7,336	-	13,500	-	20,836	1,004
Capital assets being depreciated:						
Water and sewer systems	420,384	140,323	177,819	182,216	920,742	920,742
Total capital assets being depreciated	420,384	140,323	177,819	182,216	920,742	920,742
Less accumulated depreciation	(338,118)	(106,686)	(112,326)	(140,209)	(697,339)	(673,289)
Total capital assets, being depreciated, net	82,266	33,637	65,493	42,007	223,403	247,453
Total capital assets, net	89,602	33,637	78,993	42,007	244,239	248,457
Total assets	156,806	489,208	91,695	80,622	818,331	788,053
<b>LIABILITIES AND NET POSITION</b>						
<b>Current liabilities (payable from current assets):</b>						
Bank overdraft	624,169	-	67,416	-	691,585	673,324
Accounts payable - trade	13,911	2,911	2,376	2,507	21,705	4,147
Accrued payroll and related taxes	930	176	238	189	1,533	1,474
Interfund loans payable, current	-	-	1,208	-	1,208	1,115
Total current liabilities (payable from current assets)	639,010	3,087	71,238	2,696	716,031	680,060
<b>Current liabilities (payable from restricted assets):</b>						
Bonds payable, current	14,635	1,049	1,773	3,712	21,169	19,052
Total current liabilities (payable from restricted assets)	653,645	4,136	73,011	6,408	737,200	699,112
<b>Noncurrent liabilities:</b>						
Bonds payable, less current maturities	-	-	-	-	-	21,170
Interfund loans payable, less current maturities	-	-	1,536	-	1,536	2,744
Deposits	13,900	2,875	3,025	2,100	21,900	20,950
Total noncurrent liabilities	13,900	2,875	4,561	2,100	23,436	44,864
Total liabilities	667,545	7,011	77,572	8,508	760,636	743,976
<b>Net position restated:</b>						
Net investment in capital assets	74,967	32,588	74,476	38,295	220,326	204,376
Restricted for:						
Debt service, repair and replacement, and construction	8,386	601	1,016	2,127	12,130	12,130
Unrestricted	(594,092)	449,008	(61,369)	31,692	(174,761)	(172,429)
Total net position restated	\$ (510,739)	\$ 482,197	\$ 14,123	\$ 72,114	\$ 57,695	\$ 44,077

**RED RIVER AUTHORITY OF TEXAS**

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

**DISTRICT 13**

for the year ended September 30, 2013, with comparable totals for 2012

	Lockett	Box	Hinds	Farmers Valley	Totals	
					2013	2012
<b>Operating revenues:</b>						
Water and sewer sales	\$ 248,050	\$ 72,119	\$ 67,934	\$ 46,024	\$ 434,127	\$ 421,495
Other	17,570	810	3,424	1,398	23,202	12,472
Total operating revenues	<u>265,620</u>	<u>72,929</u>	<u>71,358</u>	<u>47,422</u>	<u>457,329</u>	<u>433,967</u>
<b>Operating expenses:</b>						
Water purchases	94,197	35,099	17,568	6,521	153,385	158,759
Personnel services	56,381	10,577	14,038	11,320	92,316	85,326
Administrative costs	44,399	8,379	11,903	8,905	73,586	75,080
Utilities, supplies, and maintenance	37,774	5,215	13,283	13,729	70,001	85,142
Automobile and travel	17,205	3,175	4,329	3,415	28,124	24,484
Professional and directors fees	-	-	-	-	-	-
Total operating expenses	<u>249,956</u>	<u>62,445</u>	<u>61,121</u>	<u>43,890</u>	<u>417,412</u>	<u>428,791</u>
Operating income (loss) before depreciation	15,664	10,484	10,237	3,532	39,917	5,176
Depreciation	<u>(10,576)</u>	<u>(2,910)</u>	<u>(6,931)</u>	<u>(3,632)</u>	<u>(24,049)</u>	<u>(23,876)</u>
Operating income (loss)	<u>5,088</u>	<u>7,574</u>	<u>3,306</u>	<u>(100)</u>	<u>15,868</u>	<u>(18,700)</u>
<b>Nonoperating revenues (expenses):</b>						
Interest income	29	375	4	27	435	586
Interest expense	<u>(1,671)</u>	<u>(120)</u>	<u>(471)</u>	<u>(424)</u>	<u>(2,686)</u>	<u>(4,229)</u>
Total nonoperating revenues (expenses)	<u>(1,642)</u>	<u>255</u>	<u>(467)</u>	<u>(397)</u>	<u>(2,251)</u>	<u>(3,643)</u>
Change in net position restated	3,446	7,829	2,839	(497)	13,617	(22,343)
Net position, beginning restated	<u>(514,185)</u>	<u>474,368</u>	<u>11,284</u>	<u>72,611</u>	<u>44,078</u>	<u>66,421</u>
Net position, ending restated	<u>\$ (510,739)</u>	<u>\$ 482,197</u>	<u>\$ 14,123</u>	<u>\$ 72,114</u>	<u>\$ 57,695</u>	<u>\$ 44,078</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 14**  
**September 30, 2013, with comparable totals for 2012**

Exhibit C-12

ASSETS	Tell	Childress	Saied	Garden	Rural #3	Totals	
	Cee Vee		Addition	Valley		2013	2012
<b>Current assets:</b>							
Cash and short-term investments	\$ -	\$ 78,871	\$ 28,617	\$ 27,881	\$ 12,758	\$ 148,127	\$ 145,655
Investments	-	36,809	13,370	12,097	6,035	68,311	71,456
Receivables:							
Trade and contracts	33,921	22,918	4,983	7,778	1,890	71,490	54,023
Total current assets	33,921	138,598	46,970	47,756	20,683	287,928	271,134
<b>Restricted assets:</b>							
Cash and short-term investments	5,117	2,175	812	1,730	325	10,159	10,803
Investments	1,817	910	381	383	799	4,290	4,140
Total restricted assets	6,934	3,085	1,193	2,113	1,124	14,449	14,943
<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	618,226	178,771	50,594	208,395	7,771	1,063,757	1,063,756
Total capital assets being depreciated	618,226	178,771	50,594	208,395	7,771	1,063,757	1,063,756
Less accumulated depreciation	(422,880)	(121,140)	(39,512)	(107,634)	(7,771)	(698,937)	(656,504)
Total capital assets, being depreciated, net	195,346	57,631	11,082	100,761	-	364,820	407,252
Total capital assets, net	195,446	57,631	11,082	100,761	-	364,920	407,352
Total assets	236,301	199,314	59,245	150,630	21,807	667,297	693,429
<b>LIABILITIES AND NET POSITION</b>							
<b>Current liabilities (payable from current assets):</b>							
Bank overdraft	110,026	-	-	-	-	110,026	91,963
Accounts payable - trade	7,130	5,180	1,407	1,728	231	15,676	12,672
Accrued payroll and related taxes	363	235	52	111	29	790	349
Interfund loans payable, current	1,227	2,405	-	-	-	3,632	3,353
Total current liabilities (payable from current assets)	118,746	7,820	1,459	1,839	260	130,124	108,337
<b>Current liabilities (payable from restricted assets):</b>							
Bonds payable, current	8,683	3,580	1,302	3,123	-	16,688	15,019
Total current liabilities (payable from restricted assets)	127,429	11,400	2,761	4,962	260	146,812	123,356
<b>Noncurrent liabilities:</b>							
Bonds payable, less current maturities	-	-	-	-	-	-	16,688
Interfund loans payable, less current maturities	9,477	18,586	-	-	-	28,063	31,694
Deposits	10,325	5,625	1,200	2,650	550	20,350	20,275
Total noncurrent liabilities	19,802	24,211	1,200	2,650	550	48,413	68,657
Total liabilities	147,231	35,611	3,961	7,612	810	195,225	192,013
<b>Net position restated:</b>							
Net investment in capital assets	176,059	33,060	9,780	97,638	-	316,537	340,598
Restricted for:							
Debt service, repair and replacement, and construction	4,976	2,052	746	1,789	877	10,440	10,440
Unrestricted	(91,965)	128,591	44,758	43,591	20,120	145,095	150,378
Total net position restated	\$ 89,070	\$ 163,703	\$ 55,284	\$ 143,018	\$ 20,997	\$ 472,072	\$ 501,416

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

## DISTRICT 14

for the year ended September 30, 2013, with comparable totals for 2012

	Tell Cee Vee	Childress	Saied Addition	Garden Valley	Rural #3	Totals	
						2013	2012
<b>Operating revenues:</b>							
Water and sewer sales	\$ 164,194	\$ 102,836	\$ 26,265	\$ 47,784	\$ 8,727	\$ 349,806	\$ 325,408
Other	1,361	374	190	295	-	2,220	8,214
Total operating revenues	<u>165,555</u>	<u>103,210</u>	<u>26,455</u>	<u>48,079</u>	<u>8,727</u>	<u>352,026</u>	<u>333,622</u>
<b>Operating expenses:</b>							
Water purchases	68,200	43,639	12,355	14,664	2,481	141,339	124,849
Personnel services	29,349	18,760	4,152	8,919	2,305	63,485	49,594
Administrative costs	31,714	20,237	4,488	9,598	2,512	68,549	69,471
Utilities, supplies, and maintenance	24,635	5,596	2,238	2,138	446	35,053	51,365
Automobile and travel	12,081	7,721	1,709	3,671	950	26,132	23,235
Professional and directors fees	-	-	-	-	-	-	-
Total operating expenses	<u>165,979</u>	<u>95,953</u>	<u>24,942</u>	<u>38,990</u>	<u>8,694</u>	<u>334,558</u>	<u>318,514</u>
Operating income (loss) before depreciation	(424)	7,257	1,513	9,089	33	17,468	15,108
Depreciation	(27,373)	(5,364)	(905)	(8,792)	-	(42,434)	(39,514)
Operating income (loss)	<u>(27,797)</u>	<u>1,893</u>	<u>608</u>	<u>297</u>	<u>33</u>	<u>(24,966)</u>	<u>(24,406)</u>
<b>Nonoperating revenues (expenses):</b>							
Interest income	16	104	38	35	18	211	285
Interest expense	(1,897)	(2,185)	(149)	(357)	-	(4,588)	(3,528)
Total nonoperating revenues (expenses)	<u>(1,881)</u>	<u>(2,081)</u>	<u>(111)</u>	<u>(322)</u>	<u>18</u>	<u>(4,377)</u>	<u>(3,243)</u>
Change in net position restated	(29,678)	(188)	497	(25)	51	(29,343)	(27,649)
Net position, beginning restated	<u>118,748</u>	<u>163,891</u>	<u>54,787</u>	<u>143,043</u>	<u>20,946</u>	<u>501,415</u>	<u>529,064</u>
Net position, ending restated	<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>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 15**  
**September 30, 2013, with comparable totals for 2012**

Exhibit C-14

ASSETS	Guthrie- Dumont	Foard County	Truscott- Gilliland	Totals	
				2013	2012
<b>Current assets:</b>					
Cash and short-term investments	\$ 273,687	\$ 128,011	\$ -	\$ 401,698	\$ 404,629
Investments	130,901	58,556	-	189,457	202,762
Receivables:					
Trade and contracts	36,552	22,451	21,078	80,081	59,942
Total current assets	<u>441,140</u>	<u>209,018</u>	<u>21,078</u>	<u>671,236</u>	<u>667,333</u>
<b>Restricted assets:</b>					
Cash and short-term investments	3,422	4,636	7,201	15,259	16,191
Investments	1,141	1,170	1,233	3,544	3,420
Total restricted assets	<u>4,563</u>	<u>5,806</u>	<u>8,434</u>	<u>18,803</u>	<u>19,611</u>
<b>Capital assets:</b>					
Capital assets not being depreciated:					
Land and easements	-	-	-	-	-
Construction in progress	15,000	670	13,500	29,170	2,313
Total capital assets not being depreciated	<u>15,000</u>	<u>670</u>	<u>13,500</u>	<u>29,170</u>	<u>2,313</u>
Capital assets being depreciated:					
Water and sewer systems	845,055	476,661	661,134	1,982,850	1,978,538
Total capital assets being depreciated	<u>845,055</u>	<u>476,661</u>	<u>661,134</u>	<u>1,982,850</u>	<u>1,978,538</u>
Less accumulated depreciation	<u>(406,670)</u>	<u>(307,730)</u>	<u>(439,676)</u>	<u>(1,154,076)</u>	<u>(1,080,278)</u>
Total capital assets, being depreciated, net	<u>438,385</u>	<u>168,931</u>	<u>221,458</u>	<u>828,774</u>	<u>898,260</u>
Total capital assets, net	<u>453,385</u>	<u>169,601</u>	<u>234,958</u>	<u>857,944</u>	<u>900,573</u>
Total assets	<u>899,088</u>	<u>384,425</u>	<u>264,470</u>	<u>1,547,983</u>	<u>1,587,517</u>
<b>LIABILITIES AND NET POSITION</b>					
<b>Current liabilities (payable from current assets):</b>					
Bank overdraft	-	-	102,267	102,267	97,919
Accounts payable - trade	2,082	3,762	4,320	10,164	4,659
Accrued payroll and related taxes	840	783	619	2,242	1,056
Interfund loans payable, current	16,981	14,258	14,316	45,555	42,064
	<u>19,903</u>	<u>18,803</u>	<u>121,522</u>	<u>160,228</u>	<u>145,698</u>
<b>Current liabilities (payable from restricted assets):</b>					
Bonds payable, current	5,868	8,250	13,288	27,406	24,665
Total current liabilities	<u>25,771</u>	<u>27,053</u>	<u>134,810</u>	<u>187,634</u>	<u>170,363</u>
<b>Noncurrent liabilities:</b>					
Bonds payable, less current maturities	-	-	-	-	27,406
Interfund loans payable, less current maturities	58,437	58,000	39,695	156,132	201,687
Deposits	4,850	5,850	4,000	14,700	14,800
Total noncurrent liabilities	<u>63,287</u>	<u>63,850</u>	<u>43,695</u>	<u>170,832</u>	<u>243,893</u>
Total liabilities	<u>89,058</u>	<u>90,903</u>	<u>178,505</u>	<u>358,466</u>	<u>414,256</u>
<b>Net position restated:</b>					
Net investment in capital assets	372,099	89,093	167,659	628,851	604,751
Restricted for:					
Debt service, repair and replacement, and construction	3,362	4,728	7,615	15,705	15,705
Unrestricted	434,569	199,701	(89,309)	544,961	552,805
Total net position restated	<u>\$ 810,030</u>	<u>\$ 293,522</u>	<u>\$ 85,965</u>	<u>\$ 1,189,517</u>	<u>\$ 1,173,261</u>



