

***RED RIVER COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2025***

RED RIVER COUNTY, TEXAS
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INDEPENDENT AUDITOR'S REPORT

Honorable Judge Robert Bridges and
The Commissioners Court of Red River County
Red River County, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Red River County, Texas as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Red River County, Texas, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Red River County, Texas, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter — Change in Accounting Principle

As discussed in Note 13 to the financial statements, during the year ended September 30, 2025, the County implemented GASB Statement No. 101, Compensated Absences. As a result, beginning net position was restated to recognize compensated absences in accordance with the new standard. Our opinion is not modified with respect to this matter

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10, budgetary comparison information on pages 42-44, TMRS schedules of changes in net pension (asset) liability and related ratios on page 45, TMRS schedules of pension contributions and related notes on page 46, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in

the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2026, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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 County's internal control over financial reporting and compliance.



Wilf & Henderson, P.C.
Certified Public Accountants
Texarkana, Texas
May 21, 2026

RED RIVER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

As management of Red River County, Texas, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities and performance for the year ended September 30, 2025. The information presented here should be read in conjunction with the independent auditor's report and the County's financial statements.

FINANCIAL HIGHLIGHTS

The County's total combined net position was \$23.3 million at September 30, 2025, of which, \$6 million is invested in capital assets, net of related debt. During the year, the County's expenses were \$2 million less than the \$11.3 million generated in taxes, charges for services, and other revenues. This includes depreciation expense of \$854,517. The adjustment to the net position liability as required by GASB 68 resulted in an increase to income of the \$489,302.

The total cost of all the County's activities was \$9.3 million, a decrease of \$100 thousand or 1%.

The general fund balance is \$11.6 million at September 30, 2025, which is an increase of approximately \$1.7 million from the prior year. General fund revenue increased \$225 thousand over the prior year. The general fund received a \$179 thousand transfer from Other Governmental Funds during the current year. General Fund current expenditures decreased approximately \$600 thousand or 13%. Salaries increased approximately \$140 thousand or 6%. The road and bridge fund balance decreased by approximately \$228 thousand to a balance of approximately \$300 thousand.

During the year, \$905,255 of fixed assets were added and \$255,889 of principal was paid on debt.

Approximately 93% of the taxes levied for 2024-2025 were collected by September 30, 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management's discussion and analysis (this section), basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the County's operations in more detail than the government-wide statements.
- The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as a commissary operation.
- Fiduciary fund statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong. This fund contains trust funds.

RED RIVER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS - CONTINUED

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's net position and how they have changed. Net position, the difference between the County's assets and liabilities, is one way to measure the County's financial health or position.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, consideration should be given to additional nonfinancial factors such as changes in the County's tax base.

The government-wide financial statements of the County include the governmental activities. The Authority's basic expenditures are included here, such as administration and finance, road and public works, corrections, law enforcement, judicial, and community services. Property taxes and charges for services finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

The County has the following kinds of funds:

- *Governmental Funds* – Most of the Authority's basic services are included in governmental funds, which focus on 1) how cash and other financial assets that can readily be converted to cash flow in and out and 2) the balance remaining at year-end that is available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the following page that explains the relationship (or differences) between them.
- *Fiduciary Funds* – The County is the trustee, of *fiduciary*, for certain funds. It is also responsible for other assets that because of a trust arrangement- can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded for the County's government-wide financial statements because the County cannot use these assets to finance its operations.

**RED RIVER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS - CONTINUED

- *Proprietary Funds* – These funds distinguish operating revenues and expense from non-operating items. Operating revenues result from providing goods and services in connections with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expense can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are non-operating.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Position

The County's combined net position was approximately \$22 million at September 30, 2025.

NET POSITION
(in thousands of dollars)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Assets						
Current and other assets	\$ 16,071	\$ 15,735	\$ 544	\$ 491	\$ 16,615	\$ 16,226
Capital and non-current assets	7,754	7,433	615	648	8,369	8,081
Total Assets	<u>23,825</u>	<u>23,168</u>	<u>1,159</u>	<u>1,139</u>	<u>24,984</u>	<u>24,307</u>
Deferred Outflows of Resources						
Deferred outflows - pension plan	449	299	-	-	449	299
Total Deferred Outflows of Resources	<u>\$ 449</u>	<u>\$ 299</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 449</u>	<u>\$ 299</u>
Liabilities						
Long-term liabilities	\$ 296	\$ 293	\$ -	\$ -	\$ 296	\$ 293
Other liabilities	1,825	2,931	-	-	1,825	2,931
Total Liabilities	<u>2,121</u>	<u>3,224</u>	<u>-</u>	<u>-</u>	<u>2,121</u>	<u>3,224</u>
Deferred Inflows of Resources						
Deferred inflows - pension plan	149	100	-	-	149	100
Total Deferred Inflows of Resources	<u>149</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>149</u>	<u>100</u>
Net Position						
Net Investment in Capital Assets	6,255	6,405	615	648	6,870	7,053
Restricted	2,202	2,251	-	-	2,202	2,251
Unrestricted	13,547	11,487	544	491	14,091	11,978
Total Net Position	<u>\$ 22,004</u>	<u>\$ 20,143</u>	<u>\$ 1,159</u>	<u>\$ 1,139</u>	<u>\$ 23,163</u>	<u>\$ 21,282</u>

Net position invested in capital assets, net of related debt reflects the book value of the County's capital assets in excess of debt, which financed those assets. The \$13 million of unrestricted net position represents resources available to fund the programs of the County for the next fiscal year.

The restricted net position of \$2 million is restricted for special revenue funds.

**RED RIVER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE – CONTINUED

Net Position – Continued

Net position of the County increased by \$1 million. The County recorded depreciation of \$854,607, added fixed assets of \$930,824, and paid \$255,889 on principal of debt. The County's revenues exceeded expenditures by \$1.1 million in the governmental funds. Expenses exceeded revenues by \$19 thousand in the proprietary fund. The net pension asset increased by \$348 thousand.

Changes in Net Position

Of the County's total revenue of \$11.3 million, 55% of this came from property taxes, 18% came from operating grants and contributions, 9% came from sales and other taxes, and 7% came from charges for services.

The total cost of all programs was approximately \$9.3 million. Approximately 22% of this was for public safety, 28% for road and public works, and 9% for judicial.

Net position increased by \$2 million because of the excess of revenues over expenses.

**RED RIVER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE – CONTINUED

Changes in Net Position – Continued

**CHANGES IN NET POSITION
(in thousands of dollars)**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues						
Program Revenues						
Charges for Services	\$ 734	\$ 806	\$ -	\$ -	\$ 734	\$ 806
Operating Grants and Contributions	1,989	1,372	-	-	1,989	1,372
Capital Grants	142	170	-	-	142	170
General Revenues						
Property Taxes	6,197	5,868	-	-	6,197	5,868
Other Taxes	965	925	-	-	965	925
Investment Earnings	401	458	12	11	413	469
Other	902	890	41	19	943	909
Total Revenues	<u>11,330</u>	<u>10,489</u>	<u>53</u>	<u>30</u>	<u>11,383</u>	<u>10,519</u>
Expenses						
General Government	603	724	-	-	603	724
Judicial	768	803	-	-	768	803
Legal	339	329	-	-	339	329
Financial	461	496	-	-	461	496
Public Facility	122	151	-	-	122	151
Public Safety	2,805	2,655	33	33	2,838	2,688
Health and Welfare	347	352	-	-	347	352
Roads and Public Works	2,534	2,711	-	-	2,534	2,711
Cultural and Recreational	443	181	-	-	443	181
Community Development	-	173	-	-	-	173
Intergovernmental	244	234	-	-	244	234
Miscellaneous	629	588	-	-	629	588
Debt Service	35	16	-	-	35	16
Total Expenses	<u>9,330</u>	<u>9,413</u>	<u>33</u>	<u>33</u>	<u>9,363</u>	<u>9,446</u>
Change in Net Position	2,000	1,076	20	(3)	2,020	1,073
Net Position, Beginning	20,004	19,067	1,138	1,141	21,142	20,208
Prior Period Adjustment	-	(139)	-	-	-	(139)
Net Position, Ending	<u>\$ 22,004</u>	<u>\$ 20,004</u>	<u>\$ 1,158</u>	<u>\$ 1,138</u>	<u>\$ 23,162</u>	<u>\$ 21,142</u>

**RED RIVER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE – CONTINUED

- The cost of all governmental activities this year was \$9.3 million.
- The amount that taxpayers paid for these activities through property taxes was only \$6.2 million.
- Some of the cost of these activities were paid by those who directly benefited from the programs (\$734 thousand) or by grants and contributions (\$2.1 million).

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County reported fund balance in its governmental funds of approximately \$13.5 million at September 30, 2025.

General	\$ 11,654
Restricted for special revenue funds	<u>1,980</u>
	<u>\$ 13,634</u>

Fund balance in the governmental funds increased approximately \$1.6 million. The general fund balance increased approximately \$1.6 million. Tax revenue in the general fund was up approximately \$225 thousand as both property tax and sales tax increased. The road and bridge fund balance decreased approximately \$228 thousand. Tax revenue was up approximately \$75 thousand in the road and bridge fund. Tax revenue in other special revenue funds increased approximately \$25 thousand.

General Fund Budgetary Highlights

Small budget amendments were made throughout the year. Actual expenditures were less than budgeted by approximately \$1.8 million. Actual revenues were approximately \$1.3 million or 18% less than budgeted. Actual transfers in were approximately \$216 thousand more than budgeted. The fund balance increased approximately \$1.6 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's net investment in capital assets as of September 30, 2025 amounted to \$7 million. This investment in capital assets included land, buildings, furniture and equipment, and infrastructure.

Debt

At September 30, 2025, the County had long-term liabilities outstanding of \$379 thousand, consisting of notes payable.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In setting the fiscal year 2026 budget, the governing body, after careful consideration, increased the tax rate by \$0.00448 per \$100 valuation. The overall property values increased slightly, which will keep the 2026 county revenue consistent.

**RED RIVER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES – CONTINUED

The only significant increases in expenditures budgeted for fiscal year 2025 was for a salary increase across the board, due to restructuring the salary scale. No other new programs or initiatives were added for fiscal year 2025.

