

## AGENDA

The City Council of the City of Daingerfield shall meet in Regular Session Monday, February 9, 2026, at 6:00 p.m. in the Daingerfield Volunteer Fire Department located at 823 W.W.M. Watson Blvd. The order of business will be as follows:

1. **Call Meeting to Order.**
2. **Invocation, Pledge of Allegiance and Texas Pledge.**
3. **Public Comments**
4. **Presentation**
  - A. Presentation of the TDA Form A1024 CDBG Section 3 Program Goals Presentation for the TxCDBG Project CDV23-0169.
5. **Consent Agenda**

**All Consent items are considered to be routine and will be enacted by one motion and vote.**

  - A. Deliberate and Act to Approve **Minutes of January 12, 2026.**
6. **Business**

**Discuss, Consider, and Possibly Take Action Regarding:**

  - A. Deliberate and Act to Award Bid for TxCDBG Project CDV23-0169 Daingerfield Sewer Improvement, manhole replacement and rehabilitation.
  - B. Deliberate and Act on Ordinance 20260209-02 Ordering General Municipal Election to be Held Saturday, May 2, 2026
  - C. Deliberate and Act on Ordinance 20260209-03 Ordering Special Municipal Election to be Held Saturday, May 2, 2026
  - D. Discuss, Consider and Possibly take Action regarding review for potential zoning amendment to add regulations for outdoor tire storage, including screening and fencing requirements for tire shops and give direction to staff.
  - E. Deliberate and Act to Approve Daingerfield Police Department Racial Profiling Report
  - F. Deliberate and Act to Approve Daingerfield Fire Department Racial Profiling Report
  - G. Deliberate, Discuss and Possibly take action on re-appointment of Board members in places 1, and 5, Brenda Howard, Marcie McGill, to the Daingerfield Economic Development Corporation Type A & B.
  - H. Deliberate, Discuss and Possibly take action on re-appointment of Board members in places 2, and 4, Martha Campbell and Nancy Loyd to the Planning and Zoning Commission.
7. **Monthly Departmental Reports:** *Informational reports only; no action to be taken:*
  - A. Animal Shelter, Code Enforcement, EMS, Fire, Library, Municipal court, Police, Public Works
  - B. Financial
  - C. City Manager
    - i. TWDB Projects Update, Winter Storm, Irvin Park Grant
8. **Monthly Boards and Commissions Minutes:** *Informational reports only; no action to be taken:*
  - A. Northeast Texas Municipal Water District- Minutes and Annual Audit
  - B. Daingerfield Economic Development Corporation
9. **Adjournment.**

*Note: This meeting shall be conducted pursuant to the Texas Government Code Section 551.001 et seq. At any time during the meeting the City Council reserves the right to adjourn into executive session on any of the above posted agenda items in accordance with the sections 551.071, and Section 1.05, Texas Disciplinary Rules of Professional Conduct (Consultation with Attorney), §551.072 (Deliberations about Real Property), §551.073 (Deliberations about Gifts and Donations), §551.074 (Personnel Matters), and/or §551.087 (Economic Development). All items listed above are eligible for Council discussion and/or action.*

Wade Kerley, Mayor

I, Amanda Sanders, certify that the above notice of meeting was posted in a public place before 4:30 p.m. on Tuesday, February 3, 2026.

Amanda Sanders, City Secretary

SEAL



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**CITY SECRETARY'S AGENDA NOTES**  
**February 9, 2026**

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**2. Invocation, Pledge of Allegiance and Texas Pledge.**

- 3. Public Comments:** *At this time, anyone will be allowed to speak on any matter other than personnel matters and matters under litigation, for length of time not to exceed three minutes. No Council discussion or action may take place on a matter until such matter has been placed on an agenda and posted in accordance with the law.*

If, at a meeting of a governmental body, a member of the public or of the governmental body inquires about a subject for which notice has not been given as required by this subchapter, the notice provisions of this subchapter do not apply to:

- (1) a statement of specific factual information given in response to the inquiry; or
- (2) a recitation of existing policy in response to the inquiry.

**4. Presentation**

*Information report only, no action to be taken*

Presentation of the TDA Form A1024 CDBG Section 3 Program Goals Presentation for the TxCDBG Project CDV23-0169. Presentation on pages 5-15 of your packets.

**5. Consent Agenda**

*All consent items are considered to be routine and will be enacted by one motion and vote.*

- A. **Deliberate and Act to Approve Minutes of January 12, 2026.** Draft of the Minutes can be found on pages 16-19 of your packets.

**6. Business**

*Discuss, Consider, and Possibly Take Action Regarding*

- A. **Deliberate and Act to Award Bid for TxCDBG Project CDV23-0169 Daingerfield Sewer Improvement, manhole replacement and rehabilitation:** Bids were solicited and opened on January 29, 2026, at City Hall. Recommendation letter and bid tabulation from the engineers Schaumburg & Polk (SPI) will be presented at the meeting. Chris Osburn with SPI will be present to answer questions.
- B. **Deliberate and Act on Ordinance 20260209-02 Ordering General Municipal Election to be Held Saturday, May 2, 2026:** Ordinance on pages 20-24
- C. **Deliberate and Act on Ordinance 20260209-03 Ordering Special Municipal Election to be Held Saturday, May 2, 2026:** Ordinance on pages 25-29
- D. **Discuss, Consider, and Possibly take Action regarding review for potential zoning amendment to add regulations for outdoor tire storage, including screening and fencing requirements for tire shops and direction to staff:** After discussion with the City Attorney, staff has been advised that this type of change must be made through the zoning ordinance amendment process. This will require review and recommendation by the Planning & Zoning Commission prior to any City Council action. Once reviewed by P&Z, the proposed amendment will then be scheduled for a public hearing before City Council, followed by Council consideration and possible adoption by ordinance. Draft ordinance on pages 30-32 of your packets.
- E. **Deliberate and Act to Approve Daingerfield Police Department Racial Profiling Report:** Report on pages 33-41 of your packets.
- F. **Deliberate and Act to Approve Daingerfield Fire Department Racial Profiling Report:** Report on page 42 of your packets.
- G. **Deliberate, Discuss and Possibly take action on re-appointment of Board members in places 1, and 5, Brenda Howard, Marcie McGill, to the Daingerfield Economic Development Corporation Type A & B:** Both have confirmed their willingness to continue to serve, and the EDC board has recommended them for re-appointment.

**H. Deliberate, Discuss and Possibly take action on re-appointment of Board members in places 2, and 4, Martha Campbell and Nancy Loyd to the Planning and Zoning Commission.** Both Martha Campbell and Nancy Loyd are willing to serve.

**7. Monthly Departmental Reports: *Informational reports only; no action to be taken:***

**A. Animal Shelter, Code Enforcement, EMS, Fire, Library, Municipal court, Police, Public Works:** Monthly Reports are on pages 43 through 59.

**B. Financial:** Located on pages 60 -66

**C. City Manager:** Located on page 4

**8. Monthly Boards and Commissions Minutes: *Informational reports only; no action to be taken:***

**A. Northeast Texas Municipal Water District – Minutes** Located on pages 67-68 Annual Audit located on pages 69-116

**B. Economic Development Corporation –** Located on pages 117-118

**9. Adjournment**





## City Manager's Report

### Texas Water Development Board Projects

Project 62916 TWDB DWSRF Contract 01 the new chlorination system at Union St and newly installed valves is set to be closed out completely this month. TWDB final site visit is scheduled for February 12<sup>th</sup> this is. Project 73915 CID 01 the collection system rehabilitation is completed and waiting for TWDB closeout process. We have multiple other projects with the TWDB waiting for various approvals before we can start. You will be updated as projects proceed.

