

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**



**for the years ended September 30, 2015 and 2014**







RED RIVER AUTHORITY OF TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
for the years ended September 30, 2015 and 2014

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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 20<sup>th</sup> day of January, 2016 its annual audit report for the fiscal period ended September 30, 2015 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.

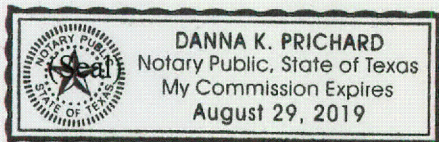
This filing affidavit and the attached copy of the annual audit report will be submitted to the Texas Commission on Environmental Quality to satisfy the annual filing requirements of Texas Water Code Section 49.194.

Date: January 20, 2016

[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 20<sup>th</sup> day of January, 2016.



[Signature]  
(Signature of Notary)

My Commission Expires on: 08-29-2019  
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, 2015**

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, 2015	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	564	Vice President	Yes
Jerry Bob Daniel 4911 FM 1756 West Truscott, Texas 79227	08-11-09 – 08-11-15	657	Secretary	Yes
Penny C. Carpenter 1899 CR 12 Silverton, Texas 79257	07-28-08 – 08-11-19	1,412	Assistant Secretary	Yes
Nathan J. (Jim) Bell, IV 2221 Lamar Avenue Paris, Texas 75461	10-16-00 – 08-11-17	1,399	Director	Yes
C. Cole Camp 4402 Charlene Avenue Amarillo, Texas 76106	07-28-08 – 08-11-19	1,176	Director	Yes
Mayfield McCraw P. O. Box 9 Telephone, Texas 75488	09-22-09 – 08-11-17	852	Director	Yes
Stephen A. Thornhill 2470 West Crawford Denison, Texas 75020	09-05-14 – 08-11-19	952	Director	Yes
Montford T. Johnson, III P. O. Box 32365 Amarillo, Texas 79120	10-04-12 - 08-11-17	0	Director	Yes

**RED RIVER AUTHORITY OF TEXAS**

**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
for the year ended September 30, 2015**

<b>Names and Addresses</b>	<b>Term of Office Elected and Expired or Date Hired</b>	<b>Fees and Expense Reimbursements September 30, 2015</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		300,185	Consultant
Simone Kiel, P.E. Freese and Nichols, Inc. 4055 International Plaza, Ste 200 Fort Worth, Texas 76109		0	Consultant
HDR Engineering, Inc. 4401 W. Gate Blvd, Suite 400 Austin, Texas 78745		0	Consultant
Peggy Glass, Ph.D. Alan Plummer Associates, Inc. 6300 La Calma, Suite 400 Austin, Texas 78752-3825		0	Consultant
<b>Legal Consultants:</b>			
Todd Davenport Gibson, Davenport and Anderson 3711 Maplewood Avenue Suite 200 Wichita Falls, Texas 76308		6,225	General Counsel

RED RIVER AUTHORITY OF TEXAS

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
for the year ended September 30, 2015

Names and Addresses	Term of Office Elected and Expired or Date Hired	Fees and Expense Reimbursements September 30, 2015	Title at Year End
<b>Legal Consultants, Continued</b>			
Doug Caroom Bickerstaff, Heath, Delgado, Acosta, LLP 3711 S Mo-Pac Expressway Building One, Suite 300 Austin, Texas 78746		\$ 767	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, 2014**

Executive Director/CEO





# Red River Authority of Texas

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

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

January 6, 2016

**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, 2015 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 4-9), the basic financial statements, notes to the financial statements, and supplementary information, such as combining schedules, budget comparison schedules and information required by the State of Texas. The Statistical Section includes selected historical financial information, operations summaries, and demographic information associated with the Authority's activities of primary interest.

## **REPORTING ENTITY**

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

## REPORTING ENTITY, Continued

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

The Red River Industrial Development Authority was authorized by the Board of Directors in July 1979 under the terms of the Texas Development Corporation Act of 1979. The Red River Industrial Development Authority is a separate entity of the Red River Authority of Texas and is authorized to act on behalf of the Authority for the specific purpose of promoting economic development of commercial, industrial, and manufacturing enterprises for public welfare within the geographical confines of the Red River Basin in Texas. Financial information concerning the Red River Industrial Development Authority can be found in the Notes to the Financial Statements and the combining schedules.

## GOVERNING BODY

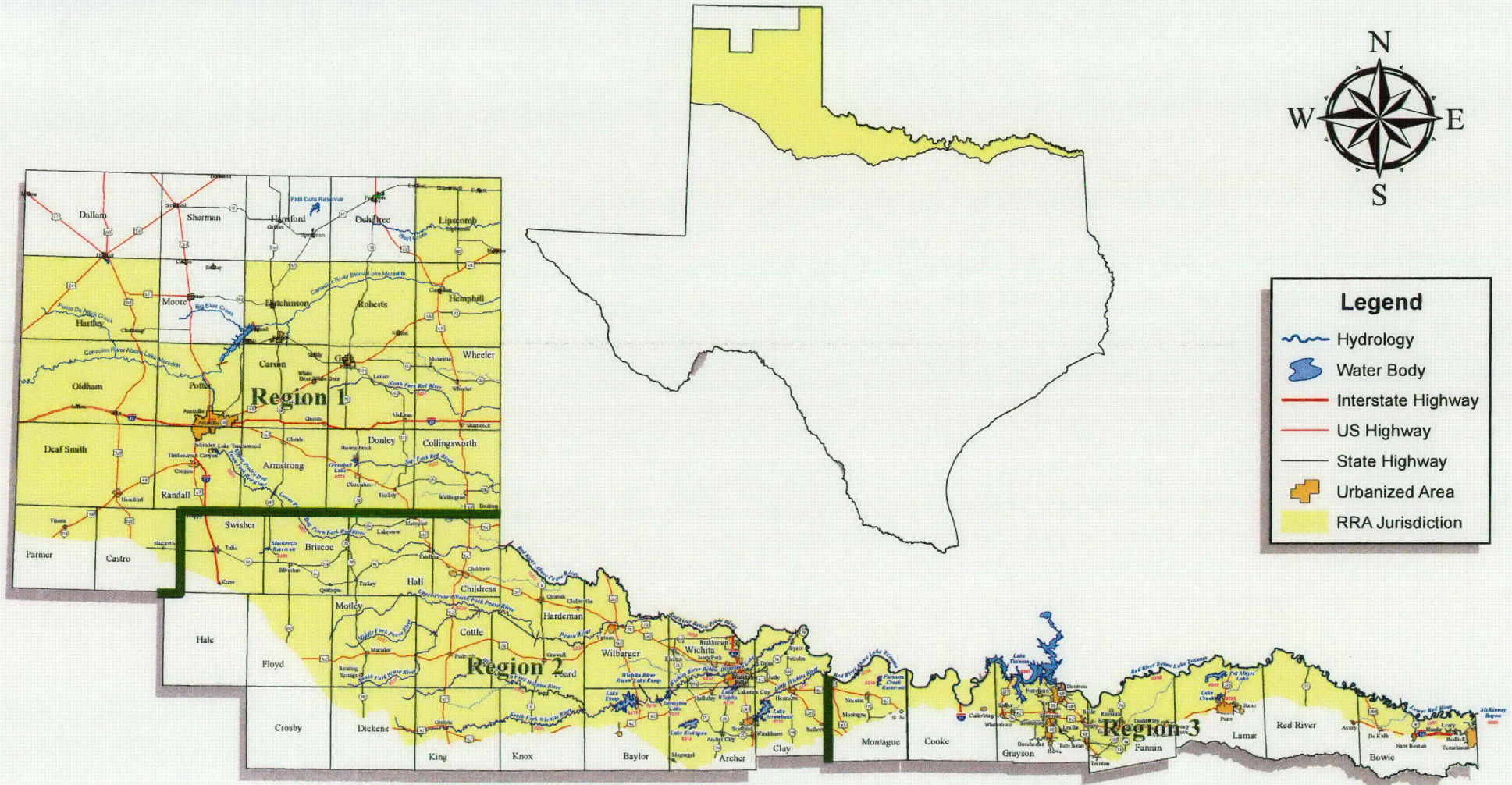
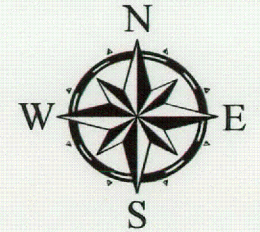
The Authority's governing body is composed of a nine-member Board of Directors, all of whom are appointed by the Governor, confirmed by the Senate, a legal voter, a property taxpayer, and resident in the Authority's jurisdictional area. Each Director serves a six-year staggered term. The Directors are organized by electing from their membership a President, Vice-President, Secretary, and Assistant Secretary. One Director is appointed from each of the three geographical regions to serve with the President on the Executive Committee. The Executive Committee functions as a policy, administrative and fiscal oversight committee for all agency related activities. The Board of Directors administers all affairs of the Authority through a Board-adopted Administrative Policy and a Board-appointed chief executive officer in the position of General Manager.

## ADMINISTRATION

All fiscal and administrative functions are conducted from the general offices, located at 3000 Hammon Road, Wichita Falls, Texas. The General Manager is assisted by a professional staff of employees and consultants in the accomplishment of his duties, and is solely responsible to the Board of Directors for the proper implementation of all policies and the successful administration of the Authority. The Executive Administration is the upper-level management team that consists of three interactive branches of administration for the orderly conduct of all facets of the Authority's activities. The branches are the General Division Branch, Fiscal Services Branch, and General Operations Branch. Each branch is responsible for providing team leadership, administrative, and technical services to each division or department of the Authority. The Executive Staff administers Board Policy and carries out the Authority's mission under a Board-approved Strategic Management Plan. There were 31 full-time classified employees on the Authority's payroll on September 30, 2015. **Refer to the Organizational Chart** for details.

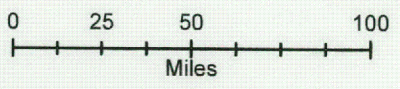


# Red River Authority of Texas Jurisdictional Map



**Legend**

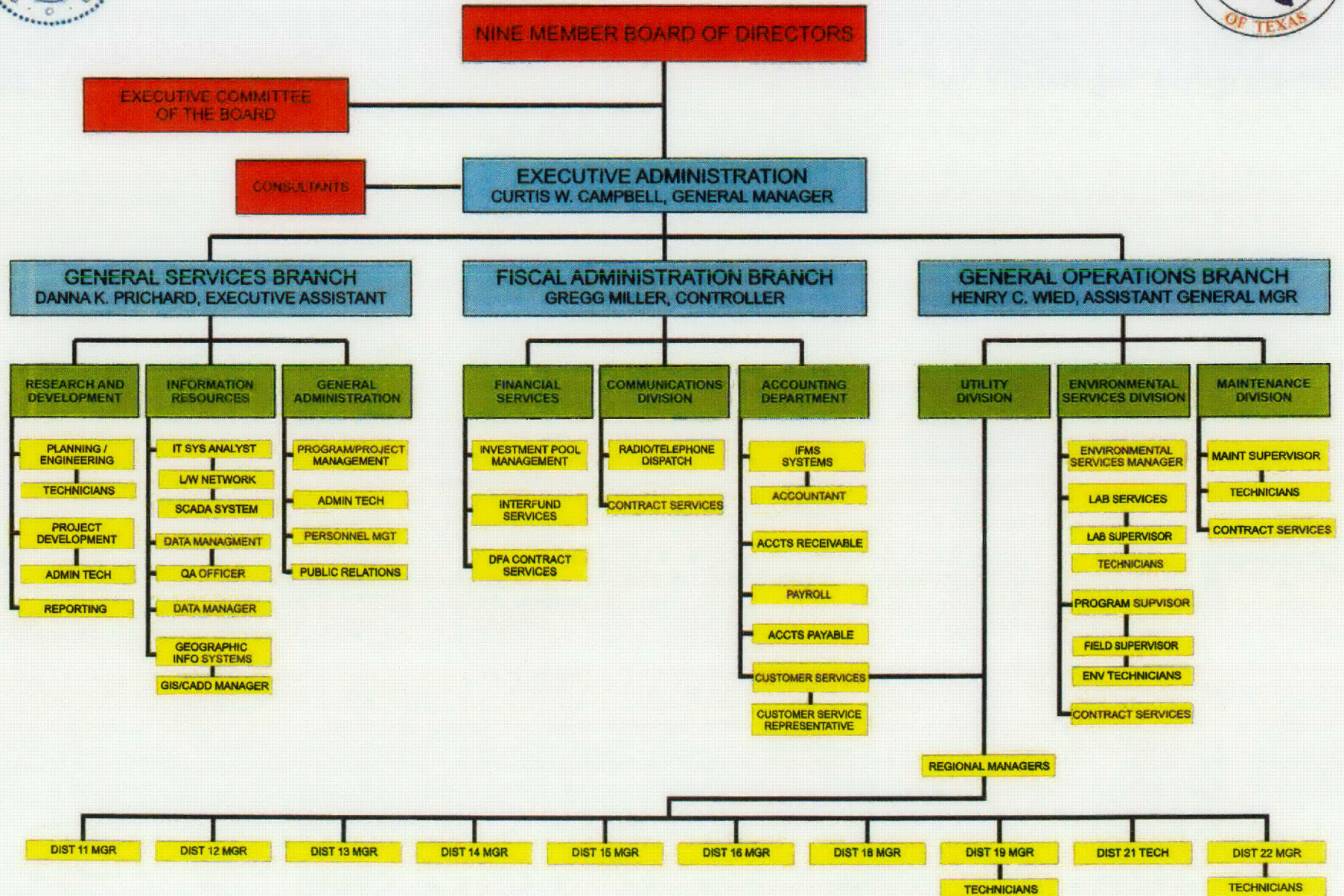
- Hydrology
- Water Body
- Interstate Highway
- US Highway
- State Highway
- Urbanized Area
- RRA Jurisdiction







# Red River Authority of Texas Organizational Chart







## **INTERNAL CONTROLS**

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

## **BUDGETARY CONTROLS**

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

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Red River Authority of Texas for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2014. This was the third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

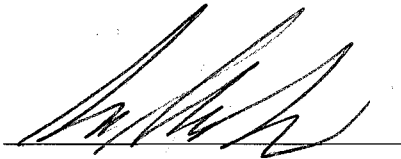
## **AUDIT REQUIREMENTS**

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

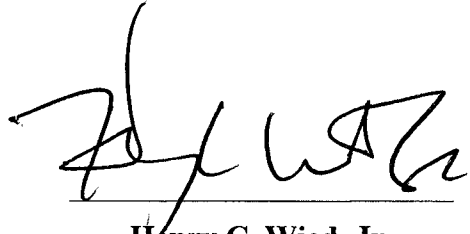
**ACKNOWLEDGEMENTS**

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

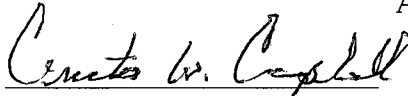
Respectfully submitted,



**Gregg Miller**  
Controller



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



**Curtis W. Campbell**  
General Manager

## **FINANCIAL SECTION**





# EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

4110 KELL BLVD., SECOND FLOOR • P.O. Box 750  
WICHITA FALLS, TEXAS 76307-0750  
PH. (940) 766-5550 • FAX (940) 766-5778

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

## 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, 2015 and 2014, 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, 2015 and 2014, 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.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As described in Note 1 to the financial statements, in 2015, the Authority adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

## **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 Schedules of Changes in Net Pension Liability and Related Ratios – Texas County and District Retirement System and the Schedule of Employer Contributions – Texas County and District Retirement System identified in the table of contents as required supplementary information be presented to supplement the basic financial statements. Such information, 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 Exhibits C-1 through C-42 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information 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, 2016, 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*

Edgin, Parkman, Fleming & Fleming, PC

January 6, 2016





## **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, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on **page vi** of this report.

### **Financial Highlights**

1. The assets and deferred outflows of resources of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$15,658,732 (net position). Of this amount, \$7,325,098 (unrestricted net position) may be used to meet the Authority's ongoing obligations to citizens and creditors;
2. The Authority's total net position increased by \$1,137,462. This consists of a change in net position of \$912,656 and a prior period adjustment of \$224,806 related to implementation of GASB 68.
3. The Authority's total debt decreased by \$37,166 (5.2%) during the current fiscal year.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise two components: government-wide financial statements and notes to the financial statements. This report also contains 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 position may serve over time as a useful indicator of the Authority's financial position. In the case of the Authority, assets exceeded liabilities by \$15,658,732 at the close of the most recent fiscal year.

### CONDENSED STATEMENT OF NET POSITION

	2015	2014	2013
<b>Assets:</b>			
Current assets	\$7,635,052	\$6,547,707	\$6,723,060
Restricted assets	127,130	127,130	733,659
Capital assets	7,996,721	8,178,333	8,619,392
Noncurrent assets	922,200	811,184	750,894
<b>Total assets</b>	16,681,103	15,664,354	16,827,005
<b>Deferred outflows of resources</b>	188,623	-	-
<b>Liabilities:</b>			
Current liabilities	384,325	277,281	829,051
Noncurrent liabilities	826,669	865,803	2,096,136
<b>Total liabilities</b>	1,210,994	1,143,084	2,925,187
<b>Net position:</b>			
Net investment in capital assets	7,323,054	7,467,500	6,124,825
Restricted net position	1,010,580	899,564	1,223,100
Unrestricted net position	7,325,098	6,154,206	6,553,893
<b>Total net position</b>	\$15,658,732	\$14,521,270	\$13,901,818

46.8% of the Authority's net position reflect its investment in capital assets (e.g., land, building, machinery, equipment, and water rights), less any related debt used to acquire those assets that are still outstanding. The Authority uses these capital assets to provide services to customers; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

An additional portion of the Authority's net position (6.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$7,325,098 (46.7%) 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 \$912,656 during the current fiscal year. This increase represents a positive increase in the Utility, Communication, Maintenance and General Divisions, off-set by a decrease in the Environmental Service Division funds.

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

	2015	2014	2013
<b>Operating revenues:</b>			
Water and sewer sales	\$ 4,066,063	\$ 4,072,153	\$ 3,710,343
Charges for materials and services	896,461	592,542	493,992
Other	325,801	520,952	397,042
Total operating revenues	<u>5,288,325</u>	<u>5,185,647</u>	<u>4,601,777</u>
<b>Operating expenses:</b>			
Water purchases	628,527	601,222	625,545
Personnel services	1,797,435	1,776,013	1,700,020
Administrative costs	163,638	86,298	88,389
Utilities, supplies, and maintenance	734,127	835,578	750,211
Insurance	50,822	52,961	50,471
Automobile and travel	189,622	229,942	238,071
Professional and directors fees	321,222	149,930	102,848
Research expense	-	39,690	39,690
Total operating expenses	<u>3,885,393</u>	<u>3,771,634</u>	<u>3,595,245</u>
Operating income before depreciation and amortization	1,402,932	1,414,013	1,006,532
Depreciation and amortization	<u>(708,830)</u>	<u>(727,832)</u>	<u>(712,312)</u>
Operating income	<u>694,102</u>	<u>686,181</u>	<u>294,220</u>
<b>Nonoperating revenues (expenses):</b>			
Interest income	5,712	7,265	9,197
Gain on disposal of assets	225,268	29,658	17,666
Interest expense	<u>(12,426)</u>	<u>(103,652)</u>	<u>(132,407)</u>
Total nonoperating revenues (expenses)	<u>218,554</u>	<u>(66,729)</u>	<u>(105,544)</u>
Change in net position	<u>912,656</u>	<u>619,452</u>	<u>188,676</u>
Net position, beginning, as originally stated	14,521,270	13,901,818	13,713,142
Prior period adjustment (GASB 68)	<u>224,806</u>	-	-
Net position, beginning, as restated	<u>14,746,076</u>	<u>13,901,818</u>	<u>13,713,142</u>
Net position, ending	<u>\$15,658,732</u>	<u>\$14,521,270</u>	<u>\$13,901,818</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

Some of the major variances from fiscal year 2014 to fiscal year 2015 include an \$80,457 decrease in water sales. This decrease is the result of the drought related restrictions placed on the Authority in late winter and above normal rainfall in late spring, countered by a \$75,123 increase in trash collection fees due to a full 12 months on the trash collection billing contracts. There was \$64,757 remitted to the entities contracting with the Authority for these services. The Authority also incurred \$101,451 less in utilities, supplies and maintenance. This decrease was due primarily to a decrease in large repair costs on the water systems incurred in 2014 but not in 2015. In fiscal year 2015, the Authority received grant revenue from the Texas Water Development Board in the amount of \$234,669, \$209,042 of this was for consultant fees, and line replacement income in the utility division amounting to \$164,259. There was also a decrease in automobile and travel due to lower fuel and repair costs. The interest income decreased \$1,553 due to the drop in interest rates and the interest expense decreased \$91,226 with the defeasance of all but one of the bond issues of the Authority. With the implementation of GASB 68 there was a prior period adjustment of \$224,806 to net position.

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

**Capital Assets.** The Authority's investment in capital assets funds as of September 30, 2015 amounts to \$7,996,721 (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 0.2%.

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

- Howardwick ground storage tank in the amount of \$198,974
- FM 94 line relocate in the amount of \$106,625
- New service vehicles in the amount of \$98,908
- Emergency line replacement in the amount of \$43,722
- FM 2103 line relocate in the amount of \$28,160
- FM 433 line extension in the amount of \$20,804
- Lockett line relocate in the amount of \$20,607

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

**CAPITAL ASSETS**  
(Net of Depreciation)

Asset	Value September 30, 2014	Additions / Completions	Deletions	Value September 30, 2015	Accumulated Depreciation	Net Value
Land and easements	\$ 359,440	\$ -	\$ -	\$ 359,440	\$ -	\$ 359,440
Construction in progress	101,925	503,676	502,010	103,591	-	103,591
Building	968,554	-	-	968,554	291,311	677,243
Water storage rights	1,222,700	-	-	1,222,700	242,218	980,482
Water systems	16,301,879	473,239	193,000	16,582,118	11,189,406	5,392,712
Machinery and equipment	1,095,978	17,303	-	1,113,281	875,279	238,002
Furniture and fixtures	353,809	31,386	-	385,195	326,359	58,836
Motor vehicles	526,079	98,908	73,762	551,225	364,810	186,415
<b>Totals</b>	<b>\$ 20,930,364</b>	<b>\$ 1,124,512</b>	<b>\$768,772</b>	<b>\$ 21,286,104</b>	<b>\$ 13,289,383</b>	<b>\$ 7,996,721</b>

Additional information on the Authority's capital assets can be found in **Note 3** on **pages 23-24** of this report.

**Long-Term Debt.** At the end of the current fiscal year, the Authority had total bonded debt outstanding of \$673,667. All of the debt is backed by the full faith and credit of the Authority and is secured solely by specified revenue sources (i.e., revenue bonds).

Bonds payable and transactions for the year ended September 30, 2015 are summarized as follows:

	Average Interest Rates	Final Maturity Date	Annual Serial Payments	Bonds Authorized	Bonds Outstanding September 30, 2014	Additions Issuances (Sales) (Retirements)	Bonds Outstanding September 30, 2015
<b>Water Revenue Bonds</b>							
Series 2010	1.90%	08/15/2030	\$26,600 to \$53,600	<u>\$ 849,200</u>	<u>\$ 710,833</u>	<u>(\$37,166)</u>	<u>\$ 673,667</u>

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

The Authority's bonded debt decreased by \$37,166 (5.1%) during the current fiscal year.

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

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 25-26** of this report.

### **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 2016 fiscal year.

The Authority has projected an increase of \$379,341 in net position for the 2016 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).