We believe that the budget is reasonable, attainable, fiscally sound, and allows for services to be provided to the citizens of the County in a sound manner.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the County's Auditor's Office, 200 N. Walnut, Clarksville, TX 75426.

***RED RIVER COUNTY, TEXAS
BASIC FINANCIAL STATEMENTS***

RED RIVER COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 11,089,400	\$ 531,209	\$ 11,620,609
Restricted Cash	2,250,704	-	2,250,704
Certificates of Deposit	350,000	10,000	360,000
Receivables (net of allowance for uncollectible):			
Accounts	670,970	2,332	673,302
Property Taxes	1,287,682	-	1,287,682
Due from Fiduciary Funds	422,013	-	422,013
Capital Assets (net of accumulated depreciation):			
Land	132,709	22,431	155,140
Buildings and Improvements	2,914,433	592,767	3,507,200
Furniture and Equipment	1,629,855	-	1,629,855
Infrastructure	2,151,600	-	2,151,600
Net Pension Assets	926,245	-	926,245
Total Assets	<u>23,825,611</u>	<u>1,158,739</u>	<u>24,984,350</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	448,767	-	448,767
Total Deferred Outflows of Resources	<u>448,767</u>	<u>-</u>	<u>448,767</u>
LIABILITIES			
Accounts Payable	279,405	-	279,405
Accrued Payroll	112,728	286	113,014
Compensated Absences	235,884	-	235,884
Unearned Revenue	714,990	-	714,990
Due to Other Governments	133,339	-	133,339
Non-current Liabilities:			
Due Within One Year:			
Notes Payable	348,942	-	348,942
Due In More Than One Year:			
Compensated Absences	71,330	-	71,330
Notes Payable	224,892	-	224,892
Total Liabilities	<u>2,121,510</u>	<u>286</u>	<u>2,121,796</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	148,970	-	148,970
Total Deferred Inflows of Resources	<u>148,970</u>	<u>-</u>	<u>148,970</u>
NET POSITION			
Net Investment in Capital Assets	6,254,763	615,198	6,869,961
Restricted for:			
Various Funds	2,201,997	-	2,201,997
Unrestricted	13,547,138	543,255	14,090,393
Total Net Position	<u>\$ 22,003,898</u>	<u>\$ 1,158,453</u>	<u>\$ 23,162,351</u>

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Funds	Business- Type Activities	Total
Governmental Activities:						
General Government	\$ 603,028	\$ 736,295	\$ -	\$ 559,410	\$ -	\$ 559,410
Roads and Public Works	2,534,246	140,542	-	(2,393,704)	-	(2,393,704)
Legal	339,006	-	-	(331,841)	-	(331,841)
Judicial	767,564	376,531	142,343	(240,096)	-	(240,096)
Financial	461,051	-	-	(182,150)	-	(182,150)
Public Facilities	121,946	-	-	(121,946)	-	(121,946)
Public Safety	2,804,957	193,384	-	(2,611,573)	-	(2,611,573)
Intergovernmental	244,272	48,873	-	(195,399)	-	(195,399)
Miscellaneous	629,340	-	-	(616,220)	-	(616,220)
Health and Welfare	347,554	199,000	-	(148,554)	-	(148,554)
Culture and Recreation	443,447	294,397	-	(149,050)	-	(149,050)
Interest on Long Term Debt	34,715	-	-	(34,715)	-	(34,715)
Total Governmental Activities	9,331,126	1,989,022	142,343	(6,465,838)	-	(6,465,838)
Business-Type Activities:						
Prisoner Housing	32,811	-	-	-	(32,811)	(32,811)
Total Business-Type Activities	32,811	-	-	-	(32,811)	(32,811)
Total Primary Government	\$ 9,363,937	\$ 1,989,022	\$ 142,343	(6,465,838)	(32,811)	(6,498,649)
General Revenues:						
Property Taxes				6,197,033	-	6,197,033
Other Taxes				964,583	-	964,583
Investment Earnings				401,492	12,066	413,558
Miscellaneous				902,963	40,673	943,636
Total General Revenues				8,466,071	52,739	8,518,810
Change in Net Position				2,000,233	19,928	2,020,161
Net Position at Beginning of Year, as restated, see Note 13				20,003,665	1,138,525	21,142,190
Net Position at End of Year				\$ 22,003,898	\$ 1,158,453	\$ 23,162,351

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	Road and Bridge Fund	State and Local Fiscal Recovery Grant Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 11,577,376	\$ 282,097	\$ 213,144	\$ 1,267,487	\$ 13,340,104
Certificates of Deposit	200,000	100,000	-	50,000	350,000
Receivables (net of allowances for uncollectible):					
Accounts	648,842	9,724	-	12,404	670,970
Property Taxes	1,046,808	240,874	-	-	1,287,682
Due from Fiduciary Funds	-	-	-	422,013	422,013
Due from Other Funds	-	-	-	-	-
Total Assets	\$ 13,473,026	\$ 632,695	\$ 213,144	\$ 1,751,904	\$ 16,070,769
LIABILITIES					
Accounts Payable	\$ 161,810	\$ 73,192	\$ -	\$ 44,403	\$ 279,405
Accrued Payroll	88,397	24,191	-	140	112,728
Due to Other Governments	133,339	-	-	-	133,339
Due to Other Funds	-	-	-	-	-
Unearned Revenue	461,170	-	199,000	54,820	714,990
Total Liabilities	\$ 844,716	\$ 97,383	\$ 199,000	\$ 99,363	\$ 1,240,462
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	974,653	221,659	-	-	1,196,312
Total Deferred Inflows of Resources	\$ 974,653	\$ 221,659	\$ -	\$ -	\$ 1,196,312
FUND BALANCES					
Restricted for:					
Records Management	-	-	-	177,755	177,755
Courthouse Security	-	-	-	106,683	106,683
Roads and Public Works	-	313,652	-	65,083	378,735
Judicial	-	-	-	36,314	36,314
Public Safety	-	-	-	205,581	205,581
Health and Welfare	-	-	-	637,134	637,134
Special Projects	-	-	14,144	423,991	438,135
Unassigned:					
General Fund	11,653,657	-	-	-	11,653,657
Total Fund Balances	\$ 11,653,657	\$ 313,652	\$ 14,144	\$ 1,652,541	\$ 13,633,994
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 13,473,026	\$ 632,694	\$ 213,144	\$ 1,751,904	\$ 16,070,768

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total Fund Balances - Governmental Funds	\$ 13,633,994
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	6,828,597
Receivables reported in the statement of net position that are not available to provide current financial resources are not reported as receivables in the funds.	1,196,312
Long-term liabilities and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(881,048)
The net effect of the change in pension liabilities and the net effect of the change in deferred outflows and inflows in the governmental activities is to increase net position.	<u>1,226,043</u>
Net Position of Governmental Activities	<u><u>\$ 22,003,898</u></u>

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Road and Bridge Fund	State and Local Fiscal Recovery Grant Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 5,040,266	\$ 1,102,601	\$ -	\$ 478,954	\$ 6,621,821
Licenses and Permits	-	491,728	-	-	491,728
Intergovernmental Revenue and Grants	57,182	24,636	935,295	1,114,252	2,131,365
Charges for Services	563,884	-	-	39,614	603,498
Fines and Forfeitures	81,691	-	-	48,734	130,425
Interest	349,561	7,188	20,819	23,924	401,492
Miscellaneous	175,381	88,639	-	1,003	265,023
Total Revenues	6,267,965	1,714,792	956,114	1,706,481	10,645,352
EXPENDITURES					
Current:					
General Government	383,676	-	-	100,145	483,821
Roads and Public Works	-	1,906,726	-	115,906	2,022,632
Legal	132,674	-	-	206,332	339,006
Judicial	493,473	-	-	174,360	667,833
Financial	429,318	-	-	-	429,318
Public Facilities	121,946	-	-	-	121,946
Public Safety	1,759,987	-	736,295	225,246	2,721,528
Intergovernmental	244,272	-	-	-	244,272
Miscellaneous	629,340	-	-	-	629,340
Health and Welfare	-	-	199,000	148,554	347,554
Culture and Recreation	149,050	-	-	294,397	443,447
Capital Outlay	180,223	582,689	-	142,343	905,255
Debt Service:					
Principal Retirement	6,783	249,106	-	-	255,889
Interest on Debt	1,952	32,763	-	-	34,715
Total Expenditures	4,532,694	2,771,284	935,295	1,407,283	9,646,556
Excess (Deficiency) of Revenues over Expenditures	1,735,271	(1,056,492)	20,819	299,198	998,796
OTHER FINANCING SOURCES (USES)					
Proceeds from Debt	-	339,725	-	-	339,725
Sale of Equipment	27,500	271,331	-	-	298,831
Transfers In	179,064	216,946	-	30,000	426,010
Transfers Out	(246,946)	-	(179,064)	-	(426,010)
Total Other Financing Sources (Uses)	(40,382)	828,002	(179,064)	30,000	638,556
Net Change in Fund Balance	1,694,889	(228,490)	(158,245)	329,198	1,637,352
Fund Balance, Beginning of Year	9,958,768	542,142	172,389	1,323,343	11,996,642
Fund Balance, End of Year	\$ 11,653,657	\$ 313,652	\$ 14,144	\$ 1,652,541	\$ 13,633,994

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net Change in Fund Balances - Governmental Funds	\$ 1,637,352
Governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the effect of those differences.	83,549
The statement of activities reports a gain or loss on the sale of assets based on the proceeds received and the net book value of the assets at the time of disposal. This amount is the net effect of the difference between the cost of assets disposed and the accumulated depreciation of assets disposed.	(150,306)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, have any effect on net positions. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(83,836)
Pension related items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as revenues in the government funds.	489,302
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenses in the government funds.	(23,895)
Revenues for property taxes in the statement of activities that do not provide current financial resources are not reported as revenues in the government funds.	<u>48,067</u>
Change in Net Position of Governmental Activities	<u><u>\$ 2,000,233</u></u>

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities
ASSETS	
Current Assets	
Cash	\$ 531,209
Certificates of Deposits	10,000
Accounts Receivable	2,332
Total Current Assets	543,541
Non-current Assets	
Capital Assets	1,664,254
Less: Accumulated Depreciation	(1,049,056)
Total Non-current Assets	615,198
Total Assets	\$ 1,158,739
LIABILITIES	
Current Liabilities	
Accrued Payroll	\$ 286
Total Current Liabilities	286
Total Liabilities	286
NET POSITION	
Net Investment in Capital Assets	615,198
Unrestricted	543,255
Total Net Position	\$ 1,158,453