### Hazard Mitigation Grant

This project is still in the design phase with the engineering company. Upon completion we will be ready to solicit bids for the installation of generators at wastewater, west lift and union pump station.

### Texas Parks and Wildlife Grant

The City of Daingerfield received an \$88,659 TPWD Small Community Grant for Irvin Park improvements. This is a 50/50 matching grant, bringing the total project investment to over \$177,000. Planned upgrades include ADA-accessible playground equipment and replacement of deteriorated fencing/backstops and chain-link fencing for five ballfields.

### Winter Storm Fern

During the winter storm event, City staff completed advance preparations across departments and issued public communications regarding travel safety, warming center availability, and facility readiness. The City experienced only minor impacts during the storm, including downed trees and a brief power outage lasting only a few hours. Public Works responded quickly to repair one major water leak during the storm, and crews have continued addressing multiple smaller leaks that surfaced afterward as temperatures improved. Overall, the City of Daingerfield was well prepared, and operations remained stable throughout the event.

*Michelle Jones*

Michelle Jones  
City Manager



# A1024 Section 3 Presentation to Local Community



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The City of Daingerfield received the following grant award:

- Grant Contract No. #CDV23-0169
- Award Amount: \$500,000
- Project: *Sewer Improvements*





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The grant is funded through the  
Community Development Block Grant, via:

- U.S. Department of Housing and Urban  
Development

and

- Texas Department of Agriculture



## Section 3 Concepts

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- As a condition of funding, The City of Daingerfield must comply with Section 3 of the Housing and Urban Development Act of 1968.
- To the greatest extent feasible, Grant Recipients must direct economic opportunities generated by CDBG funds to low- and very low-income persons.





## Section 3 Concepts

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In part, this means ensuring that:

- Section 3 Businesses have the information to submit a bid or proposal for the project; and
- Section 3 Workers have information about any available job opportunities related to the project.

For precise definitions, see TxCDBG Policy Issuance 20-01



## Section 3 Business

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A company may qualify as a Section 3 Business if:

- it is owned by low-income persons;
- it is owned by Section 8-Assisted housing residents; or
- 75% of all labor hours for the business in a 3 month period are performed by Section 3 Workers

Register at:

- HUD's Section 3 website:  
<https://portalapps.hud.gov/Sec3BusReg/BRegistry/RegisterBusiness>



## Section 3 Business

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This project is expected to include the following contracting opportunities:

- GrantWorks, Administrative Services
- Schaumburg & Polk, Inc., Engineering Services
- Construction Services – Not Yet Awarded





## Section 3 Worker

You may qualify as a Section 3 Worker if:

- Your annual income is below the county threshold for your family size:

FY 2025 Income Limits Summary

FY 2025 Income Limit Area	Median Family Income <a href="#">Click for More Detail</a>	FY 2025 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Morris County, TX	\$69,100	Very Low (50%) Income Limits (\$) <a href="#">Click for More Detail</a>	27,800	31,800	35,750	<b>39,700</b>	42,900	46,100	49,250	52,450
		Extremely Low Income Limits (\$)* <a href="#">Click for More Detail</a>	16,700	21,150	26,650	<b>32,150</b>	37,650	43,150	48,650	52,450*
		Low (80%) Income Limits (\$) <a href="#">Click for More Detail</a>	44,450	50,800	57,150	<b>63,500</b>	68,600	73,700	78,750	83,850

- You are a current or recent Youthbuild participant

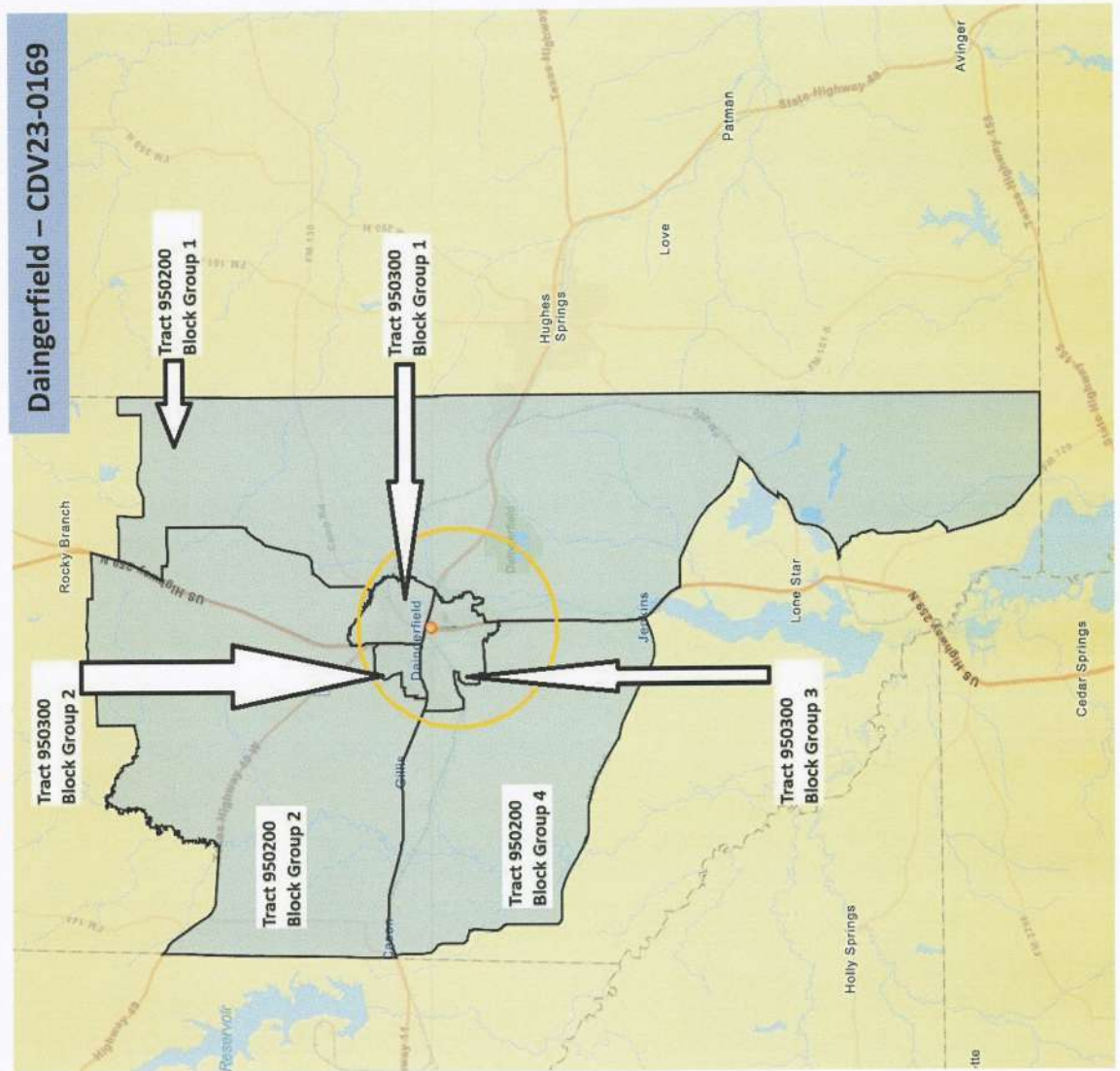
Register your information and search for opportunities at:

- [WorkInTexas.gov](https://workintexas.gov)
- HUD's Section 3 Opportunity Portal <https://hudapps.hud.gov/OpportunityPortal/>



## Targeted Section 3 Worker

Section 3 Workers that reside near the project location may also qualify as Targeted Section 3 Workers. For this project, that service area is defined by this map:





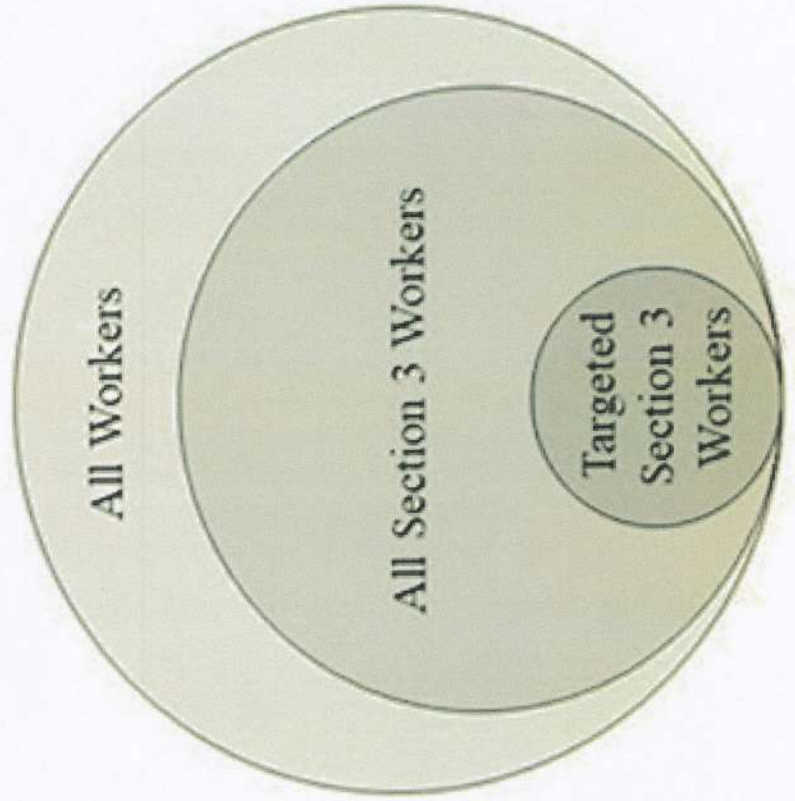


## Recordkeeping

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The City of Daingerfield will track all hours worked on the project based on the three categories of workers.

This will require collection of certain income information.







**For More Information**

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TxCDBG Policy Issuance 20-01

[REVISED Policy Issuance 20-01 Section 3 v1.pdf](#)  
 [\(texasagriculture.gov\)](http://texasagriculture.gov)

24 CFR Part 75

[Electronic Code of Federal Regulations \(eCFR\)](#)

Wade Kerley, Mayor

## **CITY OF DAINGERFIELD**

Regular Session – January 12, 2026

Meeting Minutes

### **Call to Order**

Mayor Wade Kerley called the City Council meeting for the City of Daingerfield to order at **6:00 PM** on Monday, January 12, 2026, at the Daingerfield Volunteer Fire Department located at 823 W.W.M. Watson Blvd.

### **Council Present**

- Mayor Wade Kerley
- Mayor Pro Tem Jessie Ayers
- Council Member Vicki Smith
- Council Member David Hood
- Council Member Ben Ramirez
- Council Member Bob Thorne

### **Council Absent**

N/A

### **City Staff Present**

- City Manager Michelle Jones
- City Secretary/Finance Director Amanda Sanders
- Police Chief Tracey Climer
- Fire Chief Jimmy Cornelius
- Assistant Fire Chief Travis Miller
- Code Compliance Officer- Carrie Kirkland

### **Others Present**

- Chase Rivet- Summit Locations
- Jim Goodman
- Mike Ward - Auditor
- Melissa Boyd
- Bruce Boyd

### **Invocation, Pledge of Allegiance, and Texas Pledge**

Led by Mayor Wade Kerley

### **Public Comments**

No public comment.

### **Presentation (Information Only – No Action Taken)**

Presentation of the Audit for Fiscal Year 2024–2025 by Mike Ward, C.P.A.

### **Consent Agenda**

#### **Deliberate and Act to Approve Minutes of December 8, 2025.**

*Motion made by Mr. Ayers to approve minutes as presented.*

*Seconded by Mrs. Smith*

*Vote: All voted for / Motion carried.*

### **Business – Discuss, Consider, and Possibly Take Action Regarding:**

#### **A. Take from the Table- Selection and appointment of City Attorney and Municipal Court Prosecutor**

*Motion made by Mr. Hood to take from the table – selection and appointment of City Attorney and Municipal Court Prosecutor.*

*Seconded by Mrs. Smith*

*Vote: All voted for / Motion carried.*

#### **B. Selection and appointment of a City Attorney and Municipal Court Prosecutor.**

*Motion made by Mr. Hood to appoint Charles E. Zech and Denton Navarro Rodriguez Bernal Santee & Zech, P.C. as city attorney for the City of Daingerfield, effective January 12, 2026; to designate Denton Navarro Rodriguez Bernal Santee & Zech, P.C., or its assigned attorney, to serve as Municipal Court Prosecutor; to authorize Denton Navarro Rodriguez Bernal Santee & Zech, P.C. to provide legal services to the Daingerfield Type A and Type B Economic Development Corporations; and to authorize the City Manager to negotiate and execute a professional services agreement consistent with council direction.*

*Seconded by Mrs. Smith*

*Vote: All voted for / Motion carried.*

#### **C. Planning Services Engagement Letter with Denton Navarro Rodriguez Bernal Santee & Zech, P.C.**

*Motion made by Mr. Ayers to approve Planning Services Engagement letter with Denton Navarro Rodriguez Bernal Santee & Zech, P.C. for professional planning and development-related services, and authorize the City Manager to execute the agreement and utilize such services on an as needed basis.*

*Seconded by Mr. Ramirez*

*Vote: All voted for / Motion carried.*



**D. Take from the table request from Taylor Baumgardner with Summit location on behalf of Keith and Mica West to Extend a variance Allowing Installation of a free-standing billboard located at 1015 Linda Drive.**

*Motion made by Mr. Ayers to take from the table- sign variance request at 1015 Linda Drive.*

*Seconded by: Mr. Thorne*

*Vote: All voted for / Motion carried.*

**E. Action on request from Taylor Baumgardner with Summit location on behalf of Keith and Mica West to Extend a variance Allowing Installation of a free-standing billboard located at 1015 Linda Drive.**

*Motion made by Mr. Hood to reject the variance request.*

*Seconded by Mr. Thorne*

*Vote: All voted for / Motion carried.*

**F. Take from the table request from Taylor Baumgardner with Summit location on behalf of Jose Benitez to Extend a variance Allowing Installation of a free-standing billboard located at 1016 Linda Drive.**