**RED RIVER AUTHORITY OF TEXAS**

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

**DISTRICT 15**

for the year ended September 30, 2013, with comparable totals for 2012

	<u>Guthrie- Dumont</u>	<u>Foard County</u>	<u>Truscott- Gilliland</u>	<u>Totals</u>	
				<u>2013</u>	<u>2012</u>
<b>Operating revenues:</b>					
Water and sewer sales	\$ 132,503	\$ 129,179	\$ 111,728	\$ 373,410	\$ 361,654
Other	60	2,135	1,877	4,072	10,278
Total operating revenues	<u>132,563</u>	<u>131,314</u>	<u>113,605</u>	<u>377,482</u>	<u>371,932</u>
<b>Operating expenses:</b>					
Water purchases	-	24,220	1,009	25,229	28,136
Personnel services	30,351	28,075	22,601	81,027	77,323
Administrative costs	22,505	20,469	16,494	59,468	61,524
Utilities, supplies, and maintenance	31,128	20,423	27,139	78,690	91,972
Automobile and travel	8,403	7,778	6,265	22,446	20,066
Professional and directors fees	-	-	-	-	-
Total operating expenses	<u>92,387</u>	<u>100,965</u>	<u>73,508</u>	<u>266,860</u>	<u>279,021</u>
Operating income (loss) before depreciation	40,176	30,349	40,097	110,622	92,911
Depreciation	<u>(34,756)</u>	<u>(15,613)</u>	<u>(23,430)</u>	<u>(73,799)</u>	<u>(72,697)</u>
Operating income (loss)	<u>5,420</u>	<u>14,736</u>	<u>16,667</u>	<u>36,823</u>	<u>20,214</u>
<b>Nonoperating revenues (expenses):</b>					
Interest income	355	165	22	542	785
Interest expense	<u>(7,391)</u>	<u>(7,300)</u>	<u>(6,418)</u>	<u>(21,109)</u>	<u>(25,977)</u>
Total nonoperating revenues (expenses)	<u>(7,036)</u>	<u>(7,135)</u>	<u>(6,396)</u>	<u>(20,567)</u>	<u>(25,192)</u>
Change in net position restated	(1,616)	7,601	10,271	16,256	(4,978)
Net position, beginning restated	<u>811,646</u>	<u>285,921</u>	<u>75,694</u>	<u>1,173,261</u>	<u>1,178,239</u>
Net position, ending restated	<u>\$ 810,030</u>	<u>\$ 293,522</u>	<u>\$ 85,965</u>	<u>\$ 1,189,517</u>	<u>\$ 1,173,261</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 16**  
**September 30, 2013, with comparable totals for 2012**

Exhibit C-16

ASSETS	Samnorwood	Dodson	Plaska Friendship	Club Lake- Memphis NE	Totals	
					2013	2012
<b>Current assets:</b>						
Cash and short-term investments	\$ -	\$ 241,890	\$ -	\$ -	\$ 241,890	\$ 239,191
Investments	-	108,541	-	-	108,541	114,607
Receivables:						
Trade and contracts	19,107	23,471	8,790	6,017	57,385	41,878
Total current assets	<u>19,107</u>	<u>373,902</u>	<u>8,790</u>	<u>6,017</u>	<u>407,816</u>	<u>395,676</u>
<b>Restricted assets:</b>						
Cash and short-term investments	3,349	10,434	2,392	1,556	17,731	18,799
Investments	1,106	940	406	322	2,774	2,677
Total restricted assets	<u>4,455</u>	<u>11,374</u>	<u>2,798</u>	<u>1,878</u>	<u>20,505</u>	<u>21,476</u>
<b>Capital assets:</b>						
Capital assets not being depreciated:						
Land and easements	9,000	72,100	-	-	81,100	81,100
Construction in progress	-	13,500	-	-	13,500	-
Total capital assets not being depreciated	<u>9,000</u>	<u>85,600</u>	<u>-</u>	<u>-</u>	<u>94,600</u>	<u>81,100</u>
Capital assets being depreciated:						
Water and sewer systems	553,222	744,065	441,237	111,366	1,849,890	1,844,823
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>1,844,823</u>
Less accumulated depreciation	<u>(438,126)</u>	<u>(551,246)</u>	<u>(277,826)</u>	<u>(81,119)</u>	<u>(1,348,317)</u>	<u>(1,296,812)</u>
Total capital assets, being depreciated, net	<u>115,096</u>	<u>192,819</u>	<u>163,411</u>	<u>30,247</u>	<u>501,573</u>	<u>548,011</u>
Total capital assets, net	<u>124,096</u>	<u>278,419</u>	<u>163,411</u>	<u>30,247</u>	<u>596,173</u>	<u>629,111</u>
<b>Noncurrent assets:</b>						
Investments	-	-	-	-	-	-
Total assets	<u>147,658</u>	<u>663,695</u>	<u>174,999</u>	<u>38,142</u>	<u>1,024,494</u>	<u>1,046,263</u>
<b>LIABILITIES AND NET POSITION</b>						
<b>Current liabilities (payable from current assets):</b>						
Bank overdraft	99,832	-	21,719	109,419	230,970	228,841
Accounts payable - trade	1,201	1,992	1,460	935	5,588	4,080
Accrued payroll and related taxes	266	370	62	136	834	1,051
Interfund loans payable, current	3,385	-	-	-	3,385	3,126
	<u>104,684</u>	<u>2,362</u>	<u>23,241</u>	<u>110,490</u>	<u>240,777</u>	<u>237,098</u>
<b>Current liabilities (payable from restricted assets):</b>						
Bonds payable, current	5,749	19,937	4,418	2,825	32,929	29,637
Total current liabilities	<u>110,433</u>	<u>22,299</u>	<u>27,659</u>	<u>113,315</u>	<u>273,706</u>	<u>266,735</u>
<b>Noncurrent liabilities:</b>						
Bonds payable, less current maturities	-	-	-	-	-	32,929
Interfund loans payable, less current maturities	21,637	-	-	-	21,637	25,022
Deposits	2,775	4,600	775	1,800	9,950	9,650
Total noncurrent liabilities	<u>24,412</u>	<u>4,600</u>	<u>775</u>	<u>1,800</u>	<u>31,587</u>	<u>67,601</u>
Total liabilities	<u>134,845</u>	<u>26,899</u>	<u>28,434</u>	<u>115,115</u>	<u>305,293</u>	<u>334,336</u>
<b>Net position restated:</b>						
Net investment in capital assets	93,325	258,482	158,993	27,422	538,222	538,397
Restricted for:						
Debt service, repair and replacement, and construction	3,294	11,425	2,532	1,619	18,870	18,870
Unrestricted	(83,806)	366,889	(14,960)	(106,014)	162,109	154,660
Total net position restated	<u>\$ 12,813</u>	<u>\$ 636,796</u>	<u>\$ 146,565</u>	<u>\$ (76,973)</u>	<u>\$ 719,201</u>	<u>\$ 711,927</u>

**RED RIVER AUTHORITY OF TEXAS**

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

**DISTRICT 16**

for the year ended September 30, 2013, with comparable totals for 2012

	Samnorwood	Dodson	Plaska Friendship	Club Lake- Memphis NE	Totals	
					2013	2012
<b>Operating revenues:</b>						
Water and sewer sales	\$ 87,064	\$ 122,687	\$ 34,668	\$ 35,335	\$ 279,754	\$ 265,146
Other	680	3,209	1,057	-	4,946	3,772
Total operating revenues	<u>87,744</u>	<u>125,896</u>	<u>35,725</u>	<u>35,335</u>	<u>284,700</u>	<u>268,918</u>
<b>Operating expenses:</b>						
Water purchases	-	10,196	12,785	4,704	27,685	26,748
Personnel services	21,479	30,319	4,856	10,894	67,548	68,449
Administrative costs	12,121	17,116	2,737	6,138	38,112	40,042
Utilities, supplies, and maintenance	33,149	27,823	9,121	1,962	72,055	71,473
Automobile and travel	4,848	6,611	1,175	2,328	14,962	13,636
Professional and directors fees	-	-	-	-	-	-
Total operating expenses	<u>71,597</u>	<u>92,065</u>	<u>30,674</u>	<u>26,026</u>	<u>220,362</u>	<u>220,348</u>
Operating income (loss) before depreciation	16,147	33,831	5,051	9,309	64,338	48,570
Depreciation	(14,904)	(17,066)	(17,048)	(2,487)	(51,505)	(51,319)
Operating income (loss)	<u>1,243</u>	<u>16,765</u>	<u>(11,997)</u>	<u>6,822</u>	<u>12,833</u>	<u>(2,749)</u>
<b>Nonoperating revenues (expenses):</b>						
Interest income	11	318	7	5	341	462
Interest expense	(2,795)	(2,277)	(504)	(323)	(5,899)	(8,407)
Total nonoperating revenues (expenses)	<u>(2,784)</u>	<u>(1,959)</u>	<u>(497)</u>	<u>(318)</u>	<u>(5,558)</u>	<u>(7,945)</u>
Change in net position restated	(1,541)	14,806	(12,494)	6,504	7,275	(10,694)
Net position, beginning restated	<u>14,354</u>	<u>621,990</u>	<u>159,059</u>	<u>(83,477)</u>	<u>711,926</u>	<u>722,621</u>
Net position, ending restated	<u>\$ 12,813</u>	<u>\$ 636,796</u>	<u>\$ 146,565</u>	<u>\$ (76,973)</u>	<u>\$ 719,201</u>	<u>\$ 711,927</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 18**  
for the year ended September 30, 2013, with comparable totals for 2012

Exhibit C-18

ASSETS	Howardwick	Greenbelt Lake	Totals	
			2013	2012
<b>Current assets:</b>				
Cash and short-term investments	\$ 215,896	\$ 38,201	\$ 254,097	\$ 270,290
Investments	90,658	15,966	106,624	122,263
Receivables:				
Trade and contracts	28,953	8,644	37,597	33,981
Total current assets	<u>335,507</u>	<u>62,811</u>	<u>398,318</u>	<u>426,534</u>
<b>Restricted assets:</b>				
Cash and short-term investments	9,693	1,839	11,532	12,274
Investments	5,132	891	6,023	5,812
Total restricted assets	<u>14,825</u>	<u>2,730</u>	<u>17,555</u>	<u>18,086</u>
<b>Capital assets:</b>				
Capital assets not being depreciated:				
Land and easements	28,000	-	28,000	28,000
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>28,000</u>	<u>-</u>	<u>28,000</u>	<u>28,000</u>
Capital assets being depreciated:				
Water and sewer systems	568,323	109,853	678,176	678,176
Total capital assets being depreciated	<u>568,323</u>	<u>109,853</u>	<u>678,176</u>	<u>678,176</u>
Less accumulated depreciation	(491,750)	(84,281)	(576,031)	(557,151)
Total capital assets, being depreciated, net	<u>76,573</u>	<u>25,572</u>	<u>102,145</u>	<u>121,025</u>
Total capital assets, net	<u>104,573</u>	<u>25,572</u>	<u>130,145</u>	<u>149,025</u>
Total assets	<u>454,905</u>	<u>91,113</u>	<u>546,018</u>	<u>593,645</u>
<b>LIABILITIES AND NET POSITION</b>				
<b>Current liabilities (payable from current assets):</b>				
Accounts payable - trade	2,503	1,381	3,884	3,492
Accrued payroll and related taxes	509	121	630	812
Interfund loans payable, current	779	-	779	719
	<u>3,791</u>	<u>1,502</u>	<u>5,293</u>	<u>5,023</u>
<b>Current liabilities (payable from restricted assets):</b>				
Bonds payable, current	15,085	2,928	18,013	16,211
Total current liabilities	<u>18,876</u>	<u>4,430</u>	<u>23,306</u>	<u>21,234</u>
<b>Noncurrent liabilities:</b>				
Bonds payable, less current maturities	-	-	-	18,013
Interfund loans payable, less current maturities	5,385	-	5,385	6,164
Deposits	15,850	3,525	19,375	20,375
Total noncurrent liabilities	<u>21,235</u>	<u>3,525</u>	<u>24,760</u>	<u>44,552</u>
Total liabilities	<u>40,111</u>	<u>7,955</u>	<u>48,066</u>	<u>65,786</u>
<b>Net position restated:</b>				
Net investment in capital assets	83,324	22,644	105,968	107,918
Restricted for:				
Debt service, repair and replacement, and construction	8,644	1,678	10,322	10,322
Unrestricted	322,826	58,836	381,662	409,619
Total net position restated	<u>\$ 414,794</u>	<u>\$ 83,158</u>	<u>\$ 497,952</u>	<u>\$ 527,859</u>