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities
Operating Revenues	
Other	\$ 40,673
Total Operating Revenues	40,673
Operating Expenses	
Depreciation	32,811
Total Operating Expenses	32,811
Operating Income (Loss)	7,862
Nonoperating Revenues (Expenses)	
Interest	12,066
Total Nonoperating Revenues (Expenses)	12,066
Change in Net Position	19,928
Net Position, Beginning	1,138,525
Net Position, Ending	\$ 1,158,453

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities
Cash Flows from Operating Activities	
Cash Received for Providing Services	\$ 38,341
Net Cash Provided by Operating Activities	38,341
Cash Flows from Non-capital Financing Activities	
Transfers In	-
Net Cash Provided by Non-capital Financing Activities	-
Cash Flows from Capital and Related Financing Activities	
Net Cash Used by Financing Activities	-
Cash Flows from Investing Activities	
Interest Income	12,066
Net Cash Provided by Investing Activities	12,066
Increase (Decrease) in Cash	50,407
Cash, Beginning of Year	480,802
Cash, End of Year	\$ 531,209
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ 7,862
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	32,811
Changes in Assets and Liabilities:	
Increase (Decrease) in Accounts Receivable	(2,332)
	\$ 38,341

The accompanying note are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 1,127,434
Certificates of Deposit	50,881
Total Assets	\$ 1,178,315
 LIABILITIES	
Accounts Payable	\$ 23,748
Due to Other Funds	422,013
Total Liabilities	445,761
 NET POSITION	
Restricted for:	
Individuals and Other Governments	732,554
Total Net Position	\$ 732,554

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Custodial Funds
ADDITIONS	
Amounts Collected for Individuals and Other Governments	\$ 2,761,116
Interest	4,435
Total Additions	2,765,551
 DEDUCTIONS	
Amounts Distributed to Individuals and Other Governments	2,763,840
Total Deductions	2,763,840
 Net Increase (Decrease) in Fiduciary Net Position	1,711
Net Position, Beginning of Year, as Restated (Note 16)	730,843
Net Position, End of Year	\$ 732,554

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Red River County, Texas is a county government operating under the applicable laws and regulations of the State of Texas. It is governed by a four member Commissioners Court elected by registered voters of the County. The Commissioners Court serves as the principal decision making body of the County. The county judge serves as an administrative official and votes with the Commissioners Court as a tiebreaker only. The County prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants.

A. Reporting Entity

The Commissioners Court is elected by the public and it has the authority to make decisions and significantly influence operations. It has the primary accountability for fiscal matters. Therefore, the County is a financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) in its Statement No. 14, *The Financial Reporting Entity*. There are no component units included within the reporting entity.

B. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of Red River County with most of the interfund activities removed. Governmental activities include programs supported primarily by taxes, charges for services, grants and other intergovernmental revenues.

The Statement of Activities demonstrates how other people or entities that participate in programs the County operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the County. The "grants and contributions" column includes amounts paid by organizations outside the County to help meet the operational or capital requirements of a given function. If a revenue is not a program revenue, it is a general revenue used to support all of the County's functions. Taxes are always general revenues.

Interfund activities between governmental funds and between governmental funds and fiduciary funds appear as "due to" or "due from" on the Governmental Fund Balance Sheet and Statement of Fiduciary Net Position and as "other resources" and "other uses" on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as "due to" or "due from" on the government-wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for two fund categories – governmental and fiduciary. Since the resources in the fiduciary funds cannot be used for County operations, they are not included in the government-wide statements. The County considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of the goods and services, such as materials, labor and direct overhead. Other expenses are non-operating

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The County considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The County considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the County to refund all or part of the unused amount.

The proprietary and fiduciary fund financial statements use the flow of economic resources measurement focus and the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and measurable and recognizes expenses in the accounting period in which they are incurred and measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net position, and unrestricted net position.

D. Fund Accounting

The County reports the following major governmental funds:

The General Fund – The general fund is the County's primary operating fund. It accounts for financial resources except those required to be accounted for in another fund.

Road and Bridge Special Revenue Fund – These funds are aggregated on the financial statement and have the primary purpose of allocating revenues to the various precincts of the County where each elected commissioner is responsible for maintenance of County infrastructure.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Accounting (Continued)

State and Local Fiscal Recovery Grant Special Revenue Fund – This fund was created to maintain and track the Coronavirus State and Local Fiscal Recovery Funds grant received by the U.S. Department of the Treasury.

Additionally, the County reports the following fund types:

Other Governmental Funds – The County accounts for resources restricted to, or designated for, specific purposes in other nonmajor special revenue funds as scheduled at H-1 and H-2.

Proprietary Funds – The County’s activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The County’s nonmajor enterprise fund is the jail housing fund.

Fiduciary Funds – Fiduciary funds are used to account for resources held by the government in a trustee or custodial capacity for the benefit of individuals, organizations, or other governments. These resources are not available to support the government’s own programs and, therefore, are not included in the government-wide financial statements. These funds are used to report assets held and administered in accordance with the terms of the related trust agreements, statutory requirements, or other fiduciary arrangements.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided and operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Cash and Cash Equivalents

The County’s cash and cash equivalents include amounts in demand and time deposit accounts. The County classifies all certificates of deposit as investments. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

1. Cash and Cash Equivalents (Continued)

For the purposes of the statement of cash flows for proprietary funds, the County considers highly liquid investments to be cash equivalents if they have a maturity of three months or less.

2. Investments

Investments for the County are reported at fair value. Short-term investments, such as certificates of deposit and debt securities with a maturity date of less than one year, are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals.

3. Receivables and Payables

Activity between funds that is representative of lending or borrowing arrangements outstanding at the end of the year is referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” All trade and property taxes receivables are shown net of an allowance for uncollectible. The property tax receivable allowance is shown at a 10-75% of outstanding property taxes receivable as of year-end, depending on the length of time outstanding. Property taxes are levied each October 1 and may be paid without penalty until January 31. A penalty is added to payments received February 1 through June 30. Optionally, taxes may be paid in two installments, one-half due November 30 and one-half due June 30. A 15% penalty is added to taxes remaining delinquent on July 1 and an enforceable lien attaches July 1.

4. Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment, and infrastructure are reported in the government-wide financial statements. Capital assets are defined by governmental activities as assets with a normal service life greater than one year and an initial individual cost of more than \$5,000.

Such assets are stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Donated assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the lives of the underlying assets, are not capitalized. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Assets</u>	<u>Years</u>
Buildings	50	Office Equipment	5 - 7
Building Improvements	50	Machinery	7 - 10
Vehicles	5	Roads	50

Depreciation is allocated to governmental functions based on functional use of asset.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

5. Long-term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

6. Accrued Compensated Absences

Paid time off (PTO) hours are granted to all full-time permanent employees of the County. The number of hours range from twenty (20) to one hundred sixty (160) hours, depending upon length of continuous service. Unused PTO expires at the end of the calendar year. An employee that has worked at least one year and resigns, is discharged or is terminated for any other reason shall receive pay for all unused PTO hours up to half of the employee's maximum annual PTO benefit. An employee who has not worked for a minimum of one year in a position eligible for PTO shall not be eligible for any PTO pay upon termination of employment.

All full-time regular employees of the County are eligible to accrue sick leave at a rate of one-half work day per month (4 hours). Employees are not entitled to payment for unused sick leave upon termination. Sick leave is allowed to be accumulated but does not vest. Under GASB 101, a liability for unused sick leave has been recorded in the accompanying financial statements.

7. Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Fund balances may be restricted or unrestricted (the total of committed, assigned, and unassigned fund balance). The government itself can establish limitation on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). Fund balance for governmental funds can consist of the following:

Non-spendable fund balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in a spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts and long-term notes receivable.

Restricted fund balance – includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed fund balance – includes amounts that can only be used for the specific purposes determined by a formal action of the County's highest level of decision making authority. The Commissioners Court is the highest level of decision making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit a fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

7. Fund Equity (Continued)

Assigned fund balance – includes amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Commissioners Court has taken action to assign fund balance for specific purposes the current fiscal year. The Commissioners Court may by resolution authorize the county judge to assign fund balance. The Commissioners Court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – generally, the general fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

8. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category: the deferred pension outflows reported in the statement of net position. The deferred pension outflows consist of differences between expected and actual economic experience, differences between projected and actual investment earned, and contributions made by the County after the liability measurement date, but prior to the County year-end.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category: the deferred pension inflows reported in the statement of net position and unavailable property tax revenue reported in the governmental funds balance sheet. The deferred pension inflows consist of changes in actuarial assumptions. Unavailable property tax revenue is comprised of property tax receivable that is not available to pay for current expenditures of the county.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

10. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the respective retirement plan and additions to/deductions from the respective Fiduciary Net Position have been determined on the same basis as they are reported by the respective pension plan. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Leases

In 2022, the County implemented GASB Statement No. 87, *Leases*, addressing accounting and financial reporting for leases by governments. The county had no leases as of September 30, 2025.

12. SBITAs

In 2023, the County implemented GASB Statement No. 96, *Subscription –Based Information Technology Arrangements*, addressing accounting and financial reporting for SBITAs by governments. The county had no SBITAs required to be reported under this guidance as of September 30, 2025.

13. New Accounting Pronouncement – Compensated Absences

During the year ended September 30, 2025, the County implemented GASB Statement No. 101, *Compensated Absences*. The Statement establishes recognition and measurement guidance on employee leave benefits. GASB 101 was applied retroactively. Beginning net position was restated for the amount of sick leave accrued as of September 30, 2024 totaling \$139,664. See note 13.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general fund, and the special revenue funds. All annual budget appropriations lapse at year-end and are re-established in the succeeding year.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. Prior to September 20, the County prepares a budget for the next succeeding year that begins October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Commissioners Court is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

3. Prior to October 1, the Commissioners Court legally enacts the budget through passage of a resolution. Once a budget is approved, it can only be amended at the fund level by approval of a majority of the members of the Court. Amendments are presented to the Court at its regular meetings. Each amendment must have Court approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Court, and are not made after fiscal year end. Because the County has a policy of careful budgetary control, budget amendments were necessary during the year.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure account level. Budgeted amounts are as amended by the Court. All budget appropriations lapse at year end.
5. The County does not employ encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase order and contracts. An encumbrance represents a commitment of Court appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signage of a contract creates an encumbrance, but does not represent an expenditure for the period, only a commitment to expend resources.