*Motion made by Mr. Thorne to take from the table- sign variance request at 1016 Linda Drive.*

*Seconded by: Mr. Hood*

*Vote: All voted for / Motion carried.*

**G. Action on request from Taylor Baumgardner with Summit location on behalf of Jose Benitez to Extend a variance Allowing Installation of a free-standing billboard located at 1016 Linda Drive.**

*Motion made by Mr. Hood to reject the variance request.*

*Seconded by Mr. Ayers*

*Vote: All voted for / Motion carried.*

**H. Approve Budget Amendment Resolution 01122026-01**

*Motion made by Mr. Hood to approve resolution 01122026-01*

*Seconded by Mr. Ramirez*

*Vote: All voted for / Motion carried.*

**I. Approve Submission of a Grant Application for the Daingerfield Police Department Fleet Emergency Project.**

*Motion made by Mr. Hood to approve resolution as presented.*

*Seconded by Mr. Thorne*

*Vote: All voted for / Motion carried.*

**J. Approve purchase of fire department vehicle through cooperative purchasing program.**

*Motion made by Mr. Hood to approve the purchase of a fire department vehicle through a cooperative purchasing program.*

*Seconded by Mr. Ayers*

*Vote: All voted for / Motion carried.*

**K. Resolution regarding a finance contract for procuring a fire truck with Government Capital.**

*Motion made by Mr. Hood to approve the resolution as presented.*

*Seconded by Mrs. Smith*

*Vote: All voted for / Motion carried.*

**Monthly Departmental Reports (Informational Only)**

Animal Shelter, Code Enforcement, EMS, Fire, Library, Municipal Court, Police, Public Works, Financial Report, City Manager

**Monthly Boards and Commissions Minutes**

Northeast Texas Municipal Water District  
Morris County Appraisal District

**Adjournment**

There being no further business, Mayor Kerley asked for a motion to adjourn.

*Motion made by Mr. Thorne*

*Seconded by Mr. Ramirez*

*Vote: All voted for / Motion carried.*

The meeting was adjourned at **7:07 PM.**

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Wade Kerley, Mayor

ATTEST:

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Amanda Sanders, City Secretary

**ORDINANCE NO. 20260209-02**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DAINGERFIELD, TEXAS, ORDERING A GENERAL ELECTION TO BE HELD IN THE CITY OF DAINGERFIELD, TEXAS, ON THE UNIFORM ELECTION DATE OF MAY 2, 2026, FOR THE QUALIFIED VOTERS OF THE CITY OF DAINGERFIELD, TEXAS, TO ELECT A MAYOR AND TWO CITY COUNCIL MEMBERS FOR A FULL TERM; PROVIDING FOR NOTICE OF THE ELECTION; PROVIDING FOR ELECTION PRECINCT AND POLLING PLACES; PROVIDING FOR THE AUTHORITY TO EXECUTE ANY AND ALL NECESSARY DOCUMENTS; PROVIDING FOR RELATED MATTERS; PROVIDING FOR EARLY VOTING; PROVIDING FOR EFFECTIVE DATE AND OPEN MEETINGS CLAUSES**

**WHEREAS**, May 2, 2026, is the Uniform Election Date (also referred to herein as "Election Day") upon which the City Council for the City of Daingerfield, Texas (the "City") is authorized by law to conduct a municipal election;

**WHEREAS**, pursuant to state law, the City Council for the City, by the adoption of this Ordinance, intends to order a municipal election to take place on the May 2, 2026, Uniform Election Date for the qualified voters of the City to elect the following officials for the following offices of the City to serve a full term under the laws of the State of Texas and the City Charter:

Mayor, At Large;  
One (1) Council Member, At Large; and  
One (1) Council Member, At Large; and

**WHEREAS**, the Texas Election Code (the "Code") is applicable to said election and this Ordinance establishes procedures consistent with the Code, and designates the voting place for the election;

**WHEREAS**, the City Council of the City of Daingerfield intends, and by adoption of this Ordinance, the City Council of the City of Daingerfield calls and orders a general election to be conducted and held on the May 2, 2026, general Uniform Election Date for voters to elect Mayor and two (2) City Council members for a full term to the City of Daingerfield City Council;

**NOW, THEREFORE, BE IT ORDAINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF DAINGERFIELD, TEXAS:**

**Section 1. Findings of Fact.** The findings and recitations set out in the preamble of this Ordinance are found to be true and correct and that they are hereby adopted by the City Council and made a part hereof for all purposes.

**Section 2. Order of General Election.** The City Council for the City orders that the General Municipal Election of the City shall be held on the Saturday, May 2, 2026, Uniform Election Date to elect the following officials for the following offices of the City of Daingerfield:



Mayor, At Large;  
One (1) Council Member, At Large; and  
One (1) Council Member, At Large

Candidates for the above offices shall file their application for a place on the ballot with the City Secretary of the City, at 101 Linda Drive, Daingerfield, Texas 75638 between 8:00 a.m. and 5:00 p.m., no later than February 13, 2026, excluding weekends and holidays. All applications for candidacy shall be on a form as prescribed by the Texas Election Code. The order in which the names of the candidates for each office are to be printed on the ballot shall be determined by a drawing conducted by the City Secretary.

**Section 3. Ballots.** The ballots used for the general election shall comply with the Texas Election Code and shall be in the form provided by the City for use on the respective voting devices used by the City.

**Section 4. Printed Materials.** The official ballots, together with such other election materials as required by the Texas Election Code, as amended, shall be printed in both the English and Spanish languages and shall contain such provisions, markings and language as required by law.

**Section 5. Notice of Election.** Notice of the election shall be given in the manner as provided in the Texas Election Code and the City Charter. The notice of election shall be posted on the bulletin board used for posting notice of meetings of the governing body at City Hall and at other locations required by state law not later than the twenty-first (21st) day before the election, and by publishing said notice of the election in a newspaper of general circulation, not earlier than thirty (30) days nor later than ten (10) days prior to said election. The City Secretary is authorized and shall give all notices required for the election.

**Section 6. Conduct of Election.** The City Secretary and his/her designees and appointees, and the election judges, alternate judges and clerks properly appointed for the election, shall hold and conduct the election for the City. The election shall be held and conducted in compliance with the City Charter and state law.

**Section 7. Election Precincts and Election Day Polling Places.** The City has one (1) election precinct and said election shall be at the following place in said City:

J. D. Parrish Administration Building,  
200 Tiger Drive  
Daingerfield, Texas.

In the event the designated polling place is changed due to unforeseen circumstances, including but not limited to facility availability, emergency conditions, or operational necessity, the City Secretary is authorized to designate an alternate polling place within the City. Notice of any change in polling place location shall be provided in accordance with applicable Texas Election Code requirements.

**Section 8. Designation of Polling Place(s).** The polls at the designated polling place(s) shall on said Election Day to be opened from 7:00 A.M. to 7:00 P.M. in the J. D. Parrish Administration Building, 200 Tiger Dr., Daingerfield, Texas. The City Secretary shall tabulate and

provide the election returns for votes cast for the propositions presented to the voters to amend the City Charter.

**Section 9. Early Voting.** (a) Early voting by personal appearance shall commence on Monday, April 20, 2026, and continue through Tuesday, April 28, 2026, and early voting polls shall remain open for the time specified by the Texas Election Code and the respective Elections Administrator.