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

for the year ended September 30, 2013, with comparable totals for 2012

	Howardwick	Greenbelt Lake	Totals	
			2013	2012
<b>Operating revenues:</b>				
Water and sewer sales	\$ 149,528	\$ 43,390	\$ 192,918	\$ 200,381
Other	2,068	55	2,123	4,529
Total operating revenues	<u>151,596</u>	<u>43,445</u>	<u>195,041</u>	<u>204,910</u>
<b>Operating expenses:</b>				
Water purchases	-	16,683	16,683	18,194
Personnel services	46,016	10,683	56,699	56,958
Administrative costs	56,945	13,211	70,156	72,945
Utilities, supplies, and maintenance	29,346	4,253	33,599	43,461
Automobile and travel	21,677	5,024	26,701	24,934
Professional and directors fees	-	-	-	-
Total operating expenses	<u>153,984</u>	<u>49,854</u>	<u>203,838</u>	<u>216,492</u>
Operating income (loss) before depreciation	(2,388)	(6,409)	(8,797)	(11,582)
Depreciation	<u>(16,791)</u>	<u>(2,089)</u>	<u>(18,880)</u>	<u>(18,918)</u>
Operating income (loss)	<u>(19,179)</u>	<u>(8,498)</u>	<u>(27,677)</u>	<u>(30,500)</u>
<b>Nonoperating revenues (expenses):</b>				
Interest income	296	57	353	524
Interest expense	<u>(2,247)</u>	<u>(334)</u>	<u>(2,581)</u>	<u>(3,678)</u>
Total nonoperating revenues (expenses)	<u>(1,951)</u>	<u>(277)</u>	<u>(2,228)</u>	<u>(3,154)</u>
Change in net position restated	(21,130)	(8,775)	(29,905)	(33,654)
Net position, beginning restated	<u>435,923</u>	<u>91,934</u>	<u>527,857</u>	<u>561,513</u>
Net position, ending restated	<u>\$ 414,793</u>	<u>\$ 83,159</u>	<u>\$ 497,952</u>	<u>\$ 527,859</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 19**  
**for the year ended September 30, 2013 with comparable totals for 2012**

Exhibit C-20

ASSETS	Lake		Totals	
	Arrowhead	Ringgold	2013	2012
<b>Current assets:</b>				
Receivables:				
Trade and contracts	\$ 121,016	\$ 9,263	\$ 130,279	\$ 131,020
Total current assets	<u>121,016</u>	<u>9,263</u>	<u>130,279</u>	<u>131,020</u>
<b>Restricted assets:</b>				
Cash and short-term investments	300,486	1,979	302,465	316,316
Investments	6,141	1,017	7,158	6,905
Total restricted assets	<u>306,627</u>	<u>2,996</u>	<u>309,623</u>	<u>323,221</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>	<u>-</u>	<u>-</u>
Capital assets being depreciated:				
Water and sewer systems	4,152,294	218,125	4,370,419	4,348,186
Total capital assets being depreciated	<u>4,152,294</u>	<u>218,125</u>	<u>4,370,419</u>	<u>4,348,186</u>
Less accumulated depreciation	(2,414,946)	(148,971)	(2,563,917)	(2,430,441)
Total capital assets, being depreciated, net	<u>1,737,348</u>	<u>69,154</u>	<u>1,806,502</u>	<u>1,917,745</u>
Total capital assets, net	<u>1,737,348</u>	<u>69,154</u>	<u>1,806,502</u>	<u>1,917,745</u>
Total assets	<u>2,164,991</u>	<u>81,413</u>	<u>2,246,404</u>	<u>2,371,986</u>
<b>LIABILITIES AND NET POSITION</b>				
<b>Current liabilities (payable from current assets):</b>				
Bank overdraft	954,244	156,464	1,110,708	1,043,064
Accounts payable - trade	10,629	970	11,599	8,307
Accrued payroll and related taxes	2,026	222	2,248	2,878
Unearned revenue	6,974	-	6,974	6,974
Interfund loans payable, current	16,648	-	16,648	13,813
	<u>990,521</u>	<u>157,656</u>	<u>1,148,177</u>	<u>1,075,036</u>
<b>Current liabilities (payable from restricted assets):</b>				
Bonds payable, current	235,108	3,107	238,215	225,138
Total current liabilities	<u>1,225,629</u>	<u>160,763</u>	<u>1,386,392</u>	<u>1,300,174</u>
<b>Noncurrent liabilities:</b>				
Bonds payable, less current maturities	651,595	-	651,595	889,810
Interfund loans payable, less current maturities	32,325	-	32,325	32,570
Deposits	32,200	3,325	35,525	35,625
Total noncurrent liabilities	<u>716,120</u>	<u>3,325</u>	<u>719,445</u>	<u>958,005</u>
Total liabilities	<u>1,941,749</u>	<u>164,088</u>	<u>2,105,837</u>	<u>2,258,179</u>
<b>Net position restated:</b>				
Net investment in capital assets	801,672	66,047	867,719	756,414
Restricted for:				
Debt service, repair and replacement, and construction	209,167	1,780	210,947	210,947
Unrestricted	(787,597)	(150,502)	(938,099)	(853,554)
Total net position restated	<u>\$ 223,242</u>	<u>\$ (82,675)</u>	<u>\$ 140,567</u>	<u>\$ 113,807</u>

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

for the year ended September 30, 2013, with comparable totals for 2012

	<u>Lake</u>		<u>Totals</u>	
	<u>Arrowhead</u>	<u>Ringgold</u>	<u>2013</u>	<u>2012</u>
<b>Operating revenues:</b>				
Water and sewer sales	\$ 676,855	\$ 50,899	\$ 727,754	\$ 760,768
Other	15,881	446	16,327	18,630
Total operating revenues	<u>692,736</u>	<u>51,345</u>	<u>744,081</u>	<u>779,398</u>
<b>Operating expenses:</b>				
Water purchases	47,105	348	47,453	66,169
Personnel services	143,436	15,553	158,989	157,404
Administrative costs	110,483	11,837	122,320	126,922
Utilities, supplies, and maintenance	135,118	12,551	147,669	155,741
Automobile and travel	41,262	4,469	45,731	41,377
Professional and directors fees	-	-	-	-
Total operating expenses	<u>477,404</u>	<u>44,758</u>	<u>522,162</u>	<u>547,613</u>
Operating income before depreciation	215,332	6,587	221,919	231,785
Depreciation	<u>(126,001)</u>	<u>(7,476)</u>	<u>(133,477)</u>	<u>(132,643)</u>
Operating income (loss)	<u>89,331</u>	<u>(889)</u>	<u>88,442</u>	<u>99,142</u>
<b>Nonoperating revenues (expenses):</b>				
Interest income	536	10	546	635
Interest expense	<u>(61,873)</u>	<u>(355)</u>	<u>(62,228)</u>	<u>(75,516)</u>
Total nonoperating revenues (expenses)	<u>(61,337)</u>	<u>(345)</u>	<u>(61,682)</u>	<u>(74,881)</u>
Change in net position restated	27,994	(1,234)	26,760	24,261
Net position, beginning restated	<u>195,248</u>	<u>(81,441)</u>	<u>113,807</u>	<u>89,546</u>
Net position, ending restated	<u>\$ 223,242</u>	<u>\$ (82,675)</u>	<u>\$ 140,567</u>	<u>\$ 113,807</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 21**  
for the year ended September 30, 2013, with comparable totals for 2012

Exhibit C-22

	Lake Texoma	
<b>ASSETS</b>	2013	2012
<b>Current assets:</b>		
Receivables:		
Trade and contracts	\$ 633	\$ 4,565
Total current assets	633	4,565
<b>Restricted assets:</b>		
Cash and short-term investments	9,095	10,127
Investments	-	-
Total restricted assets	9,095	10,127
<b>Capital assets:</b>		
Capital assets not being depreciated:		
Land and easements	-	-
Construction in progress	-	-
Total capital assets not being depreciated	-	-
Capital assets being amortized:		
Water storage rights	1,213,600	1,213,600
Total capital assets being amortized	1,213,600	1,213,600
Less accumulated amortization	(219,246)	(211,958)
Total capital assets, being amortized, net	994,354	1,001,642
Total capital assets, net	994,354	1,001,642
Total assets	1,004,082	1,016,334
<b>LIABILITIES AND NET POSITION</b>		
<b>Current liabilities (payable from current assets):</b>		
Bank overdraft	688,392	637,673
Accounts payable, trade	-	338
Accrued payroll and related taxes	4	2
	688,396	638,013
<b>Current liabilities (payable from restricted assets):</b>		
Bonds payable, current	38,321	37,654
Total current liabilities	726,717	675,667
<b>Noncurrent liabilities:</b>		
Bonds payable, less current maturities	736,415	780,726
Total noncurrent liabilities	736,415	780,726
Total liabilities	1,463,132	1,456,393
<b>Net position restated:</b>		
Net investment in capital assets	219,618	183,262
Restricted for:		
Debt service, repair and replacement, and construction	7,983	7,983
Unrestricted	(686,651)	(631,304)
Total net position restated	\$ (459,050)	\$ (440,059)



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

for the year ended September 30, 2013, with comparable totals for 2012

	Lake Texoma	
	2013	2012
<b>Operating revenues:</b>		
Water and sewer sales	\$ 9,718	\$ 13,854
Other	250	-
Total operating revenues	<u>9,968</u>	<u>13,854</u>
<b>Operating expenses:</b>		
Personnel services	219	208
Administrative costs	3,804	3,637
Utilities, supplies, and maintenance	2,973	2,876
Automobile and travel	63	56
Total operating expenses	<u>7,059</u>	<u>6,777</u>
Operating income before depreciation	2,909	7,077
Depreciation	<u>(7,288)</u>	<u>(7,288)</u>
Operating income (loss)	<u>(4,379)</u>	<u>(211)</u>
<b>Nonoperating revenues (expenses):</b>		
Interest income	31	38
Interest expense	<u>(14,642)</u>	<u>(15,324)</u>
Total nonoperating revenues (expenses)	<u>(14,611)</u>	<u>(15,286)</u>
Change in net position restated	(18,990)	(15,497)
Net position, beginning restated	<u>(440,060)</u>	<u>(424,563)</u>
Net position, ending restated	<u>\$ (459,050)</u>	<u>\$ (440,060)</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 22**  
**for the year ended September 30, 2013, with comparable totals for 2012**

Exhibit C-24

	Preston Shores	
	2013	2012
<b>ASSETS</b>		
<b>Current assets:</b>		
Receivables:		
Trade and contracts	\$ 150,546	\$ 117,614
Total current assets	<u>150,546</u>	<u>117,614</u>
<b>Restricted assets:</b>		
Cash and short-term investments	219,639	229,924
Investments	18,176	17,537
Total restricted assets	<u>237,815</u>	<u>247,461</u>
<b>Capital assets:</b>		
Capital assets not being depreciated:		
Land and easements	11,994	11,994
Construction in progress	17,097	-
Total capital assets not being depreciated	<u>29,091</u>	<u>11,994</u>
Capital assets being depreciated and amortized:		
Water storage rights	9,100	9,100
Water and sewer systems	3,163,309	3,163,309
Total capital assets being depreciated and amortized	<u>3,172,409</u>	<u>3,172,409</u>
Less accumulated depreciation and amortization	<u>(1,681,072)</u>	<u>(1,576,885)</u>
Total capital assets, being depreciated and amortized, net	<u>1,491,337</u>	<u>1,595,524</u>
Total capital assets, net	<u>1,520,428</u>	<u>1,607,518</u>
Total assets	<u>1,908,789</u>	<u>1,972,593</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>Current liabilities (payable from current assets):</b>		
Bank overdraft	368,209	340,659
Accounts payable, trade	8,637	12,904
Accrued payroll and related taxes	2,725	1,650
Interfund loan payable, current	17,104	15,794
	<u>396,675</u>	<u>371,007</u>
Current liabilities (payable from restricted assets)		
Bonds payable, current	148,739	142,288
Total current liabilities	<u>545,414</u>	<u>513,295</u>
<b>Noncurrent liabilities:</b>		
Bonds payable, less current maturities	498,990	647,729
Interfund loan payable, less current maturities	49,232	66,337
Deposits	36,631	36,831
Total noncurrent liabilities	<u>584,853</u>	<u>747,992</u>
Total liabilities	<u>1,130,267</u>	<u>1,261,287</u>
<b>Net position restated:</b>		
Net investment in capital assets	806,363	735,370
Restricted for:		
Debt service, repair and replacement, and construction	156,922	156,922
Unrestricted	<u>(184,763)</u>	<u>(183,891)</u>
Total net position restated	<u>\$ 778,522</u>	<u>\$ 708,401</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, 2013, with comparable totals for 2012

	Preston Shores	
	2013	2012
<b>Operating revenues:</b>		
Water and sewer sales	\$ 657,051	\$ 681,023
Other	9,182	6,733
Total operating revenues	666,233	687,756
<b>Operating expenses:</b>		
Water purchases	4,193	5,400
Personnel services	154,770	148,205
Administrative costs	117,479	121,674
Utilities, supplies, and maintenance	123,356	167,525
Automobile and travel	45,641	42,050
Professional and directors fees	-	-
Total operating expenses	445,439	484,854
Operating income before depreciation	220,794	202,902
Depreciation	(104,187)	(105,799)
Operating income	116,607	97,103
<b>Nonoperating revenues (expenses):</b>		
Interest income	381	447
Interest expense	(46,867)	(53,658)
Total nonoperating revenues (expenses)	(46,486)	(53,211)
Change in net position restated	70,121	43,892
Net position, beginning restated	708,401	664,509
Net position, ending restated	\$ 778,522	\$ 708,401

**RED RIVER AUTHORITY OF TEXAS**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**ENTERPRISE FUNDS**  
**BUDGET AND ACTUAL (Unaudited)**  
**for the year ended September 30, 2013**