B. Deficit Fund Equity

The County had no funds with deficit fund equity as of September 30, 2025.

NOTE 3 – DEPOSITS AND INVESTMENTS

County Policies and Legal and Contractual Provisions Governing Deposits:

Custodial Credit Risk for Deposits – State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agents. Since the county complies with this law, it has no custodial credit risk for deposits.

The captions and amounts of cash and cash equivalents and certificates of deposit on the Balance Sheet and Statements of Fiduciary Net Position as of September 30, 2025, consist of the following:

	General Fund	Road and Bridge Fund	State and Local Fiscal Recovery Grant Fund	Other Governmental Funds	Total Governmental Funds	Proprietary Funds	Fiduciary Funds
Cash in Bank	\$ 2,986,461	\$ 257,147	\$ -	\$ 1,267,487	\$ 4,511,095	\$ 203,222	\$ 538,837
Investment Pools	8,590,915	24,950	213,144	-	8,829,009	327,987	588,597
Cash and Cash Equivalents	<u>\$ 11,577,376</u>	<u>\$ 282,097</u>	<u>\$ 213,144</u>	<u>\$ 1,267,487</u>	<u>\$ 13,340,104</u>	<u>\$ 531,209</u>	<u>\$ 1,127,434</u>
Certificates of Deposits	<u>\$ 200,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 350,000</u>	<u>10,000</u>	<u>\$ 50,881</u>

The County's cash deposits at September 30, 2025 and during the year ended September 30, 2025 were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Public Funds Investment Act (PFIA) governs the District’s investment policies and types of investments. The District’s management believes that it complies with the requirements of the PFIA and the County’s investments policies.

As of September 30, 2025, the county had the following investment pool accounts:

Texpool Investments	Amortized Cost
Governmental Funds	\$ 8,829,009
Proprietary Funds	327,987
Fiduciary Funds	588,597
Total Investment Pools	\$ 9,745,593

Credit Risk – For an investment, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County’s investment policy details stipulations for approved investments in repurchase agreements, banker’s acceptance, commercial paper, mutual funds, money market mutual funds, and investment pools. As outlined in the County’s policy, a public fund investment pool must be continuously rated no lower than a AAA or AAAM or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2025, the County’s investments in TexPool are rated AAAM by Standard and Poor’s.

Interest Rate Risk – To limit the risk of changes in interest rates will adversely affect the fair value of investments, the County requires invested instruments maturities do not exceed one year from the time of purchase except when a longer maturity may be specifically authorized by the Board for a given investment provided legal limits are not exceeded.

NOTE 4 – PROPERTY TAX

The Red River County Tax Assessor Collector bills and collects property taxes for Red River County. Ad valorem tax revenue during the year ended September 30, 2025, was levied using a rate of \$0.68710 per one hundred dollars of assessed valuation. Taxes were allocated for the Maintenance and Operations of the General and Road funds at \$0.56371 and \$0.12339, respectively. The County elects to contribute 8% of General Fund’s property tax collections to the Indigent Health Care Special Revenue Fund.

The County levied property taxes for the 2024 tax roll totaling \$6,221,249. Such tax is based on the assessed valuation of approximately \$905 million with an applicable tax rate of \$0.68710 per \$100 valuation.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 5 – RECEIVABLES

As of September 30, 2025, the County had the following receivables:

	General	Road and Bridge	Nonmajor Governmental	Total
Receivables:				
Accounts	\$ 648,842	\$ 9,724	\$ 12,404	\$ 670,970
Property Taxes	1,484,494	347,595	-	1,832,088
Gross Receivables	2,133,336	357,319	12,404	2,503,058
Less: Allowance for Uncollectibles	437,686	106,721	-	544,406
Net Total Receivables	<u>\$ 1,695,650</u>	<u>\$ 250,598</u>	<u>\$ 12,404</u>	<u>\$ 1,958,652</u>

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025, was as follows:

	Primary Government			Balance 9/30/2025
	Balance 9/30/2024	Additions	Deletions	
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 132,709	\$ -	\$ -	\$ 132,709
Total Capital Assets Not Being Depreciated	132,709	-	-	132,709
Capital Assets Being Depreciated				
Building and Improvements	5,712,813	-	(40,000)	5,672,813
Furniture and Equipment	4,526,162	905,255	(393,897)	5,037,520
Infrastructures	16,967,500	-	-	16,967,500
Total Capital Assets Being Depreciated	27,206,475	905,255	(433,897)	27,677,833
Less: Accumulated Depreciation				
Buildings and Improvements	(2,652,687)	(109,254)	3,561	(2,758,380)
Furniture and Equipment	(3,314,704)	(373,102)	280,141	(3,407,665)
Infrastructures	(14,476,550)	(339,350)	-	(14,815,900)
Total Accumulated Depreciation	<u>(20,443,941)</u>	<u>(821,706)</u>	<u>283,702</u>	<u>(20,981,945)</u>
Government Activities Capital Assets, Net	<u>\$ 6,895,243</u>	<u>\$ 83,549</u>	<u>\$ (150,195)</u>	<u>\$ 6,828,597</u>

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 6 – CAPITAL ASSETS (CONTINUED)

	<u>Balance</u> <u>9/30/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2025</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 22,431	\$ -	\$ -	\$ 22,431
Total Capital Assets Not Being Depreciated	22,431			22,431
Capital Assets Being Depreciated				
Buildings and Improvements	1,641,823	-	-	1,641,823
Total Capital Assets Being Depreciated	1,641,823	-	-	1,641,823
Less: Accumulated Depreciation				
Building and Improvements	(1,016,245)	(32,811)	-	(1,049,056)
Total Accumulated Depreciation	(1,016,245)	(32,811)	-	(1,049,056)
Business-Type Capital Assets, Net	<u>\$ 648,009</u>	<u>\$ (32,811)</u>	<u>\$ -</u>	<u>\$ 615,198</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:		Business-Type Activities:	
General Government	\$ 95,199	Public Safety	\$ 6,401
Public Safety	83,429	Judicial	26,410
Highways, Streets and Bridges	511,614		
Financial	31,733		
Judicial	99,731		
	<u>\$ 821,706</u>		<u>\$ 32,811</u>

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 7 – INTERFUND TRANSFERS AND BALANCES

The composition of interfund transfers as of September 30, 2025 is as follows:

	Transfer In From	Transfer Out To
General Fund:		
Special Revenue Fund	\$ 179,064	\$ -
Road & Bridge	-	(216,946)
Other Governmental Fund - Juvenile Probation	-	(30,000)
	179,064	(246,946)
Other Governmental Fund- Juvenile Probation:		
General Fund	30,000	-
	30,000	-
Road & Bridge:		
General Fund	216,946	-
	216,946	-
Special Revenue Fund:		
General Fund	-	(179,064)
	-	(179,064)
Total	\$ 426,010	\$ (426,010)

Funds were transferred from the General Fund to the Juvenile Probation Fund (other governmental fund) to help cover program expenses. The General Fund transferred money to Road & Bridge to be held for use in Road & Bridge. The Special Revenue Fund transferred money to General to offset costs associated with the program.

The composition of interfund balances as of September 30, 2025 is as follows:

	Receivables (Due From)	Payables (Due To)
Other Governmental Funds:	\$ 422,013	\$ -
Fiduciary Funds	-	422,013
	422,013	422,013
Total	\$ 422,013	\$ 422,013

Interfund balances consist of fines and fees collected and held in fiduciary accounts that are due to be remitted to the County Office Fees Special Revenue account (other governmental fund).

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 8 – LONG-TERM LIABILITIES

	Original Amount	Interest Rate	Payable at 10/1/2024	Additions	Additions (Reductions)	Payable at 9/30/2025	Due within One Year
Note Payable - Metal Roof and Related Equipment	\$ 94,864	4.35%	\$ 45,099	\$ -	\$ (6,783)	\$ 38,316	\$ 7,061
Note Payable - 2024 Mack Truck	\$ 145,337	5.78%	128,075	-	(128,075)	-	-
Note Payable - 2025 Mack Truck	\$ 145,311	5.00%	-	145,311	(14,571)	130,740	130,740
Note Payable - Tractor Tiger Mower	\$ 131,438	5.69%	105,115	-	(54,133)	50,982	25,276
Note Payable - Tractor Tiger Mower	\$ 211,709	5.69%	211,709	-	(37,756)	173,953	39,215
Note Payable - 2025 Mack Truck	\$ 145,311	5.00%	-	145,311	(14,571)	130,740	130,740
Note Payable - Mini Excavator	\$ 35,603	5.65%	-	35,603	-	35,603	11,332
Note Payable - Chevy Truck	\$ 13,500	5.65%	-	13,500	-	13,500	4,578
			<u>\$ 489,998</u>	<u>\$ 339,725</u>	<u>\$ (255,889)</u>	<u>\$ 573,834</u>	<u>\$ 348,942</u>

The County's long-term debt from notes as of September 30, 2025 is as follows:

(A) Note payable, Government Capital Corporation, due in annual payments of \$8,735 including interest at 4.348%. Annual payments began in December 2015 and continue through December 2029.	\$ 38,316
(B) Note payable, Cadence Bank, due in monthly payments of \$1,992 including interest at 5.0%. Monthly payments began in November 2024 and continue through October 2025.	130,740
(C) Note payable, First National Bank, due in annual payments of \$30,441 including interest at 5.69%. Annual payments began in April 2024 and continue through April 2028.	50,982
(D) Note payable, First National Bank, due in annual payments of \$49,836 including interest at 5.69%. Annual payments will begin in February 2025 and continue through February 2029.	173,953
(E) Note payable, Cadence Bank, due in monthly payments of \$1,992 including interest at 5%. Monthly payments began in October 2024 and continue through September 2025	130,740
(F) Note payable, First National Bank, due in annual payments of \$13,363 including interest at 5.65%. Annual payments will begin in April 2026 and continue through April 2028.	35,603
(G) Note payable, First National Bank, due in annual payments of \$5,032 including interest at 5.65%. Annual payments will begin in February 2026 and continue through February 2028.	13,500
	<u>\$ 573,834</u>

The annual requirements to amortize notes payable as of September 30, 2025 is as follows:

Years Ending	Principal	Interest	Total
9/30			
2026	\$ 348,942	\$ 24,168	\$ 373,110
2027	93,019	17,300	110,319
2028	69,177	9,961	79,138
2029	53,593	4,304	57,897
2030-2032	9,103	541	9,644
	<u>\$ 573,834</u>	<u>\$ 56,274</u>	<u>\$ 630,108</u>

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended September 30, 2025:

	Balance Sept. 30, 2024	Additions	Payments	Balance Sept. 30, 2025	Current Portion
Notes Payable	489,998	339,725	(255,889)	573,834	348,942
Accrued Compensated Absences	283,206	34,104	(10,096)	307,214	235,884
Total	<u>\$ 773,204</u>	<u>\$ 342,721</u>	<u>\$ (245,793)</u>	<u>\$ 870,132</u>	<u>\$ 573,910</u>

The General Fund is primarily responsible for the accrued compensated absences liability and net pension liability for the governmental activities.