## **BASIC FINANCIAL STATEMENTS**

**RED RIVER AUTHORITY OF TEXAS**  
**STATEMENTS OF NET POSITION**  
September 30, 2015 and 2014

	2015	2014
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and short-term investments	\$ 3,623,477	\$ 3,119,748
Investments	2,411,363	2,394,235
Receivables:		
Trade and contracts	1,214,594	963,618
Insurance	325,000	-
Prepaid expenses	6,231	10,509
Inventory	54,387	59,597
Restricted assets:		
Cash and short-term investments	66,637	59,355
Investments	60,493	67,775
Total current assets	<u>7,762,182</u>	<u>6,674,837</u>
<b>Long-term assets:</b>		
Net pension obligation	-	811,184
Net pension assets	922,200	-
Capital assets not being depreciated	463,031	461,365
Capital assets being depreciated (net)	7,533,690	7,716,968
Total long-term assets	<u>8,918,921</u>	<u>8,989,517</u>
Total assets	<u>16,681,103</u>	<u>15,664,354</u>
<b>Deferred outflows of resources:</b>		
Pension related	<u>188,623</u>	<u>-</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable - trade	267,701	181,628
Accrued payroll and related taxes	29,917	28,776
Unearned revenue	48,573	29,711
Bonds payable - current maturities	38,134	37,166
Total current liabilities	<u>384,325</u>	<u>277,281</u>
<b>Long-term liabilities:</b>		
Bonds payable, less current maturities	635,533	673,667
Deposits	191,136	192,136
Total long-term liabilities	<u>826,669</u>	<u>865,803</u>
Total liabilities	<u>1,210,994</u>	<u>1,143,084</u>
<b>Net position:</b>		
Net investment in capital assets	7,323,054	7,467,500
Restricted:		
Debt service, repair and replacement, and construction	88,380	88,380
Net pension assets/obligation	922,200	811,184
Unrestricted	<u>7,325,098</u>	<u>6,154,206</u>
Total net position	<u>\$ 15,658,732</u>	<u>\$ 14,521,270</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, 2015 and 2014

	2015	2014
<b>Operating revenues:</b>		
Water and sewer sales	\$ 4,066,063	\$ 4,072,153
Charges for materials and services	896,461	592,542
Other	325,801	520,952
Total operating revenues	<u>5,288,325</u>	<u>5,185,647</u>
<b>Operating expenses:</b>		
Water purchases	628,527	601,222
Personnel services	1,797,435	1,776,013
Administrative costs	163,638	86,298
Utilities, supplies, and maintenance	734,127	835,578
Insurance	50,822	52,961
Automobile and travel	189,622	229,942
Professional and directors fees	321,222	149,930
Research expense	-	39,690
Total operating expenses	<u>3,885,393</u>	<u>3,771,634</u>
Operating income before depreciation and amortization	1,402,932	1,414,013
Depreciation and amortization	(708,830)	(727,832)
Operating income	<u>694,102</u>	<u>686,181</u>
<b>Nonoperating revenues (expenses):</b>		
Interest income	5,712	7,265
Gain on disposal of assets	225,268	29,658
Interest expense	(12,426)	(103,652)
Total nonoperating revenues (expenses)	<u>218,554</u>	<u>(66,729)</u>
Change in net position	<u>912,656</u>	<u>619,452</u>
Net position, beginning of year, as originally stated	14,521,270	13,901,818
Prior period adjustment	224,806	-
Net position, beginning of year, as restated	<u>14,746,076</u>	<u>13,901,818</u>
Net position, ending	<u>\$ 15,658,732</u>	<u>\$ 14,521,270</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, 2015 and 2014

	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities:</b>		
Cash received from customers and users	\$ 5,055,211	\$ 5,214,269
Cash payments to suppliers for goods and services	(1,991,256)	(1,995,546)
Cash payments to employees for services	(1,872,268)	(1,831,067)
Customer deposits received	-	2,000
Net cash provided by operating activities	<u>1,191,687</u>	<u>1,389,656</u>
<b>Cash flows from capital and related financing activities:</b>		
Principal paid on revenue bonds	(37,166)	(1,778,167)
Interest paid on revenue bonds	(12,426)	(103,652)
Principal paid on note payable	-	(5,566)
Acquisition of capital assets	(643,329)	(289,297)
Proceeds from sale of equipment	16,379	32,182
Net cash used in capital and related financing activities	<u>(676,542)</u>	<u>(2,144,500)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	63,931	597,425
Purchases of investments	(73,777)	(106,059)
Interest received on investments	5,712	7,265
Net cash provided by (used in) investing activities	<u>(4,134)</u>	<u>498,631</u>
Net increase (decrease) in cash and cash equivalents	511,011	(256,213)
Cash and cash equivalents, beginning	<u>3,179,103</u>	<u>3,435,316</u>
Cash and cash equivalents, ending	<u>\$ 3,690,114</u>	<u>\$ 3,179,103</u>
<b>Displayed as:</b>		
<b>Current Assets:</b>		
Cash and short-term investments	\$ 3,623,477	\$ 3,119,748
<b>Restricted Assets:</b>		
Cash and short-term investments	<u>66,637</u>	<u>59,355</u>
	<u>\$ 3,690,114</u>	<u>\$ 3,179,103</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, 2015 and 2014

	2015	2014
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>		
<b>Operating income</b>	<u>\$ 694,102</u>	<u>\$ 686,181</u>
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation and amortization	708,830	727,832
Change in assets and liabilities:		
(Increase) decrease in trade receivables	(250,976)	42,631
(Increase) decrease in prepaid expenses	4,278	(10,509)
(Increase) decrease in inventory	5,210	2,178
(Increase) in net pension obligation	-	(60,290)
(Increase) in net pension assets and related deferred outflows	(74,833)	-
Increase (decrease) in trade accounts payable	86,073	8,406
Increase (decrease) in accrued liabilities	1,141	5,236
Increase (decrease) in unearned revenues	18,862	(14,011)
Increase (decrease) in deposits	(1,000)	2,000
Total adjustments	<u>497,585</u>	<u>703,473</u>
Net cash provided by operating activities	<u>\$ 1,191,687</u>	<u>\$ 1,389,654</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, 2015 and 2014

### 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, 2015 and 2014

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

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

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

#### B. Basis of Presentation

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

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

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

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

# RED RIVER AUTHORITY OF TEXAS

## NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2015 and 2014

### 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, 2015 and 2014

### 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. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of financial resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has no deferred inflows of resources.

#### J. 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**.

# RED RIVER AUTHORITY OF TEXAS

## NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2015 and 2014

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

#### K. Vacation and Sick Leave

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

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.

#### L. Restricted Assets

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

#### M. Pensions

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

#### N. 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.

#### O. Change in Accounting Policies

In June, 2012 the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27," and in November 2013, GASB issued Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an

## RED RIVER AUTHORITY OF TEXAS

### NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2015 and 2014

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

Amendment of GASB No. 68", both effective for fiscal years beginning after June 15, 2014. The Authority has implemented the provisions of the Statements for the year ended September 30, 2015.

The Statements require numerous new pension disclosures in the notes to the financial statements and two new 10-year, pension-related charts as required supplementary information. Also, for the first time the Authority is required to recognize pension expense, report deferred outflows of resources and deferred inflows of resources related to pensions and a net pension liability for its proportionate shares of the collective pension expense, collective deferred outflows of resources and deferred inflows of resources related to pensions and collective net pension asset (liability). The reporting of these new amounts on the financial statements will require the restatement of the beginning net position as of September 30, 2014. Information to restate activity for the year ended September 30, 2014 was not computed by TCDRS.

#### 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, 2015 and 2014, the carrying amount of the Authority's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$2,587,817 and \$2,664,020, respectively and the bank balance was \$2,712,951 and \$2,681,764, respectively. The Authority's cash deposits at September 30, 2015 and 2014 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, 2015 and 2014**

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, 2015 and 2014 are shown below:

Investment or Investment Type	2015		2014	
	Weighted Maturity (Months)	Fair Value	Weighted Maturity (Months)	Fair Value
TexPool	1.0	\$ 3,558,453	1.0	\$ 2,981,777
Certificates of Deposit	4.0	2,466,048	4.5	2,462,011
		<u>\$ 6,024,501</u>		<u>\$ 5,443,788</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, 2015 and 2014

#### 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, 2015 and 2014

#### 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, 2015 and 2014**

3. CAPITAL ASSETS

Capital asset activity for the years ended September 30, 2015 and 2014 was as follows:

At September 30, 2015

	Balance October 1, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2015</u>
Capital assets not being depreciated:				
Land and easements	\$ 359,440	\$ -	\$ -	\$ 359,440
Construction in progress	<u>101,925</u>	<u>503,676</u>	<u>502,010</u>	<u>103,591</u>
Total capital assets not being depreciated	<u>461,365</u>	<u>503,676</u>	<u>502,010</u>	<u>463,031</u>
Capital assets being depreciated:				
Water storage rights	1,222,700	-	-	1,222,700
Water systems	16,301,879	473,239	193,000	16,582,118
Machinery and equipment	1,095,978	17,303	-	1,113,281
Building	968,554	-	-	968,554
Furniture and fixtures	353,809	31,386	-	385,195
Motor vehicles	<u>526,079</u>	<u>98,908</u>	<u>73,762</u>	<u>551,225</u>
Total capital assets being depreciated	<u>20,468,999</u>	<u>620,836</u>	<u>266,762</u>	<u>20,823,073</u>
Less accumulated depreciation for:				
Water storage rights	234,748	7,470	-	242,218
Water systems	10,794,634	492,491	97,719	11,189,406
Machinery and equipment	802,038	73,241	-	875,279
Building	257,530	33,781	-	291,311
Furniture and fixtures	304,343	22,016	-	326,359
Motor vehicles	<u>358,741</u>	<u>79,831</u>	<u>73,762</u>	<u>364,810</u>
Total accumulated depreciation	<u>12,752,034</u>	<u>708,830</u>	<u>171,481</u>	<u>13,289,383</u>
Total capital assets being depreciated, net	<u>7,716,965</u>	<u>(87,994)</u>	<u>95,281</u>	<u>7,533,690</u>
Total capital assets, net	<u>\$ 8,178,330</u>	<u>\$415,682</u>	<u>\$597,291</u>	<u>\$ 7,996,721</u>

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2015 and 2014**

3. CAPITAL ASSETS, Continued

At September 30, 2014

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

In September 2015, the Preston Shores pump station suffered lightning damage. Based on negotiations with the insurance carrier, the Authority has recorded a receivable of \$325,000 for their insured loss. The historical depreciated cost of the equipment and certain construction in progress at the time of the lightning strike was determined to be \$116,111. Therefore, a gain on impairment of this equipment of \$208,889 has been reflected on the statement of activities for the year ended September 30, 2015.



**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued  
Years Ended September 30, 2015 and 2014**

4. LONG-TERM DEBT

Bonds payable and transactions for the years ended September 30, 2015 and 2014 are summarized as follows:

At September 30, 2015

	<u>Balance</u> <u>10/1/14</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>9/30/15</u>	<u>Due Within</u> <u>One Year</u>
Water revenue bonds	\$710,833	\$ -	\$37,166	\$673,667	\$38,134
Loan	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Totals</b>	<b><u>\$710,833</u></b>	<b><u>\$ -</u></b>	<b><u>\$37,166</u></b>	<b><u>\$673,667</u></b>	<b><u>\$38,134</u></b>

At September 30, 2014

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

Water Revenue Bonds

Water revenue bonds are comprised of the following individual issue as of September 30, 2015:

	<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 9/30/15</u>	<u>Outstanding</u> <u>at 9/30/14</u>
Series 2010	1.93%	08-15-30	\$26,600 to \$53,600	\$849,200	<u>\$ 673,667</u>	<u>\$ 710,833</u>

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

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2015 and 2014**

4. LONG-TERM DEBT, Continued

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

The annual requirements to pay principal and interest on the long-term obligation outstanding as of September 30, 2015 are as follows:

Year Ending September 30,	Bond	
	Principal	Interest
2016	\$ 38,134	\$ 12,558
2017	32,333	12,372
2018	39,800	12,068
2019	40,800	11,672
2020	41,800	11,188
2021 – 2025	225,600	44,850
2026 – 2030	<u>255,200</u>	<u>19,032</u>
Totals	<u>\$673,667</u>	<u>\$123,740</u>

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, 2015:

	Debt Outstanding October 1, 2014	New Obligations Issued	Obligations Retired or Refunded	Debt Outstanding September 30, 2015
Bonds issued under direct financing arrangements	<u>\$95,750,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$95,750,000</u>

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2015 and 2014**

5. DIRECT FINANCING ARRANGEMENT DEBT, continued

Direct financing bonds payable at September 30, 2015, comprise the following individual issuances:

	<u>Range of Interest Rates</u>	<u>Final Maturity Date</u>	<u>Annual Serial Payments</u>	<u>Bonds Authorized</u>	<u>Debt Outstanding September 30, 2015</u>
<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*	<u>63,300,000</u>	<u>63,300,000</u>
Total direct financing bonds				<u>\$ 95,750,000</u>	<u>\$ 95,750,000</u>

\* 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 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, 2015, 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.

## RED RIVER AUTHORITY OF TEXAS

### NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2015 and 2014

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

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 four (4) 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. Various treatment techniques have been tried but have proven to be ineffective in lowering the TTHMs to date. The Authority is still in the process of finding an effective treatment technique which will be approved by the TCEQ.

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.

## RED RIVER AUTHORITY OF TEXAS

### NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2015 and 2014

#### 7. DEFINED BENEFIT PENSION PLAN

##### Plan Description

The Authority provides retirement, disability, and death benefits for all of its full-time employees through an agent multiple-employer defined benefit pension plan in the statewide TCDRS. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 656 nontraditional defined benefit pension plans in 2014. 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 TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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

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

##### Funding Policy

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

The employer's regular contribution rate was 7% for 2012, 2013 and 2014, which was in excess of the Authority's compliant rates of 2.72%, 3.08% and 3.70% for those respective years. The deposit rate payable by the employee members for the years 2012, 2013, and 2014 was the rate of 7% as adopted by the governing body of the employer. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued  
Years Ended September 30, 2015 and 2014

7. DEFINED BENEFIT PENSION PLAN, continued

Contributions to the Plan in 2014 was as follows:

Members (Employees)	\$ 96,084
Employer (Authority)	<u>96,084</u>
Total contributions	<u>\$192,168</u>

Actuarial Assumptions

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	14.8 Years
Asset Valuation Method	5 Year Non-asymptomatic
Discount Rate	8.10%
Long-term Expected Investment Rate of Return *	8.10%
Salary Increases *	2.5%
Cost of Living Adjustments	0.00%

\* - Includes inflation at 3.00%

The actuarial methods and assumptions used in the valuation were based on the results of an actuarial experience study for the period January 1, 2009 to December 31, 2012, except where required to be different by GASB 68.

Discount Rate

The discount rate used to measure the total pension liability was 8.10%. There was no change in the discount rate since the previous fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## RED RIVER AUTHORITY OF TEXAS

### NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued Years Ended September 30, 2015 and 2014

#### 7. DEFINED BENEFIT PENSION PLAN, continued

The long-term expected rate of return on pension plan investments is 8.10%. The long-term expected rate of return on pension plan investments was determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are based on January 2015 information for a 7-10 year time horizon.

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation</u> <sup>(1)</sup>	<u>Geometric Real Rate of Return (Expected minus Inflation)</u> <sup>(2)</sup>
US Equities	Dow Jones U.S. Total Stock Market Index	16.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	12.00%	8.35%
Global Equities	MSCI World (net) Index	1.50%	5.65%
International Equities – Developed	50% MSCI World Ex USA (net) + 50% MSCI World Ex USA 100% Hedged to USD (net) Index	11.00%	5.35%
International Equities – Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index	9.00%	6.35%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.80%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	-0.20%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.15%

<sup>(1)</sup> Target asset allocation adopted at the April 2015 TCDRS Board Meeting.

<sup>(2)</sup> Geometric real rates of return in addition to assumed inflation of 1.7%, per Cliffwater's 2015 capital market assumptions

<sup>(3)</sup> Includes vintage years 2006 – present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2007 – present of Quarter Pooled Horizon IRRs.

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2015 and 2014**

7. **DEFINED BENEFIT PENSION PLAN, continued**

**Changes in Net Pension Liability / (Asset)**

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) – (b)
Balances as of December 31, 2013	\$5,663,736	\$6,628,261	(\$964,525)
Changes for the year:			
Service cost	179,324	-	179,324
Interest on total pension liability <sup>(1)</sup>	459,093	-	459,093
Effect of economic/demographic gains or losses	44,989	-	44,989
Benefit payments/refunds	( 171,004)	( 171,004)	-
Administrative expenses	-	( 5,286)	5,286
Member contributions	-	96,084	( 96,084)
Net investment income	-	444,841	( 444,841)
Employer contributions	-	96,084	( 96,084)
Other <sup>(2)</sup>	-	9,359	( 9,359)
Balances as of December 31, 2014	<u>\$6,176,139</u>	<u>\$7,098,339</u>	<u>(\$922,200)</u>

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

<sup>(2)</sup> Relates to allocation of system-wide items.

<u>Net Pension Liability / (Asset)</u>	<u>December 31, 2013</u>	<u>December 31, 2014</u>
Total Pension Liability	\$5,663,736	\$6,176,139
Fiduciary Net Position	6,628,261	7,098,339
Net Pension Liability (Asset)	( 964,525)	( 922,200)
Fiduciary Net Position as a % of Total		
Pension Liability	117.03%	114.93%
Pensionable Covered Payroll <sup>(1)</sup>	1,336,446	1,372,634
Net Pension Liability as a % of Covered Payroll	(72.17%)	(67.18%)

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

<sup>(1)</sup> Payroll is calculated based on contributions as reported to TCDRS.



**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2015 and 2014**

7. DEFINED BENEFIT PENSION PLAN, continued

Pension Expense

	<u>January 1, 2014 to December 31, 2014</u>
Service cost	\$179,324
Interest on total pension liability <sup>(1)</sup>	459,093
Administrative expenses	5,286
Member contributions	( 96,084)
Expected investment return net of investment expenses	( 543,178)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	8,998
Recognition of assumption changes or inputs	-
Recognition of investment gains or losses	19,667
Other <sup>(2)</sup>	<u>( 9,359)</u>
 Pension expense	 <u>\$ 23,748</u>

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

<sup>(2)</sup> Relates to allocation of system-wide items.

Deferred Outflows / Inflows of Resources

As of December 31, 2014, the deferred outflows and inflows of resources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 35,991	\$ -
Net difference between projected and actual earnings	78,670	-
Contributions made subsequent to measurement date (January 2015 – September 2015)	<u>73,962</u>	<u>-</u>
 Total	 <u>\$188,623</u>	 <u>\$ -</u>

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

<u>Year Ended December 31:</u>	
2015	\$28,665
2016	28,665
2017	28,665
2018	28,665

For the year ended December 31, 2014, there were no changes to the Plan relative to assumptions and benefit terms.

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2015 and 2014**

7. DEFINED BENEFIT PENSION PLAN, continued

Sensitivity Analysis

The following presents the net pension asset of the Authority, calculated using the discount rate of 8.10%, as well as what the Authority net pension liability / (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease <u>7.10%</u>	Current Discount Rate <u>8.10%</u>	1% Increase <u>9.10%</u>
Total pension liability	\$6,964,856	\$6,176,139	\$5,518,001
Fiduciary net position	<u>7,098,339</u>	<u>7,098,339</u>	<u>7,098,339</u>
Net pension (asset) / liability	<u>(\$ 133,483)</u>	<u>(\$ 922,200)</u>	<u>(\$1,580,338)</u>

Employees Covered by Benefit Terms

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	10
Inactive employees entitled to but not yet receiving benefits	16
Active employees	30

8. PUBLIC ENTITY RISK POOL

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

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

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2015 and 2014**

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, 2015:

	Utility Division	Environmental Services Division	Other Enterprise Funds
<b>Condensed Statement of Net Position</b>			
Assets:			
Current assets	\$ 4,230,879	\$ 136,399	\$ 13,054
Restricted assets	88,380	-	38,750
Capital assets	6,648,582	183,314	-
Noncurrent assets	-	-	-
Total assets	<u>10,967,841</u>	<u>319,713</u>	<u>51,804</u>
Liabilities:			
Current liabilities	4,433,599	115,607	13,054
Noncurrent liabilities	1,226,281	-	-
Total liabilities	<u>5,659,880</u>	<u>115,607</u>	<u>13,054</u>
Net position:			
Net investment in capital assets	5,430,311	177,308	-
Restricted net position	88,380	-	-
Unrestricted net position	(210,730)	26,798	38,750
Total net position	<u>\$ 5,307,961</u>	<u>\$ 204,106</u>	<u>\$ 38,750</u>
<b>Condensed Statement of Revenue, Expenses, and Changes in Net Position</b>			
Operating revenues	\$ 4,303,566	\$ 733,559	\$ 19,725
Operating expense	3,714,638	793,772	22
Operating income (loss)	588,928	(60,213)	19,703
Nonoperating revenues (expenses)	160,677	(724)	22
Operating transfers and other credits	-	-	(19,725)
Change in net position	749,605	(60,937)	-
Beginning net position	4,558,356	265,043	38,750
Ending net position	<u>\$ 5,307,961</u>	<u>\$ 204,106</u>	<u>\$ 38,750</u>

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**  
**Years Ended September 30, 2015 and 2014**

9. SEGMENT INFORMATION FOR ENTERPRISE FUNDS, Continued

	Utility Division	Environmental Services Division	Other Enterprise Funds
<b>Condensed Statement of Cash Flows</b>			
Net cash provided by (used in):			
Operating activities	\$ 932,725	\$ 30,157	\$ 19,703
Noncapital financing activities	-	-	(19,725)
Capital and related financing activities	(526,433)	(23,574)	-
Investing activities	(24,716)	-	2,242
Net increase (decrease)	381,576	6,583	2,220
Beginning cash and cash equivalents	(2,194,010)	(107,320)	18,092
Ending cash and cash equivalents	\$ (1,812,434)	\$ (100,737)	\$ 20,312

10. NEW PRONOUNCEMENTS

GASB has various new pronouncements that will become effective during the following two years including:

Statement No. 72 – Fair Value Measurement and Application effective for periods beginning after June 15, 2015,

Statement No. 73 – Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68,

An amendment to certain provisions of GASB Statements 67 and 68 which is effective for fiscal years beginning after June 15, 2016, and

Statement No. 76 – The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments which is effective for periods beginning after June 15, 2015.

None of these pronouncements are expected to have any significant impact on the Authority when effective.

RED RIVER AUTHORITY OF TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued  
Years Ended September 30, 2015 and 2014

11. PRIOR PERIOD ADJUSTMENT

In the current year the Authority implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27, as that statement is effective for fiscal years beginning on or after June 15, 2014. Implementation of this statement was made to improve accounting and financial reporting by the Authority for pensions provided by the TCDRS as described in Note 7. Implementation required a prior period adjustment to beginning net position as of October 1, 2014. The prior period adjustment to increase beginning unrestricted net position is composed of the following September 30, 2014 amounts:

Net pension asset at 12/31/2013 reporting date	\$964,525
Net of deferred outflows of resources for contributions from 10/1/2013 to 9/30/2014	71,465
Net pension obligation as of 9/30/2014 under GASB 27 for pension contributions in excess of ARC	( 811,184)
Prior period adjustment	<u>\$224,806</u>

Since complete pension liability and expense data is not available for periods prior to September 30, 2014, the effect of the prior period adjustment on the change in net position for the fiscal year ended September 30, 2014, is not determinable.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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

	Year Ended December 31									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Total Pension Liability</b>										
Service cost	\$ 179,324	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	459,093	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	44,989	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(171,004)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	512,402	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	5,663,736	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending (a)	<u>\$ 6,176,139</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>Fiduciary Net Position</b>										
Employer contributions	\$ 96,084	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	96,084	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	444,841	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(171,004)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(5,286)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	9,359	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in fiduciary net position	470,078	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	6,628,261	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	<u>\$ 7,098,339</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ (922,200)</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	<u>114.93%</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	<u>\$ 1,372,634</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	<u>-67.18%</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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



**RED RIVER AUTHORITY OF TEXAS**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**

<u>Year Ending December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll *</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2005	Not Available	Not Available	Not Available	Not Available	Not Available
2006	\$ 71,506	\$ 71,506	\$ -	\$ 1,021,516	7.0%
2007	76,510	76,510	-	1,093,004	7.0%
2008	77,701	77,701	-	1,110,014	7.0%
2009	85,526	85,526	-	1,221,798	7.0%
2010	33,883	87,198	(53,316)	1,245,691	7.0%
2011	33,249	87,575	(54,326)	1,249,980	7.0%
2012	35,552	91,494	(55,942)	1,307,056	7.0%
2013	41,163	93,551	(52,389)	1,336,446	7.0%
2014	50,787	96,084	(45,297)	1,372,634	7.0%

\* Payroll is calculated based on contributions reported to TCDRS.