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	\$ 3,802,723	\$ 3,710,743	\$ (91,980)	\$ -	\$ -	\$ -
Charges for materials and services	-	-	-	455,301	537,774	82,473
Other	79,603	72,532	(7,071)	356,877	324,279	(32,598)
Total operating revenues	<u>3,882,326</u>	<u>3,783,275</u>	<u>(99,051)</u>	<u>812,178</u>	<u>862,053</u>	<u>49,875</u>
<b>Operating expenses:</b>						
Water purchases	612,275	625,545	(13,270)	-	-	-
Personnel services	837,984	838,625	(641)	348,368	310,248	38,120
Administrative costs	631,217	667,618	(36,401)	144,668	165,412	(20,744)
Utilities, supplies, and maintenance	784,626	677,400	107,226	274,586	341,548	(66,962)
Automobile and travel	220,561	252,896	(32,335)	10,888	15,118	(4,230)
Professional and directors fees	-	-	-	6,093	1,105	4,988
Research expense	-	-	-	36,450	39,690	(3,240)
Total operating expenses	<u>3,086,663</u>	<u>3,062,084</u>	<u>24,579</u>	<u>821,053</u>	<u>873,121</u>	<u>(52,068)</u>
Operating income (loss) before depreciation and amortization	795,663	721,191	(74,472)	(8,875)	(11,068)	(2,193)
Depreciation and amortization	<u>(514,741)</u>	<u>(508,209)</u>	<u>6,532</u>	<u>(47,005)</u>	<u>(54,450)</u>	<u>(7,445)</u>
Operating income (loss)	<u>280,922</u>	<u>212,982</u>	<u>(67,940)</u>	<u>(55,880)</u>	<u>(65,518)</u>	<u>(9,638)</u>
<b>Nonoperating revenues (expenses):</b>						
Interest income	14,276	3,550	(10,726)	171	-	(171)
Gain on sale	-	-	-	1,881	17,666	15,785
Interest expense	<u>(185,897)</u>	<u>(171,894)</u>	<u>14,003</u>	-	-	-
Total nonoperating revenues (expenses)	<u>(171,621)</u>	<u>(168,344)</u>	<u>3,277</u>	<u>2,052</u>	<u>17,666</u>	<u>15,614</u>
Income (loss) before other credits	109,301	44,638	(64,663)	(53,828)	(47,852)	5,976
Grant revenue for asset purchases	-	-	-	<u>62,281</u>	-	(62,281)
Change in net position	<u>\$ 109,301</u>	44,638	<u>\$ (64,663)</u>	<u>\$ 8,453</u>	(47,852)	<u>\$ (56,305)</u>
Net position, beginning		<u>4,122,640</u>			<u>339,544</u>	
Net position, ending		<u>\$ 4,167,278</u>			<u>\$ 291,692</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, 2013**

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	\$ 18,384	\$ (6,733)	\$ -	\$ -	\$ -
Administrative fee income	839,028	839,907	879	-	-	-
Total operating revenues	<u>864,145</u>	<u>858,291</u>	<u>(5,854)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Operating expenses:</b>						
Personnel services	487,682	423,226	64,456	-	-	-
Administrative costs	38,412	34,725	3,687	10,556	10,124	432
Utilities, supplies, and maintenance	91,927	95,106	(3,179)	-	-	-
Insurance	51,490	50,471	1,019	-	-	-
Automobile and travel	19,321	21,821	(2,500)	-	-	-
Professional and directors fees	88,980	101,743	(12,763)	-	-	-
Total operating expenses	<u>777,812</u>	<u>727,092</u>	<u>50,720</u>	<u>10,556</u>	<u>10,124</u>	<u>432</u>
Operating income (loss) before depreciation	86,333	131,199	44,866	(10,556)	(10,124)	432
Depreciation	(58,567)	(56,713)	1,854	-	-	-
Operating income (loss)	<u>27,766</u>	<u>74,486</u>	<u>46,720</u>	<u>(10,556)</u>	<u>(10,124)</u>	<u>432</u>
<b>Nonoperating revenues (expenses):</b>						
Interest income	12,831	2,513	(10,318)	105,560	101,236	(4,324)
Gain on disposal of asset	-	-	-	-	-	-
Interest expense	(45,791)	(43,425)	2,366	-	-	-
Total nonoperating revenues (expenses)	<u>(32,960)</u>	<u>(40,912)</u>	<u>(7,952)</u>	<u>105,560</u>	<u>101,236</u>	<u>(4,324)</u>
Income (loss) before operating transfers	(5,194)	33,574	38,768	95,004	91,112	(3,892)
Operating transfers in (out)	28,256	19,725	(8,531)	-	-	-
Change in net position	<u>\$ 23,062</u>	<u>53,299</u>	<u>\$ 30,237</u>	<u>\$ 95,004</u>	<u>91,112</u>	<u>\$ (3,892)</u>
Net position, beginning		3,685,108			4,367,241	
Net position, ending		<u>\$ 3,738,407</u>			<u>\$ 4,458,353</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, 2013**

	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	\$ 309,293	\$ 266,803	\$ (42,490)	\$ 55,923	\$ 59,245	\$ 3,322	\$ 246,021	\$ 247,495	\$ 1,474
<b>Operating expenses:</b>									
Personnel services	140,005	125,409	14,596	81	2,512	(2,431)	-	-	-
Administrative costs	38,288	36,189	2,099	3,055	2,999	56	11,234	11,159	75
Utilities, supplies, and maintenance	45,654	36,336	9,318	6,795	7,529	(734)	-	-	-
Automobile and travel	38,199	41,755	(3,556)	4	19	(15)	159,841	153,957	5,884
Total operating expenses	262,146	239,689	22,457	9,935	13,059	(3,124)	171,075	165,116	5,959
Operating income before depreciation	47,147	27,114	(20,033)	45,988	46,186	198	74,946	82,379	7,433
Depreciation	(26,268)	(21,043)	5,225	(9,983)	(7,855)	2,128	(63,353)	(64,042)	(689)
Operating income (loss)	20,879	6,071	(14,808)	36,005	38,331	2,326	11,593	18,337	6,744
<b>Nonoperating revenues (expenses):</b>									
Interest income	378	121	(257)	3,198	688	(2,510)	758	166	(592)
Gain on disposal of asset	(834)	-	834	-	-	-	-	-	-
Interest expense	(5,128)	(5,177)	(49)	(3,504)	(2,080)	1,424	(11,543)	(8,978)	2,565
Total nonoperating revenues (expenses)	(5,584)	(5,056)	528	(306)	(1,392)	(1,086)	(10,785)	(8,812)	1,973
Change in net position	\$ 15,295	1,015	\$ (14,280)	\$ 35,699	36,939	\$ 1,240	\$ 808	9,525	\$ 8,717
Net position, beginning		205,274			780,898			173,687	
Net position, ending		\$ 206,289			\$ 817,837			\$ 183,212	

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**RED RIVER AUTHORITY OF TEXAS**  
**Service and Rates**  
**Fiscal Year Ending September 30, 2013**  
**(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
ESTELLINE/TURKEY	100	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	59.00/2K	4.50>2K<7K	6.50>7K	\$ 101.00	16,029	15,238	150	0	8	0	158	\$ 13,985	0	0	0	\$ 13,985
CITY OF ESTELLINE	-	-	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	41.50 FLAT RATE			\$ 41.50	-	-	55	0	7	0	62	\$ -	0	0	0	\$ -
NEWLIN	111	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	45.75/2K	4.50>2K<7K	6.50>7K	\$ 87.75	9,201	6,415	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	3,699	3,486	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	7,966	5,397	66	0	1	0	67	\$ 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	1,450	1,450	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	3,779	2,250	27	0	1	0	28	\$ 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	2,625	2,387	45	0	0	0	45	\$ 968	0	0	0	\$ 968
GB RURAL NO 2	220	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	30.50/2K	4.50>2K<7K	5.75>7K	\$ 78.25	3,999	3,999	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	2,790	2,415	31	0	7	0	38	\$ -	0	0	0	\$ -
MEDICINE MOUND	230	Y	-	-	-	Y	-	-	-	-	-	-	-	-	-	Y	61.50/2K	4.50>2K<7K	6.25>7K	\$ 102.75	18,405	17,552	43	0	5	0	48	\$ 18,962	0	0	0	\$ 18,962
QUANAH NORTHEAST	231	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	50.50/2K	4.50>2K<7K	6.50>7K	\$ 92.50	10,826	8,652	102	0	1	0	103	\$ 7,297	0	0	0	\$ 7,297
KIRKLAND LAZARE	235	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	53.25/2K	4.75>2K<7K	6.75>7K	\$ 97.25	8,293	4,988	72	0	0	0	72	\$ 3,500	0	0	0	\$ 3,500
LOCKETT	300	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	68.00/2K	5.00>2K<7K	8.00>7K	\$ 117.00	31,020	17,416	270	0	4	0	274	\$ 16,306	0	0	0	\$ 16,306
BOX	311	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	36.50/2K	3.75>2K<7K	6.50>7K	\$ 74.75	11,209	10,537	49	0	2	0	51	\$ 1,170	0	0	0	\$ 1,170
HINDS	312	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	61.00/2K	4.50>2K<7K	6.75>7K	\$ 103.75	10,321	5,382	66	0	4	0	70	\$ 9,414	0	0	0	\$ 9,414
FARMERS VALLEY	313	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	45.50/2K	3.50>2K<7K	4.75>7K	\$ 77.25	9,565	5,564	55	0	1	0	56	\$ 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	27,834	15,988	192	0	2	0	194	\$ 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	14,321	10,257	119	0	0	0	119	\$ 3,989	0	0	0	\$ 3,989



**RED RIVER AUTHORITY OF TEXAS**  
**Service and Rates**  
**Fiscal Year Ending September 30, 2013**  
**(unaudited)**

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SYSTEM IDENTIFICATION		SERVICES PROVIDED														EXISTING RATE STRUCTURE			ACTIVE CONNECTIONS					ANTICIPATED FUND SOURCES FOR DEBT SERVICE								
		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	2,327	2,176	25	0	0	0	25	\$ 1,451	0	0	0	\$ 1,451
CHILDRESS SAIED	-	-	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	25.0 FLAT RATE			\$ 25.00	-	-	25	0	0	0	25	\$ -	0	0	0	\$ -
GARDEN VALLEY	413	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	46.00/2K	3.50>2K<7K	5.25>7K	\$ 79.25	6,002	4,417	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	976	976	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	29,226	18,350	121	0	11	0	132	\$ 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	10,802	10,608	121	0	1	0	122	\$ 9,193	0	0	0	\$ 9,193	
TRUSCOTT GILLILAND	520	Y	-	-	-	-	-	-	-	-	-	-	-	-	Y	66.25/2K	5.75>2K<7K	7.50>7K	\$ 117.50	18,214	8,532	96	0	3	0	99	\$ 33,211	0	0	0	\$ 33,211	
SAMNORWOOD	600	Y	-	-	-	-	-	-	-	-	-	-	-	-	Y	64.00/2K	4.75>2K<7K	7.25>7K	\$ 109.50	18,092	8,133	71	0	1	2	74	\$ 6,405	0	0	0	\$ 6,405	
DODSON	610	Y	-	-	-	-	-	-	-	-	-	-	-	-	Y	51.50/2K	4.00>2K<7K	6.50>7K	\$ 91.00	20,126	13,286	108	0	0	0	108	\$ 22,618	0	0	0	\$ 22,618	
PLASKA FRIENDSHIP	611	Y	-	-	-	-	-	-	-	-	-	-	-	Y	Y	69.00/2K	4.50>2K<7K	8.00>7K	\$ 115.50	5,246	3,980	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	1,912	963	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	22,007	7,959	323	0	2	0	325	\$ 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	7,058	3,762	77	0	1	0	78	\$ 3,363	0	0	0	\$ 3,363	
LAKE ARROWHEAD	900	Y	-	-	-	-	-	-	-	-	-	-	-	Y	73.5	5.00>2K<7K	7.500>7K	\$ 121.00	56,099	49,880	648	0	6	0	654	\$ 310,004	0	0	0	\$ 310,004		
ARROWHEAD RANCH ES	-	-	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	63.00 FLAT RATE			\$ 63.00	-	-	76	0	0	0	76	\$ -	0	0	0	\$ -
RINGGOLD	902	Y	-	-	-	-	-	-	-	-	-	-	-	Y	56.00/2K	4.50>2K<7K	6.25>7K	\$ 97.25	5,097	3,552	69	0	0	0	69	\$ 31,812	0	0	0	\$ 31,812		
LAKE TEXOMA R WTR	721	-	-	-	Y	-	-	-	-	-	-	-	-	<	-	PER INDIVIDUAL CONTRACT			\$ 380.00	9,834	9,834	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	101,285	85,423	662	0	29	2	693	\$ 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, 2013

Exhibit C-29

Current	
Personnel (including benefits less NPO)	\$ 1,700,020
Professional fees:	
Auditing	32,400
Legal	27,546
Purchased services for resale:	
Bulk water and wastewater service purchases	625,545
Utilities	154,977
Repairs and maintenance	546,543
Administrative expenditures:	
Directors fees	12,837
Office supplies	52,351
Insurance	50,471
Other administrative expenses	928,226
Solid waste disposal	8,209
Other expenditures	<u>1,895,096</u>
<b>TOTAL EXPENSES</b>	<b><u><u>\$ 6,034,221</u></u></b>

Number of persons employed by the Authority: 30

**RED RIVER AUTHORITY OF TEXAS**  
**SCHEDULE OF TEMPORARY INVESTMENTS**  
for the year ended September 30, 2013

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%	10/12/2013	\$ 194,363
Bank CD #2	231502	0.10%	03/05/2014	96,203
Bank CD #3	233278	0.10%	11/11/2013	96,414
Bank CD #4	233495	0.10%	03/07/2014	562,049
Bank CD #5	17731	0.75%	09/12/2014	594,088
Bank CD #6	234338	0.10%	03/03/2014	660,763
Bank CD #7	2253	0.15%	10/02/2013	96,267
Bank CD #8	39616	0.20%	10/08/2013	98,170
Bank CD #9	232941	0.15%	03/24/2014	555,062
				\$ 2,953,379