NOTE 9 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. The County participates in a risk management program through Texas Association of Counties for workers compensation insurance. The County has not had any significant reductions in insurance coverage from coverage in prior years. The amount of settlements has not exceeded insurance coverage in any of the previous three years.

NOTE 10 – PENSION PLAN LIABILITY

Plan Description

The County participates as one of over 800 plans in a non-traditional, joint contributory, defined benefit plan administered by the state-wide Texas County and District Retirement System (TCDRS). TCDRS is an agency created by the State of Texas and administered in accordance with the TCDRS Act, as an agent, multiple-employer public employee retirement system. The TCDRS Act places the general administration and management of the system with a nine member board of trustees. Although the governor, with advice and consent of the senate appoints the board, TCDRS is not fiscally dependent on the State of Texas. The system’s comprehensive annual financial report can be obtained at www.tcdrs.org.

All full and part-time employees are required to participate in TCDRS, regardless of the hours they work in a year or their age. Only those employees who are classified as “temporary” are excluded from enrollment.

Benefits

TCDRS provides retirement, disability and death benefits to eligible employees. Benefit provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 10 – PENSION PLAN LIABILITY (CONTINUED)

At retirement, the benefit is calculated based on the employee’s account balance and the employer’s matching. The employee’s account balance with the employer’s matching contributions is converted to an annuity at retirement and then he or she receives a payment every month for the rest of his or her life. Retirees elect to receive their monthly retirement benefit by choosing from one of seven actuarially equivalent payment options. Each employer may elect the partial lump-sum option. This payment option allows the retiring member to receive an immediate lump-sum payment not to exceed his or her account balance, and choose a reduced monthly lifetime benefit from any of the payment options.

Members can retire, with full benefits, when their age and years of service total 75, at ages 60 and above with 8 or more years of service or with 30 years of service regardless of age. A member is vested after 8 years, but must leave their accumulated contributions in the plan to receive any employer-financed benefits.

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	74
Inactive employees entitled to but not yet receiving benefits	168
Active employees	92
	334

Contributions

The contribution rates for employees in TCDRS is 4%, 5%, 6% or 7% of employee gross earnings, as adopted by the governing body of the County. Under the state law governing TCDRS, the contribution rate for the County is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance any unfunded accrual liability. The TCDRS Act allows and the employer may elect to make an additional optional contribution to its account during the year, in addition to its regular monthly contributions.

The employees of Red River County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the County was 11.74% for October through December 2024 and 10.81% for January through September 2025. The County’s contributions for the year ended September 30, 2025 was equal to the required contributions.

Net Pension Liability

The County’s Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 10 – PENSION PLAN LIABILITY (CONTINUED)

Actuarial Assumptions

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall Payroll Growth	5.00%
Investment Rate of Return	7.50% , net of administrative and investment expense, including inflation

The County has no automatic cost of living adjustments (COLA) and one is not considered to be substantially automatic. Each year the County may elect an ad-hoc COLA for its retirees.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TCDRS over the four year period from January 1, 2017 to December 31, 2020. These assumptions were adopted in 2021 and first used in the December 31, 2021 actuarial valuation.

The mortality actuarial assumptions for active members, retirees and beneficiaries, which were first used in December 2021 actuarial valuation, are as follows:

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

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

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 10 – PENSION PLAN LIABILITY (CONTINUED)

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
US Equities	Dow Jones U.S. Total Stock Market Index	13.00%	5.35%
Global Equities	MSCI World (net) Index	4.00%	5.15%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	6.00%	4.75%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	0.00%	4.75%
Investment Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.55%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.70%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD I	16.00%	6.85%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.00%	6.80%
REIT Equities	67%FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.95%
Master Limited Partnerships	Alerian MLP Index	2.00%	4.95%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	5.75%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	25.00%	8.15%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.60%
Cash Equivalents	90-Day U.S. Treasury	2.00%	1.10%

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.6%. The discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:

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

The projection of cash flows used to determine the discount rate assumed that employees and employer contributions will be made at the rates specified. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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 COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 10 – PENSION PLAN LIABILITY (CONTINUED)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a)-(b)
Balance at 12/31/2023	\$13,271,069	\$13,808,590	\$ (537,521)
Changes for the year:			
Service cost	414,401	-	414,401
Interest	1,012,272	-	1,012,272
Effects of economic/demographic gains/losses	208,726	-	208,726
Refund of contributions	(73,505)	(73,505)	-
Contributions - employer	-	387,052	(387,052)
Contributions - employee	-	254,879	(254,879)
Net investment income	-	1,405,083	(1,405,083)
Benefit payments	(672,362)	(672,362)	-
Administrative expense	-	(8,213)	8,213
Other changes	-	(14,678)	14,678
Net changes	<u>889,532</u>	<u>1,278,256</u>	<u>(388,724)</u>
Balance at 12/31/2024	<u>\$14,160,601</u>	<u>\$15,086,846</u>	<u>\$ (926,245)</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (6.6%)	Discount Rate (7.6%)	1% Increase in Discount Rate (8.6%)
Total Pension Liability	\$ 15,937,349	\$ 14,160,601	\$ 12,675,559
Fiduciary Net Position	<u>15,086,846</u>	<u>15,086,846</u>	<u>15,086,846</u>
Net Pension Liability/Asset as of December 31, 2024	<u>\$ 850,503</u>	<u>\$ (926,245)</u>	<u>\$ (2,411,287)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the internet at www.tcdrs.org.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 10 – PENSION PLAN LIABILITY (CONTINUED)

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the County recognized pension income of \$999,062.

At September 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 104,363
Difference between projected and actual investment earnings	148,970	-
Contributions subsequent to the measurement date	-	344,404
	\$ 148,970	\$ 448,767

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2025	(17,241)
2026	205,573
2027	(160,865)
2028	(72,074)
Thereafter	-
Total	\$ (44,607)

NOTE 11 – CONTINGENT LIABILITIES

The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at September 30, 2025 may be impaired. In the opinion of the county, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

RED RIVER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 12 – TAX ABATEMENTS

The County is allowed to enter into property tax abatement agreements for the purpose of stimulating business and commercial activity in the County in accordance with Sec. 312.007 of the *Texas Tax Code* and Sec. 381.004(g) of the *Texas Local Government Code*.

The County has entered into an Economic Development Agreement to reduce property taxes. The agreement calls for a reduction of taxable property values of 100% for eligible property over a period not to exceed 10 years. As a condition of the abatement, the party eligible for abatement anticipates construction improvements on the reinvestment zone site consisting of photovoltaic solar powered electricity generation facility. The project is expected to have an overall minimum investment in the County of \$2,000,000. The project is expected to achieve commercial operations by December 31, 2025. Once improvements are constructed and commercial operations are achieved, the eligible party agrees to make annual PILOT payments of the greater of \$750 per megawatt of nameplate capacity or \$187,500 for a total of ten payments.

During the year ended September 30, 2025, commercial operations had not been achieved and therefore no PILOT payments were due or received.

NOTE 13- RESTATEMENT

During the year ended September 30, 2025, the County implemented GASB Statement No. 101, *Compensated Absences*. The Statement establishes recognition and measurement guidance on employee leave benefits. GASB 101 was applied retroactively. Beginning net position was restated for the amount of sick leave accrued as of September 30, 2024 totaling \$139,664.

	Governmental Funds
Net Position September 30, 2024	\$ 20,143,329
Adjustments:	
Sick leave	(139,664)
Restated Net Position September 30, 2024	\$ 20,003,665

NOTE 14– MANAGEMENT REVIEW

In preparing these financial statements, management of the County has evaluated events and transactions for potential recognition or disclosure through May 21, 2026, the date the financial statements were available to be issued.

***RED RIVER COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION***

RED RIVER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts GAAP Basis	
REVENUES				
Taxes	\$ 5,688,942	\$ 5,688,942	\$ 5,040,266	\$ (648,676)
Intergovernmental Revenue and Grants	63,900	63,900	57,182	(6,718)
Charges for Services	661,750	661,750	563,884	(97,866)
Fines and Forfeitures	90,200	90,200	81,691	(8,509)
Interest	207,800	207,800	349,561	141,761
Miscellaneous	794,771	794,771	175,381	(619,390)
Total Revenues	<u>7,507,363</u>	<u>7,507,363</u>	<u>6,267,965</u>	<u>(1,239,398)</u>
EXPENDITURES				
Current:				
General Government	388,926	397,228	383,676	13,552
Legal	186,419	186,419	132,674	53,745
Judicial	647,673	647,673	493,473	154,200
Financial	535,327	535,327	429,318	106,009
Public Facilities	172,228	172,228	121,946	50,282
Public Safety	2,823,806	2,823,806	1,759,987	1,063,819
Intergovernmental	329,871	329,871	244,272	85,599
Miscellaneous	737,454	737,454	629,340	108,114
Culture and Recreation	151,576	151,576	149,050	2,526
Capital Outlay	122,100	122,100	180,223	(58,123)
Debt Service:				
Principal Retirement	6,767	6,767	6,783	(16)
Interest on Debt	1,969	1,969	1,952	17
Total Expenditures	<u>6,104,116</u>	<u>6,112,418</u>	<u>4,532,694</u>	<u>1,579,724</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,403,247</u>	<u>1,394,945</u>	<u>1,735,271</u>	<u>340,326</u>
OTHER FINANCING SOURCES (USES)				
Sale of Equipment			27,500	27,500
Transfers In	-	-	179,064	179,064
Transfers Out	(246,946)	(246,946)	(246,946)	-
Total Other Financing Sources (Uses)	<u>(246,946)</u>	<u>(246,946)</u>	<u>(40,382)</u>	<u>206,564</u>
Net Change in Fund Balance	1,156,301	1,147,999	1,694,889	546,890
Fund Balance, Beginning of Year	9,857,384	9,857,384	9,857,384	-
Fund Balance, End of Year	<u>\$ 11,013,685</u>	<u>\$ 11,005,383</u>	<u>\$ 11,552,273</u>	<u>\$ 546,890</u>