(b) The period to apply for a ballot by mail is January 1, 2026, through April 20, 2026. An application for ballot by mail (ABBM) must be received by the Early Voting Clerk no later than the close of business on April 20, 2026.

(c) The period to apply for a federal postcard application (FPCA) is January 1, 2026, through April 20, 2026. An FPCA must be received by the Early Voting Clerk no later than the close of business on April 20, 2026.

(d) Early Voting Conducted by the City:

1. Early voting, both by personal appearance and by mail will be conducted by the City Secretary in accordance with the Texas Election Code for the qualified voters of the City residing in the City. The City Secretary is hereby designated and appointed as an Early Voting Clerk for the general election for qualified voters of the City.
2. Applications for ballot by mail for qualified voters of the City residing in the City shall be mailed to:  
Amanda Sanders  
City Secretary  
Mailing and Physical Address:  
  
101 Linda Drive  
Daingerfield, Texas 75638  
Telephone Number: (903) 645-3906  
Email Address: amanda.sanders@cityofdaingerfield.com  
Website: <https://www.cityofdaingerfield.com/city-secretary>
3. The main early voting location for qualified voters of the City is: the City Conference Chambers in the Daingerfield City Hall located at 101 Linda Drive, Daingerfield, Texas 75638.
4. Early voting for qualified voters of the City shall be held at the dates, times, and location authorized by the City Secretary. Any early voting polling place may be added or changed by the City Secretary upon compliance with applicable law. Early voting by personal appearance shall only be conducted on one or more Saturdays or Sundays during the early voting period upon receipt of a written request submitted by at least 15 registered voters of the territory covered by the election as required by state law.

**Section 10. Election Judges and Clerks.** Prior to the Election Day, the election judges, alternate judges, clerks, and other personnel necessary for conducting the Election shall be appointed by the City Council or selected and appointed by the City Secretary, as authorized by the Texas Election Code, all in compliance with the requirements of state law, and they are hereby designated and appointed election officers for the holding of said election and such appointments are approved. The presiding judges, alternate presiding judges and clerks shall perform the functions and duties of their respective positions that are provided by state law. The City Secretary is authorized to appoint any such other officials not designated or appointed herein as are necessary and appropriate to conduct the Election in accordance with the Code.

**Section 11. City Secretary Assistance.** The City Secretary is further authorized to assist with the giving of notices required for the election, and to take such other and further action as is required to conduct the election in compliance with the Texas Election Code; provided that, pursuant to any applicable election services contracts, the City Secretary or the Elections Administrator, shall have the duty and be responsible for organizing and conducting the election in compliance with the Texas Election Code; and for providing all services specified to be provided in any applicable election services contracts.

**Section 12. Necessary Actions.** The Mayor and the City Secretary of the City, in consultation with the City's Attorney, are hereby authorized and directed to take any and all actions necessary to comply with the provisions of the Code and the Federal Voting Rights Act in carrying out and conducting the Election, whether or not expressly authorized herein, including but not limited to making changes or additions to polling places, ballot language, or procedures to the extent required or desirable or as may become necessary due to circumstances arising after the date of this Ordinance. The City Secretary is further authorized to give notice of the election as required by the Texas Election Code. The Mayor is further authorized to sign any subsequent orders adjusting the polling locations, dates, and times that are subject to change due to any applicable joint election agreement, if any, up until the final posting deadline of such notice pursuant to Texas Election Code ("Code") Sec. 4.003(a)(b) and (c).

**Section 13. General.** The general election shall be held and conducted by the City in compliance with the Texas Election Code and, to the extent not inconsistent therewith, the City Charter, and only resident qualified voters of the City shall be eligible to vote at the election. The Election Officers are hereby authorized and instructed to provide and furnish all necessary election supplies, materials, and equipment to conduct said election. Returns of the election shall be made known as soon as possible after the closing of the polls; and the election returns shall be canvassed by the City Council not earlier than May 5, 2026, nor later than May 13, 2026.

**Section 14. Authorization to Execute.** The Mayor is authorized to execute and the City Secretary is authorized to attest this Ordinance on behalf of the Council; and the Mayor is authorized to do all other things legal and necessary in connection with the holding and consummation of the Election.

**Section 15. Effective Date; Election Code; Preamble.** This Ordinance shall be in full force and effect from and after its passage on the date shown below; provided that if any term or provision of this Ordinance conflicts with, or is inconsistent with, the Texas Elections Code, the Texas Election Code shall govern and control and the City Secretary shall comply with the Texas Elections Code. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are



hereby made a part of this Ordinance for all purposes as part of the findings of Council.

**Section 16. Severability.** If any provision, section of this Ordinance or the application of any provision to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

**Section 17. Open Meetings.** It is officially found and determined that the meeting at which this Ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required *Chapt. 551, Tex. Gov't. Code.*

**PASSED, ADOPTED AND APPROVED** on this the 9th day of February, 2026.

**ATTEST:**

**CITY OF DAINGERFIELD, TEXAS**

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Amanda Sanders, City Secretary

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Wade Kerley, Mayor

**ORDINANCE NO. 20260209-03**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DAINGERFIELD, TEXAS, ORDERING A SPECIAL ELECTION TO BE HELD IN THE CITY OF DAINGERFIELD, TEXAS, ON THE UNIFORM ELECTION DATE OF MAY 2, 2026, FOR THE QUALIFIED VOTERS OF THE CITY OF DAINGERFIELD, TEXAS, TO ELECT ONE (1) CITY COUNCIL MEMBER TO FILL THE UNEXPIRED TERM OF OFFICE; PROVIDING FOR NOTICE OF THE ELECTION; PROVIDING FOR ELECTION PRECINCT AND ELECTION DAY POLLING PLACE(S); PROVIDING FOR THE AUTHORITY TO EXECUTE ANY AND ALL NECESSARY DOCUMENTS; PROVIDING FOR RELATED MATTERS; PROVIDING FOR EARLY VOTING; PROVIDING FOR EFFECTIVE DATE AND OPEN MEETINGS CLAUSES.**

**WHEREAS**, May 2, 2026, is the Uniform Election Date (also referred to herein as “Election Day”) upon which the City Council for the City of Daingerfield, Texas (the “City”) is authorized by law to conduct a municipal election;

**WHEREAS**, pursuant to state law, the City Council for the City, by the adoption of this Ordinance, intends to order a municipal election to take place on the May 2, 2026, Uniform Election Date for the qualified voters of the City to elect the following officials for the following offices of the City to serve the unexpired term under the laws of the State of Texas and the City Charter:

One (1) Council Member, At Large; and

**WHEREAS**, the Texas Election Code (the “Code”) is applicable to said election and this Ordinance establishes procedures consistent with the Code, and designates the voting place for the election;

**WHEREAS**, the City Council of the City of Daingerfield intends, and by adoption of this Ordinance, the City Council of the City of Daingerfield calls and orders a special election to be conducted and held on the May 2, 2026, general Uniform Election Date for voters to elect one (1) City Council members for an unexpired term to the City of Daingerfield City Council;

**NOW, THEREFORE, BE IT ORDAINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF DAINGERFIELD, TEXAS:**

**Section 1. Findings of Fact.** The findings and recitations set out in the preamble of this Ordinance are found to be true and correct and that they are hereby adopted by the City Council and made a part hereof for all purposes.