**RED RIVER AUTHORITY OF TEXAS**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED SEPTEMBER 30, 2015**

**A. DEFINED BENEFIT PENSION PLAN**

**Changes of benefit terms**

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

**Changes of assumptions**

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

**OTHER SUPPLEMENTARY INFORMATION**

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION**  
**September 30, 2015**

	Enterprise Funds			
	Utility Division Fund	Environmental Services Division Fund	Direct Financing Arrangements Fund	Industrial Development Authority Fund
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and short-term investments	\$ 2,273,569	\$ -	\$ -	\$ -
Investments	797,020	-	-	-
Receivables:				
Trade and contracts	1,160,290	136,399	13,054	-
Due from other funds	-	-	-	-
Interfund loans	-	-	-	-
Prepaid expenses	-	-	-	-
Inventory	-	-	-	-
Restricted assets:				
Cash and short-term investments	46,325	-	-	20,312
Investments	42,055	-	-	18,438
Total current assets	<u>4,319,259</u>	<u>136,399</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	275,389	-	-	-
Capital assets being depreciated (net)	6,373,193	183,314	-	-
Total long-term assets	<u>6,648,582</u>	<u>183,314</u>	<u>-</u>	<u>-</u>
Total assets	<u>10,967,841</u>	<u>319,713</u>	<u>13,054</u>	<u>38,750</u>
<b>Deferred outflows of resources:</b>				
Pension related	-	-	-	-
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Bank overdraft	4,132,328	100,737	-	-
Accounts payable - trade	92,202	5,267	-	-
Due to other Authority funds	-	-	13,054	-
Accrued payroll and related taxes	16,542	3,597	-	-
Unearned revenue	9,401	-	-	-
Interfund loans payable, current maturities	144,992	6,006	-	-
Loans payable, current maturities	-	-	-	-
Bonds payable, current maturities	38,134	-	-	-
Total current liabilities	<u>4,433,599</u>	<u>115,607</u>	<u>13,054</u>	<u>-</u>
<b>Long-term liabilities:</b>				
Interfund loans payable, less current maturities	399,612	-	-	-
Bonds payable, less current maturities	635,533	-	-	-
Deposits	191,136	-	-	-
Total long-term liabilities	<u>1,226,281</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,659,880</u>	<u>115,607</u>	<u>13,054</u>	<u>-</u>
<b>Net position:</b>				
Net investment in capital assets	5,430,311	177,308	-	-
Restricted:				
Debt service, repair and replacement, and construction	88,380	-	-	-
Net pension assets	-	-	-	-
Unrestricted	<u>(210,730)</u>	<u>26,798</u>	<u>-</u>	<u>38,750</u>
Total net position	<u>\$ 5,307,961</u>	<u>\$ 204,106</u>	<u>\$ -</u>	<u>\$ 38,750</u>

## Internal Service Funds

General Division Fund	Interfund Loan Fund	Maintenance Division Fund	Communications Division Fund	Motor Vehicle Pool Fund	Eliminations	Totals
\$ 2,129,210	\$ 2,425,585	\$ 173,523	\$ 672,615	\$ 182,040	\$ (4,233,065)	\$ 3,623,477
725,368	538,668	59,121	229,164	62,022	-	2,411,363
211,884	-	5,064	12,903	-	-	1,539,594
13,054	-	-	-	-	(13,054)	-
-	268,160	-	-	-	(268,160)	-
6,231	-	-	-	-	-	6,231
-	-	54,387	-	-	-	54,387
-	-	-	-	-	-	66,637
-	-	-	-	-	-	60,493
<u>3,085,747</u>	<u>3,232,413</u>	<u>292,095</u>	<u>914,682</u>	<u>244,062</u>	<u>(4,514,279)</u>	<u>7,762,182</u>
-	1,404,245	-	-	-	(1,404,245)	-
922,200	-	-	-	-	-	922,200
183,331	-	4,311	-	-	-	463,031
746,610	-	49,715	50,285	130,573	-	7,533,690
<u>1,852,141</u>	<u>1,404,245</u>	<u>54,026</u>	<u>50,285</u>	<u>130,573</u>	<u>(1,404,245)</u>	<u>8,918,921</u>
<u>4,937,888</u>	<u>4,636,658</u>	<u>346,121</u>	<u>964,967</u>	<u>374,635</u>	<u>(5,918,524)</u>	<u>16,681,103</u>
<u>188,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,623</u>
-	-	-	-	-	(4,233,065)	-
158,650	-	3,289	160	8,133	-	267,701
-	-	-	-	-	(13,054)	-
7,997	-	1,752	29	-	-	29,917
-	-	-	39,172	-	-	48,573
46,210	-	14,899	7,045	49,008	(268,160)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	38,134
<u>212,857</u>	<u>-</u>	<u>19,940</u>	<u>46,406</u>	<u>57,141</u>	<u>(4,514,279)</u>	<u>384,325</u>
868,499	-	15,489	33,430	87,215	(1,404,245)	-
-	-	-	-	-	-	635,533
-	-	-	-	-	-	191,136
<u>868,499</u>	<u>-</u>	<u>15,489</u>	<u>33,430</u>	<u>87,215</u>	<u>(1,404,245)</u>	<u>826,669</u>
<u>1,081,356</u>	<u>-</u>	<u>35,429</u>	<u>79,836</u>	<u>144,356</u>	<u>(5,918,524)</u>	<u>1,210,994</u>
15,232	-	23,638	9,810	(5,650)	1,672,405	7,323,054
-	-	-	-	-	-	88,380
922,200	-	-	-	-	-	922,200
<u>3,107,723</u>	<u>4,636,658</u>	<u>287,054</u>	<u>875,321</u>	<u>235,929</u>	<u>(1,672,405)</u>	<u>7,325,098</u>
<u>\$ 4,045,155</u>	<u>\$ 4,636,658</u>	<u>\$ 310,692</u>	<u>\$ 885,131</u>	<u>\$ 230,279</u>	<u>\$ -</u>	<u>\$ 15,658,732</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**for the year ended September 30, 2015**

	Enterprise Funds			
	Utility Division Fund	Environmental Services Division Fund	Direct Financing Arrangements Fund	Industrial Development Authority Fund
<b>Operating revenues:</b>				
Water and sewer sales	\$ 4,066,063	\$ -	\$ -	\$ -
Charges for materials and services	164,259	481,024	19,725	-
Administrative fee income	-	-	-	-
Other	73,244	252,535	-	-
Total operating revenues	<u>4,303,566</u>	<u>733,559</u>	<u>19,725</u>	<u>-</u>
<b>Operating expenses:</b>				
Water purchases	628,527	-	-	-
Personnel services	950,638	309,974	-	-
Administrative costs	734,055	143,027	-	22
Utilities, supplies, and maintenance	651,622	266,037	-	-
Insurance	-	-	-	-
Automobile and travel	218,984	16,013	-	-
Professional and directors fees	30,852	1,386	-	-
Research expense	-	-	-	-
Total operating expenses	<u>3,214,678</u>	<u>736,437</u>	<u>-</u>	<u>22</u>
Operating income (loss) before depreciation and amortization	1,088,888	(2,878)	19,725	(22)
Depreciation and amortization	(499,960)	(57,335)	-	-
Operating income (loss)	<u>588,928</u>	<u>(60,213)</u>	<u>19,725</u>	<u>(22)</u>
<b>Nonoperating revenues (expenses):</b>				
Interest income	1,742	-	-	22
Gain on disposal of assets	208,889	-	-	-
Interest expense	(49,954)	(724)	-	-
Total nonoperating revenues (expenses)	<u>160,677</u>	<u>(724)</u>	<u>-</u>	<u>22</u>
Income (loss) before transfers	749,605	(60,937)	19,725	-
Transfers	-	-	(19,725)	-
Change in net position	<u>749,605</u>	<u>(60,937)</u>	<u>-</u>	<u>-</u>
Net position, beginning of year, as originally stated	4,558,356	265,043	-	38,750
Prior period adjustments GASB 68	-	-	-	-
Net position, beginning of year, as restated	<u>4,558,356</u>	<u>265,043</u>	<u>-</u>	<u>38,750</u>
Net position, ending	<u>\$ 5,307,961</u>	<u>\$ 204,106</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,066,063
212,108	-	272,272	67,524	211,299	(531,750)	896,461
817,907	-	-	-	-	(817,907)	-
22	-	-	-	-	-	325,801
<u>1,030,037</u>	<u>-</u>	<u>272,272</u>	<u>67,524</u>	<u>211,299</u>	<u>(1,349,657)</u>	<u>5,288,325</u>
-	-	-	-	-	-	628,527
445,136	-	91,562	125	-	-	1,797,435
50,884	10,110	28,292	3,440	11,715	(817,907)	163,638
95,714	-	32,313	8,892	-	(320,451)	734,127
50,822	-	-	-	-	-	50,822
17,022	-	32,083	-	116,819	(211,299)	189,622
288,984	-	-	-	-	-	321,222
-	-	-	-	-	-	-
<u>948,562</u>	<u>10,110</u>	<u>184,250</u>	<u>12,457</u>	<u>128,534</u>	<u>(1,349,657)</u>	<u>3,885,393</u>
81,475	(10,110)	88,022	55,067	82,765	-	1,402,932
(61,175)	-	(15,629)	(10,321)	(64,410)	-	(708,830)
<u>20,300</u>	<u>(10,110)</u>	<u>72,393</u>	<u>44,746</u>	<u>18,355</u>	<u>-</u>	<u>694,102</u>
1,660	101,097	111	496	135	(99,551)	5,712
-	-	-	-	16,379	-	225,268
(42,340)	-	(3,034)	(3,597)	(12,328)	99,551	(12,426)
<u>(40,680)</u>	<u>101,097</u>	<u>(2,923)</u>	<u>(3,101)</u>	<u>4,186</u>	<u>-</u>	<u>218,554</u>
(20,380)	90,987	69,470	41,645	22,541	-	912,656
19,725	-	-	-	-	-	-
<u>(655)</u>	<u>90,987</u>	<u>69,470</u>	<u>41,645</u>	<u>22,541</u>	<u>-</u>	<u>912,656</u>
3,821,004	4,545,671	241,222	843,486	207,738	-	14,521,270
224,806	-	-	-	-	-	224,806
<u>4,045,810</u>	<u>4,545,671</u>	<u>241,222</u>	<u>843,486</u>	<u>207,738</u>	<u>-</u>	<u>14,746,076</u>
<u>\$ 4,045,155</u>	<u>\$ 4,636,658</u>	<u>\$ 310,692</u>	<u>\$ 885,131</u>	<u>\$ 230,279</u>	<u>\$ -</u>	<u>\$ 15,658,732</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF CASH FLOWS**  
for the year ended September 30, 2015

**Enterprise Funds**

	<b>Utility Division Fund</b>	<b>Environmental Services Division Fund</b>	<b>Direct Financing Arrangements Fund</b>	<b>Industrial Development Authority Fund</b>
<b>Increase (decrease) in cash and cash equivalents:</b>				
<b>Cash flows from operating activities:</b>				
Cash received from customers and users	\$ 4,141,780	\$ 768,867	\$ 19,725	\$ -
Cash received from internal services provided	-	-	-	-
Cash payments to suppliers for goods and services	(2,259,024)	(427,892)	-	-
Cash payments to employees for services	(949,031)	(310,818)	-	-
Cash payments for internal services used	-	-	-	(22)
Customer deposits received	(1,000)	-	-	-
Net cash provided by (used in) operating activities	<u>932,725</u>	<u>30,157</u>	<u>19,725</u>	<u>(22)</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers to other funds	-	-	(19,725)	-
Transfers from other funds	-	-	-	-
Increase in net pension obligation	-	-	-	-
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	(37,166)	-	-	-
Interest paid on revenue bonds and notes	(12,426)	-	-	-
Proceeds from interfund loans	198,974	-	-	-
Principal paid on interfund loans	(142,557)	(5,546)	-	-
Interest paid on interfund loans	(37,528)	(724)	-	-
Acquisition of capital assets	(495,730)	(17,304)	-	-
Proceeds from sale of equipment	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(526,433)</u>	<u>(23,574)</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	-	-	-	2,629
Purchase of investments	(26,458)	-	-	(409)
Interest received on investments	1,742	-	-	22
Net cash provided by (used in) investing activities	<u>(24,716)</u>	<u>-</u>	<u>-</u>	<u>2,242</u>
Net increase (decrease) in cash and cash equivalents	381,576	6,583	-	2,220
Cash and cash equivalents (deficit), beginning	<u>(2,194,010)</u>	<u>(107,320)</u>	<u>-</u>	<u>18,092</u>
Cash and cash equivalents (deficit), ending	<u>\$ (1,812,434)</u>	<u>\$ (100,737)</u>	<u>\$ -</u>	<u>\$ 20,312</u>



Internal Service Funds

General Division Fund	Interfund Loan Fund	Maintenance Division Fund	Communications Division Fund	Motor Vehicle Pool Fund	Eliminations	Totals
\$ 98,125	\$ -	\$ 61,369	\$ 62,132	\$ -	\$ (96,787)	\$ 5,055,211
817,907	-	212,014	12,650	211,299	(1,253,870)	-
(409,665)	-	(87,527)	(12,339)	(135,475)	1,340,666	(1,991,256)
(520,077)	-	(91,105)	(96)	-	(1,141)	(1,872,268)
-	(10,110)	-	-	-	10,132	-
-	-	-	-	-	1,000	-
<u>(13,710)</u>	<u>(10,110)</u>	<u>94,751</u>	<u>62,347</u>	<u>75,824</u>	<u>-</u>	<u>1,191,687</u>
-	-	-	-	-	19,725	-
19,725	-	-	-	-	(19,725)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>19,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	(37,166)
-	-	-	-	-	-	(12,426)
66,037	-	-	-	98,908	(363,919)	-
(94,862)	-	(13,757)	(8,182)	(63,149)	328,053	-
(42,340)	-	(3,034)	(3,597)	(12,328)	99,551	-
(31,387)	-	-	-	(98,908)	-	(643,329)
-	-	-	-	16,379	-	16,379
<u>(102,552)</u>	<u>-</u>	<u>(16,791)</u>	<u>(11,779)</u>	<u>(59,098)</u>	<u>63,685</u>	<u>(676,542)</u>
-	(363,919)	-	-	-	363,919	-
-	328,053	-	-	-	(328,053)	-
-	99,551	-	-	-	(99,551)	-
54,205	64	4,571	1,786	676	-	63,931
(10,595)	(330)	(23,389)	(9,138)	(3,458)	-	(73,777)
1,660	1,546	111	496	135	-	5,712
<u>45,270</u>	<u>64,965</u>	<u>(18,707)</u>	<u>(6,856)</u>	<u>(2,647)</u>	<u>(63,685)</u>	<u>(4,134)</u>
(51,267)	54,855	59,253	43,712	14,079	-	511,011
<u>2,180,477</u>	<u>2,370,730</u>	<u>114,270</u>	<u>628,903</u>	<u>167,961</u>	<u>-</u>	<u>3,179,103</u>
<u>\$ 2,129,210</u>	<u>\$ 2,425,585</u>	<u>\$ 173,523</u>	<u>\$ 672,615</u>	<u>\$ 182,040</u>	<u>\$ -</u>	<u>\$ 3,690,114</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF CASH FLOWS - ENTERPRISE FUNDS, Continued**  
**for the year ended September 30, 2015**

	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>	\$ 588,928	\$ (60,213)	\$ 19,725	\$ (22)
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>				
Depreciation and amortization	499,960	57,335	-	-
Change in assets and liabilities:				
(Increase) decrease in trade receivables	(168,632)	35,308	-	-
(Increase) decrease in prepaid expenses	-	-	-	-
(Increase) decrease in inventory	-	-	-	-
(Increase) in net pension assets and related deferred outflows	-	-	-	-
Increase (decrease) in trade accounts payable	5,016	(1,429)	-	-
Increase (decrease) in accrued payroll and related liabilities	1,607	(844)	-	-
Increase (decrease) in deferred revenues	6,846	-	-	-
Increase (decrease) in deposits	(1,000)	-	-	-
Total adjustments	343,797	90,370	-	-
Net cash provided by (used in) operating activities	\$ 932,725	\$ 30,157	\$ 19,725	\$ (22)

Internal Service Funds

<u>General Division Fund</u>	<u>Interfund Loan Fund</u>	<u>Maintenance Division Fund</u>	<u>Communications Division Fund</u>	<u>Motor Vehicle Pool Fund</u>	<u>Eliminations</u>	<u>Totals</u>
\$ 20,300	\$ (10,110)	\$ 72,393	\$ 44,746	\$ 18,355	\$ -	\$ 694,102
61,175	-	15,629	10,321	64,410		708,830
(114,005)	-	1,111	(4,758)	-	-	(250,976)
4,278	-	-	-	-	-	4,278
-	-	5,210	-	-	-	5,210
(74,833)	-	-	-	-	-	(74,833)
89,483	-	(49)	(7)	(6,941)	-	86,073
(108)	-	457	29	-	-	1,141
-	-	-	12,016	-	-	18,862
-	-	-	-	-	-	(1,000)
<u>(34,010)</u>	<u>-</u>	<u>22,358</u>	<u>17,601</u>	<u>57,469</u>	<u>-</u>	<u>497,585</u>
<u>\$ (13,710)</u>	<u>\$ (10,110)</u>	<u>\$ 94,751</u>	<u>\$ 62,347</u>	<u>\$ 75,824</u>	<u>\$ -</u>	<u>\$ 1,191,687</u>

**RED RIVER AUTHORITY OF TEXAS**

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

September 30, 2015, with comparable totals for 2014

	District	District	District	District	District	District	District	District	District	District	Totals	
	11	12	13	14	15	16	18	19	21	22	2015	2014
<b>ASSETS</b>												
<b>Current assets:</b>												
Cash and short-term investments	\$ 381,815	\$ 243,960	\$ 379,049	\$ 209,498	\$ 492,469	\$ 272,324	\$ 294,454	\$ -	\$ -	\$ -	\$ 2,273,569	\$ 2,122,100
Investments	152,486	83,119	129,144	71,378	167,787	92,783	100,323	-	-	-	797,020	765,500
<b>Receivables:</b>												
Trade and contracts	197,887	73,928	68,505	67,388	80,418	43,816	40,375	135,971	809	451,193	1,160,290	666,658
Total current assets	732,188	401,007	576,698	348,264	740,674	408,923	435,152	135,971	809	451,193	4,230,879	3,554,258
<b>Restricted assets:</b>												
Cash and short-term investments	3,240	8,296	3,843	3,163	2,613	2,046	4,442	5,278	-	13,404	46,325	41,368
Investments	2,941	7,529	3,490	2,872	2,373	1,859	4,032	4,792	-	12,167	42,055	47,012
Total restricted assets	6,181	15,825	7,333	6,035	4,986	3,905	8,474	10,070	-	25,571	88,380	88,380
<b>Capital assets:</b>												
<b>Capital assets not being depreciated:</b>												
Land and easements	52,123	-	1,004	100	-	81,100	28,000	-	-	9,471	171,798	171,798
Construction in progress	7,927	-	28,490	1,883	30,000	35,291	-	-	-	-	103,591	101,925
Total capital assets not being depreciated	60,050	-	29,494	1,983	30,000	116,391	28,000	-	-	9,471	275,389	273,723
<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	1,302,085	951,406	1,017,963	1,101,438	1,987,637	1,905,440	887,370	4,384,236	-	3,044,543	16,582,118	16,301,879
Total capital assets being depreciated and amortized	1,302,085	951,406	1,017,963	1,101,438	1,987,637	1,905,440	887,370	4,384,236	1,213,600	3,053,643	17,804,818	17,524,579
Less accumulated depreciation and amortization	(926,697)	(758,276)	(753,490)	(785,040)	(1,301,512)	(1,452,898)	(615,237)	(2,820,052)	(233,822)	(1,784,601)	(11,431,625)	(11,029,380)
Total capital assets being depreciated and amortized, net	375,388	193,130	264,473	316,398	686,125	452,542	272,133	1,564,184	979,778	1,269,042	6,373,193	6,495,199
Total capital assets, net	435,438	193,130	293,967	318,381	716,125	568,933	300,133	1,564,184	979,778	1,278,513	6,648,582	6,768,922
Total assets	1,173,807	609,962	877,998	672,680	1,461,785	981,761	743,759	1,710,225	980,587	1,755,277	10,967,841	10,411,560
<b>LIABILITIES AND NET POSITION</b>												
<b>Current liabilities (payable from current assets):</b>												
Bank overdraft	326,857	233,712	689,976	131,117	64,307	199,632	-	1,178,819	796,714	511,194	4,132,328	4,357,373
Accounts payable - trade	14,444	9,937	4,001	15,570	9,581	3,901	6,617	19,625	-	8,526	92,202	87,186
Accrued payroll and related taxes	1,203	876	2,110	1,017	3,786	978	681	2,722	5	3,164	16,542	14,935
Unearned Revenue	-	-	-	-	-	-	-	9,401	-	-	9,401	2,555
Interfund loans payable, current	10,782	-	228	4,260	48,938	3,970	19,917	22,017	-	34,880	144,992	105,166
Total current liabilities	353,286	244,525	696,315	151,964	126,612	208,481	27,215	1,232,584	796,719	557,764	4,395,465	4,567,215
<b>Current liabilities (payable from restricted assets):</b>												
Bonds payable, current	-	-	-	-	-	-	-	-	38,134	-	38,134	37,166
Total current liabilities	353,286	244,525	696,315	151,964	126,612	208,481	27,215	1,232,584	834,853	557,764	4,433,599	4,604,381
<b>Noncurrent liabilities:</b>												
Interfund loans payable, less current maturities	72,514	-	-	19,870	57,858	14,000	177,594	31,080	-	26,696	399,612	383,020
Bonds payable, less current maturities	-	-	-	-	-	-	-	-	635,533	-	635,533	673,667
Deposits	15,055	18,775	22,200	20,700	14,800	10,550	17,275	35,150	-	36,631	191,136	192,136
Total noncurrent liabilities	87,569	18,775	22,200	40,570	72,658	24,550	194,869	66,230	635,533	63,327	1,226,281	1,248,823
Total liabilities	440,855	263,300	718,515	192,534	199,270	233,031	222,084	1,298,814	1,470,386	621,091	5,659,880	5,853,204
<b>Net position:</b>												
Net investment in capital assets	352,142	193,130	293,739	294,251	609,329	550,963	102,622	1,511,087	306,111	1,216,937	5,430,311	5,569,903
<b>Restricted for:</b>												
Debt service, repair and replacement, and construction	6,181	15,825	7,333	6,035	4,986	3,905	8,474	10,070	-	25,571	88,380	88,380
Unrestricted	374,629	137,707	(141,589)	179,860	648,200	193,862	410,579	(1,109,746)	(795,910)	(108,322)	(210,730)	(1,099,927)
Total net position	\$ 732,952	\$ 346,662	\$ 159,483	\$ 480,146	\$ 1,262,515	\$ 748,730	\$ 521,675	\$ 411,411	\$ (489,799)	\$ 1,134,186	\$ 5,307,961	\$ 4,558,356

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

Exhibit C-5

for the year ended September 30, 2015, with comparable totals for 2014

	District 11	District 12	District 13	District 14	District 15	District 16	District 18	District 19	District 21	District 22	Totals	
											2015	2014
<b>Operating revenues:</b>												
Water and sewer sales	\$ 407,560	\$ 406,560	\$ 463,732	\$ 375,516	\$ 405,770	\$ 286,728	\$ 271,968	\$ 789,825	\$ 6,501	\$ 651,903	\$ 4,066,063	\$ 4,072,153
Charges for materials and services	124,665	-	31,752	7,842	-	-	-	-	-	-	164,259	-
Other	6,435	8,834	10,316	3,778	4,846	6,174	3,692	21,191	-	7,978	73,244	143,952
Total operating revenues	538,660	415,394	505,800	387,136	410,616	292,902	275,660	811,016	6,501	659,881	4,303,566	4,216,105
<b>Operating expenses:</b>												
Water purchases	98,507	125,991	144,946	129,620	36,088	27,339	13,594	50,991	-	1,451	628,527	601,222
Personnel services	89,439	89,273	109,827	78,852	91,877	80,611	59,222	176,525	254	174,758	950,638	897,263
Administrative costs	62,655	64,484	75,591	71,007	61,150	40,125	116,194	120,679	1,675	120,495	734,055	676,593
Utilities, supplies, and maintenance	69,708	29,203	76,790	36,870	82,198	65,849	26,553	147,823	2,146	114,482	651,622	752,243
Automobile and travel	15,848	21,046	25,033	23,072	19,888	13,859	21,825	38,799	57	39,557	218,984	238,983
Professional and directors fees	14,963	-	225	-	-	15,000	-	(1,276)	(38)	1,978	30,852	15,000
Total operating expenses	351,120	329,997	432,412	339,421	291,201	242,783	237,388	533,541	4,094	452,721	3,214,678	3,181,304
Operating income (loss) before depreciation	187,540	85,397	73,388	47,715	119,415	50,119	38,272	277,475	2,407	207,160	1,088,888	1,034,801
Depreciation	(35,109)	(20,927)	(29,466)	(43,613)	(73,681)	(52,795)	(20,380)	(121,495)	(7,288)	(95,206)	(499,960)	(514,604)
Operating income (loss)	152,431	64,470	43,922	4,102	45,734	(2,676)	17,892	155,980	(4,881)	111,954	588,928	520,197
<b>Nonoperating revenues (expenses):</b>												
Interest income	336	175	289	157	371	223	171	6	-	14	1,742	2,500
Gain on disposal of assets	-	-	-	-	-	-	-	-	-	208,889	208,889	5,166
Interest expense	(5,265)	-	(76)	(2,103)	(10,708)	(1,598)	(5,646)	(5,793)	(12,426)	(6,339)	(49,954)	(136,785)
Total nonoperating revenues (expenses)	(4,929)	175	213	(1,946)	(10,337)	(1,375)	(5,475)	(5,787)	(12,426)	202,564	160,677	(129,119)
Change in net position	147,502	64,645	44,135	2,156	35,397	(4,051)	12,417	150,193	(17,307)	314,518	749,605	391,078
Net position, beginning	585,450	282,017	115,348	477,990	1,227,118	752,781	509,258	261,218	(472,492)	819,668	4,558,356	4,167,278
Net position, ending	\$ 732,952	\$ 346,662	\$ 159,483	\$ 480,146	\$ 1,262,515	\$ 748,730	\$ 521,675	\$ 411,411	\$ (489,799)	\$ 1,134,186	\$ 5,307,961	\$ 4,558,356