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts GAAP Basis	
REVENUES				
Taxes	\$ 1,139,074	\$ 1,139,074	\$ 1,102,601	\$ (36,473)
Licenses and Permits	510,000	510,000	491,728	(18,272)
Intergovernmental Revenue and Grants	24,500	24,500	24,636	136
Interest	39,275	39,275	7,188	(32,087)
Miscellaneous	-	-	88,639	88,639
Total Revenues	<u>1,712,849</u>	<u>1,712,849</u>	<u>1,714,792</u>	<u>1,943</u>
EXPENDITURES				
Current:				
Roads and Public Works	1,671,590	2,471,738	1,906,726	565,012
Capital Outlay	110,322	242,964	582,689 *	(339,725)
Debt Service:				
Principal Retirement	109,472	237,810	249,106	(11,296)
Interest on Debt	38,411	38,426	32,763	5,663
Total Expenditures	<u>1,929,795</u>	<u>2,990,938</u>	<u>2,771,284</u>	<u>219,654</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(216,946)</u>	<u>(1,278,089)</u>	<u>(1,056,492)</u>	<u>221,597</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Debt	-	-	339,725 *	339,725
Sale of Equipment	-	-	271,331	271,331
Lease Proceeds				-
Transfers In	216,946	216,946	216,946	-
Transfers Out			-	-
Total Other Financing Sources (Uses)	<u>216,946</u>	<u>216,946</u>	<u>828,002</u>	<u>611,056</u>
Net Change in Fund Balance	-	(1,061,143)	(228,490)	832,653
Fund Balance, Beginning of Year	542,142	542,142	542,142	-
Fund Balance, End of Year	<u>\$ 542,142</u>	<u>\$ (519,001)</u>	<u>\$ 313,652</u>	<u>\$ 832,653</u>

*The county does not budget for capital outlay purchased with financing sources

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - STATE AND LOCAL FISCAL RECOVERY GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>GAAP Basis</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental Revenue and Grants	\$ 199,000	\$ 935,295	\$ 935,295	\$ -
Interest	-	-	20,819	20,819
Total Revenues	<u>199,000</u>	<u>935,295</u>	<u>956,114</u>	<u>20,819</u>
EXPENDITURES				
Current:				
Public Safety	-	736,295	736,295	-
Health and Welfare	199,000	199,000	199,000	-
Total Expenditures	<u>199,000</u>	<u>935,295</u>	<u>935,295</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>20,819</u>	<u>20,819</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out			(179,064)	(179,064)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(179,064)</u>	<u>(179,064)</u>
Net Change in Fund Balance	-	-	(158,245)	(158,245)
Fund Balance, Beginning of Year	<u>172,389</u>	<u>172,389</u>	<u>172,389</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 172,389</u>	<u>\$ 172,389</u>	<u>\$ 14,144</u>	<u>\$ (158,245)</u>

The accompanying notes are an integral part of this statement.

RED RIVER COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension (Asset) Liability										
Service Cost	\$ 414,401	\$ 351,439	\$ 367,642	\$ 379,251	\$ 311,901	\$ 283,757	\$ 297,224	\$ 275,683	\$ 298,019	\$ 277,381
Interest on Total Pension Liability	1,012,272	980,770	938,961	902,549	868,219	820,239	787,213	745,666	700,798	679,496
Effect of Plan Changes	-	-	-	(71,846)	654,243	-	-	46,253	-	94,566
Effect of Assumption Changes or Inputs	-	-	(13,771)	(79,076)	(112,355)	75,152	(43,695)	48,098	3,961	(189,287)
Effect of Economic/Demographic (Gains) Losses	208,726	(200,365)	(642,653)	(637,773)	(626,648)	(603,670)	(634,837)	(614,182)	(544,040)	(534,542)
Benefit Payments, Including Refunds of Contributions	(745,867)	(813,502)	650,179	493,105	1,095,360	575,478	405,905	501,518	458,738	281,069
Net Change in Total Pension Liability	889,532	318,342	12,302,547	11,809,442	10,714,082	10,138,604	9,732,699	9,231,181	8,772,443	8,491,374
Total Pension Liability, Beginning	13,271,069	12,952,727	12,952,726	12,302,547	11,809,442	10,714,082	10,138,604	9,732,699	9,231,181	8,772,443
Total Pension Liability, Ending (a)	14,160,601	13,271,069	12,952,726	12,302,547	11,809,442	10,714,082	10,138,604	9,732,699	9,231,181	8,772,443
Total Fiduciary Net Position										
Employer Contributions	387,052	269,305	275,775	259,915	271,989	226,078	219,039	195,702	187,406	179,972
Member Contributions	254,879	186,530	179,240	181,820	186,840	168,354	162,250	150,704	148,567	141,395
Net Investment Income	1,405,083	1,401,516	(792,211)	2,501,543	1,092,531	1,523,854	(184,095)	1,270,944	614,895	(8,336)
Benefit Payments, Including Refunds of Contributions	(745,867)	(813,502)	(642,653)	(637,773)	(626,648)	(603,670)	(634,837)	(614,182)	(544,040)	(534,542)
Administrative Expense	(8,213)	(7,210)	(7,492)	(7,459)	(8,408)	(8,062)	(7,452)	(6,471)	(6,681)	(6,057)
Other	(14,678)	(12,777)	(14,895)	(2,389)	(3,918)	(5,690)	(6,577)	(3,650)	18,211	12,207
Net Change in Plan Fiduciary Net Position	1,278,256	1,023,862	(1,002,236)	2,295,657	912,386	1,300,864	(451,672)	993,047	418,358	(215,361)
Total Pension Liability, Beginning	13,808,590	12,784,728	13,786,964	11,491,307	10,578,921	9,278,057	9,729,729	8,736,682	8,318,324	8,533,685
Total Pension Liability, Ending (b)	15,086,846	13,808,590	12,784,728	13,786,964	11,491,307	10,578,921	9,278,057	9,729,729	8,736,682	8,318,324
Net Pension (Asset) Liability, Ending (a) - (b)	\$ (926,245)	\$ (537,521)	\$ 167,998	\$ (1,484,417)	\$ 318,135	\$ 135,161	\$ 860,547	\$ 2,970	\$ 494,499	\$ 454,119
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.54%	104.05%	98.70%	112.07%	97.31%	98.74%	91.51%	99.97%	94.64%	94.82%
Covered Employee Payroll	\$ 3,641,135	\$ 2,664,720	\$ 2,560,577	\$ 2,597,430	\$ 2,669,139	\$ 2,405,062	\$ 2,317,863	\$ 2,152,909	\$ 2,122,379	\$ 2,019,929
Net Pension (Asset) Liability as a Percentage of Covered Employee Payroll	-25.44%	-20.17%	6.56%	-57.15%	11.92%	5.62%	37.13%	0.14%	23.30%	22.48%

Notes to the Schedule:
 GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

RED RIVER COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE FISCAL YEAR 2025

Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2015*	179,972	179,972	-	2,019,929	8.9%
2016*	187,406	187,406	-	2,122,379	8.8%
2017	195,702	195,702	-	2,152,909	9.1%
2018	219,039	219,039	-	2,317,863	9.5%
2019	226,078	226,078	-	2,405,062	9.4%
2020	271,989	271,989	-	2,669,139	10.2%
2021	259,743	259,915	(172)	2,597,430	10.0%
2022	275,775	275,775	-	2,560,577	10.8%
2023	269,305	269,305	-	2,664,720	10.1%
2024	387,052	387,052	-	3,641,135	10.6%

Note: GASB #68, paragraph 81.2.b requires that the data in this schedule be presented as of the County's fiscal year as of the time period covered by the measurement date.

* The amounts presented for years 2014-2016 are on a calendar year.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	16.0 years (based on contribution rate calculated in 12/31/2024 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub 2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Other Information

Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New Inflation, mortality and other assumptions were reflected.
	2017: New mortality assumptions were reflected.
	2019: New Inflation, mortality and other assumptions were reflected.
	2022: New investment return and inflation assumptions were reflected

Changes in Plan Provisions Reflected in the Schedule of Contributions	2016: No changes in plan provisions were reflected in the schedule.
	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.
	2018: No changes in plan provisions were reflected in the schedule.
	2019: No changes in plan provisions were reflected in the schedule.
	2020: No changes in plan provisions were reflected in the schedule.
	2021: No changes in plan provisions were reflected in the Schedule
	2022: No changes in plan provisions were reflected in the Schedule
2023: No changes in plan provisions were reflected in the Schedule	
2024: No changes in plan provisions were reflected in the Schedule	

***RED RIVER COUNTY, TEXAS
COMBINING FINANCIAL STATEMENTS***

**RED RIVER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

H-1

	<u>Special Revenue Funds</u>			
	<u>Law Library</u>	<u>Drug Fund</u>	<u>Courthouse Security</u>	<u>Indigent Health Care</u>
ASSETS				
Cash and Cash Equivalents	\$ 19,010	\$ 109,845	\$ 106,052	\$ 631,414
Certificates of Deposit	-	-	-	-
Receivables (net of allowances):				
Accounts	630	91	631	5,706
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ 19,640</u>	<u>\$ 109,936</u>	<u>\$ 106,683</u>	<u>\$ 637,120</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 48	\$ -	\$ (14)
Accrued Payroll	-	-	-	-
Due to Other Governments				
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>48</u>	<u>-</u>	<u>(14)</u>
FUND BALANCES				
Restricted for:				
Records Management	-	-	-	-
Courthouse Security	-	-	106,683	-
Roads and Public Works	-	-	-	-
Judicial	19,640	-	-	-
Public Safety	-	109,888	-	-
Health and Welfare	-	-	-	637,134
Special Projects	-	-	-	-
Total Fund Balances	<u>19,640</u>	<u>109,888</u>	<u>106,683</u>	<u>637,134</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 19,640</u>	<u>\$ 109,936</u>	<u>\$ 106,683</u>	<u>\$ 637,120</u>