**Section 2. Order of Special Election.** The City Council orders a Special Election with a combined ballot to be held on Saturday, May 2, 2026, such date being a Uniform Election Date as set forth in the Texas Election Code to elect the following officials for the following offices of the City of Daingerfield:

One (1) Council Member, At Large

Candidates for the above offices shall file their application for a place on the ballot with the City Secretary of the City, at 101 Linda Drive, Daingerfield, Texas 75638 between 8:00 a.m. and 5:00 p.m., no later than February 13, 2026, excluding weekends and holidays. All applications for candidacy shall be on a form as prescribed by the Texas Election Code. The order in which the names of the candidates for each office are to be printed on the ballot shall be determined by a drawing conducted by the City Secretary.

**Section 3. Ballots.** The ballots used for the special election shall comply with the Texas Election Code and shall be in the form provided by the City for use on the respective voting devices used by the City.

**Section 4. Printed Materials.** The official ballots, together with such other election materials as required by the Texas Election Code, as amended, shall be printed in both the English and Spanish languages and shall contain such provisions, markings and language as required by law.

**Section 5. Notice of Election.** Notice of the election shall be given in the manner as provided in the Texas Election Code and the City Charter. The notice of election shall be posted on the bulletin board used for posting notice of meetings of the governing body at City Hall and at other locations required by state law not later than the twenty-first (21st) day before the election, and by publishing said notice of the election in a newspaper of general circulation, not earlier than thirty (30) days nor later than ten (10) days prior to said election. The City Secretary is authorized and shall give all notices required for the election.

**Section 6. Conduct of Election.** The City Secretary and his/her designees and appointees, and the election judges, alternate judges and clerks properly appointed for the election, shall hold and conduct the election for the City. The election shall be held and conducted in compliance with the City Charter and state law.

**Section 7. Election Precincts and Election Day Polling Places.** The City has one (1) election precinct and said election shall be at the following place in said City:

J. D. Parrish Administration Building,  
200 Tiger Drive  
Daingerfield, Texas.

In the event the designated polling place is changed due to unforeseen circumstances, including but not limited to facility availability, emergency conditions, or operational necessity, the City Secretary is authorized to designate an alternate polling place within the City. Notice of any change in polling place location shall be provided in accordance with applicable Texas Election Code requirements.

**Section 8. Designation of Polling Place(s).** The polls at the designated polling place(s) shall on said Election Day to be opened from 7:00 A.M. to 7:00 P.M. in the J. D. Parrish Administration Building, 200 Tiger Dr., Daingerfield, Texas. The City Secretary shall tabulate and provide the election returns for votes cast for the propositions presented to the voters to amend the



City Charter.

**Section 9. Early Voting.** (a) Early voting by personal appearance shall commence on Monday, April 20, 2026, and continue through Tuesday, April 28, 2026, and early voting polls shall remain open for the time specified by the Texas Election Code and the respective Elections Administrator.

(b) The period to apply for a ballot by mail is January 1, 2026, through April 20, 2026. An application for ballot by mail (ABBM) must be received by the Early Voting Clerk no later than the close of business on April 20, 2026.

(c) The period to apply for a federal postcard application (FPCA) is January 1, 2026, through April 20, 2026. An FPCA must be received by the Early Voting Clerk no later than the close of business on April 20, 2026.

(d) Early Voting Conducted by the City:

1. Early voting, both by personal appearance and by mail will be conducted by the City Secretary in accordance with the Texas Election Code for the qualified voters of the City residing in the City. The City Secretary is hereby designated and appointed as an Early Voting Clerk for the special election for qualified voters of the City.
2. Applications for ballot by mail for qualified voters of the City residing in the City shall be mailed to:  
Amanda Sanders  
City Secretary  
Mailing and Physical Address:  
  
101 Linda Drive  
Daingerfield, Texas 75638  
Telephone Number: (903) 645-3906  
Email Address: amanda.sanders@cityofdaingerfield.com  
Website: <https://www.cityofdaingerfield.com/city-secretary>
3. The main early voting location for qualified voters of the City is: the City Conference Chambers in the Daingerfield City Hall located at 101 Linda Drive, Daingerfield, Texas 75638.
4. Early voting for qualified voters of the City shall be held at the dates, times, and location authorized by the City Secretary. Any early voting polling place may be added or changed by the City Secretary upon compliance with applicable law. Early voting by personal appearance shall only be conducted on one or more Saturdays or Sundays during the early voting period upon receipt of a written request submitted by at least 15 registered voters of the territory covered by the election as required by state law.

**Section 10. Election Judges and Clerks.**

Prior to the Election Day, the election

judges, alternate judges, clerks, and other personnel necessary for conducting the Election shall be appointed by the City Council or selected and appointed by the City Secretary, as authorized by the Texas Election Code, all in compliance with the requirements of state law, and they are hereby designated and appointed election officers for the holding of said election and such appointments are approved. The presiding judges, alternate presiding judges and clerks shall perform the functions and duties of their respective positions that are provided by state law. The City Secretary is authorized to appoint any such other officials not designated or appointed herein as are necessary and appropriate to conduct the Election in accordance with the Code.

**Section 11. City Secretary Assistance.** The City Secretary is further authorized to assist with the giving of notices required for the election, and to take such other and further action as is required to conduct the election in compliance with the Texas Election Code; provided that, pursuant to any applicable election services contracts, the City Secretary or the Elections Administrator, shall have the duty and be responsible for organizing and conducting the election in compliance with the Texas Election Code; and for providing all services specified to be provided in any applicable election services contracts.

**Section 12. Necessary Actions.** The Mayor and the City Secretary of the City, in consultation with the City's Attorney, are hereby authorized and directed to take any and all actions necessary to comply with the provisions of the Code and the Federal Voting Rights Act in carrying out and conducting the Election, whether or not expressly authorized herein, including but not limited to making changes or additions to polling places, ballot language, or procedures to the extent required or desirable or as may become necessary due to circumstances arising after the date of this Ordinance. The City Secretary is further authorized to give notice of the election as required by the Texas Election Code. The Mayor is further authorized to sign any subsequent orders adjusting the polling locations, dates, and times that are subject to change due to any applicable joint election agreement, if any, up until the final posting deadline of such notice pursuant to Texas Election Code ("Code") Sec. 4.003(a)(b) and (c).

**Section 13. Special.** The special election shall be held and conducted by the City in compliance with the Texas Election Code and, to the extent not inconsistent therewith, the City Charter, and only resident qualified voters of the City shall be eligible to vote at the election. The Election Officers are hereby authorized and instructed to provide and furnish all necessary election supplies, materials, and equipment to conduct said election. Returns of the election shall be made known as soon as possible after the closing of the polls; and the election returns shall be canvassed by the City Council not earlier than May 5, 2026, nor later than May 13, 2026.

**Section 14. Authorization to Execute.** The Mayor is authorized to execute and the City Secretary is authorized to attest this Ordinance on behalf of the Council; and the Mayor is authorized to do all other things legal and necessary in connection with the holding and consummation of the Election.

**Section 15. Effective Date; Election Code; Preamble.** This Ordinance shall be in full force and effect from and after its passage on the date shown below; provided that if any term or provision of this Ordinance conflicts with, or is inconsistent with, the Texas Elections Code, the Texas Election Code shall govern and control and the City Secretary shall comply with the Texas Elections Code. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes as part of the findings of Council.