**RED RIVER AUTHORITY OF TEXAS**  
**TAXES LEVIED AND RECEIVABLE**  
for the year ended September 30, 2013

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, 2013

Fiscal Year	Annual Requirements for all Series		
	Bond Maturities	Interest on Bonds	Annual Requirements
2013-2014	\$ 583,000	\$ 117,161 *	\$ 700,161
14-15	410,000	80,468	490,468
15-16	441,000	59,197	500,197
16-17	441,800	35,823	477,623
17-18	42,800	12,568	55,368
18-19	43,800	12,022	55,822
19-20	45,800	11,389	57,189
20-21	43,000	10,583	53,583
21-22	44,000	9,859	53,859
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	5,047	54,847
27-28	51,000	3,870	54,870
28-29	52,200	2,628	54,828
29-30	53,600	1,329	54,929
	\$ 2,489,000	\$ 392,508	\$ 2,881,508

\* 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, 2013

Water Revenue Bonds

Net income utility division (Exhibit C - 2)		\$ 44,638
Add:		
Revenue bond interest expense	\$ 132,407	
Depreciation and amortization, net	508,209	
	<u>                    </u>	<u>640,616</u>
Net earnings for determining debt service coverage		<u>\$ 685,254</u>
Total principal and interest requirements		\$ 2,887,508
Number of years remaining to pay bonds		<u>÷17</u>
Average annual principal and interest requirement		<u>\$ 169,853</u>
<b>Average annual debt service coverage</b>		<u><u>4.03</u></u>
Maximum principal and interest requirement		<u>\$ 706,161</u>
<b>Maximum debt service coverage</b>		<u><u>0.97</u></u>
Interest and Sinking Fund as of September 30, 2013		\$ 323,010
Bond Reserve Fund as of September 30, 2013		\$ 875,587

**RED RIVER AUTHORITY OF TEXAS  
WATER REVENUE BONDS - SERIES 1981-A  
DATED FEBRUARY 1, 1981**

Exhibit C-34

**TOTAL BOND ISSUE: \$65,000**

**Re: Estelline Water System**

<u>Year</u>	<u>Bond Numbers</u>	<u>Bond Principal Due April 1</u>	<u>Interest Due 5.00%</u>		<u>Total Annual Requirement</u>	<u>Bonds Outstanding September 30</u>
			<u>October 1</u>	<u>April 1</u>		
2012-2013						\$ 22,000
13-14	44-45	\$ 3,000	\$ 550 *	\$ 550	\$ 4,100	19,000
14-15	46-48	3,000	475	475	3,950	16,000
15-16	49-51	3,000	400	400	3,800	13,000
16-17	52-54	3,000	325	325	3,650	10,000
17-18	55-57	3,000	250	250	3,500	7,000
18-19	58-60	3,000	175	175	3,350	4,000
19-20	61-65	4,000	100	100	4,200	-
		<u>\$ 22,000</u>	<u>\$ 2,275</u>	<u>\$ 2,275</u>	<u>\$ 26,550</u>	

**Redemption of Bonds:**

The Authority has the right and option of calling all or any part of the bonds, in inverse numerical order, for redemption prior to maturity, on April 1, 1999 or on any interest payment thereafter, at par and accrued interest to the date fixed for redemption.

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

**RED RIVER AUTHORITY OF TEXAS**  
**WATER REVENUE REFUNDING BONDS - SERIES 1991**  
**DATED NOVEMBER 20, 1991**

Exhibit C-35

**TOTAL BOND ISSUE: \$600,000**

<u>Year</u>	<u>Bond Numbers</u>	<u>Bond Principal Due April 1</u>	<u>Interest Due 6.90%</u>		<u>Total Annual Requirement</u>	<u>Bonds Outstanding September 30</u>
			<u>October 1</u>	<u>April 1</u>		
2012-2013						\$ 50,000
13-14	111-113	\$ 15,000	\$ 1,725 *	\$ 1,725	\$ 18,450	35,000
14-15	114-116	15,000	1,207	1,208	17,415	20,000
15-16	117-120	<u>20,000</u>	<u>690</u>	<u>690</u>	<u>21,380</u>	-
		<u>\$ 50,000</u>	<u>\$ 3,622</u>	<u>\$ 3,623</u>	<u>\$ 57,245</u>	

**Redemption of Bonds:**

The Authority has the right, at its option, to redeem bonds having stated maturities on and after April 1, 2003, in whole or in part and in inverse order of maturity and by lot within a maturity, if less than all of the bonds of that maturity are called for redemption in principal amounts of \$5,000 or any integral multiple thereof, on April 1, 2001, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. If less than all of the bonds are to be redeemed and if less than all of a maturity is to be redeemed, the Paying Agent shall determine by lot the bonds, or portions thereof, within such maturity to be redeemed.

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



**RED RIVER AUTHORITY OF TEXAS  
WATER REVENUE BONDS - SERIES 1997  
DATED APRIL 1, 1997**

Exhibit C-36

**TOTAL BOND ISSUE: \$4,850,000**

Year	Bond Principal Due April 1	Interest Due 5.60%		Total Annual Requirement	Bonds Outstanding September 30
		October 1	April 1		
2012-2013					\$ 1,470,000
13-14	\$ 335,000	\$ 41,639 *	\$ 41,639	\$ 418,278	1,135,000
14-15	355,000	32,259	32,259	419,518	780,000
15-16	380,000	22,230	22,230	424,460	400,000
16-17	400,000	11,400	11,400	422,800	-
	<u>\$ 1,470,000</u>	<u>\$ 107,528</u>	<u>\$ 107,528</u>	<u>\$ 1,685,056</u>	

**Redemption of Bonds:**

The Authority has the right, at its option, to redeem bonds having stated maturities on and after April 1, 2009, in whole or in part and in inverse order of maturity and by lot within a maturity, if less than all of the bonds of that maturity are called for redemption in principal amounts of \$5,000 or any integral multiple thereof, on April 1, 2007, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. If less than all of the bonds are to be redeemed and if less than all of a maturity is to be redeemed, the Paying Agent shall determine by lot the bonds, or portions thereof, within such maturity to be redeemed.

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

**RED RIVER AUTHORITY OF TEXAS**  
**WATER REVENUE REFUNDING BONDS - SERIES 1997**  
**DATED APRIL 1, 1997**

Exhibit C-37

**TOTAL BOND ISSUE: \$1,885,000**

<u>Year</u>	<u>Bond Number</u>	<u>Bond Principal Due April 1</u>	<u>Interest Due 7.88%</u>		<u>Total Annual Requirement</u>	<u>Bonds Outstanding September 30</u>
			<u>October 1</u>	<u>April 1</u>		
2012-2013						\$ 200,000
13-14	349-389	<u>\$ 200,000</u>	<u>\$ 7,874</u>	<u>* \$ 7,874</u>	<u>\$ 215,748</u>	-
		<u>\$ 200,000</u>	<u>\$ 7,874</u>	<u>\$ 7,874</u>	<u>\$ 215,748</u>	

**Redemption of Bonds:**

The Authority has the right, at its option, to redeem bonds having stated maturities on and after April 1, 2009, in whole or in part and in inverse order of maturity and by lot within a maturity, if less than all of the bonds of that maturity are called for redemption in principal amounts of \$5,000 or any integral multiple thereof, on April 1, 2007, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. If less than all of the bonds are to be redeemed and if less than all of a maturity is to be redeemed, the Paying Agent shall determine by lot the bonds, or portions thereof, within such maturity to be redeemed.

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

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

Exhibit C-38

**TOTAL BOND ISSUE: \$849,200**

Year	Bond Principal Due August 15	Interest Due 1.93%		Total Annual Requirement	Bonds Outstanding September 30
		February 15	August 15		
2012-13					\$ 753,000
13-14	\$ 36,000	\$ 6,292	\$ 6,292	\$ 48,584	717,000
14-15	37,000	6,292	6,292	49,584	680,000
15-16	38,000	6,279	6,279	50,558	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>\$ 753,000</u>	<u>\$ 74,454</u>	<u>\$ 74,454</u>	<u>\$ 901,908</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, 2013

Exhibit C-39

	<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	\$ 24,000	\$ 65,000	\$ 380,000	\$ 1,790,000	\$ 788,200	\$ 3,047,200
Principal Retirements	2,000	15,000	180,000	320,000	35,200	552,200
Bonds Outstanding, End of Year	22,000	50,000	200,000	1,470,000	753,000	2,495,000
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				
	2013	2012	2011	2010	2009
<b>Operating revenues:</b>					
Water service	\$ 3,629,505	\$ 3,585,000	\$ 4,059,676	\$ 3,190,993	\$ 3,249,391
Sewer service	81,239	80,182	78,182	71,780	71,567
Issuance fees	-	-	-	-	-
Tap connection fees	32,959	28,260	30,560	22,800	25,035
Other	2,353,184	2,371,565	2,177,702	2,230,764	2,274,770
<b>Total operating revenues</b>	<b>6,096,887</b>	<b>6,065,007</b>	<b>6,363,047</b>	<b>5,523,445</b>	<b>5,631,333</b>
<b>Operating expenses:</b>					
Water purchases	625,545	615,678	609,118	554,987	578,323
Personnel services less NPO	1,700,020	1,672,025	1,610,528	1,629,989	1,539,990
Administrative costs	928,296	945,629	884,950	897,440	868,026
Utilities, supplies, and maintenance	1,157,919	1,212,200	1,156,676	1,088,260	1,099,557
Insurance	50,471	52,824	50,359	51,666	41,019
Automobile and travel	485,566	461,452	445,713	384,794	339,251
Professional and directors fees	102,848	113,799	74,239	125,987	148,592
Research expense	39,690	36,450	19,745	19,590	17,290
Depreciation and amortization	712,312	693,154	691,989	666,589	632,776
<b>Total operating expenses</b>	<b>5,802,667</b>	<b>5,803,211</b>	<b>5,623,847</b>	<b>5,493,946</b>	<b>5,355,200</b>
<b>Operating income</b>	<b>294,220</b>	<b>261,796</b>	<b>739,200</b>	<b>29,499</b>	<b>276,133</b>
<b>Nonoperating revenues (expenses)</b>					
Interest	108,344	116,538	144,014	196,680	239,744
Gain on disposal of assets	17,666	18,451	36,787	11,345	11,360
Grant revenues for asset purchases	-	-	186,844	-	-
Interest expense and fiscal fees	(231,554)	(292,746)	(326,137)	(345,274)	(357,738)
<b>Total nonoperating revenues (expenses)</b>	<b>(105,544)</b>	<b>(157,757)</b>	<b>41,508</b>	<b>(137,249)</b>	<b>(106,634)</b>
Capital contribution	-	-	-	-	400,154
Extraordinary income - abandonment	-	-	-	(123,443)	-
<b>Change in net position</b>	<b>\$ 188,676</b>	<b>\$ 104,039</b>	<b>\$ 780,708</b>	<b>\$ (231,193)</b>	<b>\$ 569,653</b>

**PERCENT OF FUND TOTAL REVENUES**

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
59.5%	59.1%	64.1%	57.9%	57.9%
1.3%	1.3%	1.2%	1.3%	1.3%
0.0%	0.0%	0.0%	0.0%	0.0%
0.5%	0.5%	0.5%	0.4%	0.4%
38.6%	39.1%	34.2%	40.4%	40.4%
<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
10.3%	10.2%	9.6%	10.0%	10.3%
27.9%	27.6%	26.3%	30.7%	28.8%
15.2%	15.6%	13.9%	16.2%	15.4%
19.0%	20.0%	18.2%	19.7%	19.5%
0.8%	0.9%	0.8%	0.9%	0.7%
8.0%	7.6%	7.0%	7.0%	6.0%
1.7%	1.9%	1.2%	2.3%	2.6%
0.7%	0.6%	0.3%	0.4%	0.3%
11.7%	11.4%	10.9%	12.1%	11.2%
<u>95.2%</u>	<u>95.7%</u>	<u>88.5%</u>	<u>99.4%</u>	<u>95.0%</u>
<u>4.8%</u>	<u>4.3%</u>	<u>11.5%</u>	<u>0.6%</u>	<u>5.0%</u>
1.8%	1.9%	2.3%	3.6%	4.3%
0.3%	0.3%	0.6%	0.2%	0.2%
0.0%	0.0%	2.9%	0.0%	0.0%
-3.8%	-4.8%	-5.1%	-6.3%	-6.4%
<u>-1.7%</u>	<u>-2.6%</u>	<u>-2.2%</u>	<u>-2.5%</u>	<u>-1.9%</u>
0.0%	0.0%	0.0%	0.0%	7.1%
0.0%	0.0%	0.0%	-2.2%	0.0%
<u>3.1%</u>	<u>1.7%</u>	<u>12.2%</u>	<u>-4.1%</u>	<u>10.2%</u>

**RED RIVER AUTHORITY OF TEXAS**  
**ENTERPRISE FUNDS**  
**CAPITAL ASSETS**  
for the year ended September 30, 2013

Exhibit C-41

	Balance October 1, 2012	Additions / Completions	Deletions / Adjustments	Balance September 30, 2013
<b>UTILITY DIVISION FUND</b>				
Capital assets not being depreciated:				
Land and easements	\$ 174,321	\$ -	\$ -	\$ 174,321
Construction in progress	2,313	120,642	(29,856)	93,099
Total capital assets not being depreciated	<u>176,634</u>	<u>120,642</u>	<u>(29,856)</u>	<u>267,420</u>
Capital assets, being depreciated and amortized:				
Water storage rights	1,222,700	-	-	1,222,700
Water and sewer systems	16,107,449	53,541	-	16,160,990
Total capital assets being depreciated and amortized	<u>17,330,149</u>	<u>53,541</u>	<u>-</u>	<u>17,383,690</u>
Less accumulated depreciation and amortization for:				
Water storage rights	(219,804)	(7,472)	-	(227,276)
Water and sewer systems	(9,786,766)	(500,734)	-	(10,287,500)
Total accumulated depreciation and amortization	<u>(10,006,570)</u>	<u>(508,206)</u>	<u>-</u>	<u>(10,514,776)</u>
Total capital assets being depreciated and amortized, net	<u>7,323,579</u>	<u>(454,665)</u>	<u>-</u>	<u>6,868,914</u>
Total capital assets, net	<u>\$ 7,500,213</u>	<u>\$ (334,023)</u>	<u>\$ (29,856)</u>	<u>\$ 7,136,334</u>