RED RIVER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

H-1

	Special Revenue Funds			
	<i>Book Preservation</i>	<i>Record Management</i>	<i>Right of Way</i>	<i>Juvenile Probation</i>
ASSETS				
Cash and Cash Equivalents	\$ 86,083	\$ 21,302	\$ 15,083	\$ 22,680
Certificates of Deposit	-	-	50,000	-
Receivables (net of allowances):				
Accounts	2,393	644	-	-
Due from Other Funds	-	-	-	-
Total Assets	\$ 88,476	\$ 21,946	\$ 65,083	\$ 22,680
LIABILITIES				
Accounts Payable	\$ 25,738	\$ -	\$ -	\$ 1,542
Accrued Payroll	-	-	-	140
Due to Other Governments				
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	25,738	-	-	1,682
FUND BALANCES				
Restricted for:				
Records Management	62,738	21,946	-	-
Courthouse Security	-	-	-	-
Roads and Public Works	-	-	65,083	-
Judicial	-	-	-	-
Public Safety	-	-	-	20,998
Health and Welfare	-	-	-	-
Special Projects	-	-	-	-
Total Fund Balances	62,738	21,946	65,083	20,998
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 88,476	\$ 21,946	\$ 65,083	\$ 22,680

RED RIVER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

H-1

	Special Revenue Funds			
	<i>Juvenile Probation Comm. Corr.</i>	<i>Diversionary Placement</i>	<i>Title VI-E</i>	<i>Bail Bond Board</i>
ASSETS				
Cash and Cash Equivalents	\$ 15,858	\$ 19,595	\$ 65,629	\$ 14,913
Certificates of Deposit	-	-	-	-
Receivables (net of allowances):				
Accounts	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ 15,858</u>	<u>\$ 19,595</u>	<u>\$ 65,629</u>	<u>\$ 14,913</u>
LIABILITIES				
Accounts Payable	\$ 9,262	\$ -	\$ 74	\$ -
Accrued Payroll	-	-	-	-
Due to Other Governments				
Due to Other Funds	-	-	-	-
Unearned Revenue	-	9,734	35,422	-
Total Liabilities	<u>9,262</u>	<u>9,734</u>	<u>35,496</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Records Management	-	-	-	-
Courthouse Security	-	-	-	-
Roads and Public Works	-	-	-	-
Judicial	-	-	-	14,913
Public Safety	6,596	9,861	30,133	-
Health and Welfare	-	-	-	-
Special Projects	-	-	-	-
Total Fund Balances	<u>6,596</u>	<u>9,861</u>	<u>30,133</u>	<u>14,913</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 15,858</u>	<u>\$ 19,595</u>	<u>\$ 65,629</u>	<u>\$ 14,913</u>

RED RIVER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

H-1

	Special Revenue Funds			
	<i>Hot Check Fee</i>	<i>County Attorney Drug Forf.</i>	<i>Co. Attny Welfare Fraud</i>	<i>Sheriff Comm. Svc. Program</i>
ASSETS				
Cash and Cash Equivalents	\$ 397	\$ 23,104	\$ 620	\$ 16
Certificates of Deposit	-	-	-	-
Receivables (net of allowances):				
Accounts	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ 397</u>	<u>\$ 23,104</u>	<u>\$ 620</u>	<u>\$ 16</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 275	\$ -	\$ -
Accrued Payroll	-	-	-	-
Due to Other Governments				
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>275</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Records Management	-	-	-	-
Courthouse Security	-	-	-	-
Roads and Public Works	-	-	-	-
Judicial	397	-	620	-
Public Safety	-	22,829	-	16
Health and Welfare	-	-	-	-
Special Projects	-	-	-	-
Total Fund Balances	<u>397</u>	<u>22,829</u>	<u>620</u>	<u>16</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 397</u>	<u>\$ 23,104</u>	<u>\$ 620</u>	<u>\$ 16</u>

RED RIVER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

H-1

	Special Revenue Funds			
	<i>Economic Development</i>	<i>County Clerk Vital Stats Record</i>	<i>County Clerk Archive Fees</i>	<i>Tx Dept of Ag. CDBG</i>
ASSETS				
Cash and Cash Equivalents	\$ 1,978	\$ 5,191	\$ 92,081	\$ -
Certificates of Deposit	-	-	-	-
Receivables (net of allowances):				
Accounts	-	69	2,240	-
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ 1,978</u>	<u>\$ 5,260</u>	<u>\$ 94,321</u>	<u>\$ -</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 1,250	\$ -
Accrued Payroll	-	-	-	-
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,250</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Records Management	-	-	93,071	-
Courthouse Security	-	-	-	-
Roads and Public Works	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	5,260	-	-
Health and Welfare	-	-	-	-
Special Projects	1,978	-	-	-
Total Fund Balances	<u>1,978</u>	<u>5,260</u>	<u>93,071</u>	<u>-</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,978</u>	<u>\$ 5,260</u>	<u>\$ 94,321</u>	<u>\$ -</u>

RED RIVER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

H-1

	Special Revenue Funds			Special
	<i>County Office Fees</i>	<i>Tx DOT NE TX Trail Grant</i>	<i>Sheriff SB 22</i>	Revenue Funds <i>County Attorney SB 22</i>
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 3,538	\$ 9,228	\$ 3,870
Certificates of Deposit	-	-	-	-
Receivables (net of allowances):				
Accounts	-	-	-	-
Due from Other Funds	422,013	-	-	-
Total Assets	\$ 422,013	\$ 3,538	\$ 9,228	\$ 3,870
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 3,583	\$ 2,645
Accrued Payroll	-	-	-	-
Due to Other Governments				
Due to Other Funds	-	-	-	-
Unearned Revenue	-	3,538	5,168	958
Total Liabilities	-	3,538	8,751	3,603
FUND BALANCES				
Restricted for:				
Records Management	-	-	-	-
Courthouse Security	-	-	-	-
Roads and Public Works	-	-	-	-
Judicial	-	-	477	267
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Special Projects	422,013	-	-	-
Total Fund Balances	422,013	-	477	267
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 422,013	\$ 3,538	\$ 9,228	\$ 3,870

**RED RIVER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

H-1

	Total Nonmajor Governmental Funds
ASSETS	
Cash and Cash Equivalents	\$ 1,267,487
Certificates of Deposit	50,000
Receivables (net of allowances):	
Accounts	12,404
Due from Other Funds	422,013
Total Assets	\$ 1,751,904
 LIABILITIES	
Accounts Payable	\$ 44,403
Accrued Payroll	140
Due to Other Governments	-
Due to Other Funds	-
Unearned Revenue	54,820
Total Liabilities	99,363
 FUND BALANCES	
Restricted for:	
Records Management	177,755
Courthouse Security	106,683
Roads and Public Works	65,083
Judicial	36,314
Public Safety	205,581
Health and Welfare	637,134
Special Projects	423,991
Total Fund Balances	1,652,541
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 1,751,904

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

H-2

	Special Revenue Funds			
	<i>Law Library</i>	<i>Drug Fund</i>	<i>Courthouse Security</i>	<i>Indigent Health Care</i>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 478,954
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	7,000	-	-	-
Fines and Forfeitures	-	2,119	6,475	-
Interest	-	159	142	764
Miscellaneous	21	-	-	-
Total Revenues	7,021	2,278	6,617	479,718
EXPENDITURES				
Current:				
General Government	-	-	-	-
Roads and Public Works	-	-	-	-
Legal	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	6,795	-	-
Health and Welfare	-	-	-	148,554
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	6,795	-	148,554
Excess (Deficiency) of Revenues over Expenditures	7,021	(4,517)	6,617	331,164
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	7,021	(4,517)	6,617	331,164
Fund Balance, Beginning of Year	12,619	114,405	100,066	305,970
Fund Balance, End of Year	\$ 19,640	\$ 109,888	\$ 106,683	\$ 637,134

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

H-2

	<u>Special Revenue Funds</u>			
	<i>Book Preservation</i>	<i>Record Management</i>	<i>Right of Way</i>	<i>Juvenile Probation</i>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	26,665	5,788	-	-
Fines and Forfeitures	-	-	-	-
Interest	147	26	2,047	200
Miscellaneous	8	-	-	-
Total Revenues	<u>26,820</u>	<u>5,814</u>	<u>2,047</u>	<u>200</u>
EXPENDITURES				
Current:				
General Government	77,865	-	-	-
Roads and Public Works	-	-	-	-
Legal	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	-	-	30,001
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>77,865</u>	<u>-</u>	<u>-</u>	<u>30,001</u>
Excess (Deficiency) of Revenues over Expenditures	(51,045)	5,814	2,047	(29,801)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	30,000
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
Net Change in Fund Balance	(51,045)	5,814	2,047	199
Fund Balance, Beginning of Year	113,783	16,132	63,036	20,799
Fund Balance, End of Year	<u>\$ 62,738</u>	<u>\$ 21,946</u>	<u>\$ 65,083</u>	<u>\$ 20,998</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES

NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

H-2

	Special Revenue Funds			
	<i>Juvenile Probation Comm. Corr.</i>	<i>Diversionsary Placement</i>	<i>Title VI-E</i>	<i>Bail Bond Board</i>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	183,619	-	1,456	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	-	-	-	21
Miscellaneous	474	-	-	500
Total Revenues	<u>184,093</u>	<u>-</u>	<u>1,456</u>	<u>521</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Roads and Public Works	-	-	-	-
Legal	-	-	-	-
Judicial	-	-	-	-
Public Safety	183,619	-	2,100	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>183,619</u>	<u>-</u>	<u>2,100</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	474	-	(644)	521
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	474	-	(644)	521
Fund Balance, Beginning of Year	6,122	9,861	30,777	14,392
Fund Balance, End of Year	<u>\$ 6,596</u>	<u>\$ 9,861</u>	<u>\$ 30,133</u>	<u>\$ 14,913</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