**Section 16. Severability.** If any provision, section of this Ordinance or the application of any provision to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

**Section 17. Open Meetings.** It is officially found and determined that the meeting at which this Ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required *Chapt. 551, Tex. Gov't. Code*.

**PASSED, ADOPTED AND APPROVED** on this the 9th day of February, 2026.

**ATTEST:**

**CITY OF DAINGERFIELD, TEXAS**

\_\_\_\_\_  
Amanda Sanders, City Secretary

\_\_\_\_\_  
Wade Kerley, Mayor



## ORDINANCE NO.

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DAINGERFIELD, TEXAS, AMENDING THE CITY'S ZONING ORDINANCE, SECTION 12.- ADDITIONAL USE, HEIGHT, AND AREA REGULATIONS BY ADDING 12.-2. OUTDOOR STORAGE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Daingerfield, Texas (the "City") is a home-rule municipality operating under the laws of the State of Texas; and

**WHEREAS**, the City is authorized under Chapter 211 of the Texas Local Government Code to regulate zoning within the City; and

**WHEREAS**, City Staff has reviewed the current zoning regulations and have recommended certain revisions and updates to the current zoning regulations; and

**WHEREAS**, on [insert date], notice to impacted property owners was provided in accordance with State Law; and

**WHEREAS**, on [insert date] of the public hearings before the Planning & Zoning Commission and City Council were published in the newspaper; and

**WHEREAS**, on [insert date], the Planning & Zoning Commission conducted a public hearing, and after consideration made a recommendation of approval of this amendment; and

**WHEREAS**, on [insert date], the City Council conducted a public hearing, and after consideration and recommendation by the Planning & Zoning Commission determined that the ordinance amendment be approved as provided herein.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DAINGERFIELD, TEXAS:**

**Section 1. Findings.** The recitals, findings, and determinations contained in the preamble to this Ordinance are incorporated into the body of this Ordinance as if fully set forth in this Section and are hereby found and declared to be true and correct legislative findings and are adopted as part of this Ordinance for all purposes.

**Section 2. Amendments.** The Zoning Ordinance of the Code of Ordinances of the City of Daingerfield is hereby amended as set forth in the attached "Exhibit A."

**Section 3. Severability.** If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be invalid, the validity of the remaining provisions of this Ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no provision of this Ordinance shall become inoperative because of the invalidity of another provision; and, therefore, all provisions of this Ordinance are declared severable for that purpose.

**Section 4. Open Meetings.** It is hereby found, determined, and declared that sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding its meeting, as required by the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves, and confirms such written notice and the contents and posting thereof.

**Section 5. Effective Date.** This Ordinance shall take effect immediately upon its passage as provided by law, except that existing businesses impacted have 180 days to come into compliance.

**PASSED, APPROVED and ADOPTED** this the \_\_\_\_ day of \_\_\_\_, 2026 at a regular meeting of the City Council of the City of Daingerfield, Texas.

**PASSED AND APPROVED** on this the \_\_\_\_ day of \_\_\_\_, 2026.

**ATTEST:**

**CITY OF DAINGERFIELD, TEXAS**

\_\_\_\_\_  
Amanda Sanders, City Secretary

\_\_\_\_\_  
Wade Kerley, Mayor  
City of Daingerfield, Texas

## Exhibit A

All text which is underlined denotes addition of new text. The City of Daingerfield Code of Ordinances Zoning Ordinance is hereby amended as follows:

### **12.-2. Outdoor Storage Requirements.**

(a) Outdoor tire storage areas shall be screened from public view by a solid, opaque fence or wall with a minimum height of six (6) feet. One orderly display of less than ten (10) tires may be displayed for retail purposes.

(b) Any person violating the provisions of this section may be found guilty of a misdemeanor, and/or subject to additional enforcement action by the City. Upon conviction, the person found to be violating the provisions of this section shall be fined an amount not less than \$10.00 nor more than \$200.00. Each day that such violation continues shall be a separate offense.

# Racial Profiling Report | Full

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Agency Name: DAINGERFIELD POLICE DEPT.

Reporting Date: 01/07/2026

TCOLE Agency Number: 343201

Chief Administrator: TRACEY D CLIMER

Agency Contact Information:

Phone: (903) 645-2114

Email: tdc505@yahoo.com

Mailing Address:

101 LINDA DR, DAINGERFIELD, TX, 756382105

This Agency filed a full report

DAINGERFIELD POLICE DEPT. has adopted a detailed written policy on racial profiling. Our policy:

- 1) clearly defines acts constituting racial profiling;
- 2) strictly prohibits peace officers employed by the DAINGERFIELD POLICE DEPT. from engaging in racial profiling;
- 3) implements a process by which an individual may file a complaint with the DAINGERFIELD POLICE DEPT. if the individual believes that a peace officer employed by the DAINGERFIELD POLICE DEPT. has engaged in racial profiling with respect to the individual;
- 4) provides public education relating to the agency's complaint process;
- 5) requires appropriate corrective action to be taken against a peace officer employed by the DAINGERFIELD POLICE DEPT. who, after an investigation, is shown to have engaged in racial profiling in violation of the DAINGERFIELD POLICE DEPT. policy;
- 6) requires collection of information relating to motor vehicle stops in which a warning or citation is issued and to arrests made as a result of those stops, including information relating to:
  - a. the race or ethnicity of the individual detained;
  - b. whether a search was conducted and, if so, whether the individual detained consented to the search;
  - c. whether the peace officer knew the race or ethnicity of the individual detained before detaining that individual;
  - d. whether the peace officer used physical force that resulted in bodily injury during the stop;
  - e. the location of the stop;
  - f. the reason for the stop.
- 7) requires the chief administrator of the agency, regardless of whether the administrator is elected, employed, or appointed, to submit an annual report of the information collected under Subdivision (6) to:
  - a. the Commission on Law Enforcement; and
  - b. the governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

The DAINGERFIELD POLICE DEPT. has satisfied the statutory data audit requirements as prescribed in Article 2.133(c), Code of Criminal Procedure during the reporting period.



Executed by: Tracey Climer  
Chief of Police

Date: 01/07/2026

# Total stops: 654

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**Street address or approximate location of the stop**

City street	533
US highway	81
County road	2
State highway	32
Private property or other	6

**Was race or ethnicity known prior to stop?**

Yes	6
No	648

**Race / Ethnicity**

Alaska Native / American Indian	1
Asian / Pacific Islander	1
Black	194
White	420
Hispanic / Latino	38

**Gender**

<b>Female</b>	<b>278</b>
Alaska Native / American Indian	1
Asian / Pacific Islander	0
Black	90
White	169
Hispanic / Latino	18
<b>Male</b>	<b>376</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	1
Black	104
White	251
Hispanic / Latino	20

**Reason for stop?**

<b>Violation of law</b>	<b>28</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	11
White	16

Hispanic / Latino	1
<b>Preexisting knowledge</b>	<b>3</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	2
Hispanic / Latino	0
<b>Moving traffic violation</b>	<b>454</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	126
White	298
Hispanic / Latino	30
<b>Vehicle traffic violation</b>	<b>169</b>
Alaska Native / American Indian	1
Asian / Pacific Islander	1
Black	56
White	104
Hispanic / Latino	7
<b>Was a search conducted?</b>	
<b>Yes</b>	<b>3</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	2
Hispanic / Latino	0
<b>No</b>	<b>651</b>
Alaska Native / American Indian	1
Asian / Pacific Islander	1
Black	193
White	418
Hispanic / Latino	38
<b>Reason for Search?</b>	
<b>Consent</b>	<b>1</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	1