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 11**  
**September 30, 2015, with comparable totals for 2014**

Exhibit C-6

ASSETS	Turkey- Estelline	Newlin	Harrel's Chapel	Northfield- Carey	Rural #1	Totals	
						2015	2014
<b>Current assets:</b>							
Cash and short-term investments	\$ -	\$ 364,224	\$ -	\$ -	\$ 17,591	\$ 381,815	\$ 367,353
Investments	22,400	124,093	-	-	5,993	152,486	146,606
Receivables:							
Trade and contracts	40,865	10,019	4,635	140,509	1,859	197,887	71,313
Total current assets	<u>63,265</u>	<u>498,336</u>	<u>4,635</u>	<u>140,509</u>	<u>25,443</u>	<u>732,188</u>	<u>585,272</u>
<b>Restricted assets:</b>							
Cash and short-term investments	1,785	227	111	433	684	3,240	3,112
Investments	1,621	207	100	393	620	2,941	3,069
Total restricted assets	<u>3,406</u>	<u>434</u>	<u>211</u>	<u>826</u>	<u>1,304</u>	<u>6,181</u>	<u>6,181</u>
<b>Capital assets:</b>							
Capital assets not being depreciated:							
Land and easements	52,123	-	-	-	-	52,123	52,123
Construction in progress	7,927	-	-	-	-	7,927	15,040
Total capital assets not being depreciated	<u>60,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,050</u>	<u>67,163</u>
Capital assets being depreciated:							
Water and sewer systems	616,968	36,378	40,202	599,686	8,851	1,302,085	1,180,440
Total capital assets being depreciated	<u>616,968</u>	<u>36,378</u>	<u>40,202</u>	<u>599,686</u>	<u>8,851</u>	<u>1,302,085</u>	<u>1,180,440</u>
Less accumulated depreciation	(486,427)	(30,223)	(32,654)	(368,551)	(8,842)	(926,697)	(891,587)
Total capital assets, being depreciated, net	<u>130,541</u>	<u>6,155</u>	<u>7,548</u>	<u>231,135</u>	<u>9</u>	<u>375,388</u>	<u>288,853</u>
Total capital assets, net	<u>190,591</u>	<u>6,155</u>	<u>7,548</u>	<u>231,135</u>	<u>9</u>	<u>435,438</u>	<u>356,016</u>
Total assets	<u>257,262</u>	<u>504,925</u>	<u>12,394</u>	<u>372,470</u>	<u>26,756</u>	<u>1,173,807</u>	<u>947,469</u>
<b>LIABILITIES AND NET POSITION</b>							
<b>Current liabilities (payable from current assets):</b>							
Bank overdraft	184,551	-	18,072	124,234	-	326,857	240,826
Accounts payable - trade	9,415	2,084	827	1,858	260	14,444	11,826
Accrued payroll and related taxes	647	120	100	286	50	1,203	1,688
Interfund loans payable, current	10,782	-	-	-	-	10,782	9,526
	<u>205,395</u>	<u>2,204</u>	<u>18,999</u>	<u>126,378</u>	<u>310</u>	<u>353,286</u>	<u>263,866</u>
<b>Current liabilities (payable from restricted assets):</b>							
Bonds payable, current	-	-	-	-	-	-	-
Total current liabilities	<u>205,395</u>	<u>2,204</u>	<u>18,999</u>	<u>126,378</u>	<u>310</u>	<u>353,286</u>	<u>263,866</u>
<b>Noncurrent liabilities:</b>							
Bonds payable, less current maturities	-	-	-	-	-	-	-
Interfund loans payable, less current maturities	72,514	-	-	-	-	72,514	83,798
Deposits	7,780	1,525	1,150	3,850	750	15,055	14,355
Total noncurrent liabilities	<u>80,294</u>	<u>1,525</u>	<u>1,150</u>	<u>3,850</u>	<u>750</u>	<u>87,569</u>	<u>98,153</u>
Total liabilities	<u>285,689</u>	<u>3,729</u>	<u>20,149</u>	<u>130,228</u>	<u>1,060</u>	<u>440,855</u>	<u>362,019</u>
<b>Net position:</b>							
Net investment in capital assets	107,295	6,155	7,548	231,135	9	352,142	262,692
Restricted for:							
Debt service, repair and replacement, and construction	3,406	434	211	826	1,304	6,181	6,181
Unrestricted	(139,128)	494,607	(15,514)	10,281	24,383	374,629	316,577
Total net position	<u>\$ (28,427)</u>	<u>\$ 501,196</u>	<u>\$ (7,755)</u>	<u>\$ 242,242</u>	<u>\$ 25,696</u>	<u>\$ 732,952</u>	<u>\$ 585,450</u>

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

Exhibit C-7

for the year ended September 30, 2015, with comparable totals for 2014

	Turkey- Estelline	Newlin	Harrel's Chapel	Northfield- Carey	Rural #1	Totals	
						2015	2014
<b>Operating revenues:</b>							
Water and sewer sales	\$ 230,267	\$ 54,965	\$ 26,960	\$ 83,278	\$ 12,090	\$ 407,560	\$ 395,876
Charges for materials and services	-	-	-	124,665	-	124,665	-
Other	4,046	350	115	1,924	-	6,435	7,586
Total operating revenues	<u>234,313</u>	<u>55,315</u>	<u>27,075</u>	<u>209,867</u>	<u>12,090</u>	<u>538,660</u>	<u>403,462</u>
<b>Operating expenses:</b>							
Water purchases	44,770	23,291	8,428	18,765	3,253	98,507	91,746
Personnel services	47,579	9,138	7,440	21,716	3,566	89,439	89,276
Administrative costs	39,116	4,942	4,020	11,752	2,825	62,655	50,568
Utilities, supplies, and maintenance	42,268	4,692	6,839	15,102	807	69,708	65,415
Automobile and travel	8,465	1,613	1,312	3,829	629	15,848	17,485
Professional and directors fees	14,963	-	-	-	-	14,963	240
Total operating expenses	<u>197,161</u>	<u>43,676</u>	<u>28,039</u>	<u>71,164</u>	<u>11,080</u>	<u>351,120</u>	<u>314,730</u>
Operating income (loss) before depreciation	37,152	11,639	(964)	138,703	1,010	187,540	88,732
Depreciation	(16,583)	(601)	(737)	(17,011)	(177)	(35,109)	(32,167)
Operating income (loss)	<u>20,569</u>	<u>11,038</u>	<u>(1,701)</u>	<u>121,692</u>	<u>833</u>	<u>152,431</u>	<u>56,565</u>
<b>Nonoperating revenues (expenses):</b>							
Interest income	46	275	-	1	14	336	404
Interest expense	(5,265)	-	-	-	-	(5,265)	(8,020)
Total nonoperating revenues (expenses)	<u>(5,219)</u>	<u>275</u>	<u>-</u>	<u>1</u>	<u>14</u>	<u>(4,929)</u>	<u>(7,616)</u>
Change in net position	15,350	11,313	(1,701)	121,693	847	147,502	48,949
Net position, beginning	<u>(43,777)</u>	<u>489,883</u>	<u>(6,054)</u>	<u>120,549</u>	<u>24,849</u>	<u>585,450</u>	<u>536,501</u>
Net position, ending	<u>\$ (28,427)</u>	<u>\$ 501,196</u>	<u>\$ (7,755)</u>	<u>\$ 242,242</u>	<u>\$ 25,696</u>	<u>\$ 732,952</u>	<u>\$ 585,450</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 12**  
**September 30, 2015, with comparable totals for 2014**

Exhibit C-8

ASSETS								Totals	
	Goodlett	Quanah Southwest	Rural #2	Old Goodlett	Medicine Mound	Quanah Northeast	Kirkland Lazare	2015	2014
<b>Current assets:</b>									
Cash and short-term investments	\$ 6,619	\$ -	\$ 44,669	\$ 6,626	\$ 132,489	\$ 53,557	\$ -	\$ 243,960	\$ 193,834
Investments	2,255	-	15,219	2,258	45,140	18,247	-	83,119	68,365
Receivables:									
Trade and contracts	4,712	6,200	6,892	4,637	20,072	19,356	12,059	73,928	67,536
Total current assets	13,586	6,200	66,780	13,521	197,701	91,160	12,059	401,007	329,735
<b>Restricted assets:</b>									
Cash and short-term investments	222	549	1,786	2,343	370	895	2,131	8,296	7,267
Investments	201	498	1,622	2,126	336	812	1,934	7,529	8,558
Total restricted assets	423	1,047	3,408	4,469	706	1,707	4,065	15,825	15,825
<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	(85,365)	(86,973)	(24,908)	(39,296)	(165,161)	(208,091)	(148,482)	(758,276)	(737,350)
Total capital assets, being depreciated, net	20,617	21,016	27	358	68,826	52,082	30,204	193,130	214,056
Total capital assets, net	20,617	21,016	27	358	68,826	52,082	30,204	193,130	214,056
Total assets	34,626	28,263	70,215	18,348	267,233	144,949	46,328	609,962	559,616
<b>LIABILITIES AND NET POSITION</b>									
<b>Current liabilities (payable from current assets):</b>									
Bank overdraft	-	90,063	-	-	-	-	143,649	233,712	245,310
Accounts payable - trade	689	699	1,025	422	2,152	2,708	2,242	9,937	13,612
Accrued payroll and related taxes	61	96	123	86	105	241	164	876	352
Interfund loans payable, current	-	-	-	-	-	-	-	-	-
Total current liabilities	750	90,858	1,148	508	2,257	2,949	146,055	244,525	259,274
<b>Current liabilities (payable from restricted assets):</b>									
Bonds payable, current	-	-	-	-	-	-	-	-	-
Total current liabilities	750	90,858	1,148	508	2,257	2,949	146,055	244,525	259,274
<b>Noncurrent liabilities:</b>									
Bonds payable, less current maturities	-	-	-	-	-	-	-	-	-
Interfund loans payable, less current maturities	-	-	-	-	-	-	-	-	-
Deposits	1,500	1,825	2,550	1,650	2,325	5,400	3,525	18,775	18,325
Total noncurrent liabilities	1,500	1,825	2,550	1,650	2,325	5,400	3,525	18,775	18,325
Total liabilities	2,250	92,683	3,698	2,158	4,582	8,349	149,580	263,300	277,599
<b>Net position:</b>									
Net investment in capital assets	20,617	21,016	27	358	68,826	52,082	30,204	193,130	214,056
Restricted for:									
Debt service, repair and replacement, and construction	423	1,047	3,408	4,469	706	1,707	4,065	15,825	15,825
Unrestricted	11,336	(86,483)	63,082	11,363	193,119	82,811	(137,521)	137,707	52,136
Total net position	\$ 32,376	\$ (64,420)	\$ 66,517	\$ 16,190	\$ 262,651	\$ 136,600	\$ (103,252)	\$ 346,662	\$ 282,017



**RED RIVER AUTHORITY OF TEXAS**

Exhibit C-9

**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
DISTRICT 12**

for the year ended September 30, 2015, with comparable totals for 2014

	<u>Goodlett</u>	<u>Quanah Southwest</u>	<u>Rural #2</u>	<u>Old Goodlett</u>	<u>Medicine Mound</u>	<u>Quanah Northeast</u>	<u>Kirkland- Lazare</u>	<u>Totals</u>	
								<u>2015</u>	<u>2014</u>
<b>Operating revenues:</b>									
Water and sewer sales	\$ 24,131	\$ 30,336	\$ 46,027	\$ 27,222	\$ 117,331	\$ 95,819	\$ 65,694	\$ 406,560	\$ 403,737
Other	1,085	850	545	768	1,619	2,303	1,664	8,834	6,722
Total operating revenues	<u>25,216</u>	<u>31,186</u>	<u>46,572</u>	<u>27,990</u>	<u>118,950</u>	<u>98,122</u>	<u>67,358</u>	<u>415,394</u>	<u>410,459</u>
<b>Operating expenses:</b>									
Water purchases	5,698	4,222	12,608	4,094	54,647	24,859	19,863	125,991	134,041
Personnel services	6,150	10,067	12,630	8,592	10,775	24,472	16,587	89,273	81,647
Administrative costs	4,425	7,282	9,133	6,193	7,860	17,614	11,977	64,484	65,775
Utilities, supplies, and maintenance	1,204	2,600	1,000	3,261	5,711	9,237	6,190	29,203	36,709
Automobile and travel	1,448	2,382	2,980	2,020	2,543	5,766	3,907	21,046	23,127
Professional and directors fees	-	-	-	-	-	-	-	-	-
Total operating expenses	<u>18,925</u>	<u>26,553</u>	<u>38,351</u>	<u>24,160</u>	<u>81,536</u>	<u>81,948</u>	<u>58,524</u>	<u>329,997</u>	<u>341,299</u>
Operating income (loss) before depreciation	6,291	4,633	8,221	3,830	37,414	16,174	8,834	85,397	69,160
Depreciation	(2,013)	(2,052)	(499)	(860)	(6,888)	(5,085)	(3,530)	(20,927)	(20,928)
Operating income (loss)	<u>4,278</u>	<u>2,581</u>	<u>7,722</u>	<u>2,970</u>	<u>30,526</u>	<u>11,089</u>	<u>5,304</u>	<u>64,470</u>	<u>48,232</u>
<b>Nonoperating revenues (expenses):</b>									
Interest income	3	-	34	7	91	38	2	175	193
Interest expense	-	-	-	-	-	-	-	-	(709)
Total nonoperating revenues (expenses)	<u>3</u>	<u>-</u>	<u>34</u>	<u>7</u>	<u>91</u>	<u>38</u>	<u>2</u>	<u>175</u>	<u>(516)</u>
Change in net position	4,281	2,581	7,756	2,977	30,617	11,127	5,306	64,645	47,716
Net position, beginning	28,095	(67,001)	58,761	13,213	232,034	125,473	(108,558)	282,017	234,301
Net position, ending	<u>\$ 32,376</u>	<u>\$ (64,420)</u>	<u>\$ 66,517</u>	<u>\$ 16,190</u>	<u>\$ 262,651</u>	<u>\$ 136,600</u>	<u>\$ (103,252)</u>	<u>\$ 346,662</u>	<u>\$ 282,017</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 13**  
**September 30, 2015, with comparable totals for 2014**

Exhibit C-10

ASSETS	Lockett	Box	Hinds	Farmers Valley	Totals	
					2015	2014
<b>Current assets:</b>						
Cash and short-term investments	\$ -	\$ 348,050	\$ -	\$ 30,999	\$ 379,049	\$ 358,332
Investments	-	118,583	-	10,561	129,144	126,382
Receivables:						
Trade and contracts	42,044	8,853	10,335	7,273	68,505	69,731
Total current assets	42,044	475,486	10,335	48,833	576,698	554,445
<b>Restricted assets:</b>						
Cash and short-term investments	2,622	380	438	403	3,843	3,423
Investments	2,381	345	398	366	3,490	3,910
Total restricted assets	5,003	725	836	769	7,333	7,333
<b>Capital assets:</b>						
Capital assets not being depreciated:						
Land and easements	1,004	-	-	-	1,004	1,004
Construction in progress	-	-	28,490	-	28,490	15,000
Total capital assets not being depreciated	1,004	-	28,490	-	29,494	16,004
Capital assets being depreciated:						
Water and sewer systems	517,604	140,324	177,819	182,216	1,017,963	962,164
Total capital assets being depreciated	517,604	140,324	177,819	182,216	1,017,963	962,164
Less accumulated depreciation	(367,398)	(112,507)	(126,113)	(147,472)	(753,490)	(724,025)
Total capital assets, being depreciated, net	150,206	27,817	51,706	34,744	264,473	238,139
Total capital assets, net	151,210	27,817	80,196	34,744	293,967	254,143
Total assets	198,257	504,028	91,367	84,346	877,998	815,921
<b>LIABILITIES AND NET POSITION</b>						
<b>Current liabilities (payable from current assets):</b>						
Bank overdraft	622,600	-	67,376	-	689,976	660,075
Accounts payable - trade	1,471	251	1,362	917	4,001	15,579
Accrued payroll and related taxes	1,306	229	327	248	2,110	1,033
Interfund loans payable, current	-	-	228	-	228	1,308
	625,377	480	69,293	1,165	696,315	677,995
<b>Current liabilities (payable from restricted assets):</b>						
Bonds payable, current	-	-	-	-	-	-
Total current liabilities	625,377	480	69,293	1,165	696,315	677,995
<b>Noncurrent liabilities:</b>						
Bonds payable, less current maturities	-	-	-	-	-	-
Interfund loans payable, less current maturities	-	-	-	-	-	228
Deposits	14,300	2,975	2,875	2,050	22,200	22,350
Total noncurrent liabilities	14,300	2,975	2,875	2,050	22,200	22,578
Total liabilities	639,677	3,455	72,168	3,215	718,515	700,573
<b>Net position:</b>						
Net investment in capital assets	151,210	27,817	79,968	34,744	293,739	252,607
Restricted for:						
Debt service, repair and replacement, and construction	5,003	725	836	769	7,333	7,333
Unrestricted	(597,633)	472,031	(61,605)	45,618	(141,589)	(144,592)
Total net position	\$ (441,420)	\$ 500,573	\$ 19,199	\$ 81,131	\$ 159,483	\$ 115,348

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

Exhibit C-11

for the year ended September 30, 2015, with comparable totals for 2014

	Lockett	Box	Hinds	Farmers Valley	Totals	
					2015	2014
<b>Operating revenues:</b>						
Water and sewer sales	\$ 277,876	\$ 60,755	\$ 73,760	\$ 51,341	\$ 463,732	\$ 460,310
Charges for materials and services	31,752	-	-	-	31,752	-
Other	8,414	922	350	630	10,316	47,046
Total operating revenues	<u>318,042</u>	<u>61,677</u>	<u>74,110</u>	<u>51,971</u>	<u>505,800</u>	<u>507,356</u>
<b>Operating expenses:</b>						
Water purchases	101,690	22,564	13,117	7,575	144,946	127,788
Personnel services	67,810	12,018	17,126	12,873	109,827	95,550
Administrative costs	46,618	8,321	11,786	8,866	75,591	76,328
Utilities, supplies, and maintenance	44,548	3,606	19,354	9,282	76,790	95,829
Automobile and travel	15,475	2,707	3,921	2,930	25,033	26,879
Professional and directors fees	225	-	-	-	225	-
Total operating expenses	<u>276,366</u>	<u>49,216</u>	<u>65,304</u>	<u>41,526</u>	<u>432,412</u>	<u>422,374</u>
Operating income (loss) before depreciation	41,676	12,461	8,806	10,445	73,388	84,982
Depreciation	<u>(16,067)</u>	<u>(2,911)</u>	<u>(6,856)</u>	<u>(3,632)</u>	<u>(29,466)</u>	<u>(26,686)</u>
Operating income (loss)	<u>25,609</u>	<u>9,550</u>	<u>1,950</u>	<u>6,813</u>	<u>43,922</u>	<u>58,296</u>
<b>Nonoperating revenues (expenses):</b>						
Interest income	3	264	1	21	289	366
Interest expense	-	-	(76)	-	(76)	(1,009)
Total nonoperating revenues (expenses)	<u>3</u>	<u>264</u>	<u>(75)</u>	<u>21</u>	<u>213</u>	<u>(643)</u>
Change in net position	25,612	9,814	1,875	6,834	44,135	57,653
Net position, beginning	<u>(467,032)</u>	<u>490,759</u>	<u>17,324</u>	<u>74,297</u>	<u>115,348</u>	<u>57,695</u>
Net position, ending	<u>\$ (441,420)</u>	<u>\$ 500,573</u>	<u>\$ 19,199</u>	<u>\$ 81,131</u>	<u>\$ 159,483</u>	<u>\$ 115,348</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 14**  
**September 30, 2015, with comparable totals for 2014**

Exhibit C-12

ASSETS	Tell	Childress	Saied	Garden	Rural #3	Totals	
	Cee Vee		Addition	Valley		2015	2014
<b>Current assets:</b>							
Cash and short-term investments	\$ -	\$ 121,726	\$ 34,653	\$ 37,427	\$ 15,692	\$ 209,498	\$ 185,783
Investments	-	41,473	11,807	12,752	5,346	71,378	65,525
Receivables:							
Trade and contracts	31,877	18,692	6,784	8,669	1,366	67,388	61,189
Total current assets	31,877	181,891	53,244	58,848	22,404	348,264	312,497
<b>Restricted assets:</b>							
Cash and short-term investments	1,340	671	281	282	589	3,163	2,818
Investments	1,216	609	256	256	535	2,872	3,217
Total restricted assets	2,556	1,280	537	538	1,124	6,035	6,035
<b>Capital assets:</b>							
Capital assets not being depreciated:							
Land and easements	100	-	-	-	-	100	100
Construction in progress	-	1,883	-	-	-	1,883	-
Total capital assets not being depreciated	100	1,883	-	-	-	1,983	100
Capital assets being depreciated:							
Water and sewer systems	653,016	181,662	50,594	208,395	7,771	1,101,438	1,070,387
Total capital assets being depreciated	653,016	181,662	50,594	208,395	7,771	1,101,438	1,070,387
Less accumulated depreciation	(478,814)	(131,916)	(41,323)	(125,216)	(7,771)	(785,040)	(741,426)
Total capital assets, being depreciated, net	174,202	49,746	9,271	83,179	-	316,398	328,961
Total capital assets, net	174,302	51,629	9,271	83,179	-	318,381	329,061
Total assets	208,735	234,800	63,052	142,565	23,528	672,680	647,593
<b>LIABILITIES AND NET POSITION</b>							
<b>Current liabilities (payable from current assets):</b>							
Bank overdraft	131,117	-	-	-	-	131,117	107,632
Accounts payable - trade	7,302	5,396	1,321	1,327	224	15,570	12,182
Accrued payroll and related taxes	468	302	66	147	34	1,017	826
Interfund loans payable, current	1,439	2,821	-	-	-	4,260	3,933
	140,326	8,519	1,387	1,474	258	151,964	124,573
<b>Current liabilities (payable from restricted assets):</b>							
Bonds payable, current	-	-	-	-	-	-	-
Total current liabilities	140,326	8,519	1,387	1,474	258	151,964	124,573
<b>Noncurrent liabilities:</b>							
Bonds payable, less current maturities	-	-	-	-	-	-	-
Interfund loans payable, less current maturities	6,710	13,160	-	-	-	19,870	24,130
Deposits	10,075	6,025	1,450	2,600	550	20,700	20,900
Total noncurrent liabilities	16,785	19,185	1,450	2,600	550	40,570	45,030
Total liabilities	157,111	27,704	2,837	4,074	808	192,534	169,603
<b>Net position:</b>							
Net investment in capital assets	166,153	35,648	9,271	83,179	-	294,251	300,998
Restricted for:							
Debt service, repair and replacement, and construction	2,556	1,280	537	538	1,124	6,035	6,035
Unrestricted	(117,085)	170,168	50,407	54,774	21,596	179,860	170,957
Total net position	\$ 51,624	\$ 207,096	\$ 60,215	\$ 138,491	\$ 22,720	\$ 480,146	\$ 477,990

**RED RIVER AUTHORITY OF TEXAS**

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

**DISTRICT 14**

for the year ended September 30, 2015, with comparable totals for 2014

	Tell		Saied	Garden		Totals	
	Cee Vee	Childress	Addition	Valley	Rural #3	2015	2014
<b>Operating revenues:</b>							
Water and sewer sales	\$ 183,169	\$ 106,734	\$ 27,265	\$ 49,116	\$ 9,232	\$ 375,516	\$ 376,742
Charges for materials and services	-	7,842	-	-	-	7,842	-
Other	890	1,340	(35)	1,568	15	3,778	7,897
Total operating revenues	<u>184,059</u>	<u>115,916</u>	<u>27,230</u>	<u>50,684</u>	<u>9,247</u>	<u>387,136</u>	<u>384,639</u>
<b>Operating expenses:</b>							
Water purchases	67,431	31,382	12,486	16,255	2,066	129,620	134,806
Personnel services	36,564	23,231	5,120	11,194	2,743	78,852	66,737
Administrative costs	32,918	20,886	4,663	10,062	2,478	71,007	69,703
Utilities, supplies, and maintenance	24,793	6,301	1,718	3,700	358	36,870	37,695
Automobile and travel	10,722	6,784	1,496	3,265	805	23,072	24,408
Professional and directors fees	-	-	-	-	-	-	-
Total operating expenses	<u>172,428</u>	<u>88,584</u>	<u>25,483</u>	<u>44,476</u>	<u>8,450</u>	<u>339,421</u>	<u>333,349</u>
Operating income (loss) before depreciation	11,631	27,332	1,747	6,208	797	47,715	51,290
Depreciation	(28,505)	(5,412)	(905)	(8,791)	-	(43,613)	(42,489)
Operating income (loss)	<u>(16,874)</u>	<u>21,920</u>	<u>842</u>	<u>(2,583)</u>	<u>797</u>	<u>4,102</u>	<u>8,801</u>
<b>Nonoperating revenues (expenses):</b>							
Interest income	1	89	27	28	12	157	178
Interest expense	(710)	(1,393)	-	-	-	(2,103)	(3,061)
Total nonoperating revenues (expenses)	<u>(709)</u>	<u>(1,304)</u>	<u>27</u>	<u>28</u>	<u>12</u>	<u>(1,946)</u>	<u>(2,883)</u>
Change in net position	(17,583)	20,616	869	(2,555)	809	2,156	5,918
Net position, beginning	<u>69,207</u>	<u>186,480</u>	<u>59,346</u>	<u>141,046</u>	<u>21,911</u>	<u>477,990</u>	<u>472,072</u>
Net position, ending	<u>\$ 51,624</u>	<u>\$ 207,096</u>	<u>\$ 60,215</u>	<u>\$ 138,491</u>	<u>\$ 22,720</u>	<u>\$ 480,146</u>	<u>\$ 477,990</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 15**  
**September 30, 2015, with comparable totals for 2014**