H-2

	Special Revenue Funds			
	<i>Hot Check Fee</i>	<i>County Attorney Drug Forf.</i>	<i>Co. Attny Welfare Fraud</i>	<i>Sheriff Comm. Svc. Program</i>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	161	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	-	35	1	-
Miscellaneous	-	-	-	-
Total Revenues	<u>161</u>	<u>35</u>	<u>1</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Roads and Public Works	-	-	-	-
Legal	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	2,731	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>2,731</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	161	(2,696)	1	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	161	(2,696)	1	-
Fund Balance, Beginning of Year	236	25,525	619	16
Fund Balance, End of Year	<u>\$ 397</u>	<u>\$ 22,829</u>	<u>\$ 620</u>	<u>\$ 16</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

H-2

	Special Revenue Funds			
	<i>Economic Development</i>	<i>County Clerk Vital Stats Record</i>	<i>County Clerk Archive Fees</i>	<i>Tx Dept of Ag. CDBG</i>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	115,906
Charges for Services	-	-	-	-
Fines and Forfeitures	-	933	25,099	-
Interest	-	7	124	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>940</u>	<u>25,223</u>	<u>115,906</u>
EXPENDITURES				
Current:				
General Government	-	642	19,641	-
Roads and Public Works	-	-	-	115,906
Legal	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>642</u>	<u>19,641</u>	<u>115,906</u>
Excess (Deficiency) of Revenues over Expenditures	-	298	5,582	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	298	5,582	-
Fund Balance, Beginning of Year	1,978	4,962	87,489	-
Fund Balance, End of Year	<u>\$ 1,978</u>	<u>\$ 5,260</u>	<u>\$ 93,071</u>	<u>\$ -</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

H-2

	Special Revenue Funds			Special Revenue Funds
	<i>County Office Fees</i>	<i>Tx DOT NE TX Trail Grant</i>	<i>Sheriff SB 22</i>	<i>County Attorney SB 22</i>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	294,397	344,832	174,042
Charges for Services	-	-	-	-
Fines and Forfeitures	14,108	-	-	-
Interest	19,841	-	260	150
Miscellaneous	-	-	-	-
Total Revenues	<u>33,949</u>	<u>294,397</u>	<u>345,092</u>	<u>174,192</u>
EXPENDITURES				
Current:				
General Government	1,997	-	-	-
Roads and Public Works	-	-	-	-
Legal	-	-	206,332	-
Judicial	-	-	-	174,360
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	294,397	-	-
Capital Outlay	-	-	142,343	-
Total Expenditures	<u>-</u>	<u>294,397</u>	<u>348,675</u>	<u>174,360</u>
Excess (Deficiency) of Revenues over Expenditures	31,952	-	(3,583)	(168)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	31,952	-	(3,583)	(168)
Fund Balance, Beginning of Year	390,061	-	4,060	435
Fund Balance, End of Year	<u>\$ 422,013</u>	<u>\$ -</u>	<u>\$ 477</u>	<u>\$ 267</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

H-2

	Total Nonmajor Governmental Funds
REVENUES	
Taxes	\$ 478,954
Intergovernmental Revenue and Grants	1,114,252
Charges for Services	39,614
Fines and Forfeitures	48,734
Interest	23,924
Miscellaneous	1,003
Total Revenues	1,706,481
EXPENDITURES	
Current:	
General Government	100,145
Roads and Public Works	115,906
Legal	206,332
Judicial	174,360
Public Safety	225,246
Health and Welfare	148,554
Culture and Recreation	294,397
Capital Outlay	142,343
Total Expenditures	1,407,283
Excess (Deficiency) of Revenues over Expenditures	299,198
OTHER FINANCING SOURCES (USES)	
Transfers In	30,000
Transfers Out	-
Total Other Financing Sources (Uses)	30,000
Net Change in Fund Balance	329,198
Fund Balance, Beginning of Year	1,323,343
Fund Balance, End of Year	\$ 1,652,541

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2025

H-3

	<i>Law Enforcement</i>	<i>State Trust</i>	<i>Arrest Fees</i>	<i>Juvenile Probation</i>
ASSETS				
Cash and Cash Equivalents	\$ 19,869	\$ 593,595	123,601	\$ 520
Certificates of Deposit	-	-		
Total Assets	<u>\$ 19,869</u>	<u>\$ 593,595</u>	<u>\$ 123,601</u>	<u>\$ 520</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 23,526	\$ 222	\$ -
Due to Other Funds	-	422,013	-	-
Total Liabilities	<u>-</u>	<u>445,539</u>	<u>222</u>	<u>-</u>
NET POSITION				
Restricted for:				
Individuals and Other Governments	19,869	148,056	123,379	520
Total Net Position	<u>\$ 19,869</u>	<u>\$ 148,056</u>	<u>\$ 123,379</u>	<u>\$ 520</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2025

H-3

	<i>Justice of the Peace</i>	<i>Sheriff</i>	<i>Tax Collector</i>	<i>County Attorney</i>
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 148,559	\$ 28,460	\$ 63,480
Certificates of Deposit	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 148,559</u>	<u>\$ 28,460</u>	<u>\$ 63,480</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Restricted for:				
Individuals and Other Governments		148,559	28,460	63,480
Total Net Position	<u>\$ -</u>	<u>\$ 148,559</u>	<u>\$ 28,460</u>	<u>\$ 63,480</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF SEPTEMBER 30, 2025

H-3

	<u>County Clerk</u>	<u>District Clerk</u>	<u>Emergency Services</u>	<u>Total Custodial Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 5,117	\$ 135,693	\$ 8,540	\$ 1,127,434
Certificates of Deposit	6,173	44,708	-	50,881
Total Assets	<u>\$ 11,290</u>	<u>\$ 180,402</u>	<u>\$ 8,540</u>	<u>\$ 1,178,315</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 23,748
Due to Other Funds	-	-	-	422,013
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>445,761</u>
NET POSITION				
Restricted for:				
Individuals and Other Governments	11,290	180,401	8,540	732,554
Total Net Position	<u>\$ 11,290</u>	<u>\$ 180,401</u>	<u>\$ 8,540</u>	<u>\$ 732,554</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

H-4

	<i>Law</i>			<i>Juvenile</i>
	<u>Enforcement</u>	<u>State Trust</u>	<u>Arrest Fees</u>	<u>Probation Rest</u>
ADDITIONS				
Amounts collected for individuals and other governments	\$ 4,077	\$ 40,299	\$ 3,731	\$ -
Interest	-	-	3,734	1
Total Additions	<u>4,077</u>	<u>40,299</u>	<u>7,465</u>	<u>1</u>
DEDUCTIONS				
Amounts distributed to individuals and other governments	<u>2,399</u>	<u>28,021</u>	<u>1,084</u>	<u>-</u>
Total Deductions	<u>2,399</u>	<u>28,021</u>	<u>1,084</u>	<u>-</u>
Net increase (decrease) in fiduciary net position	1,678	12,278	6,381	1
Net Position, Beginning of Year	18,191	135,778	116,998	519
Net Position, End of Year	<u>\$ 19,869</u>	<u>\$ 148,056</u>	<u>\$ 123,379</u>	<u>\$ 520</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

H-4

	<u>Justice of the Peace</u>	<u>Sheriff</u>	<u>Tax Collector</u>	<u>County Attorney</u>
ADDITIONS				
Amounts collected for individuals and other governments	\$ 155,347	\$ 144,866	\$ 2,021,948	\$ 15,020
Interest	-	28	-	-
Total Additions	<u>155,347</u>	<u>144,894</u>	<u>2,021,948</u>	<u>15,020</u>
DEDUCTIONS				
Amounts distributed to individuals and other governments	155,347	157,072	2,027,140	8,013
Total Deductions	<u>155,347</u>	<u>157,072</u>	<u>2,027,140</u>	<u>8,013</u>
Net increase (decrease) in fiduciary net position	-	(12,178)	(5,192)	7,007
Net Position, Beginning of Year	-	160,737	33,652	56,473
Net Position, End of Year	<u>\$ -</u>	<u>\$ 148,559</u>	<u>\$ 28,460</u>	<u>\$ 63,480</u>

RED RIVER COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

H-4

	<u>County Clerk</u>	<u>District Clerk</u>	<u>Emergency Services</u>	<u>Total Custodial Funds</u>
ADDITIONS				
Amounts collected for individuals and other governments	\$ 201,759	\$ 167,705	\$ 6,364	\$ 2,761,116
Interest	132	540	-	4,435
Total Additions	<u>201,891</u>	<u>168,245</u>	<u>6,364</u>	<u>2,765,551</u>
DEDUCTIONS				
Amounts distributed to individuals and other governments	202,009	169,117	13,638	2,763,840
Total Deductions	<u>202,009</u>	<u>169,117</u>	<u>13,638</u>	<u>2,763,840</u>
Net increase (decrease) in fiduciary net position	(118)	(872)	(7,274)	1,711
Net Position, Beginning of Year	11,408	181,273	15,814	730,843
Net Position, End of Year	<u>\$ 11,290</u>	<u>\$ 180,401</u>	<u>\$ 8,540</u>	<u>\$ 732,554</u>

***RED RIVER COUNTY, TEXAS
REPORT ON COMPLIANCE AND INTERNAL CONTROLS***



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS***

Honorable Judge Robert Bridges and
The Commissioners Court of Red River County
Red River County, Texas

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 the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Red River County, Texas (County), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 21, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Red River County, Texas's internal control over financial reporting (internal control) as a basis for designing 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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Red River County, Texas'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 financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilf & Henderson, P.C.

Wilf & Henderson, P.C.
Certified Public Accountants
Texarkana, Texas
May 21, 2026

RED RIVER COUNTY, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

I. Summary of the Auditor's Results:

- a. The auditor's report expresses an unmodified opinion on whether the financial statements of Red River County, Texas were prepared in accordance with GAAP.
- b. No significant deficiencies or material weaknesses related to the audit of the financial statements are reported on the internal control over financial reporting and on compliance and other matters required by the GAO's *Government Auditing Standards*.
- c. No instances of noncompliance material to the financial statements of Red River County, Texas were disclosed during the audit.

II. Findings Relating to the Financial Statements Which are Required to Be Reported in Accordance with *Generally Accepted Government Auditing Standards*

No findings required to be reported.

***RED RIVER COUNTY, TEXAS
SCHEDULE OF STATUS OF PRIOR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2025***

There were no prior year audit findings.