**ENVIRONMENTAL SERVICES DIVISION FUND**

Capital assets not being depreciated:				
Construction in progress	\$ 33,150	\$ -	\$ (33,150)	\$ -
Capital assets being depreciated:				
Machinery and equipment	542,488	58,816	-	601,304
Motor vehicles	26,265	34,340	(26,265)	34,340
Total capital assets being depreciated	<u>568,753</u>	<u>93,156</u>	<u>(26,265)</u>	<u>635,644</u>
Less accumulated depreciation for:				
Machinery and equipment	(300,286)	(54,040)	-	(354,326)
Motor vehicles	(26,265)	(409)	26,265	(409)
Total accumulated depreciation	<u>(326,551)</u>	<u>(54,449)</u>	<u>26,265</u>	<u>(354,735)</u>
Total capital assets being depreciated and amortized, net	<u>242,202</u>	<u>38,707</u>	<u>-</u>	<u>280,909</u>
Total capital assets, net	<u>\$ 275,352</u>	<u>\$ 38,707</u>	<u>\$ (33,150)</u>	<u>\$ 280,909</u>



**RED RIVER AUTHORITY OF TEXAS**  
**INTERNAL SERVICE FUNDS**  
**CAPITAL ASSETS**  
for the year ended September 20, 2013

Exhibit C-42  
Page 1 of 2

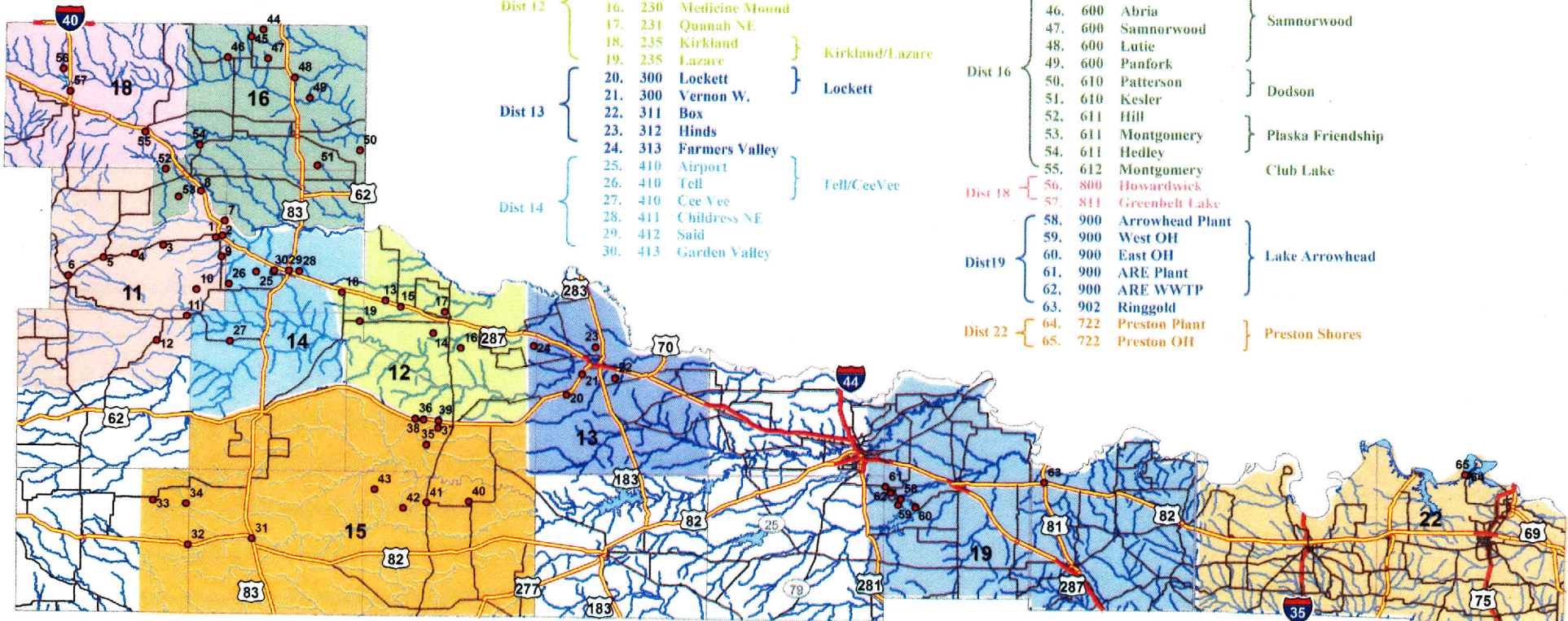
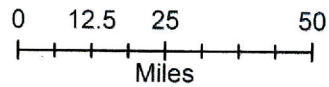
	Balance October 1, 2012	Additions / Completions	Deletions / Adjustments	Balance September 30, 2013
<b>GENERAL DIVISION FUND</b>				
Capital assets not being depreciated:				
Land and easements	\$ 183,331	\$ -	\$ -	\$ 183,331
<b>Total capital assets not being depreciated</b>	<b>183,331</b>	<b>-</b>	<b>-</b>	<b>183,331</b>
Capital assets, being depreciated:				
Furniture and fixtures	314,631	17,244	-	331,875
Building	962,912	5,642	-	968,554
Motor vehicles	93,388	-	-	93,388
<b>Total capital assets being depreciated</b>	<b>1,370,931</b>	<b>22,886</b>	<b>-</b>	<b>1,393,817</b>
Less accumulated depreciation for:				
Furniture and fixtures	(268,176)	(16,963)	-	(285,139)
Building	(190,202)	(33,547)	-	(223,749)
Motor vehicles	(80,464)	(6,203)	-	(86,667)
<b>Total accumulated depreciation</b>	<b>(538,842)</b>	<b>(56,713)</b>	<b>-</b>	<b>(595,555)</b>
<b>Total capital assets being depreciated, net</b>	<b>832,089</b>	<b>(33,827)</b>	<b>-</b>	<b>798,262</b>
<b>Total capital assets, net</b>	<b>\$ 1,015,420</b>	<b>\$ (33,827)</b>	<b>\$ -</b>	<b>\$ 981,593</b>
 <b>MAINTENANCE DIVISION FUND</b>				
Capital assets not being depreciated:				
Land easements	\$ 4,311	\$ -	\$ -	\$ 4,311
Construction in progress	-	-	-	-
<b>Total capital assets not being depreciated</b>	<b>4,311</b>	<b>-</b>	<b>-</b>	<b>4,311</b>
Capital assets, being depreciated:				
Machinery and equipment	152,358	10,861	-	163,219
Motor vehicles	59,281	-	-	59,281
<b>Total capital assets being depreciated</b>	<b>211,639</b>	<b>10,861</b>	<b>-</b>	<b>222,500</b>
Less accumulated depreciation for:				
Machinery and equipment	(105,541)	(15,906)	-	(121,447)
Motor vehicles	(22,680)	(5,137)	-	(27,817)
<b>Total accumulated depreciation</b>	<b>(128,221)</b>	<b>(21,043)</b>	<b>-</b>	<b>(149,264)</b>
<b>Total capital assets, being depreciated, net</b>	<b>83,418</b>	<b>(10,182)</b>	<b>-</b>	<b>73,236</b>
<b>Total capital assets, net</b>	<b>\$ 87,729</b>	<b>\$ (10,182)</b>	<b>\$ -</b>	<b>\$ 77,547</b>

**RED RIVER AUTHORITY OF TEXAS**  
**INTERNAL SERVICE FUNDS**  
**CAPITAL ASSETS**  
for the year ended September 20, 2013

	<u>Balance October 1, 2012</u>	<u>Additions / Completions</u>	<u>Deletions / Adjustments</u>	<u>Balance September 30, 2013</u>
<b>COMMUNICATIONS DIVISION FUND</b>				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets, being depreciated:				
Machinery and equipment	273,288	45,515	-	318,803
Total capital assets, being depreciated	<u>273,288</u>	<u>45,515</u>	<u>-</u>	<u>318,803</u>
Less accumulated depreciation for:				
Machinery and equipment	(240,880)	(7,855)	-	(248,735)
Total accumulated depreciation	<u>(240,880)</u>	<u>(7,855)</u>	<u>-</u>	<u>(248,735)</u>
Total capital assets being depreciated, net	<u>32,408</u>	<u>37,660</u>	<u>-</u>	<u>70,068</u>
Total capital assets, net	<u>\$ 32,408</u>	<u>\$ 37,660</u>	<u>\$ -</u>	<u>\$ 70,068</u>
 <b>MOTOR VEHICLE POOL FUND</b>				
Capital assets being depreciated:				
Motor vehicles	\$ 331,645	\$ -	\$ -	\$ 331,645
Total capital assets being depreciated	<u>331,645</u>	<u>-</u>	<u>-</u>	<u>331,645</u>
Less accumulated depreciation for:				
Motor vehicles	(194,660)	(64,042)	-	(258,702)
Total accumulated depreciation	<u>(194,660)</u>	<u>(64,042)</u>	<u>-</u>	<u>(258,702)</u>
Total capital assets, being depreciated, net	<u>136,985</u>	<u>(64,042)</u>	<u>-</u>	<u>72,943</u>
Total capital assets, net	<u>\$ 136,985</u>	<u>\$ (64,042)</u>	<u>\$ -</u>	<u>\$ 72,943</u>



# 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 Harreks Chapel   |                      |   |  |                   |            |
|                   | 9. 113 F A Tucker       |                      |   |  |                   |            |
|                   | 10. 113 Smith           |                      |   |  |                   |            |
| Dist 12           | 11. 113 Nimmo           | Northfield           | } |  |                   |            |
|                   | 12. 113 Taylor          |                      |   |  |                   |            |
|                   | 13. 211 N. Goodlett     |                      |   |  |                   |            |
|                   | 14. 213 Quanah SW       |                      |   |  |                   |            |
|                   | 15. 221 O. Goodlett     |                      |   |  |                   |            |
|                   | 16. 230 Medicine Mound  |                      |   |  |                   |            |
|                   | 17. 231 Quanah NE       |                      |   |  |                   |            |
|                   | 18. 235 Kirkland        |                      |   |  | Kirkland/Lazare   |            |
|                   | 19. 235 Lazare          |                      |   |  |                   |            |
|                   | Dist 13                 |                      |   |  | 20. 300 Lockett   | Lockett    |
| 21. 300 Vernon W. |                         |                      |   |  |                   |            |
| 22. 311 Box       |                         |                      |   |  |                   |            |
| Dist 14           | 23. 312 Hinds           | Tell/CeeVee          | } |  |                   |            |
|                   | 24. 313 Farmers Valley  |                      |   |  |                   |            |
|                   | 25. 410 Airport         |                      |   |  |                   |            |
|                   | 26. 410 Tell            |                      |   |  |                   |            |
|                   | 27. 410 Cee Vee         |                      |   |  |                   |            |
| Dist 15           | 28. 411 Childress NE    | 28. 411 Childress NE | } |  |                   |            |
|                   | 29. 412 Said            |                      |   |  |                   |            |
|                   | 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         |                      |   |  |                   |            |
|                   | Dist 18                 |                      |   |  | 50. 610 Patterson | Dodson     |
| 51. 610 Kesler    |                         |                      |   |  |                   |            |
| 52. 611 Hill      |                         |                      |   |  |                   |            |
| Dist 19           | 53. 611 Montgomery      | Plaska Friendship    | } |  |                   |            |
|                   | 54. 611 Hedley          |                      |   |  |                   |            |
|                   | 55. 612 Montgomery      |                      |   |  |                   |            |
| Dist 22           | 56. 800 Howardwick      | Club Lake            | } |  |                   |            |
|                   | 57. 811 Greenbelt Lake  |                      |   |  |                   |            |
|                   | 58. 900 Arrowhead Plant |                      |   |  | Lake Arrowhead    |            |
| 59. 900 West OH   |                         |                      |   |  |                   |            |
| 60. 900 East OH   |                         |                      |   |  |                   |            |
| 61. 900 ARE Plant |                         |                      |   |  |                   |            |
| 62. 900 ARE WWTP  |                         |                      |   |  |                   |            |
| Dist 22           | 63. 902 Ringgold        | Preston Shores       | } |  |                   |            |
|                   | 64. 722 Preston Plant   |                      |   |  |                   |            |
|                   | 65. 722 Preston OH      |                      |   |  |                   |            |



**RED RIVER AUTHORITY OF TEXAS**  
**SCHEDULE OF CLEAN RIVER PROGRAM EXPENSES**  
for the year ended September 30, 2013  
(Unaudited)

Exhibit C-44

State Agency

Texas Commission on Environmental Quality

Contract Number	<u>5821210105</u>	<u>5821440093</u>	<u>Total</u>
Contract Amount	<u>\$ 329,419</u>	<u>\$ 318,118</u>	
Accrued Revenue at 10-01-12	<u>\$ 33,292</u>	<u>\$ -</u>	<u>\$ 33,292</u>
Receipts or Revenue Recognized	<u>-</u>	<u>-</u>	<u>-</u>
<b>Disbursements/Expenditures</b>			
Personnel/Salaries	57,831	3,708	61,539
Fringe Benefits	26,418	1,701	28,119
Travel	12,904	1,622	14,526
Supplies	2,726	0	2,726
Equipment	0	0	-
Contractual	39,690	0	39,690
Other	159,746	12,788	172,534
Indirect Costs	11,406	749	12,155
	<u>310,721</u>	<u>20,568</u>	<u>331,289</u>
Accrued Revenue at 09-30-13	<u>\$ -</u>	<u>\$ 20,678</u>	<u>\$ 20,678</u>