Exhibit C-14

ASSETS	Guthrie- Dumont	Foard County	Truscott- Gilliland	Totals	
				2015	2014
<b>Current assets:</b>					
Cash and short-term investments	\$ 346,133	\$ 146,336	\$ -	\$ 492,469	\$ 474,868
Investments	117,930	49,857	-	167,787	167,485
Receivables:					
Trade and contracts	37,062	21,117	22,239	80,418	62,595
Total current assets	<u>501,125</u>	<u>217,310</u>	<u>22,239</u>	<u>740,674</u>	<u>704,948</u>
<b>Restricted assets:</b>					
Cash and short-term investments	841	863	909	2,613	2,328
Investments	764	784	825	2,373	2,658
Total restricted assets	<u>1,605</u>	<u>1,647</u>	<u>1,734</u>	<u>4,986</u>	<u>4,986</u>
<b>Capital assets:</b>					
Capital assets not being depreciated:					
Land and easements	-	-	-	-	-
Construction in progress	15,000	-	15,000	30,000	30,000
Total capital assets not being depreciated	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>30,000</u>	<u>30,000</u>
Capital assets being depreciated:					
Water and sewer systems	845,055	476,661	665,921	1,987,637	1,987,637
Total capital assets being depreciated	<u>845,055</u>	<u>476,661</u>	<u>665,921</u>	<u>1,987,637</u>	<u>1,987,637</u>
Less accumulated depreciation	(475,781)	(338,830)	(486,901)	(1,301,512)	(1,227,831)
Total capital assets, being depreciated, net	<u>369,274</u>	<u>137,831</u>	<u>179,020</u>	<u>686,125</u>	<u>759,806</u>
Total capital assets, net	<u>384,274</u>	<u>137,831</u>	<u>194,020</u>	<u>716,125</u>	<u>789,806</u>
Total assets	<u>887,004</u>	<u>356,788</u>	<u>217,993</u>	<u>1,461,785</u>	<u>1,499,740</u>
<b>LIABILITIES AND NET POSITION</b>					
<b>Current liabilities (payable from current assets):</b>					
Bank overdraft	-	-	64,307	64,307	92,701
Accounts payable - trade	1,956	6,142	1,483	9,581	5,934
Accrued payroll and related taxes	1,402	1,328	1,056	3,786	2,555
Interfund loans payable, current	19,917	12,230	16,791	48,938	49,336
	<u>23,275</u>	<u>19,700</u>	<u>83,637</u>	<u>126,612</u>	<u>150,526</u>
<b>Current liabilities (payable from restricted assets):</b>					
Bonds payable, current	-	-	-	-	-
Total current liabilities	<u>23,275</u>	<u>19,700</u>	<u>83,637</u>	<u>126,612</u>	<u>150,526</u>
<b>Noncurrent liabilities:</b>					
Bonds payable, less current maturities	-	-	-	-	-
Interfund loans payable, less current maturities	20,129	30,328	7,401	57,858	106,796
Deposits	5,000	6,050	3,750	14,800	15,300
Total noncurrent liabilities	<u>25,129</u>	<u>36,378</u>	<u>11,151</u>	<u>72,658</u>	<u>122,096</u>
Total liabilities	<u>48,404</u>	<u>56,078</u>	<u>94,788</u>	<u>199,270</u>	<u>272,622</u>
<b>Net position:</b>					
Net investment in capital assets	344,228	95,273	169,828	609,329	633,674
Restricted for:					
Debt service, repair and replacement, and construction	1,605	1,647	1,734	4,986	4,986
Unrestricted	492,767	203,790	(48,357)	648,200	588,458
Total net position	<u>\$ 838,600</u>	<u>\$ 300,710</u>	<u>\$ 123,205</u>	<u>\$ 1,262,515</u>	<u>\$ 1,227,118</u>

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

Exhibit C-15

for the year ended September 30, 2015, with comparable totals for 2014

	<u>Guthrie- Dumont</u>	<u>Foard County</u>	<u>Truscott- Gilliland</u>	<u>Totals</u>	
				<u>2015</u>	<u>2014</u>
<b>Operating revenues:</b>					
Water and sewer sales	\$ 151,926	\$ 129,622	\$ 124,222	\$ 405,770	\$ 415,724
Other	1,150	2,151	1,545	4,846	6,747
Total operating revenues	<u>153,076</u>	<u>131,773</u>	<u>125,767</u>	<u>410,616</u>	<u>422,471</u>
<b>Operating expenses:</b>					
Water purchases	-	35,103	985	36,088	28,081
Personnel services	33,937	32,420	25,520	91,877	90,556
Administrative costs	22,881	21,414	16,855	61,150	60,506
Utilities, supplies, and maintenance	37,331	18,208	26,659	82,198	95,585
Automobile and travel	7,345	6,980	5,563	19,888	21,279
Professional and directors fees	-	-	-	-	-
Total operating expenses	<u>101,494</u>	<u>114,125</u>	<u>75,582</u>	<u>291,201</u>	<u>296,007</u>
Operating income (loss) before depreciation	51,582	17,648	50,185	119,415	126,464
Depreciation	<u>(34,479)</u>	<u>(15,487)</u>	<u>(23,715)</u>	<u>(73,681)</u>	<u>(73,754)</u>
Operating income (loss)	<u>17,103</u>	<u>2,161</u>	<u>26,470</u>	<u>45,734</u>	<u>52,710</u>
<b>Nonoperating revenues (expenses):</b>					
Interest income	256	114	1	371	459
Interest expense	<u>(4,010)</u>	<u>(4,082)</u>	<u>(2,616)</u>	<u>(10,708)</u>	<u>(15,568)</u>
Total nonoperating revenues (expenses)	<u>(3,754)</u>	<u>(3,968)</u>	<u>(2,615)</u>	<u>(10,337)</u>	<u>(15,109)</u>
Change in net position	13,349	(1,807)	23,855	35,397	37,601
Net position, beginning	<u>825,251</u>	<u>302,517</u>	<u>99,350</u>	<u>1,227,118</u>	<u>1,189,517</u>
Net position, ending	<u>\$ 838,600</u>	<u>\$ 300,710</u>	<u>\$ 123,205</u>	<u>\$ 1,262,515</u>	<u>\$ 1,227,118</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 16**  
**September 30, 2015, with comparable totals for 2014**

Exhibit C-16

ASSETS	Samnorwood	Dodson	Plaska Friendship	Club Lake- Memphis NE	Totals	
					2015	2014
<b>Current assets:</b>						
Cash and short-term investments	\$ -	\$ 270,937	\$ 1,387	\$ -	\$ 272,324	\$ 279,345
Investments	-	92,310	473	-	92,783	98,524
Receivables:						
Trade and contracts	11,888	17,915	8,831	5,182	43,816	49,602
Total current assets	11,888	381,162	10,691	5,182	408,923	427,471
<b>Restricted assets:</b>						
Cash and short-term investments	816	693	299	238	2,046	1,824
Investments	741	630	272	216	1,859	2,081
Total restricted assets	1,557	1,323	571	454	3,905	3,905
<b>Capital assets:</b>						
Capital assets not being depreciated:						
Land and easements	9,000	72,100	-	-	81,100	81,100
Construction in progress	35,291	-	-	-	35,291	15,000
Total capital assets not being depreciated	44,291	72,100	-	-	116,391	96,100
Capital assets being depreciated:						
Water and sewer systems	565,051	787,786	441,237	111,366	1,905,440	1,849,890
Total capital assets being depreciated	565,051	787,786	441,237	111,366	1,905,440	1,849,890
Less accumulated depreciation	(468,413)	(586,470)	(311,923)	(86,092)	(1,452,898)	(1,400,103)
Total capital assets, being depreciated, net	96,638	201,316	129,314	25,274	452,542	449,787
Total capital assets, net	140,929	273,416	129,314	25,274	568,933	545,887
Total assets	154,374	655,901	140,576	30,910	981,761	977,263
<b>LIABILITIES AND NET POSITION</b>						
<b>Current liabilities (payable from current assets):</b>						
Bank overdraft	103,042	-	-	96,590	199,632	186,699
Accounts payable - trade	436	1,469	1,269	727	3,901	4,949
Accrued payroll and related taxes	304	448	74	152	978	847
Interfund loans payable, current	3,970	-	-	-	3,970	3,666
Total current liabilities	107,752	1,917	1,343	97,469	208,481	196,161
<b>Current liabilities (payable from restricted assets):</b>						
Bonds payable, current	-	-	-	-	-	-
Total current liabilities	107,752	1,917	1,343	97,469	208,481	196,161
<b>Noncurrent liabilities:</b>						
Bonds payable, less current maturities	-	-	-	-	-	-
Interfund loans payable, less current maturities	14,000	-	-	-	14,000	17,971
Deposits	2,725	5,050	875	1,900	10,550	10,350
Total noncurrent liabilities	16,725	5,050	875	1,900	24,550	28,321
Total liabilities	124,477	6,967	2,218	99,369	233,031	224,482
<b>Net position:</b>						
Net investment in capital assets	122,959	273,416	129,314	25,274	550,963	524,250
Restricted for:						
Debt service, repair and replacement, and construction	1,557	1,323	571	454	3,905	3,905
Unrestricted	(94,619)	374,195	8,473	(94,187)	193,862	224,626
Total net position	\$ 29,897	\$ 648,934	\$ 138,358	\$ (68,459)	\$ 748,730	\$ 752,781



**RED RIVER AUTHORITY OF TEXAS**

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

**DISTRICT 16**

for the year ended September 30, 2015, with comparable totals for 2014

	Samnorwood	Dodson	Plaska Friendship	Club Lake- Memphis NE	Totals	
					2015	2014
<b>Operating revenues:</b>						
Water and sewer sales	\$ 87,479	\$ 121,713	\$ 41,807	\$ 35,729	\$ 286,728	\$ 299,611
Other	1,684	1,585	2,280	625	6,174	4,231
Total operating revenues	<u>89,163</u>	<u>123,298</u>	<u>44,087</u>	<u>36,354</u>	<u>292,902</u>	<u>303,842</u>
<b>Operating expenses:</b>						
Water purchases	-	9,549	12,171	5,619	27,339	26,176
Personnel services	25,171	37,003	5,929	12,508	80,611	74,614
Administrative costs	12,525	18,443	2,946	6,211	40,125	40,588
Utilities, supplies, and maintenance	27,700	25,777	8,594	3,778	65,849	59,670
Automobile and travel	4,479	6,319	1,007	2,054	13,859	14,522
Professional and directors fees	-	15,000	-	-	15,000	-
Total operating expenses	<u>69,875</u>	<u>112,091</u>	<u>30,647</u>	<u>30,170</u>	<u>242,783</u>	<u>215,570</u>
Operating income (loss) before depreciation	19,288	11,207	13,440	6,184	50,119	88,272
Depreciation	<u>(15,101)</u>	<u>(18,159)</u>	<u>(17,048)</u>	<u>(2,487)</u>	<u>(52,795)</u>	<u>(51,786)</u>
Operating income (loss)	<u>4,187</u>	<u>(6,952)</u>	<u>(3,608)</u>	<u>3,697</u>	<u>(2,676)</u>	<u>36,486</u>
<b>Nonoperating revenues (expenses):</b>						
Interest income	1	221	1	-	223	270
Interest expense	<u>(1,598)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,598)</u>	<u>(3,176)</u>
Total nonoperating revenues (expenses)	<u>(1,597)</u>	<u>221</u>	<u>1</u>	<u>-</u>	<u>(1,375)</u>	<u>(2,906)</u>
Change in net position	2,590	(6,731)	(3,607)	3,697	(4,051)	33,580
Net position, beginning	<u>27,307</u>	<u>655,665</u>	<u>141,965</u>	<u>(72,156)</u>	<u>752,781</u>	<u>719,201</u>
Net position, ending	<u>\$ 29,897</u>	<u>\$ 648,934</u>	<u>\$ 138,358</u>	<u>\$ (68,459)</u>	<u>\$ 748,730</u>	<u>\$ 752,781</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 18**  
**September 30, 2015, with comparable totals for 2014**

Exhibit C-18

ASSETS	Howardwick	Greenbelt Lake	Totals	
			2015	2014
<b>Current assets:</b>				
Cash and short-term investments	\$ 255,390	\$ 39,064	\$ 294,454	\$ 262,585
Investments	87,013	13,310	100,323	92,613
Receivables:				
Trade and contracts	33,417	6,958	40,375	41,197
Total current assets	375,820	59,332	435,152	396,395
<b>Restricted assets:</b>				
Cash and short-term investments	3,785	657	4,442	3,956
Investments	3,435	597	4,032	4,518
Total restricted assets	7,220	1,254	8,474	8,474
<b>Capital assets:</b>				
Capital assets not being depreciated:				
Land and easements	28,000	-	28,000	28,000
Construction in progress	-	-	-	21,896
Total capital assets not being depreciated	28,000	-	28,000	49,896
Capital assets being depreciated:				
Water and sewer systems	777,517	109,853	887,370	678,176
Total capital assets being depreciated	777,517	109,853	887,370	678,176
Less accumulated depreciation	(526,778)	(88,459)	(615,237)	(594,857)
Total capital assets, being depreciated, net	250,739	21,394	272,133	83,319
Total capital assets, net	278,739	21,394	300,133	133,215
Total assets	661,779	81,980	743,759	538,084
<b>LIABILITIES AND NET POSITION</b>				
<b>Current liabilities (payable from current assets):</b>				
Accounts payable - trade	4,937	1,680	6,617	4,186
Accrued payroll and related taxes	548	133	681	730
Interfund loans payable, current	19,917	-	19,917	843
Total current liabilities	25,402	1,813	27,215	5,759
<b>Current liabilities (payable from restricted assets):</b>				
Bonds payable, current	-	-	-	-
Total current liabilities	25,402	1,813	27,215	5,759
<b>Noncurrent liabilities:</b>				
Bonds payable, less current maturities	-	-	-	-
Interfund loans payable, less current maturities	177,594	-	177,594	4,542
Deposits	14,100	3,175	17,275	18,525
Total noncurrent liabilities	191,694	3,175	194,869	23,067
Total liabilities	217,096	4,988	222,084	28,826
<b>Net position:</b>				
Net investment in capital assets	81,228	21,394	102,622	127,830
Restricted for:				
Debt service, repair and replacement, and construction	7,220	1,254	8,474	8,474
Unrestricted	356,235	54,344	410,579	372,954
Total net position	\$ 444,683	\$ 76,992	\$ 521,675	\$ 509,258

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

Exhibit C-19

for the year ended September 30, 2015, with comparable totals for 2014

	Howardwick	Greenbelt Lake	Totals	
			2015	2014
<b>Operating revenues:</b>				
Water and sewer sales	\$ 226,901	\$ 45,067	\$ 271,968	\$ 225,854
Other	3,333	359	3,692	4,962
Total operating revenues	<u>230,234</u>	<u>45,426</u>	<u>275,660</u>	<u>230,816</u>
<b>Operating expenses:</b>				
Water purchases	-	13,594	13,594	17,212
Personnel services	47,783	11,439	59,222	58,488
Administrative costs	103,722	12,472	116,194	67,684
Utilities, supplies, and maintenance	22,440	4,113	26,553	32,153
Automobile and travel	17,735	4,090	21,825	24,240
Professional and directors fees	-	-	-	-
Total operating expenses	<u>191,680</u>	<u>45,708</u>	<u>237,388</u>	<u>199,777</u>
Operating income (loss) before depreciation	38,554	(282)	38,272	31,039
Depreciation	<u>(18,291)</u>	<u>(2,089)</u>	<u>(20,380)</u>	<u>(18,827)</u>
Operating income (loss)	<u>20,263</u>	<u>(2,371)</u>	<u>17,892</u>	<u>12,212</u>
<b>Nonoperating revenues (expenses):</b>				
Interest income	140	31	171	268
Interest expense	<u>(5,646)</u>	<u>-</u>	<u>(5,646)</u>	<u>(1,174)</u>
Total nonoperating revenues (expenses)	<u>(5,506)</u>	<u>31</u>	<u>(5,475)</u>	<u>(906)</u>
Change in net position	14,757	(2,340)	12,417	11,306
Net position, beginning	<u>429,926</u>	<u>79,332</u>	<u>509,258</u>	<u>497,952</u>
Net position, ending	<u>\$ 444,683</u>	<u>\$ 76,992</u>	<u>\$ 521,675</u>	<u>\$ 509,258</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 19**  
**September 30, 2015 with comparable totals for 2014**

Exhibit C-20

ASSETS	Lake	Ringgold	Totals	
	Arrowhead		2015	2014
<b>Current assets:</b>				
Receivables:				
Trade and contracts	\$ 127,652	\$ 8,319	\$ 135,971	\$ 122,798
Total current assets	<u>127,652</u>	<u>8,319</u>	<u>135,971</u>	<u>122,798</u>
<b>Restricted assets:</b>				
Cash and short-term investments	4,528	750	5,278	4,701
Investments	4,111	681	4,792	5,369
Total restricted assets	<u>8,639</u>	<u>1,431</u>	<u>10,070</u>	<u>10,070</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	4,166,111	218,125	4,384,236	4,384,236
Total capital assets being depreciated	<u>4,166,111</u>	<u>218,125</u>	<u>4,384,236</u>	<u>4,384,236</u>
Less accumulated depreciation	(2,656,115)	(163,937)	(2,820,052)	(2,698,557)
Total capital assets, being depreciated, net	<u>1,509,996</u>	<u>54,188</u>	<u>1,564,184</u>	<u>1,685,679</u>
Total capital assets, net	<u>1,509,996</u>	<u>54,188</u>	<u>1,564,184</u>	<u>1,685,679</u>
<b>Total assets</b>	<u>1,646,287</u>	<u>63,938</u>	<u>1,710,225</u>	<u>1,818,547</u>
<b>LIABILITIES AND NET POSITION</b>				
<b>Current liabilities (payable from current assets):</b>				
Bank overdraft	1,041,974	136,845	1,178,819	1,417,345
Accounts payable - trade	19,205	420	19,625	10,611
Accrued payroll and related taxes	2,469	253	2,722	3,467
Unearned revenue	9,401	-	9,401	2,555
Interfund loans payable, current	22,017	-	22,017	18,030
Total current liabilities	<u>1,095,066</u>	<u>137,518</u>	<u>1,232,584</u>	<u>1,452,008</u>
<b>Current liabilities (payable from restricted assets):</b>				
Bonds payable, current	-	-	-	-
Total current liabilities	<u>1,095,066</u>	<u>137,518</u>	<u>1,232,584</u>	<u>1,452,008</u>
<b>Noncurrent liabilities:</b>				
Bonds payable, less current maturities	-	-	-	-
Interfund loans payable, less current maturities	31,080	-	31,080	70,296
Deposits	31,975	3,175	35,150	35,025
Total noncurrent liabilities	<u>63,055</u>	<u>3,175</u>	<u>66,230</u>	<u>105,321</u>
Total liabilities	<u>1,158,121</u>	<u>140,693</u>	<u>1,298,814</u>	<u>1,557,329</u>
<b>Net position:</b>				
Net investment in capital assets	1,456,899	54,188	1,511,087	1,597,353
Restricted for:				
Debt service, repair and replacement, and construction	8,639	1,431	10,070	10,070
Unrestricted	(977,372)	(132,374)	(1,109,746)	(1,346,205)
Total net position	<u>\$ 488,166</u>	<u>\$ (76,755)</u>	<u>\$ 411,411</u>	<u>\$ 261,218</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, 2015, with comparable totals for 2014

	<u>Lake Arrowhead</u>	<u>Ringgold</u>	<u>Totals</u>	
			<u>2015</u>	<u>2014</u>
<b>Operating revenues:</b>				
Water and sewer sales	\$ 738,406	\$ 51,419	\$ 789,825	\$ 786,112
Other	20,066	1,125	21,191	24,389
Total operating revenues	<u>758,472</u>	<u>52,544</u>	<u>811,016</u>	<u>810,501</u>
<b>Operating expenses:</b>				
Water purchases	50,642	349	50,991	38,925
Personnel services	160,209	16,316	176,525	168,438
Administrative costs	109,601	11,078	120,679	123,282
Utilities, supplies, and maintenance	137,270	10,553	147,823	123,013
Automobile and travel	35,160	3,639	38,799	43,124
Professional and directors fees	(1,276)	-	(1,276)	8,220
Total operating expenses	<u>491,606</u>	<u>41,935</u>	<u>533,541</u>	<u>505,002</u>
Operating income before depreciation	266,866	10,609	277,475	305,499
Depreciation	<u>(114,062)</u>	<u>(7,433)</u>	<u>(121,495)</u>	<u>(134,640)</u>
Operating income (loss)	<u>152,804</u>	<u>3,176</u>	<u>155,980</u>	<u>170,859</u>
<b>Nonoperating revenues (expenses):</b>				
Interest income	5	1	6	197
Interest expense	<u>(5,793)</u>	<u>-</u>	<u>(5,793)</u>	<u>(50,405)</u>
Total nonoperating revenues (expenses)	<u>(5,788)</u>	<u>1</u>	<u>(5,787)</u>	<u>(50,208)</u>
Change in net position	147,016	3,177	150,193	120,651
Net position, beginning	<u>341,150</u>	<u>(79,932)</u>	<u>261,218</u>	<u>140,567</u>
Net position, ending	<u>\$ 488,166</u>	<u>\$ (76,755)</u>	<u>\$ 411,411</u>	<u>\$ 261,218</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 21**  
**September 30, 2015, with comparable totals for 2014**

Exhibit C-22

<b>ASSETS</b>	<b>Lake Texoma</b>	
	<b>2015</b>	<b>2014</b>
<b>Current assets:</b>		
Receivables:		
Trade and contracts	\$ 809	\$ 2,761
Total current assets	809	2,761
<b>Restricted assets:</b>		
Cash and short-term investments	-	-
Investments	-	-
Total restricted assets	-	-
<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	(233,822)	(226,534)
Total capital assets, being amortized, net	979,778	987,066
Total capital assets, net	979,778	987,066
Total assets	980,587	989,827
<b>LIABILITIES AND NET POSITION</b>		
<b>Current liabilities (payable from current assets):</b>		
Bank overdraft	796,714	751,481
Accounts payable, trade	-	-
Accrued payroll and related taxes	5	5
	796,719	751,486
<b>Current liabilities (payable from restricted assets):</b>		
Bonds payable, current	38,134	37,166
Total current liabilities	834,853	788,652
<b>Noncurrent liabilities:</b>		
Bonds payable, less current maturities	635,533	673,667
Total noncurrent liabilities	635,533	673,667
Total liabilities	1,470,386	1,462,319
<b>Net position:</b>		
Net investment in capital assets	306,111	276,233
Restricted for:		
Debt service, repair and replacement, and construction	-	-
Unrestricted	(795,910)	(748,725)
Total net position	\$ (489,799)	\$ (472,492)

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**DISTRICT 21**  
for the year ended September 30, 2015, with comparable totals for 2014

	Lake Texoma	
	2015	2014
<b>Operating revenues:</b>		
Water and sewer sales	\$ 6,501	\$ 14,095
Other	-	250
Total operating revenues	6,501	14,345
<b>Operating expenses:</b>		
Personnel services	254	244
Administrative costs	1,675	3,728
Utilities, supplies, and maintenance	2,146	2,091
Automobile and travel	57	61
Professional and directors fees	(38)	245
Total operating expenses	4,094	6,369
Operating income before depreciation	2,407	7,976
Depreciation	(7,288)	(7,288)
Operating income (loss)	(4,881)	688
<b>Nonoperating revenues (expenses):</b>		
Interest income	-	11
Interest expense	(12,426)	(14,141)
Total nonoperating revenues (expenses)	(12,426)	(14,130)
Change in net position	(17,307)	(13,442)
Net position, beginning	(472,492)	(459,050)
Net position, ending	\$ (489,799)	\$ (472,492)

**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF NET POSITION - DISTRICT 22**  
**September 30, 2015, with comparable totals for 2014**

Exhibit C-24

ASSETS	Preston Shores	
	2015	2014
<b>Current assets:</b>		
Receivables:		
Trade and contracts	\$ 451,193	\$ 117,936
Total current assets	451,193	117,936
<b>Restricted assets:</b>		
Cash and short-term investments	13,404	11,939
Investments	12,167	13,632
Total restricted assets	25,571	25,571
<b>Capital assets:</b>		
Capital assets not being depreciated:		
Land and easements	9,471	9,471
Construction in progress	-	4,989
Total capital assets not being depreciated	9,471	14,460
Capital assets being depreciated and amortized:		
Water storage rights	9,100	9,100
Water and sewer systems	3,044,543	3,237,543
Total capital assets being depreciated and amortized	3,053,643	3,246,643
Less accumulated depreciation and amortization	(1,784,601)	(1,787,110)
Total capital assets, being depreciated and amortized, net	1,269,042	1,459,533
Total capital assets, net	1,278,513	1,473,993
Total assets	1,755,277	1,617,500
<b>LIABILITIES AND NET POSITION</b>		
<b>Current liabilities (payable from current assets):</b>		
Bank overdraft	511,194	655,304
Accounts payable, trade	8,526	8,307
Accrued payroll and related taxes	3,164	3,432
Interfund loan payable, current	34,880	18,524
	557,764	685,567
<b>Current liabilities (payable from restricted assets):</b>		
Bonds payable, current	-	-
Total current liabilities	557,764	685,567
<b>Noncurrent liabilities:</b>		
Bonds payable, less current maturities	-	-
Interfund loan payable, less current maturities	26,696	75,259
Deposits	36,631	37,006
Total noncurrent liabilities	63,327	112,265
Total liabilities	621,091	797,832
<b>Net position:</b>		
Net investment in capital assets	1,216,937	1,380,210
Restricted for:		
Debt service, repair and replacement, and construction	25,571	25,571
Unrestricted	(108,322)	(586,113)
Total net position	\$ 1,134,186	\$ 819,668



**RED RIVER AUTHORITY OF TEXAS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**DISTRICT 22**  
**for the year ended September 30, 2015, with comparable totals for 2014**

	<b>Preston Shores</b>	
	<u>2015</u>	<u>2014</u>
<b>Operating revenues:</b>		
Water and sewer sales	\$ 651,903	\$ 694,092
Other	7,978	34,122
Total operating revenues	<u>659,881</u>	<u>728,214</u>
<b>Operating expenses:</b>		
Water purchases	1,451	2,447
Personnel services	174,758	171,713
Administrative costs	120,495	118,431
Utilities, supplies, and maintenance	114,482	204,083
Automobile and travel	39,557	43,858
Professional and directors fees	1,978	6,295
Total operating expenses	<u>452,721</u>	<u>546,827</u>
Operating income before depreciation	207,160	181,387
Depreciation	<u>(95,206)</u>	<u>(106,039)</u>
Operating income	<u>111,954</u>	<u>75,348</u>
<b>Nonoperating revenues (expenses):</b>		
Interest income	14	154
Gain on disposal of assets	208,889	5,166
Interest expense	<u>(6,339)</u>	<u>(39,522)</u>
Total nonoperating revenues (expenses)	<u>202,564</u>	<u>(34,202)</u>
Change in net position	314,518	41,146
Net position, beginning	<u>819,668</u>	<u>778,522</u>
Net position, ending	<u>\$ 1,134,186</u>	<u>\$ 819,668</u>

**RED RIVER AUTHORITY OF TEXAS**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**ENTERPRISE FUNDS**  
**BUDGET AND ACTUAL**  
**for the year ended September 30, 2015**

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	\$ 4,010,186	\$ 4,066,063	\$ 55,877	\$ -	\$ -	\$ -
Charges for materials and services	6,425	164,259	157,834	574,480	481,024	(93,456)
Other	73,711	73,244	(467)	367,829	252,535	(115,294)
Total operating revenues	<u>4,090,322</u>	<u>4,303,566</u>	<u>213,244</u>	<u>942,309</u>	<u>733,559</u>	<u>(208,750)</u>
<b>Operating expenses:</b>						
Water purchases	609,367	628,527	(19,160)	-	-	-
Personnel services	972,463	950,638	21,825	357,473	309,974	47,499
Administrative costs	638,771	734,055	(95,284)	157,352	143,027	14,325
Utilities, supplies, and maintenance	762,167	651,622	110,545	302,721	266,037	36,684
Automobile and travel	237,937	218,984	18,953	29,980	16,013	13,967
Professional and directors fees	-	30,852	(30,852)	2,405	1,386	1,019
Research expense	-	-	-	31,143	-	31,143
Total operating expenses	<u>3,220,705</u>	<u>3,214,678</u>	<u>6,027</u>	<u>881,074</u>	<u>736,437</u>	<u>144,637</u>
Operating income (loss) before depreciation and amortization	869,617	1,088,888	219,271	61,235	(2,878)	(64,113)
Depreciation and amortization	(534,379)	(499,960)	34,419	(61,561)	(57,335)	4,226
Operating income (loss)	<u>335,238</u>	<u>588,928</u>	<u>253,690</u>	<u>(326)</u>	<u>(60,213)</u>	<u>(59,887)</u>
<b>Nonoperating revenues (expenses):</b>						
Interest income	2,591	1,742	(849)	-	-	-
Gain on sale	-	208,889	208,889	6,155	-	(6,155)
Interest expense	(77,543)	(49,954)	27,589	(1,487)	(724)	763
Total nonoperating revenues (expenses)	<u>(74,952)</u>	<u>160,677</u>	<u>235,629</u>	<u>4,668</u>	<u>(724)</u>	<u>(5,392)</u>
Change in net position	<u>\$ 260,286</u>	<u>749,605</u>	<u>\$ 489,319</u>	<u>\$ 4,342</u>	<u>(60,937)</u>	<u>\$ (65,279)</u>
Net position, beginning		<u>4,558,356</u>			<u>265,043</u>	
Net position, ending		<u>\$ 5,307,961</u>			<u>\$ 204,106</u>	

**RED RIVER AUTHORITY OF TEXAS**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**INTERNAL SERVICE FUNDS**  
**BUDGET AND ACTUAL**  
**for the year ended September 30, 2015**

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	\$ 212,108	\$ 186,991	\$ -	\$ -	\$ -
Administrative fee income	858,090	817,907	(40,183)	-	-	-
Other	11,314	22	(11,292)	-	-	-
Total operating revenues	<u>894,521</u>	<u>1,030,037</u>	<u>135,516</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Operating expenses:</b>						
Personnel services	501,553	445,136	56,417	-	-	-
Administrative costs	39,126	50,884	(11,758)	13,296	10,110	3,186
Utilities, supplies, and maintenance	95,679	95,714	(35)	-	-	-
Insurance	52,051	50,822	1,229	-	-	-
Automobile and travel	19,955	17,022	2,933	-	-	-
Professional and directors fees	95,302	288,984	(193,682)	-	-	-
Total operating expenses	<u>803,666</u>	<u>948,562</u>	<u>(144,896)</u>	<u>13,296</u>	<u>10,110</u>	<u>3,186</u>
Operating income (loss) before depreciation	90,855	81,475	(9,380)	(13,296)	(10,110)	3,186
Depreciation	(66,788)	(61,175)	5,613	-	-	-
Operating income (loss)	<u>24,067</u>	<u>20,300</u>	<u>(3,767)</u>	<u>(13,296)</u>	<u>(10,110)</u>	<u>3,186</u>
<b>Nonoperating revenues (expenses):</b>						
Interest income	2,848	1,660	(1,188)	132,940	101,097	(31,843)
Gain on disposal of asset	-	-	-	-	-	-
Interest expense	(43,639)	(42,340)	1,299	-	-	-
Total nonoperating revenues (expenses)	<u>(40,791)</u>	<u>(40,680)</u>	<u>111</u>	<u>132,940</u>	<u>101,097</u>	<u>(31,843)</u>
Income (loss) before operating transfers	(16,724)	(20,380)	(3,656)	119,644	90,987	(28,657)
Operating transfers in (out)	21,768	19,725	(2,043)	-	-	-
Change in net position	<u>\$ 5,044</u>	<u>(655)</u>	<u>\$ (5,699)</u>	<u>\$ 119,644</u>	<u>90,987</u>	<u>\$ (28,657)</u>
Net position, beginning, as originally stated		3,821,004			4,545,671	
Prior period adjustment		224,806			-	
Net position, beginning, as restated		<u>4,045,810</u>			<u>4,545,671</u>	
Net position, ending		<u>\$ 4,045,155</u>			<u>\$ 4,636,658</u>	

**RED RIVER AUTHORITY OF TEXAS**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**INTERNAL SERVICE FUNDS**  
**BUDGET AND ACTUAL**  
**for the year ended September 30, 2015**

Exhibit C-27  
Page 2 of 2

	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	\$ 283,120	\$ 272,272	\$ (10,848)	\$ 61,368	\$ 67,524	\$ 6,156	\$ 232,606	\$ 211,299	\$ (21,307)
<b>Operating expenses:</b>									
Personnel services	119,203	91,562	27,641	-	125	(125)	-	-	-
Administrative costs	33,682	28,292	5,390	3,604	3,440	164	11,402	11,715	(313)
Utilities, supplies, and maintenance	39,295	32,313	6,982	8,456	8,892	(436)	-	-	-
Automobile and travel	45,360	32,083	13,277	6	-	6	150,589	116,819	33,770
Total operating expenses	237,540	184,250	53,290	12,066	12,457	(391)	161,991	128,534	33,457
Operating income before depreciation	45,580	88,022	42,442	49,302	55,067	5,765	70,615	82,765	12,150
Depreciation	(16,867)	(15,629)	1,238	(11,982)	(10,321)	1,661	(64,191)	(64,410)	(219)
Operating income (loss)	28,713	72,393	43,680	37,320	44,746	7,426	6,424	18,355	11,931
<b>Nonoperating revenues (expenses):</b>									
Interest income	78	111	33	419	496	77	102	135	33
Gain on disposal of asset	-	-	-	-	-	-	11,534	16,379	4,845
Interest expense	(3,721)	(3,034)	687	(3,577)	(3,597)	(20)	(11,812)	(12,328)	(516)
Total nonoperating revenues (expenses)	(3,643)	(2,923)	720	(3,158)	(3,101)	57	(176)	4,186	4,362
Change in net position	\$ 25,070	69,470	\$ 44,400	\$ 34,162	41,645	\$ 7,483	\$ 6,248	22,541	\$ 16,293
Net position, beginning		241,222			843,486			207,738	
Net position, ending		\$ 310,692			\$ 885,131			\$ 230,279	

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**RED RIVER AUTHORITY OF TEXAS**  
**Service and Rates**  
**Fiscal Year Ending September 30, 2015**  
**(unaudited)**

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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	20,597	14,331	149	0	9	0	158	\$ 10,782	0	0	0	\$ 10,782
CITY OF ESTELLINE	-	-	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	41.50 FLAT RATE			\$ 41.50	-	-	53	0	5	0	58	\$ -	0	0	0	\$ -
NEWLIN	111	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	45.75/2K	4.50>2K<7K	6.50>7K	\$ 87.75	8,968	6,424	29	0	1	0	30	\$ -	0	0	0	\$ -
HARREL'S CHAPEL	112	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	49.75/2K	4.50>2K<7K	6.75>7K	\$ 92.50	3,253	2,289	24	0	0	0	24	\$ -	0	0	0	\$ -
NORTHFIELD/CAREY	113	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	63.50/2K	5.00>2K<7K	8.25>7K	\$ 113.25	7,131	5,123	68	0	1	0	69	\$ -	0	0	0	\$ -
GB RURAL NO 1	120	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	30.50/2K	4.25>2K<7K	6.50>7K	\$ 71.25	1,207	1,207	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	2,176	1,651	26	0	1	0	27	\$ -	0	0	0	\$ -
QUANAH/QUANAH SW	212	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	48.25/2K	4.50>2K<7K	6.50>7K	\$ 90.25	1,646	1,729	43	0	0	0	43	\$ -	0	0	0	\$ -
GB RURAL NO 2	220	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	38.50/2K	4.50>2K<7K	5.75>7K	\$ 78.25	4,804	4,804	55	0	0	0	55	\$ -	0	0	0	\$ -
OLD GOODLETT	221	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	40.50/2K	4.50>2K<7K	6.50>7K	\$ 82.50	1,599	1,570	34	0	5	0	39	\$ -	0	0	0	\$ -
MEDICINE MOUND	230	Y	-	-	-	Y	-	-	-	-	-	-	-	-	-	Y	61.50/2K	4.50>2K<7K	6.25>7K	\$ 102.75	22,016	22,318	43	0	4	1	48	\$ -	0	0	0	\$ -
QUANAH NORTHEAST	231	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	50.50/2K	4.50>2K<7K	6.50>7K	\$ 92.50	9,700	7,123	110	0	1	0	111	\$ -	0	0	0	\$ -
KIRKLAND LAZARE	235	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	53.25/2K	4.75>2K<7K	6.75>7K	\$ 97.25	7,676	4,389	73	0	0	0	73	\$ -	0	0	0	\$ -
LOCKETT	300	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	68.00/2K	5.00>2K<7K	8.00>7K	\$ 117.00	25,096	14,578	280	0	5	0	285	\$ -	0	0	0	\$ -
BOX	311	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	36.50/2K	3.75>2K<7K	6.50>7K	\$ 74.75	5,573	6,334	50	0	2	0	52	\$ -	0	0	0	\$ -
HINDS	312	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	61.00/2K	4.50>2K<7K	6.75>7K	\$ 103.75	8,820	4,942	65	0	4	0	69	\$ -	0	0	0	\$ -
FARMERS VALLEY	313	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	45.50/2K	3.50>2K<7K	4.75>7K	\$ 77.25	11,929	5,881	53	0	0	0	53	\$ -	0	0	0	\$ -
TELL CEE-VEE	410	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	53.25/2K	4.50>2K<7K	6.00>7K	\$ 93.75	26,318	13,875	189	0	2	0	191	\$ 1,438	0	0	0	\$ 1,438
CHILDRESS CO NE	411	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	50.75/2K	4.50>2K<7K	6.50>7K	\$ 92.75	11,277	8,090	126	0	0	0	126	\$ 2,821	0	0	0	\$ 2,821

**RED RIVER AUTHORITY OF TEXAS**  
**Service and Rates**  
**Fiscal Year Ending September 30, 2015**  
**(unaudited)**

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	2,262	1,968	27	0	0	0	27	\$ -	0	0	0	\$ -
CHILDRESS SAIED	-	-	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	25.0 FLAT RATE			\$ 25.00	-	-	27	0	0	0	27	\$ -	0	0	0	\$ -
GARDEN VALLEY	413	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	46.00/2K	3.50>2K<7K	5.25>7K	\$ 79.25	6,420	4,590	58	0	1	0	59	\$ -	0	0	0	\$ -
GB RURAL NO 3	421	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	30.00/2K	4.25>2K<7K	6.50>7K	\$ 70.75	800	800	13	0	1	0	14	\$ -	0	0	0	\$ -
GUTHRIE DUMONT	500	Y	-	-	-	-	-	-	-	-	-	-	-	-	Y	Y	46.25/2K	3.75>2K<10K	5.50>10K	\$ 76.25	31,000	16,274	123	0	10	1	134	\$ 19,917	0	0	0	\$ 19,917
FOARD CO RURAL	510	Y	-	-	-	-	-	-	-	-	-	-	-	-	Y	59.00/2K	4.75>2K<7K	5.75>7K	\$ 100.00	13,984	8,993	128	0	0	0	128	\$ 12,230	0	0	0	\$ 12,230	
TRUSCOTT GILLILAND	520	Y	-	-	-	-	-	-	-	-	-	-	-	-	Y	66.25/2K	5.75>2K<7K	7.50>7K	\$ 117.50	16,894	8,060	93	0	2	0	95	\$ 16,790	0	0	0	\$ 16,790	
SAMNORWOOD	600	Y	-	-	-	-	-	-	-	-	-	-	-	-	Y	64.00/2K	4.75>2K<7K	7.25>7K	\$ 109.50	13,694	6,073	72	0	1	2	75	\$ 3,970	0	0	0	\$ 3,970	
DODSON	610	Y	-	-	-	-	-	-	-	-	-	-	-	-	Y	51.50/2K	4.00>2K<7K	6.50>7K	\$ 91.00	22,110	11,457	111	0	0	0	111	\$ -	0	0	0	\$ -	
PLASKA FRIENDSHIP	611	Y	-	-	-	-	-	-	-	-	-	-	-	Y	Y	69.00/2K	4.50>2K<7K	8.00>7K	\$ 115.50	4,752	3,505	18	0	2	0	20	\$ -	0	0	0	\$ -	
CLUB LAKE/MEMPHIS	612	Y	-	-	-	-	-	-	-	-	-	-	-	Y	68.25/2K	6.00>2K<7K	8.00>7K	\$ 122.25	2,167	1,104	39	0	0	0	39	\$ -	0	0	0	\$ -		
CITY HOWARDWICK	800	Y	-	-	-	-	-	-	-	-	-	-	-	Y	40.75/2K	3.50>2K<7K	5.00>7K	\$ 82.25	7,837	6,226	298	0	2	0	300	\$ 19,917	0	0	0	\$ 19,917		
GREENBELT LAKE	811	Y	-	-	-	-	-	-	-	-	-	-	-	Y	Y	41.50/2K	4.25>2K<7K	6.50>7K	\$ 121.00	5,433	2,251	74	0	1	0	75	\$ -	0	0	0	\$ -	
LAKE ARROWHEAD	900	Y	-	-	-	-	-	-	-	-	-	-	-	Y	73.50/2K	5.00>2K<7K	7.50>7K	\$ 121.00	54,181	26,689	650	0	5	0	655	\$ 22,017	0	0	0	\$ 22,017		
ARROWHEAD RANCH ES	-	-	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	63.00 FLAT RATE			\$ 63.00	-	-	75	0	0	0	75	\$ -	0	0	0	\$ -
RINGGOLD	902	Y	-	-	-	-	-	-	-	-	-	-	-	Y	56.00/2K	4.50>2K<7K	6.25>7K	\$ 97.25	5,139	2,812	66	0	0	0	66	\$ -	0	0	0	\$ -		
LAKE TEXOMA R WTR	721	-	-	-	-	Y	-	-	-	-	-	-	-	<	-	PER INDIVIDUAL CONTRACT			\$ 380.00	2,882	2,882	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	66,527	55,739	664	0	27	3	694	\$ 34,880	0	0	0	\$ 34,880		

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, 2015**

Exhibit C-29

Current	
Personnel (including benefits less NPO)	\$ 1,797,435
Professional fees:	
Auditing	33,300
Legal	9,077
Purchased services for resale:	
Bulk water and wastewater service purchases	628,527
Utilities	155,060
Repairs and maintenance	516,428
Administrative expenditures:	
Directors fees	13,023
Office supplies	48,214
Insurance	50,822
Other administrative expenses	981,545
Solid waste disposal	8,209
Other expenditures	<u>1,814,217</u>
<b>TOTAL EXPENSES</b>	<b><u><u>\$ 6,055,857</u></u></b>

Number of persons employed by the Authority: 31



**RED RIVER AUTHORITY OF TEXAS**  
**SCHEDULE OF TEMPORARY INVESTMENTS**  
for the year ended September 30, 2015

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	0.15%	10/01/2015	\$ 194,835
Bank CD #2	231502	0.15%	02/23/2016	96,441
Bank CD #3	233278	0.15%	11/01/2015	96,669
Bank CD #4	233495	0.15%	02/25/2016	563,436
Bank CD #5	42063	0.30%	11/16/2015	100,402
Bank CD #6	234338	0.15%	02/25/2016	662,479
Bank CD #7	2253	0.15%	10/02/2015	96,520
Bank CD #8	39616	0.30%	10/08/2015	98,819
Bank CD #9	232941	0.15%	03/19/2016	556,447
				<u>\$ 2,466,048</u>

**RED RIVER AUTHORITY OF TEXAS**  
**TAXES LEVIED AND RECEIVABLE**  
for the year ended September 30, 2015

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, 2015

Annual Requirements for all Series			
Fiscal Year	Bond Maturities	Interest on Bonds	Annual Requirements
2015-2016	\$ 38,134	\$ 12,558	\$ 50,692
16-17	32,333	12,372	44,705
17-18	39,800	12,068	51,868
18-19	40,800	11,672	52,472
19-20	41,800	11,188	52,988
20-21	43,000	10,584	53,584
21-22	44,000	9,858	53,858
22-23	45,000	9,052	54,052
23-24	46,200	8,161	54,361
24-25	47,400	7,195	54,595
25-26	48,600	6,156	54,756
26-27	49,800	5,048	54,848
27-28	51,000	3,870	54,870
28-29	52,200	2,628	54,828
29-30	53,600	1,330	54,930
	\$ 673,667	\$ 123,740	\$ 797,407

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

Exhibit C-33

September 30, 2015

Water Revenue Bonds

Net income utility division (Exhibit C – 2)		\$ 749,605
Add:		
Revenue bond interest expense	\$ 12,426	
Depreciation and amortization, net	499,960	
	<u>512,386</u>	<u>512,386</u>
Net earnings for determining debt service coverage		<u>\$ 1,261,991</u>
Total principal and interest requirements		\$ 797,407
Number of years remaining to pay bonds		<u>÷15</u>
Average annual principal and interest requirement		<u>\$ 53,160</u>
<b>Average annual debt service coverage</b>		<u><u>23.74</u></u>
Maximum principal and interest requirement		<u>\$ 54,930</u>
<b>Maximum debt service coverage</b>		<u><u>22.97</u></u>
Interest and Sinking Fund as of September 30, 2015		\$ -
Bond Reserve Fund as of September 30, 2015		\$ -

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

Exhibit C-34

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

<u>Year</u>	<u>Bond Principal Due August 15</u>	<u>Interest Due 1.93%</u>		<u>Total Annual Requirement</u>	<u>Bonds Outstanding September 30</u>
		<u>February 15</u>	<u>August 15</u>		
2014-15					\$ 673,667
15-16	\$ 38,134	\$ 6,279	\$ 6,279	\$ 50,692	635,533
16-17	32,333	6,186	6,186	44,705	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>\$ 673,667</u>	<u>\$ 61,870</u>	<u>\$ 61,870</u>	<u>\$ 797,407</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, 2015

Exhibit C-35

	<u>Series 2010</u>	<u>Totals</u>
Interest Rate	1.93%	
Dates Interest Payable	2/15; 8/15	
Maturity Dates	08/15/2030	
Bonds Outstanding, Beginning of Current Year	\$ 710,833	\$ 710,833
Principal Retirements	37,166	37,166
Bonds Outstanding, End of Year	673,667	673,667
Interest payments	12,426	12,426

Paying Agent's Name and Address

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	\$ -	\$ 849,200	\$ -
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**

	AMOUNTS				
	2015	2014	2013	2012	2011
<b>Operating revenues:</b>					
Water service	\$ 3,903,169	\$ 3,683,626	\$ 3,629,505	\$ 3,585,000	\$ 4,059,676
Sewer service	94,633	96,169	81,239	80,182	78,182
Issuance fees	-	-	-	-	-
Tap connection fees	27,364	26,740	32,959	28,260	30,560
Other	2,612,816	2,843,222	2,353,184	2,371,565	2,177,702
<b>Total operating revenues</b>	<b>6,637,982</b>	<b>6,649,757</b>	<b>6,096,887</b>	<b>6,065,007</b>	<b>6,363,047</b>
<b>Operating expenses:</b>					
Water purchases	628,527	601,222	625,545	615,678	609,118
Personnel services less NPO	1,797,435	1,776,013	1,700,020	1,738,346	1,610,528
Administrative costs	981,545	941,444	928,296	945,629	884,950
Utilities, supplies, and maintenance	1,054,579	1,211,570	1,157,919	1,212,200	1,156,676
Insurance	50,822	52,961	50,471	52,824	50,359
Automobile and travel	400,920	462,914	485,566	461,452	445,713
Professional and directors fees	321,222	149,930	102,848	113,799	74,239
Research expense	-	39,690	39,690	36,450	19,745
Depreciation and amortization	708,830	727,832	712,312	693,154	691,989
<b>Total operating expenses</b>	<b>5,943,880</b>	<b>5,963,576</b>	<b>5,802,667</b>	<b>5,869,532</b>	<b>5,623,847</b>
<b>Operating income</b>	<b>694,102</b>	<b>686,181</b>	<b>294,220</b>	<b>195,475</b>	<b>739,200</b>
<b>Nonoperating revenues (expenses)</b>					
Interest	105,263	102,599	108,344	116,538	144,014
Gain on disposal of assets	225,268	29,658	17,666	18,451	36,787
Grant revenues for asset purchases	-	-	-	-	186,844
Interest expense and fiscal fees	(111,977)	(198,986)	(231,554)	(292,746)	(326,137)
<b>Total nonoperating revenues (expenses)</b>	<b>218,554</b>	<b>(66,729)</b>	<b>(105,544)</b>	<b>(157,757)</b>	<b>41,508</b>
<b>Change in net position</b>	<b>\$ 912,656</b>	<b>\$ 619,452</b>	<b>\$ 188,676</b>	<b>\$ 37,718</b>	<b>\$ 780,708</b>