**RED RIVER AUTHORITY OF TEXAS**  
**INDIRECT RATE FACTOR**  
for the year ended September 30, 2013  
(Unaudited)

Exhibit C-45

	<b>FY 2013</b>	<b>FY 2012</b>
<b>Direct Salary Cost</b>		
Regular Salaries	\$ 1,168,250	\$ 1,148,015
Overtime Salaries	53,991	59,512
<b>Total Salaries</b>	1,222,241	1,207,527
<b>Fringe Benefit Pool</b>		
FICA / Medicare	95,312	93,798
Retirement System Contribution	96,107	94,365
Health / Life Insurance Plan	249,956	241,627
Workers Compensation Insurance	22,137	26,180
Vacation / Holiday Leave	98,256	90,876
Unemployment Insurance	602	8,439
<b>Total Fringe Benefits</b>	562,370	555,285
<b>Total Personnel Cost</b>	1,784,611	1,762,812
<b>Reconciliation of Total Personnel Cost</b>		
Total Personnel Cost per Exhibit A-2	1,700,020	1,672,025
Add: Net Pension Obligation	64,754	66,321
Add: Workers Compensation Paid	22,137	26,180
Less: Contract Labor Paid	2,300	1,714
<b>Total Reconciled Personnel Cost</b>	1,784,611	1,762,812
<b>Fringe Benefit Rate</b>	46.01%	45.99%
<b>General Overhead</b>		
General Division Operating Expense	215,446	217,989
General Insurance	28,334	26,644
<b>Total General Overhead</b>	\$ 243,780	\$ 244,633
<b>General Overhead Rate</b>	19.95%	20.26%

**RED RIVER AUTHORITY OF TEXAS**  
**INTERFUND RECEIVABLE AND PAYABLE BALANCES**  
for the year ended September 30, 2013  
(Unaudited)

**Interfund notes payable to the Interfund Loan Division at September 30, 2013 are:**

Fund	IFL Loan Number	Monthly Payment	Principal	Interest at 8%	Maturity Date	Payable September 30, 2013
General Division	GD0011-011	\$ 4,994	\$ 23,410	\$ 36,521	09/30/2036	\$ 900,279
	GD0011-012	606	6,388	882	10/28/2014	7,519
	GD0011-013	304	2,073	56	04/30/2013	-
	GD0011-014	266	1,582	544	01/01/2017	9,301
	GD0011-015	240	2,674	212	02/02/2014	1,179
	GD0011-016	238	1,637	1,213	02/01/2020	14,267
	GD0011-017	210	1,519	1,005	07/30/2019	11,735
	GD0011-018	218	2,041	577	04/30/2016	6,093
	GD0011-019	80	301	257	02/01/2021	5,341
Maintenance Division	MD0080-03	220	1,840	802	09/28/2017	9,020
	MD0080-04	267	2,828	114	08/31/2013	-
	MD0080-05	453	3,861	1,574	06/30/2017	17,557
	MD0080-06	726	6,028	2,686	10/30/2017	30,271
Communication Division	CD0081-001	164	1,864	108	11/30/2013	325
	CD0081-002	254	2,410	640	02/28/2016	6,682
	CD0081-002	643	1,027	903	06/01/2021	44,488
	CD0081-003	84	578	429	02/01/2020	5,041
Motor Pool	MP0082-11	2,069	21,672	3,156	11/30/2014	27,568
	MP0082-12	529	5,110	1,188	10/01/2015	12,049
	MP0082-13	485	4,691	1,129	11/01/2015	11,542
	MP0082-14	834	8,016	1,996	12/01/2015	20,553
	MP0082-15	2,300	26,091	1,509	11/30/2013	4,554

**RED RIVER AUTHORITY OF TEXAS**  
**INTERFUND RECEIVABLE AND PAYABLE BALANCES**  
for the year ended September 30, 2013  
(Unaudited)

**Interfund notes payable to the Interfund Loan Division at September 30, 2013, continued**

Fund	IFL Loan Number	Monthly Payment	Principal	Interest at 8%	Maturity Date	Payable September 30, 2013
Utility Division Systems:						
100	ES-1001	125	966	536	09/30/2018	6,174
100	ES-1002	309	1,729	1,981	04/30/2032	48,594
100	ES-1003	174	372	325	05/01/2021	11,957
110	TE-1101	287	2,216	1,231	09/30/2018	14,167
110	TE-1102	327	2,256	1,672	02/01/2020	19,663
312	HI-1312-02	115	1,115	268	11/01/2015	2,744
410	CH-1410-01	170	1,132	906	07/30/2020	10,704
411	CH-1411-01	333	2,221	1,777	07/30/2020	20,991
500	GT-1500-01	116	1,048	342	09/30/2016	3,694
500	GT-1500-02	1,751	14,632	6,380	09/30/2017	71,724
510	SPU-1510-01	1,191	8,949	5,343	01/01/2019	61,883
510	FC-1510-02	436	4,216	1,015	11/01/2015	10,375
520	TG-1520-02	1,510	13,218	4,901	02/28/2017	54,011
600	SNW-1600-01	439	3,126	2,139	09/01/2019	25,022
722	PS-1722-02	1,816	15,794	6,000	03/31/2017	66,337
800	HW-800-01	104	719	525	01/01/2020	6,164
900	ARR-900-01	1,418	13,813	3,211	10/31/2015	32,570
900	ARR-900-02	245	924	790	02/01/2021	16,402
	Totals		<u>\$216,087</u>	<u>\$ 96,843</u>		

Total payable to Interfund Loan Division September 30, 2013

\$ 1,628,540



## **STATISTICAL SECTION**

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>
Invested in capital assets, net of related debt	\$ 2,757,217	\$ 2,842,394	\$ 3,086,702
Restricted	506,376	493,741	479,358
Unrestricted	6,277,909	7,147,165	7,618,370
Total net position	<u>\$ 9,541,502</u>	<u>\$ 10,483,300</u>	<u>\$ 11,184,430</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					
2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
\$ 4,969,709	\$ 5,529,570	\$ 5,537,508	\$ 5,919,946	\$ 5,995,140	\$ 6,124,825
479,358	479,358	472,206	1,001,023	1,158,346	1,223,100
6,365,500	6,399,444	6,174,709	6,663,942	6,559,656	6,553,893
<u>\$ 11,814,567</u>	<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>

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

	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>
Operating revenues:			
Water and sewer sales	\$ 3,101,323	\$ 3,412,207	\$ 2,961,070
Charges for materials and services	420,217	323,040	405,551
Other	132,527	465,754	791,139
Total operating revenues	<u>3,654,067</u>	<u>4,201,001</u>	<u>4,157,760</u>
Operating expenses:			
Water purchases	451,671	524,848	527,619
Personnel services	850,723	917,543	1,034,590
Administrative costs	603,821	655,884	718,038
Utilities, supplies and maintenance	620,988	731,660	746,347
Insurance	-	-	-
Automobile and travel	164,978	177,538	180,336
Professional and directors fees	5,911	2,982	1,545
Research expense	27,274	29,316	20,750
Depreciation and amortization	398,276	420,637	445,611
Total operating expenses	<u>3,123,642</u>	<u>3,460,408</u>	<u>3,674,836</u>
Operating income	<u>530,425</u>	<u>740,593</u>	<u>482,924</u>
Nonoperating revenues (expenses)			
Interest income	54,988	89,070	117,713
Gain (loss) on disposal of assets	-	-	-
Grant revenues	-	-	-
Interest expense	(357,836)	(338,344)	(319,244)
Total nonoperating revenues (expenses)	<u>(302,848)</u>	<u>(249,274)</u>	<u>(201,531)</u>
Income (loss) before contributions and other credits:	227,577	491,319	281,393
Capital contributions	(35,149)	137,769	33,360
Insurance proceeds	-	-	79,034
Change in net position	<u>\$ 192,428</u>	<u>\$ 629,088</u>	<u>\$ 393,787</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									
		2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013				
\$	3,434,540	\$	3,320,958	\$	3,262,773	\$	4,137,858	\$	3,665,182	\$	3,710,743
	511,173		579,249		459,009		509,152		536,472		493,992
	440,179		461,294		459,299		297,949		445,525		397,042
	<u>4,385,892</u>		<u>4,361,501</u>		<u>4,181,081</u>		<u>4,944,959</u>		<u>4,647,179</u>		<u>4,601,777</u>
	558,671		578,323		554,987		609,118		615,679		625,545
	1,528,327		1,619,796		1,697,525		1,674,131		1,672,025		1,700,020
	75,888		69,146		91,394		83,105		94,985		88,389
	765,600		815,952		769,199		781,009		868,088		750,211
	42,579		41,019		51,666		50,359		52,824		50,471
	201,598		162,474		187,155		222,062		238,380		238,071
	106,211		148,592		130,056		74,239		113,799		102,848
	10,190		17,290		19,590		19,745		36,450		39,690
	619,250		632,776		666,589		691,989		693,154		712,312
	<u>3,908,314</u>		<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>
	477,578		276,133		12,920		739,202		261,795		294,220
	236,005		142,667		86,887		38,190		12,319		9,197
	16,338		11,360		(112,098)		36,787		18,451		17,666
	-		-		-		186,844		-		-
	<u>(261,002)</u>		<u>(236,509)</u>		<u>(211,658)</u>		<u>(196,161)</u>		<u>(164,334)</u>		<u>(132,407)</u>
	<u>(8,659)</u>		<u>(82,482)</u>		<u>(236,869)</u>		<u>65,660</u>		<u>(133,564)</u>		<u>(105,544)</u>
	468,919		193,651		(223,949)		804,862		128,231		188,676
	8,464		400,154		-		-		-		-
	15,118		-		-		-		-		-
\$	<u>492,501</u>	\$	<u>593,805</u>	\$	<u>(223,949)</u>	\$	<u>804,862</u>	\$	<u>128,231</u>	\$	<u>188,676</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
2003-04	\$3,181,598	\$ 374,092	\$ 589,816	\$ 25,348	\$ 419,419	\$4,590,273
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

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

Exhibit D-4

Fiscal Year	Metered Connections	Water Sales	Average Monthly Bill	Type of Service		
				Domestic	Commercial	Wholesale
2004	3,890	\$3,055,143	\$ 65.45	97.38%	2.34%	0.28%
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%

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

Exhibit D-5

Fiscal Year	Treated Water in Million Gallons						Peak Month	Monthly Average	Daily Average
	Domestic	Commercial	Treated Wholesale	Raw Wholesale	Total				
2004	284.57	38.35	81.55	15.75	420.22	46.48	35.02	1.15	
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	



**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	290	32.91	732	G/S
D-12	1,160	Hardeman / Childress / Foard	388	43.14	977	S
D-13	947	Wilbarger	448	45.39	1,090	G/S
D-14	802	Childress / Cottle	410	34.52	1,037	S
D-15	2,111	King / Knox / Foard	354	39.68	895	G/S
D-16	1,405	Collingsworth / Hall / Childress	237	29.62	575	G/S
D-18	929	Donley	408	12.60	1,080	G/S
D-19	2,013	Clay / Montague	730	37.39	1,835	G/S
D-22	934	Grayson	703	96.16	1,780	S

**RED RIVER AUTHORITY OF TEXAS**  
**TOP TEN UTILITY CUSTOMERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
**SEPTEMBER 30, 2013**  
**(Unaudited)**

Exhibit D-7

Taxpayer	Location	2012-13			2003-04		
		Rank	Average Bill	Average Use (gals)	Rank	Average Bill	Average Use (gals)
Southwest Water Company	Grayson	1	\$ 9,773	3,829,133	1	\$ 8,937	3,878,120
AEP Oklaunion Power Plant	Wilbarger	2	\$ 2,907	454,617	3	\$ 3,005	794,100
City of Chillicothe	Hardeman	3	\$ 2,537	983,750	7	\$ 1,421	785,320
Texas Dept of Transportation	Donley	4	\$ 1,679	260,367	4	\$ 2,919	511,330
Vest Ranch	Hall/Collingsworth	5	\$ 1,528	261,502	2	\$ 7,489	1,856,520
Guthrie School	King	6	\$ 1,309	201,897	6	\$ 1,719	411,750
American Legion Post 231	Grayson	7	\$ 1,170	179,241	-	-	-
Cornerstone Marine Group	Grayson	8	\$ 1,062	255,158	10	\$ 867	248,459
Rickey L. Smith Ranches, Ltd	Hall	9	\$ 912	151,141	-	-	-
David Pickerill	Collingsworth	10	\$ 747	117,038	-	-	-
Four Sixes Ranch	King	-	-	-	5	\$ 2,657	626,880
G. A. and Ed Lowrance	Knox	-	-	-	8	\$ 910	127,640
Pitchfork Ranch	King	-	-	-	9	\$ 856	240,640

**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>
2003-04	\$5,456,000	\$ 875,337	\$ 493,180	1.77	\$ 660,222	1.33
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

**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
2003-04	\$ 3,055,340	\$ 369,545	\$ 620,440	\$ 133,907	\$ 154,519	\$4,333,751
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

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, 2013**

(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,<br>Gainesville, Hereford, Pampa, Paris,<br>Plainview, Sherman, Texarkana,<br>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 98**.
- 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

Exhibit D-11

POPULATION DATA

(Unaudited)

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, 2013**  
**(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

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**RED RIVER AUTHORITY OF TEXAS**  
**WATER SALES TREND ANALYSIS**  
(Unaudited)

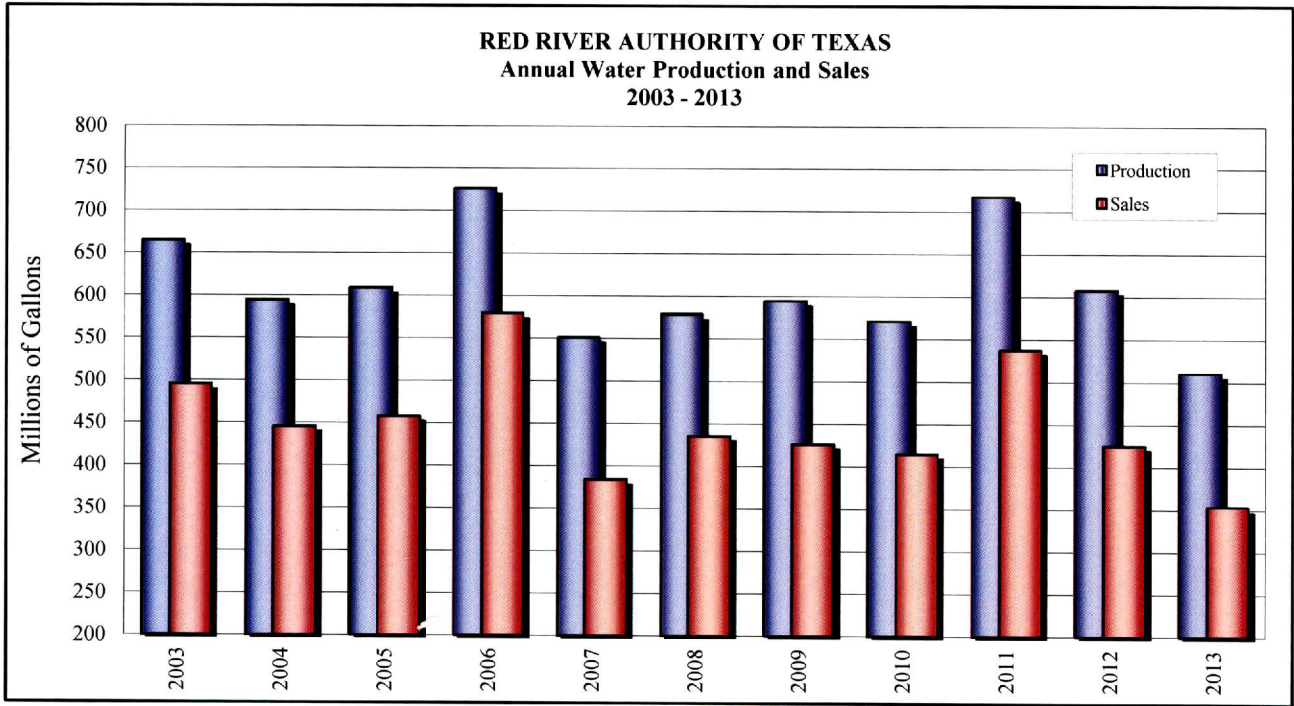


Figure 1

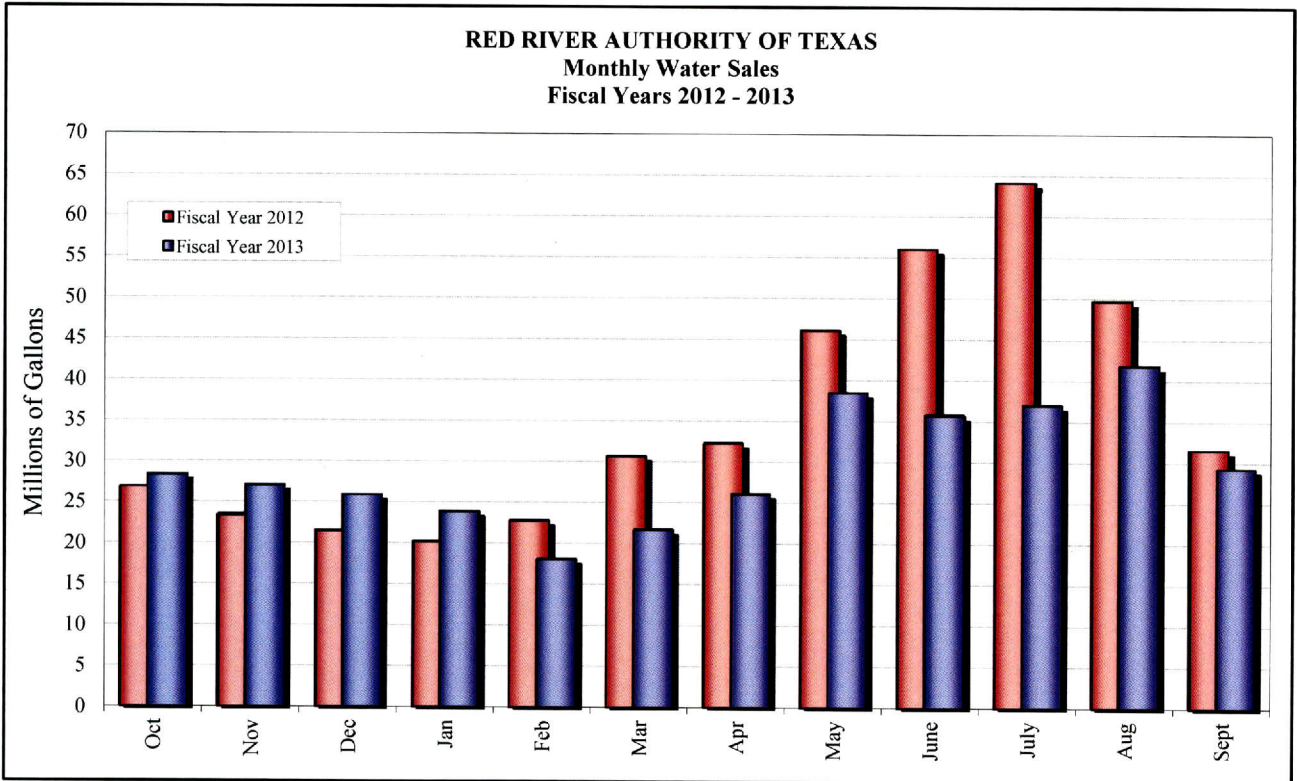


Figure 2



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

**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**

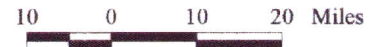
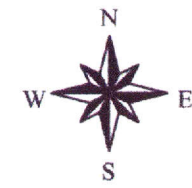
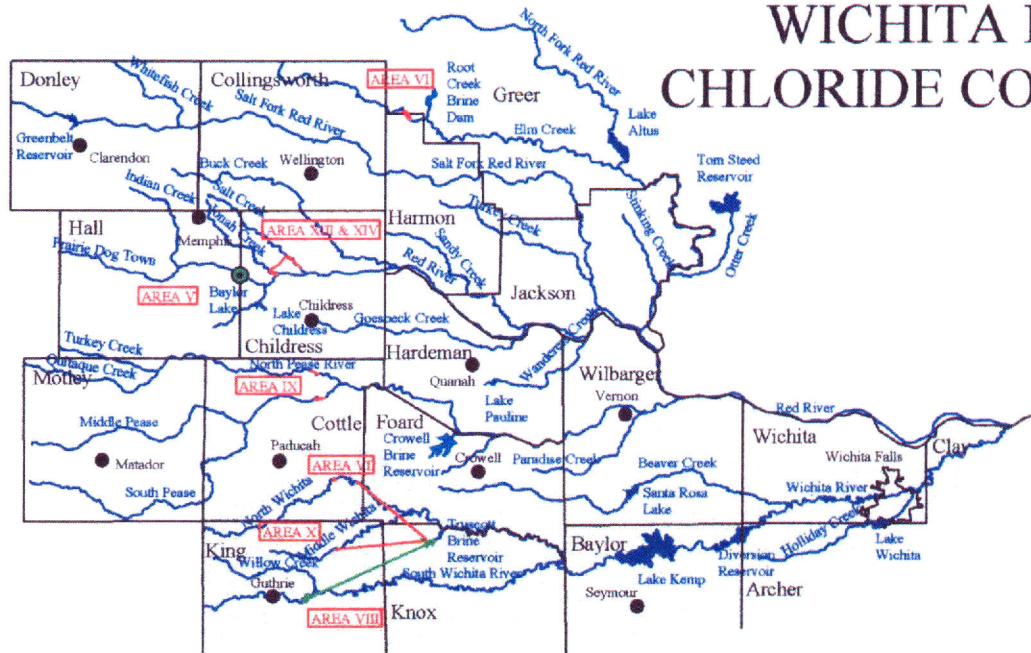
<b>Location:</b>	2 miles northwest of Truscott in Knox County, TX on Bluff Creek
<b>Dam Length:</b>	14,800 feet
<b>Dam Height:</b>	100 feet above stream bed
<b>Surface Area:</b>	Brine storage pool = 2,980 acres Flood control pool = 3,090 acres
<b>Total Capacity:</b>	116,200 acre-feet

### **BATEMAN PUMP STATION**

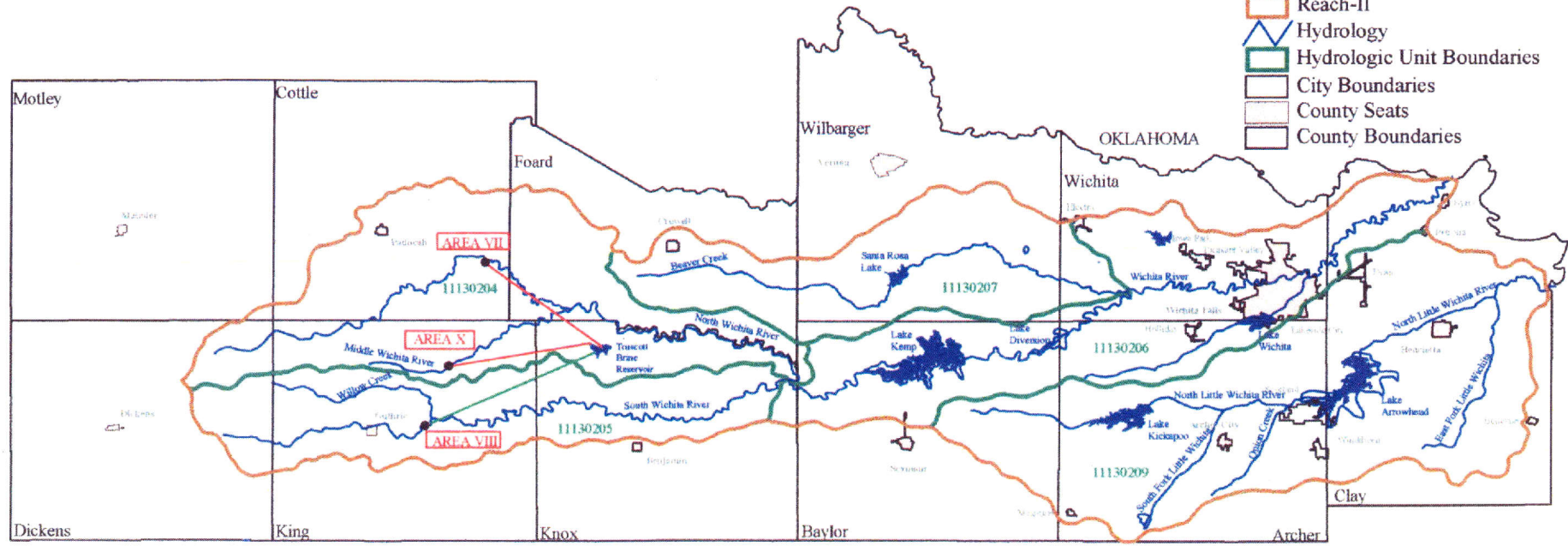
<b>Location:</b>	River mile 74.9 of the South Fork Wichita River in King County, Texas
<b>Type of Dam:</b>	Pneumatic (Inflatable)
<b>Dam Length:</b>	40 feet
<b>Dam Height:</b>	5 feet
<b>Surface Area:</b>	3 acres with the dam inflated

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# 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, 2013**  
**(Unaudited)**

Policy:	Workers Compensation
Policy Period:	10-01-12 to 09-30-13
Perils:	Losses under Workers' Compensation Laws
Coverage:	Statutory
Premium:	\$22,137
Policy:	General Liability
Policy Period:	10-01-12 to 09-30-13
Perils:	Bodily injury, property damage, advertising injury, completed operations, and products hazard
Coverage:	\$1,000,000 per occurrence and annual aggregate
Premium:	\$2,222
Policy:	Automobile Liability
Policy Period:	10-01-12 to 09-30-13
Perils:	Liability
Coverage:	\$1,000,000 per occurrence
Premium:	\$3,225
Policy:	Errors and Omissions Liability
Policy Period:	10-01-12 to 09-30-13
Perils:	Liability, errors, and omissions
Coverage:	\$1,000,000 per claim and annual aggregate
Premium:	\$2,544
Policy:	Property Coverage
Policy Period:	10-01-12 to 09-30-13
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:	\$16,327
Policy:	Automobile Physical Damage Coverage
Policy Period:	10-01-12 to 09-30-13
Perils:	Physical damage
Coverage:	Actual cash value
Premium:	\$3,928
Policy:	Crime Policy
Policy Period:	10-01-12 to 09-30-13
Perils:	Public employee dishonesty and forgery or alteration
Coverage:	\$200,000 per employee – Public Employee Dishonesty \$100,000 – Forgery or Alteration
Premium:	\$212

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**OVERALL COMPLIANCE  
AND  
INTERNAL CONTROL SECTION**





# EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

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DAVID L. PARKMAN, CPA, CFE  
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, 2013, and the related notes to the financial statements and have issued our report thereon dated January 6, 2014.

#### **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

January 6, 2014