PERCENT OF FUND TOTAL REVENUES				
2015	2014	2013	2012	2011
58.8%	55.4%	59.5%	59.1%	64.1%
1.4%	1.4%	1.3%	1.3%	1.2%
0.0%	0.0%	0.0%	0.0%	0.0%
0.4%	0.4%	0.5%	0.5%	0.5%
39.4%	42.8%	38.6%	39.1%	34.2%
<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
9.5%	9.0%	10.3%	10.2%	9.6%
27.1%	26.7%	27.9%	28.7%	25.3%
14.8%	14.2%	15.2%	15.6%	13.9%
15.9%	18.2%	19.0%	20.0%	18.2%
0.8%	0.8%	0.8%	0.9%	0.8%
6.0%	7.0%	8.0%	7.6%	7.0%
4.8%	2.3%	1.7%	1.9%	1.2%
0.0%	0.6%	0.7%	0.6%	0.3%
10.7%	10.9%	11.7%	11.4%	10.9%
<u>89.5%</u>	<u>89.7%</u>	<u>95.2%</u>	<u>96.8%</u>	<u>88.4%</u>
<u>10.5%</u>	<u>10.3%</u>	<u>4.8%</u>	<u>3.2%</u>	<u>11.6%</u>
1.6%	1.5%	1.8%	1.9%	2.3%
3.4%	0.4%	0.3%	0.3%	0.6%
0.0%	0.0%	0.0%	0.0%	2.9%
-1.7%	-3.0%	-3.8%	-4.8%	-5.1%
<u>3.3%</u>	<u>-1.0%</u>	<u>-1.7%</u>	<u>-2.6%</u>	<u>0.7%</u>
<u>13.7%</u>	<u>9.3%</u>	<u>3.1%</u>	<u>0.6%</u>	<u>12.3%</u>

**RED RIVER AUTHORITY OF TEXAS**  
**ENTERPRISE FUNDS**  
**CAPITAL ASSETS**  
for the year ended September 30, 2015

Exhibit C-37

	Balance October 1, 2014	Additions / Completions	Deletions / Adjustments	Balance September 30, 2015
<b>UTILITY DIVISION FUND</b>				
Capital assets not being depreciated:				
Land and easements	\$ 171,798	\$ -	\$ -	\$ 171,798
Construction in progress	101,925	505,565	(503,899)	103,591
Total capital assets not being depreciated	273,723	505,565	(503,899)	275,389
Capital assets, being depreciated and amortized:				
Water storage rights	1,222,700	-	-	1,222,700
Water and sewer systems	16,301,879	473,239	(193,000)	16,582,118
Total capital assets being depreciated and amortized	17,524,579	473,239	(193,000)	17,804,818
Less accumulated depreciation and amortization for:				
Water storage rights	(234,748)	(7,470)	-	(242,218)
Water and sewer systems	(10,794,632)	(492,490)	97,715	(11,189,407)
Total accumulated depreciation and amortization	(11,029,380)	(499,960)	97,715	(11,431,625)
Total capital assets being depreciated and amortized, net	6,495,199	(26,721)	(95,285)	6,373,193
Total capital assets, net	\$ 6,768,922	\$ 478,844	\$ (599,184)	\$ 6,648,582

**ENVIRONMENTAL SERVICES DIVISION FUND**

Capital assets not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Capital assets being depreciated:				
Machinery and equipment	603,911	17,303	-	621,214
Motor vehicles	34,340	-	-	34,340
Total capital assets being depreciated	638,251	17,303	-	655,554
Less accumulated depreciation for:				
Machinery and equipment	(409,591)	(52,429)	-	(462,020)
Motor vehicles	(5,314)	(4,906)	-	(10,220)
Total accumulated depreciation	(414,905)	(57,335)	-	(472,240)
Total capital assets being depreciated and amortized, net	223,346	(40,032)	-	183,314
Total capital assets, net	\$ 223,346	\$ (40,032)	\$ -	\$ 183,314

**RED RIVER AUTHORITY OF TEXAS**  
**INTERNAL SERVICE FUNDS**  
**CAPITAL ASSETS**  
for the year ended September 30, 2015

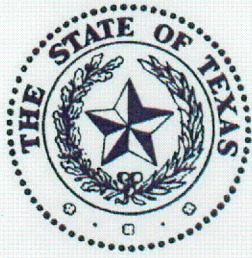
Exhibit C-38  
Page 1 of 2

	Balance October 1, 2014	Additions / Completions	Deletions / Adjustments	Balance September 30, 2015
<b>GENERAL DIVISION FUND</b>				
Capital assets not being depreciated:				
Land and easements	\$ 183,331	\$ -	\$ -	\$ 183,331
Total capital assets not being depreciated	183,331	-	-	183,331
Capital assets, being depreciated:				
Furniture and fixtures	353,809	31,386	-	385,195
Building	968,554	-	-	968,554
Motor vehicles	71,493	-	-	71,493
Total capital assets being depreciated	1,393,856	31,386	-	1,425,242
Less accumulated depreciation for:				
Furniture and fixtures	(304,343)	(22,016)	-	(326,359)
Building	(257,530)	(33,781)	-	(291,311)
Motor vehicles	(55,584)	(5,378)	-	(60,962)
Total accumulated depreciation	(617,457)	(61,175)	-	(678,632)
Total capital assets being depreciated, net	776,399	(29,789)	-	746,610
Total capital assets, net	\$ 959,730	\$ (29,789)	\$ -	\$ 929,941
<b>MAINTENANCE DIVISION FUND</b>				
Capital assets not being depreciated:				
Land easements	\$ 4,311	\$ -	\$ -	\$ 4,311
Construction in progress	-	-	-	-
Total capital assets not being depreciated	4,311	-	-	4,311
Capital assets, being depreciated:				
Machinery and equipment	171,341	-	-	171,341
Motor vehicles	59,281	-	-	59,281
Total capital assets being depreciated	230,622	-	-	230,622
Less accumulated depreciation for:				
Machinery and equipment	(132,324)	(10,492)	-	(142,816)
Motor vehicles	(32,954)	(5,137)	-	(38,091)
Total accumulated depreciation	(165,278)	(15,629)	-	(180,907)
Total capital assets, being depreciated, net	65,344	(15,629)	-	49,715
Total capital assets, net	\$ 69,655	\$ (15,629)	\$ -	\$ 54,026

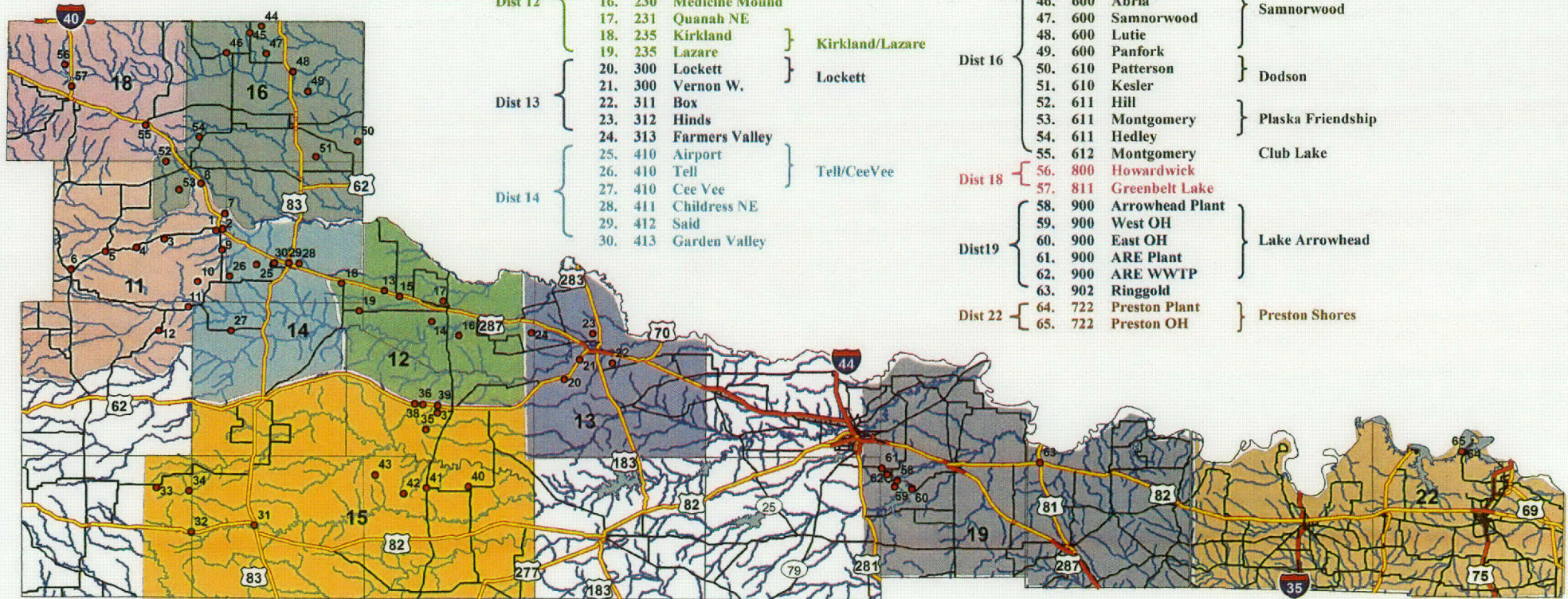
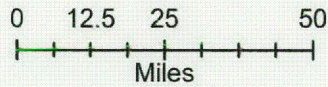
**RED RIVER AUTHORITY OF TEXAS**  
**INTERNAL SERVICE FUNDS**  
**CAPITAL ASSETS**  
for the year ended September 30, 2015

Exhibit C-38  
Page 2 of 2

	Balance October 1, 2014	Additions / Completions	Deletions / Adjustments	Balance September 30, 2015
<b>COMMUNICATIONS DIVISION FUND</b>				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Capital assets, being depreciated:				
Machinery and equipment	320,726	-	-	320,726
Total capital assets, being depreciated	320,726	-	-	320,726
Less accumulated depreciation for:				
Machinery and equipment	(260,121)	(10,320)	-	(270,441)
Total accumulated depreciation	(260,121)	(10,320)	-	(270,441)
Total capital assets being depreciated, net	60,605	(10,320)	-	50,285
Total capital assets, net	\$ 60,605	\$ (10,320)	\$ -	\$ 50,285
 <b>MOTOR VEHICLE POOL FUND</b>				
Capital assets being depreciated:				
Motor vehicles	\$ 360,966	\$ 98,908	\$ (73,762)	\$ 386,112
Total capital assets being depreciated	360,966	98,908	(73,762)	386,112
Less accumulated depreciation for:				
Motor vehicles	(264,891)	(64,410)	73,762	(255,539)
Total accumulated depreciation	(264,891)	(64,410)	73,762	(255,539)
Total capital assets, being depreciated, net	96,075	34,498	-	130,573
Total capital assets, net	\$ 96,075	\$ 34,498	\$ -	\$ 130,573



# Red River Authority of Texas Regional Water Supply Facilities



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



**RED RIVER AUTHORITY OF TEXAS**  
**SCHEDULE OF CLEAN RIVER PROGRAM EXPENSES**  
for the year ended September 30, 2015  
(Unaudited)

Exhibit C-40

State Agency

Texas Commission on Environmental Quality

Contract Number	<u>5821440093</u>	<u>5821660164</u>	<u>Total</u>
Contract Amount	<u>\$ 318,118</u>	<u>\$ 311,118</u>	
Unbilled Revenue at 10-01-14	<u>\$ 31,945</u>	<u>\$ -</u>	<u>\$ 31,945</u>
Receipts or Revenue Recognized	<u>231,078</u>	<u>20,476</u>	<u>251,554</u>
<b>Disbursements/Expenditures</b>			
Personnel/Salaries	45,210	4,858	50,068
Fringe Benefits	20,610	2,165	22,775
Travel	17,111	2,214	19,325
Supplies	12,742	1,279	14,021
Equipment	8,720	-	8,720
Contractual	-	-	-
Other	118,460	9,061	127,521
Indirect Costs	8,525	899	9,424
	<u>\$ 231,378</u>	<u>\$ 20,476</u>	<u>\$ 251,854</u>
Unbilled Revenue at 09-30-15	<u>\$ -</u>	<u>\$ 20,476</u>	<u>\$ 20,476</u>

**RED RIVER AUTHORITY OF TEXAS**  
**INDIRECT RATE FACTOR**  
for the year ended September 30, 2015  
(Unaudited)

Exhibit C-41

<b>Direct Salary Cost</b>	<b>FY 2015</b>	<b>FY 2014</b>
Regular Salaries	\$ 1,230,029	\$ 1,219,269
Overtime Salaries	66,811	64,320
<b>Total Salaries</b>	<b>1,296,840</b>	<b>1,283,589</b>
 <b>Fringe Benefit Pool</b>		
FICA / Medicare	101,934	99,767
Retirement System Contribution	27,656	99,938
Health / Life Insurance Plan	257,043	248,779
Workers Compensation Insurance	19,053	20,215
Vacation / Holiday Leave	112,395	96,959
Unemployment Insurance	378	6,411
<b>Total Fringe Benefits</b>	<b>518,459</b>	<b>572,069</b>
 <b>Total Personnel Cost</b>	 <b>\$ 1,815,299</b>	 <b>\$ 1,855,658</b>
 <b>Reconciliation of Total Personnel Cost</b>		
Total Personnel Cost per Exhibit A-2	\$ 1,797,435	\$ 1,776,011
Add: Net Pension Obligation	-	60,290
Add: Workers Compensation Paid	19,053	20,215
Less: Contract Labor Paid	1,189	858
<b>Total Reconciled Personnel Cost</b>	<b>\$ 1,815,299</b>	<b>\$ 1,855,658</b>
 <b>Fringe Benefit Rate</b>	 <b>39.98%</b>	 <b>44.57%</b>
 <b>General Overhead</b>		
General Division Operating Expense	\$ 189,946	\$ 204,717
General Insurance	31,769	32,746
<b>Total General Overhead</b>	<b>\$ 221,715</b>	<b>\$ 237,463</b>
 <b>General Overhead Rate</b>	 <b>17.10%</b>	 <b>18.50%</b>



**RED RIVER AUTHORITY OF TEXAS**  
**INTERFUND RECEIVABLE AND PAYABLE BALANCES**  
for the year ended September 30, 2015

Exhibit C-42  
Page 1 of 2

**Interfund notes payable to the Interfund Loan Division at September 30, 2015 are:**

Fund	IFL Loan Number	Monthly Payment	Principal	Interest at 8%	Maturity Date	Payable September 30, 2015
General Division	GD0011-11	\$ 4,994	\$ 25,357	\$ 34,575	9/30/2036	\$ 850,558
	GD0011-14	266	2,746	442	1/1/2017	4,020
	GD0011-15	606	602	4	10/28/2014	-
	GD0011-16	238	1,920	930	2/1/2020	10,575
	GD0011-17	210	1,781	743	7/30/2019	8,309
	GD0011-18	218	2,394	224	4/30/2016	1,488
	GD0011-19	80	595	362	2/1/2021	4,196
	GD0011-20	475	4,560	1,135	12/1/2017	11,692
	GD0011-21	305	2,748	920	10/1/2018	9,993
	GD0011-22	317	1,741	793	1/18/2020	13,878
Environmental Services	ESD0079-01	523	5,546	724	9/1/2016	6,007
Maintenance Division	MD0080-03	220	2,158	484	9/28/2017	4,869
	MD0080-05	453	4,528	906	6/30/2017	8,847
	MD0080-06	726	7,071	1,644	10/30/2017	16,672
Communication Division	CD0081-02	254	2,826	224	2/28/2016	1,246
	CD0081-03	643	4,677	3,044	6/1/2021	35,493
	CD0081-04	84	678	329	2/1/2020	3,736
Motor Pool	MP0082-11	2,069	4,083	41	11/30/2014	-
	MP0082-12	525	5,993	305	10/1/2015	521
	MP0082-13	485	5,502	318	11/1/2015	960
	MP0082-14	834	9,402	610	12/1/2015	2,470
	MP0082-15	1,640	15,754	3,922	12/1/2017	40,393
	MP0082-16	449	4,313	1,074	12/28/2017	11,059
	MP0082-17	2,415	18,089	6,058	11/18/2018	80,819

**RED RIVER AUTHORITY OF TEXAS**  
**INTERFUND RECEIVABLE AND PAYABLE BALANCES**  
for the year ended September 30, 2015

**Interfund notes payable to the Interfund Loan Division at September 30, 2015, continued**

Fund	IFL Loan Number	Monthly Payment	Principal	Interest at 8%	Maturity Date	Payable September 30, 2015
Utility Division Systems:						
100	ES-1001	125	1,133	369	9/30/2018	3,995
100	ES-1002	309	1,873	1,838	4/30/2032	44,923
100	ES-1003	174	1,275	816	5/1/2021	9,504
100	ES-1004	51	502	113	9/1/2017	1,133
110	TE-1101	287	2,600	847	9/30/2018	9,167
110	TE-1102	327	2,646	1,282	2/1/2020	14,574
312	HI-1312-02	115	1,308	76	11/1/2015	228
410	CH-1410-01	170	1,328	710	7/30/2020	8,149
411	CH-1411-01	333	2,605	1,393	7/30/2020	15,981
500	GT-1500-01	116	1,229	160	9/30/2016	1,331
500	GT-1500-02	1,751	17,162	3,850	9/30/2017	38,716
510	SPU-1510-01	1,191	10,496	3,796	1/1/2019	41,695
510	FC-1510-02	436	4,945	286	11/1/2015	863
520	TG-1520-02	1,510	15,504	2,615	2/28/2017	24,191
600	SNW-1600-01	439	3,666	1,598	9/1/2019	17,971
722	PS-1722-02	1,816	18,524	3,269	3/31/2017	30,708
722	PS-1722-03	1,396	13,683	3,070	9/1/2017	30,868
800	HW-800-01	104	843	400	1/1/2020	4,542
800	HW-800-01	2,813	6,005	5,246	5/1/2023	192,969
900	ARR-900-01	1,418	16,201	823	10/31/2015	1,409
900	ARR-900-02	245	1,828	1,111	2/1/2021	12,886
900	ARR-900-03	691	6,771	1,519	9/1/2017	15,275
901	ARE-901-01	1,064	10,429	2,340	9/1/2017	23,526
	Totals		<u>\$277,620</u>	<u>\$ 97,338</u>		

Total payable to Interfund Loan Division September 30, 2015

\$ 1,672,405

## **STATISTICAL SECTION**

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

	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>
Net investment in capital assets	\$ 3,086,702	\$ 4,969,709	\$ 5,529,570
Restricted	479,358	479,358	479,358
Unrestricted	7,618,370	6,365,500	6,399,444
Total net position	<u>\$ 11,184,430</u>	<u>\$ 11,814,567</u>	<u>\$ 12,408,372</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					
2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
\$ 5,537,508	\$ 5,919,946	\$ 5,995,140	\$ 6,124,825	\$ 7,467,500	\$ 7,323,054
472,206	1,001,023	1,158,346	1,223,100	899,564	1,010,580
6,174,709	6,663,942	6,559,656	6,553,893	6,154,206	7,325,098
<u>\$ 12,184,423</u>	<u>\$ 13,584,911</u>	<u>\$ 13,713,142</u>	<u>\$ 13,901,818</u>	<u>\$ 14,521,270</u>	<u>\$ 15,658,732</u>

# RED RIVER AUTHORITY OF TEXAS

## CHANGES IN NET POSITION

### LAST NINE FISCAL YEARS

(Unaudited)

	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>
Operating revenues:			
Water and sewer sales	\$ 2,961,070	\$ 3,434,540	\$ 3,320,958
Charges for materials and services	405,551	511,173	579,249
Other	824,499	448,643	861,448
Total operating revenues	<u>4,191,120</u>	<u>4,394,356</u>	<u>4,761,655</u>
Operating expenses:			
Water purchases	527,619	558,671	578,323
Personnel services	1,034,590	1,528,327	1,619,796
Administrative costs	718,038	75,888	69,146
Utilities, supplies and maintenance	746,347	765,600	815,952
Insurance	-	42,579	41,019
Automobile and travel	180,336	201,598	162,474
Professional and directors fees	1,545	106,211	148,592
Research expense	20,750	10,190	17,290
Depreciation and amortization	445,611	619,250	632,776
Total operating expenses	<u>3,674,836</u>	<u>3,908,314</u>	<u>4,085,368</u>
Operating income	<u>516,284</u>	<u>486,042</u>	<u>676,287</u>
Nonoperating revenues (expenses)			
Interest income	117,713	236,005	142,667
Gain (loss) on disposal of assets	-	16,338	11,360
Grant revenues	-	-	-
Interest expense	(319,244)	(261,002)	(236,509)
Total nonoperating revenues (expenses)	<u>(201,531)</u>	<u>(8,659)</u>	<u>(82,482)</u>
Income (loss) before contributions and other credits:	314,753	477,383	593,805
Insurance proceeds	<u>79,034</u>	<u>15,118</u>	<u>-</u>
Change in net position	<u>\$ 393,787</u>	<u>\$ 492,501</u>	<u>\$ 593,805</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									
		2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015				
\$	3,262,773	\$	4,137,858	\$	3,665,182	\$	3,710,743	\$	4,072,153	\$	4,066,063
	459,009		509,152		536,472		493,992		592,542		896,461
	459,299		297,949		445,525		397,042		520,952		325,801
	<u>4,181,081</u>		<u>4,944,959</u>		<u>4,647,179</u>		<u>4,601,777</u>		<u>5,185,647</u>		<u>5,288,325</u>
	554,987		609,118		615,679		625,545		601,222		628,527
	1,697,525		1,674,131		1,672,025		1,700,020		1,776,013		1,797,435
	91,394		83,105		94,985		88,389		86,298		163,638
	769,199		781,009		868,088		750,211		835,578		734,127
	51,666		50,359		52,824		50,471		52,961		50,822
	187,155		222,062		238,380		238,071		229,942		189,622
	130,056		74,239		113,799		102,848		149,930		321,222
	19,590		19,745		36,450		39,690		39,690		-
	666,589		691,989		693,154		712,312		727,832		708,830
	<u>4,168,161</u>		<u>4,205,757</u>		<u>4,385,384</u>		<u>4,307,557</u>		<u>4,499,466</u>		<u>4,594,223</u>
	12,920		739,202		261,795		294,220		686,181		694,102
	86,887		38,190		12,319		9,197		7,265		5,712
	(112,098)		36,787		18,451		17,666		29,658		225,268
	-		186,844		-		-		-		-
	(211,658)		(196,161)		(164,334)		(132,407)		(103,652)		(12,426)
	<u>(236,869)</u>		<u>65,660</u>		<u>(133,564)</u>		<u>(105,544)</u>		<u>(66,729)</u>		<u>218,554</u>
	(223,949)		804,862		128,231		188,676		619,452		912,656
	-		-		-		-		-		-
\$	<u>(223,949)</u>	\$	<u>804,862</u>	\$	<u>128,231</u>	\$	<u>188,676</u>	\$	<u>619,452</u>	\$	<u>912,656</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
2005-06	\$ 3,592,666	\$ 421,182	\$ 665,292	\$ 32,792	\$ 503,628	\$5,215,560
2006-07	3,145,775	784,003	726,340	55,704	472,201	5,184,023
2007-08	3,659,522	686,255	765,924	55,849	585,357	5,752,907
2008-09	3,451,381	782,733	798,880	41,704	635,222	5,709,920
2009-10	3,371,249	665,632	825,056	27,985	703,012	5,592,934
2010-11	4,272,709	822,560	801,843	12,323	649,274	6,558,709
2011-12	3,750,335	812,008	850,644	12,319	786,921	6,212,227
2012-13	3,783,275	862,053	858,291	9,197	710,081	6,222,897
2013-14	4,072,153	944,978	855,146	7,265	839,473	6,719,015
2014-15	4,303,566	733,559	817,907	5,712	476,465	6,337,209



**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
2006	3,960	\$3,424,741	\$ 72.07	73.93%	18.36%	7.71%
2007	3,954	2,974,132	62.68	91.61%	4.20%	4.19%
2008	3,965	3,450,727	72.52	89.02%	6.58%	4.40%
2009	3,983	3,331,528	69.70	87.21%	7.45%	5.34%
2010	3,981	3,269,881	68.45	88.58%	6.58%	4.84%
2011	4,003	4,154,785	86.49	88.21%	6.49%	5.30%
2012	4,002	3,597,232	74.90	89.01%	6.25%	4.74%
2013	3,969	3,670,110	77.06	88.79%	6.57%	4.64%
2014	3,934	3,959,162	83.87	88.48%	6.83%	4.69%
2015	3,921	3,849,876	81.82	89.17%	6.67%	4.09%

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

Fiscal Year	Treated Water in Million Gallons							Daily Average
	Domestic	Commercial	Treated Wholesale	Raw Wholesale	Total	Peak Month	Monthly Average	
2006	334.64	31.87	110.51	77.75	554.77	86.18	46.23	1.52
2007	244.67	33.06	78.62	0.01	356.36	45.42	29.70	0.98
2008	284.86	35.91	91.18	-	411.95	56.78	34.33	1.13
2009	266.33	31.77	83.24	45.16	426.50	62.22	35.54	1.17
2010	249.93	30.91	88.05	46.46	415.35	58.36	34.61	1.14
2011	323.42	40.74	120.31	53.33	537.80	91.68	44.82	1.47
2012	248.51	34.26	94.25	48.67	425.69	64.18	35.47	1.17
2013	230.79	32.17	80.93	9.83	353.72	41.92	29.48	0.97
2014	214.71	22.16	60.17	45.24	342.28	40.64	28.52	0.94
2015	202.96	21.70	57.06	4.37	286.09	34.70	23.84	0.78

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

**Exhibit D-6**

Utility District	Square Miles	Service Area Counties	Number of Meters	Total Water Use - MG	Population Served	Water Source
D-11	1,285	Hall / Childress / Motley	289	30.82	723	G/S
D-12	1,160	Hardeman / Childress / Foard	390	42.93	975	S
D-13	947	Wilbarger	454	36.87	1,135	G/S
D-14	802	Childress / Cottle	416	30.04	1,040	S
D-15	2,111	King / Knox / Foard	354	36.98	885	G/S
D-16	1,405	Collingsworth / Hall / Childress	244	24.44	610	G/S
D-18	929	Donley	371	9.83	928	G/S
D-19	2,013	Clay / Montague	718	29.18	1,795	G/S
D-22	934	Grayson	684	55.98	1,710	S

**RED RIVER AUTHORITY OF TEXAS**  
**TOP TEN UTILITY CUSTOMERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
**SEPTEMBER 30, 2015**  
**(Unaudited)**

Exhibit D-7

Taxpayer	Location	Rank	2014-15		Rank	2005-06	
			Average Bill	Average Use (gals)		Average Bill	Average Use (gals)
Southwest Water Company	Grayson	1	\$ 7,488	1,963,975	1	\$ 10,082	3,413,750
Texas Dept of Transportation	Donley/Hardeman	2	\$ 3,866	419,016	9 #	\$ 678	116,283
City of Chillicothe	Hardeman	3	\$ 3,667	1,252,350	4	\$ 1,863	1,034,691
AEP Oklaunion Power Plant	Wilbarger	4	\$ 2,233	251,558	3	\$ 4,492	695,425
Guthrie School	King	5	\$ 1,723	203,554	7	\$ 732	109,388
Vest Ranch	Hall/Collingsworth	6	\$ 1,158	172,620	2	\$ 5,422	1,234,356
Cornerstone Marine Group	Grayson	7	\$ 1,131	201,792	5	\$ 1,012	262,750
Panfork Baptist Church	Collingsworth	8	\$ 669	86,395	-	-	-
Rickey L Smith Ranches, Ltd	Hall	9	\$ 614	86,637	-	-	-
Thomas Tippet	Hall	10	\$ 609	66,806	-	-	-
Samnorwood School	Collingsworth				6	\$ 772	132,800
Quanah Country Club	Hardeman	-	-	-	8	\$ 711	188,129
Anglers Club	Childress	-	-	-	10	\$ 549	94,465

**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>
2005-06	\$4,793,000	\$ 1,083,233	\$ 469,841	2.31	\$ 660,222	1.64
2006-07	4,431,000	654,715	455,458	1.44	660,222	0.99
2007-08	4,046,000	850,505	438,598	1.94	660,222	1.29
2008-09	3,635,000	870,535	418,451	2.08	658,938	1.32
2009-10	4,057,200	265,602	237,527	1.12	706,161	0.38
2010-11	3,568,600	1,085,285	225,768	4.81	706,161	1.54
2011-12	3,047,200	565,481	199,190	2.84	706,161	0.80
2012-13	2,489,000	685,254	169,853	4.03	706,161	0.97
2013-14	710,833	1,009,334	52,947	19.06	54,930	18.37
2014-15	673,667	1,261,991	53,160	23.74	54,930	22.97

**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
2005-06	\$ 3,366,176	\$ 467,530	\$ 702,601	\$ 145,956	\$ 176,288	\$4,858,551
2006-07	3,312,083	717,479	732,541	188,807	183,013	5,133,923
2007-08	3,524,396	720,440	797,390	227,973	221,808	5,492,007
2008-09	3,683,402	761,344	800,350	261,034	193,044	5,699,174
2009-10	3,855,279	727,532	838,919	302,865	224,376	5,948,971
2010-11	3,893,681	730,699	804,597	256,552	252,747	5,938,276
2011-12	3,880,423	831,390	833,043	299,812	329,841	6,174,509
2012-13	3,742,187	927,571	827,230	265,909	336,008	6,098,905
2013-14	3,832,693	971,627	872,883	223,400	261,959	6,162,562
2014-15	3,764,592	794,496	1,052,077	202,913	241,780	6,055,858

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, 2015**

**(Unaudited)**

- Counties:* Archer, Armstrong, Baylor, Bowie, Briscoe, Carson, Castro, Childress, Clay, Collingsworth, Cooke, Cottle, Crosby, Deaf Smith, Dickens, Donley, Fannin, Floyd, Foard, Gray, Grayson, Hale, Hall, Hardeman, Hartley, Hemphill, Hutchinson, King, Knox, Lamar, Lipscomb, Montague, Motley, Oldham, Parmer, Potter, Randall, Red River, Roberts, Swisher, Wheeler, Wichita, and Wilbarger
- Region:* The Red River flows from eastern New Mexico across the Texas Panhandle and becomes the Texas-Oklahoma boundary, then flows into southwest Arkansas, to Louisiana and the Mississippi River. Average annual flow of the river near the Texas-Arkansas state line is 11,490 cubic feet per second (CFS) or 8.3 million acre-feet per year.
- Drainage Area:* Approximately 94,450 square miles, 24,463 square miles in Texas
- Principal Cities (including 2000 population ranges):*
- |                   |  |
|-------------------|--|
| 100,000 — 500,000 | Amarillo, Wichita Falls  |
| 10,000 — 50,000   | Burkburnett, Canyon, Denison, Gainesville, Hereford, Pampa, Paris, Plainview, Sherman, Texarkana, Vernon |
- Principal Tributaries:* North Fork, Salt Fork, and Prairie Dog Town Fork of the Red River, Pease River, and Wichita River
- Principal Aquifers:* Ogallala, Seymour, Trinity, Carrizo-Wilcox, Blaine-Gypsum, Woodbine, Blossom Sand, Nacatoch Sand
- Regional Economies:* Oil and gas production, agriculture, ranching, manufacturing, and tourism
- Major Lakes and Reservoirs:* There are 32 significant reservoirs which occupy 158,519 surface acres and contain 3,892,411 acre-feet. Refer to **Exhibit D-12** on **page 99**.
- 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, 2015**  
**(Unaudited)**

Exhibit D-12

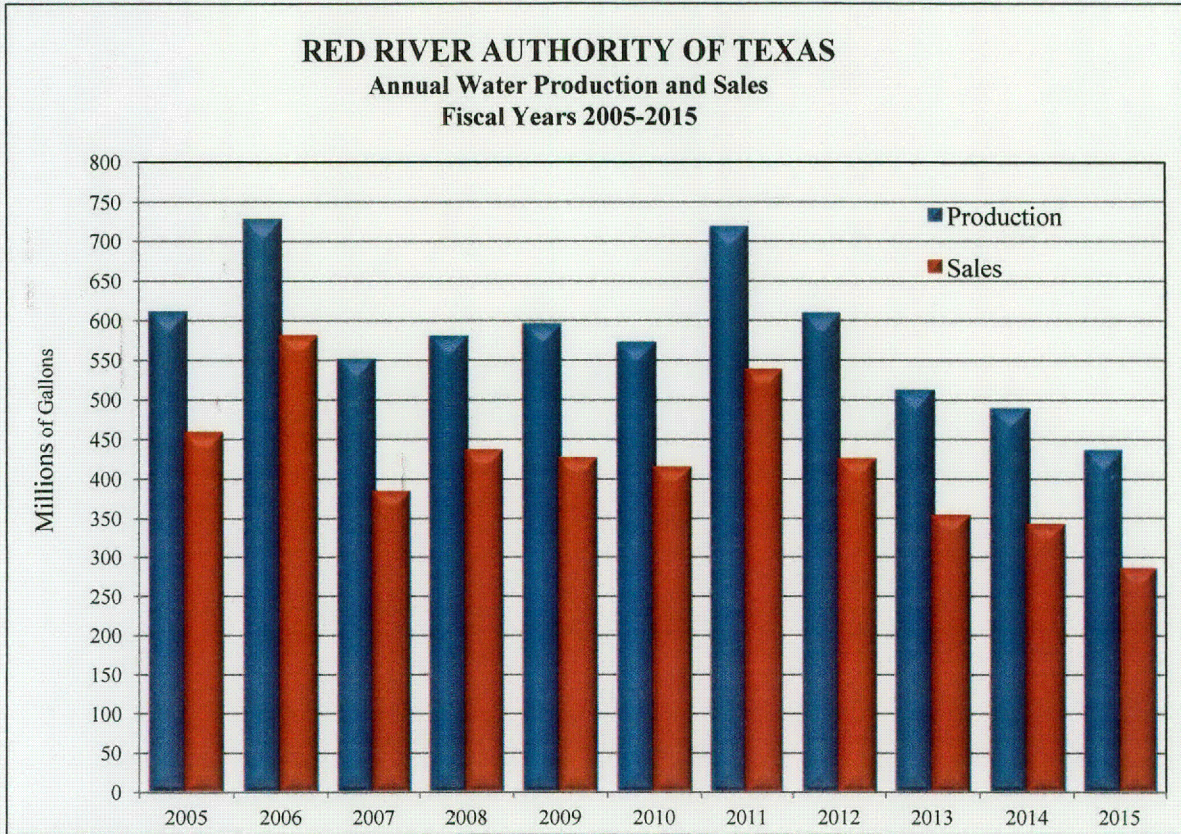
Reservoir Name	County	Elevation Ft AMSL	Surface Acres	Capacity Acre-Feet	Diversion ACF/YR	Type Uses
Archer City Lake	Archer	1,023	90	396	2,500	M/R
Lake Kickapoo	Archer	1,045	6,028	85,825	40,000	M
Scotland Lake	Archer	934	70	364	-	R
Lake Cooper	Archer	1,145	250	4,500	810	M
Lake Diversion	Archer/Baylor	1,052	3,133	33,420	-	M/I/F/R/Ir/Mi
Lake Kemp	Baylor	1,144	15,357	245,434	-	M/Ir/F
Mackenzie Reservoir	Briscoe/Swisher	3,100	896	46,250	5,200	M/I
Baylor Lake	Childress	1,820	610	9,220	-	M/R
Lake Arrowhead	Clay/Archer	926	14,969	235,997	45,000	M
Hubert H. Moss Lake	Cooke	715	1,140	24,155	7,000	M/I
Greenbelt Reservoir	Donley	2,664	2,250	59,500	-	M/I/Mi
Lake Bonham	Fannin	565	1,012	11,038	5,340	M/R
Coffee Mill Lake	Fannin	496	650	8,000	-	R
Lake Crockett	Fannin	502	375	3,900	-	R
Valley Lake	Fannin/Grayson	611	1,080	16,400	-	P
Lake McClellan	Gray	2,291	550	5,000	-	R
Randell Lake	Grayson	622	311	5,900	-	M
Lake Texoma	Grayson/Cooke	617	74,686	2,516,232	-	P/F/M/R
Lake Pauline	Hardeman	1,486	640	5,000	275	P
Lake Crook	Lamar	476	1,060	9,210	12,000	M
Pat Mayse Reservoir	Lamar	451	5,638	117,844	61,610	M/F/I/R
Lake Gibbons	Lamar	599	69	3,600	3,600	M
Lake Nocona	Montague	828	1,362	21,749	1,260	M/I/Mi
Bivins Lake	Randall	3,635	379	5,120	-	M
Buffalo Lake	Randall	3,643	1,900	18,150	-	R
Palo Duro Club Lake	Randall	3,450	60	460	460	R
Lake Tanglewood	Randall	3,388	191	4,897	4,897	R
North Fork Buffalo Cree	Wichita	1,048	1,730	15,400	-	M/R
Lake Iowa Park	Wichita	1,036	355	2,565	500	M
Lake Wichita	Wichita/Archer	981	2,200	14,000	-	Ir/F
Santa Rosa Lake	Wilbarger	1,167	1,500	11,570	-	M/I/Ir
Lake Electra	Wilbarger	1,111	660	8,730	600	M/F
<b>Total Reservoirs: 32</b>			<b>141,201</b>	<b>3,549,826</b>	<b>191,052</b>	

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

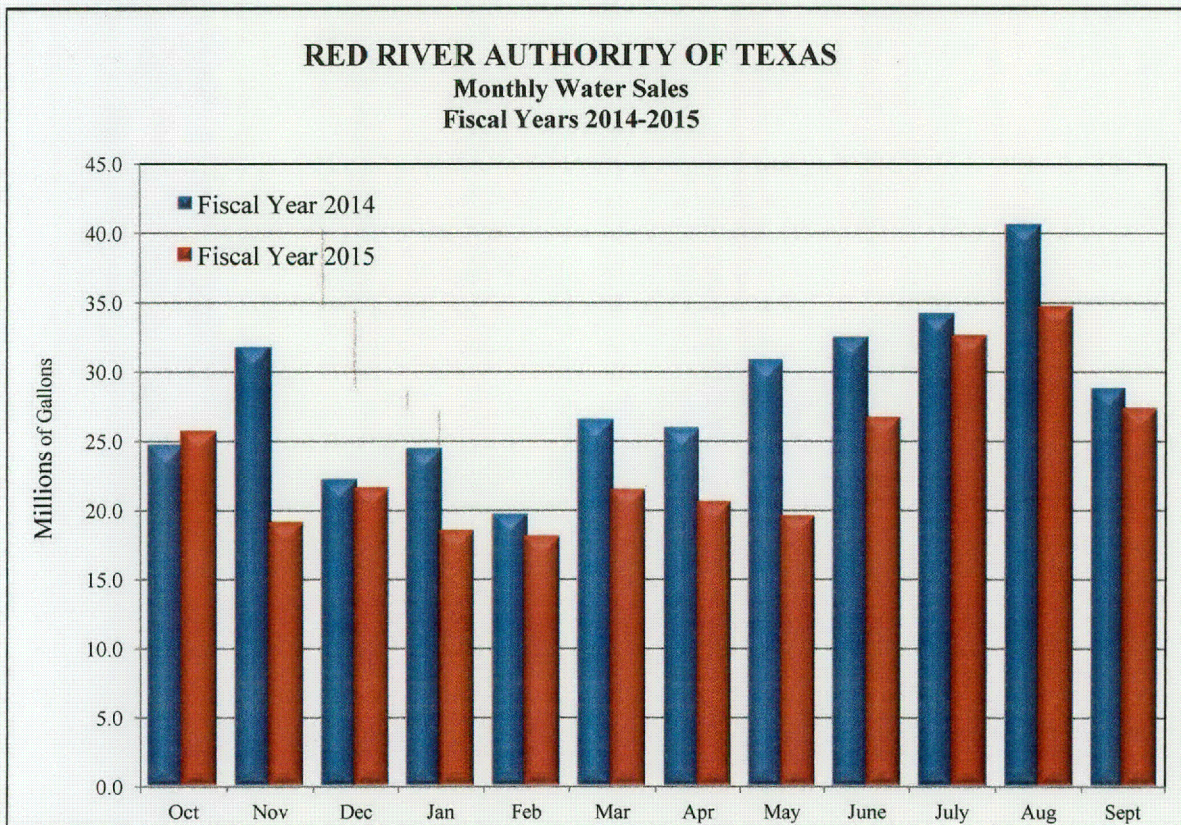
Source of Information: Texas Water Development Board



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



**Figure 1**



**Figure 2**



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

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

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

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

**CURRENT STATUS:** The Truscott Brine Reservoir was completed and placed in service on May 16, 1987. The reservoir is currently receiving brine for disposal that is diverted from the Bateman Pump Station (Area VIII) located on the South Fork of the Wichita River in King County. The Alexander Pump Station (Area X) located on the Middle Fork of the Wichita River in Cottle County is physically complete but not yet in service. The pump station will transmit brine to the Truscott Reservoir also.

#### **TECHNICAL DESCRIPTION**

##### **TRUSCOTT BRINE RESERVOIR**

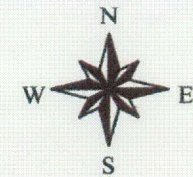
<b>Location:</b>	2 miles northwest of Truscott in Knox County, TX on Bluff Creek
<b>Dam Length:</b>	14,800 feet
<b>Dam Height:</b>	100 feet above stream bed
<b>Surface Area:</b>	Brine storage pool = 2,980 acres Flood control pool = 3,090 acres
<b>Total Capacity:</b>	116,200 acre-feet

##### **BATEMAN PUMP STATION**

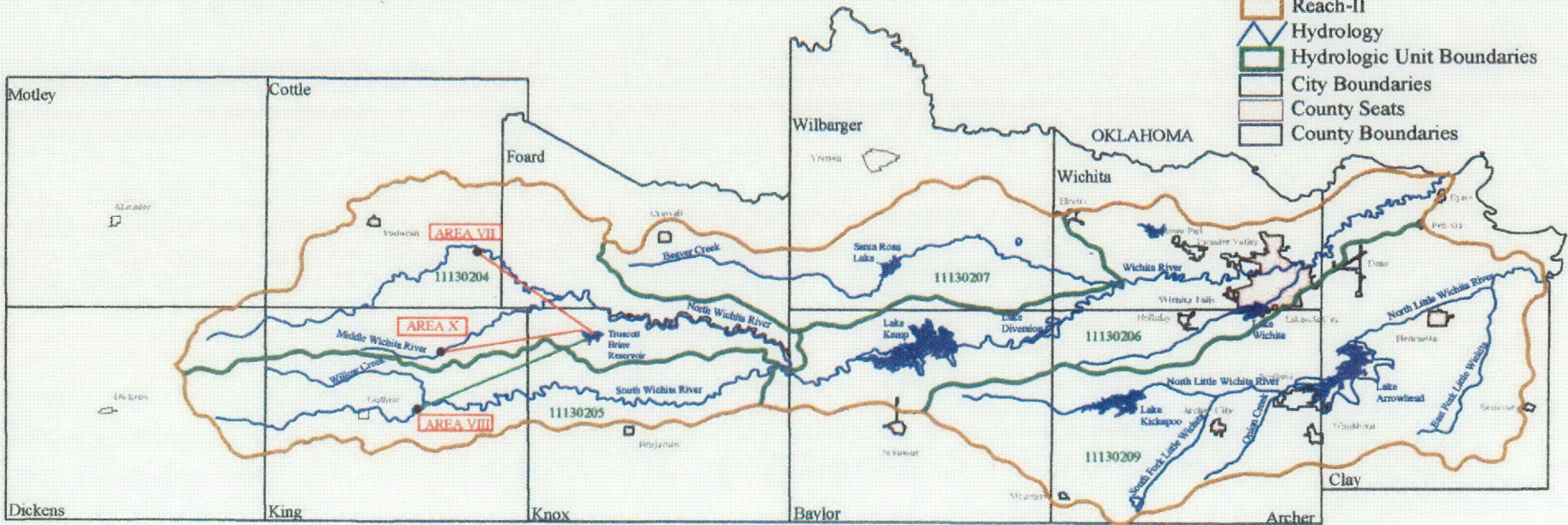
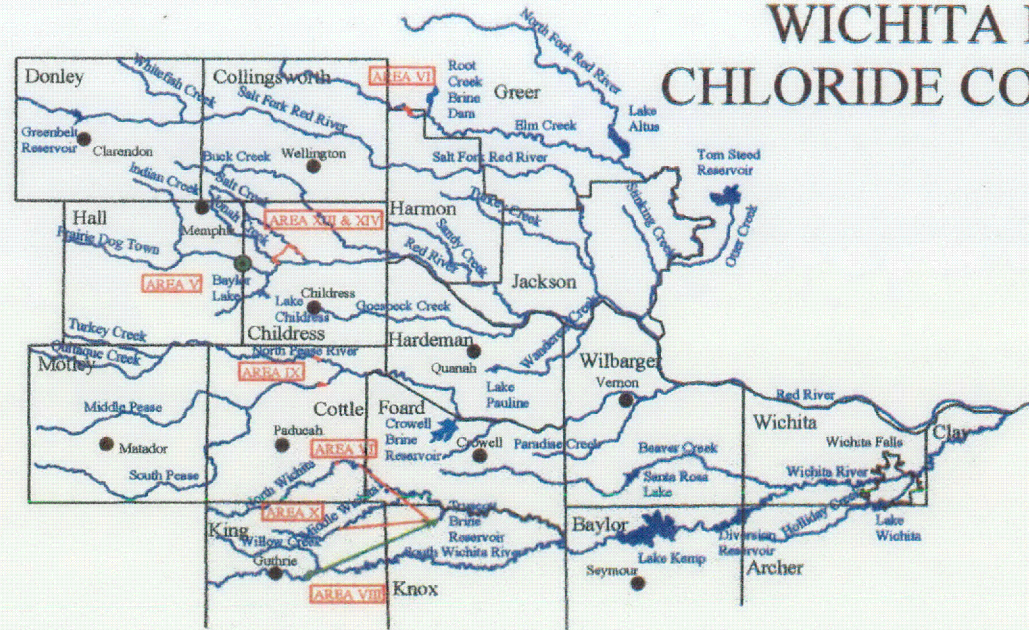
<b>Location:</b>	River mile 74.9 of the South Fork Wichita River in King County, Texas
<b>Type of Dam:</b>	Pneumatic (Inflatable)
<b>Dam Length:</b>	40 feet
<b>Dam Height:</b>	5 feet
<b>Surface Area:</b>	3 acres with the dam inflated



# WICHITA RIVER BASIN CHLORIDE CONTROL PROJECT



10 0 10 20 Miles



- 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, 2015**  
**(Unaudited)**

Policy:	Workers Compensation
Policy Period:	10-01-14 to 09-30-15
Perils:	Losses under Workers' Compensation Laws
Coverage:	Statutory
Premium:	\$18,751
Policy:	General Liability
Policy Period:	10-01-14 to 09-30-15
Perils:	Bodily injury, property damage, advertising injury, completed operations, and products hazard
Coverage:	\$1,000,000 per occurrence and annual aggregate
Premium:	\$2,079
Policy:	Automobile Liability
Policy Period:	10-01-14 to 09-30-15
Perils:	Liability
Coverage:	\$1,000,000 per occurrence
Premium:	\$3,510
Policy:	Errors and Omissions Liability
Policy Period:	10-01-14 to 09-30-15
Perils:	Liability, errors, and omissions
Coverage:	\$1,000,000 per claim and annual aggregate
Premium:	\$2,824
Policy:	Property Coverage
Policy Period:	10-01-14 to 09-30-15
Perils:	Risk of direct physical loss of or damage to property
Coverage:	Replacement cost limited to \$8,361,522 – real and personal property, replacement cost limited to \$52,195, mobile equipment coverage – \$558, boiler and machinery comprehensive – \$8,361,522
Premium:	\$18,305
Policy:	Automobile Physical Damage Coverage
Policy Period:	10-01-14 to 09-30-15
Perils:	Physical damage
Coverage:	Actual cash value
Premium:	\$4,000
Policy:	Crime Policy
Policy Period:	10-01-14 to 09-30-15
Perils:	Public employee dishonesty and forgery or alteration
Coverage:	\$200,000 per employee – Public Employee Dishonesty \$100,000 – Forgery or Alteration
Premium:	\$949



**OVERALL COMPLIANCE  
AND  
INTERNAL CONTROL SECTION**





# EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

4110 KELL BLVD., SECOND FLOOR ▪ P.O. Box 750  
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PH. (940) 766-5550 ▪ FAX (940) 766-5778

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

## Independent Auditor's Report

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

To the Board of Directors  
Red River Authority of Texas

Members of the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Red River Authority of Texas (Authority) as of and for the year ended September 30, 2015, and the related notes to the financial statements and have issued our report thereon dated January 6, 2016.

### 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*

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January 6, 2016