Hispanic / Latino	0		
<b>Contraband</b>	<b>0</b>		
Alaska Native / American Indian	0		
Asian / Pacific Islander	0		
Black	0		
White	0		
Hispanic / Latino	0		
<b>Probable</b>	<b>0</b>		
Alaska Native / American Indian	0		
Asian / Pacific Islander	0		
Black	0		
White	0		
Hispanic / Latino	0		
<b>Inventory</b>	<b>1</b>		
Alaska Native / American Indian	0		
Asian / Pacific Islander	0		
Black	0		
White	1		
Hispanic / Latino	0		
<b>Incident to arrest</b>	<b>1</b>		
Alaska Native / American Indian	0		
Asian / Pacific Islander	0		
Black	1		
White	0		
Hispanic / Latino	0		
<b>Was Contraband discovered?</b>			
<b>Yes</b>	<b>0</b>	<b>Did the finding result in arrest?</b>	
		(total should equal previous column)	
Alaska Native / American Indian	0	Yes 0	No 0
Asian / Pacific Islander	0	Yes 0	No 0
Black	0	Yes 0	No 0
White	0	Yes 0	No 0
Hispanic / Latino	0	Yes 0	No 0
<b>No</b>	<b>3</b>		
Alaska Native / American Indian	0		
Asian / Pacific Islander	0		
Black	1		
White	2		
Hispanic / Latino	0		



<b>Description of contraband</b>	
<b>Drugs</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Weapons</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Currency</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Alcohol</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Stolen property</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Other</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Result of the stop</b>	
Verbal warning	<b>0</b>

Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Written warning</b>	<b>512</b>
Alaska Native / American Indian	1
Asian / Pacific Islander	1
Black	136
White	347
Hispanic / Latino	27
<b>Citation</b>	<b>140</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	57
White	72
Hispanic / Latino	11
<b>Written warning and arrest</b>	<b>1</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	0
Hispanic / Latino	0
<b>Citation and arrest</b>	<b>1</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	1
Hispanic / Latino	0
<b>Arrest</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Arrest based on</b>	
Violation of Penal Code	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0

Black	0
White	0
Hispanic / Latino	0
<b>Violation of Traffic Law</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Violation of City Ordinance</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Outstanding Warrant</b>	<b>2</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	1
Hispanic / Latino	0
<b>Was physical force resulting in bodily injury used during stop?</b>	
<b>Yes</b>	<b>0</b>
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
<b>Resulting in Bodily Injury To:</b>	
Suspect	0
Officer	0
Both	0
<b>No</b>	<b>654</b>
Alaska Native / American Indian	1
Asian / Pacific Islander	1
Black	194
White	420
Hispanic / Latino	38

**Number of complaints of racial profiling**

Total	0
Resulted in disciplinary action	0
Did not result in disciplinary action	0

**Comparative Analysis**

Use TCOLE's auto generated analysis	<input type="checkbox"/>
Use Department's submitted analysis	<input checked="" type="checkbox"/>

**Optional Narrative**

N/A

Submitted electronically to the



The Texas Commission on Law Enforcement



# Racial Profiling Report | Exempt

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Agency Name: DAINGERFIELD FIRE DEPT.

Reporting Date: 01/02/2026

TCOLE Agency Number: 343301

Chief Administrator: JAMES F CORNELIUS

Agency Contact Information:

Phone: (903) 918-0090

Email: 127chief@gmail.com

Mailing Address:

101 Linda Dr., City Hall, DAINGERFIELD, TX, 756381704

## FULL EXEMPTION RACIAL PROFILING REPORT

Article 2.132 CCP Law Enforcement Policy on Racial Profiling a.) In this article:

1.) "Law enforcement agency" means an agency of the state, or of a county, municipality , or other political subdivision of the state, that employs peace officers who make traffic stops in the routine performance of the officers' official duties.

I certify it is not the policy of this agency to make traffic stops in the routine performance of the officers' official duties.

Executed by: Tracey Climer  
Chief of Police

Date: 01/02/2026

Submitted electronically to the



The Texas Commission on Law Enforcement

### Daingerfield Animal Shelter Statistics - January 2026

Species	Stray	Owner Surrender	Born At Shelter	Total Intake	Adopted	Rescued	Reclaimed	Euthanized	Relocated	Expired	Total Outcome	Total Left At Shelter	ACO Calls	Event Visitors	Total Visitors
Cats	5	0	0	5	1	0	0	0	0	0	1	6	6		
Dogs	1	0	0	1	1	0	0	0	0	0	1	12	3		
Other	0	0	0	0	0	0	0	0	0	0	0	0	15		
														0	32

## Daingerfield Animal Shelter Statistics - January 2026

Pet's Name	Intake Date	Species	Gender	Breed	Age On Intake	Disposition	Disposition Date	Notes
Galaxy	2/14/2024	Dog	Female	Husky Mix	3 Years	N/A	N/A	
Sausage	8/14/2024	Dog	Male	Mixed Breed	7 Weeks	N/A	N/A	
Olive	8/14/2024	Dog	Female	Mixed Breed	7 Weeks	N/A	N/A	
Holmes	8/20/2024	Dog	Male	Mixed Breed	9 Months	Adopted	1/13/2026	
Watson	8/20/2024	Dog	Male	Mixed Breed	9 Months	N/A	N/A	
Heathcliff	1/29/2025	Dog	Male	Border Collie Mix	3 Months	N/A	N/A	
Stanley	2/3/2025	Dog	Male	Mixed Breed	6 Weeks	N/A	N/A	
Phoebe	7/21/2025	Dog	Female	Catahoula Mix	7 Weeks	N/A	N/A	
Prue	7/21/2025	Dog	Female	Catahoula Mix	7 Weeks	N/A	N/A	
Josie	10/23/2025	Dog	Female	Mixed Breed	10 Months	N/A	N/A	
Rafa	11/17/2025	Dog	Male	Pit Bull Mix	3 Years	N/A	N/A	
Lumen	11/20/2025	Cat	Female	DSH (Black)	2 Years	Adopted	1/23/2026	
Leela	11/25/2025	Cat	Female	DSH (Black)	4 Months	N/A	N/A	
Mister	12/3/2025	Dog	Male	Lab Mix	2 Years	N/A	N/A	
Shiva	12/8/2025	Cat	Female	DSH (Gray)	2 Years	N/A	N/A	
Penny	1/16/2026	Dog	Female	Mixed Breed	2 Years	N/A	N/A	
N/A	1/30/2026	Cat	Female	DSH (Gray Tabby)	N/A	N/A	N/A	
N/A	1/30/2026	Cat	N/A	DSH (Gray Tabby)	7 Months	N/A	N/A	
N/A	1/30/2026	Cat	Female	DSH (Tabico)	7 Months	N/A	N/A	
N/A	1/30/2026	Cat	N/A	DSH (Gray Marble Tabby)	7 Months	N/A	N/A	
N/A	1/30/2026	Cat	N/A	DSH (Gray Marble Tabby)	7 Months	N/A	N/A	



## City Council Code Enforcement Report

January 2026

This report outlines recent activities and updates related to code enforcement within the city. Our efforts remain focused on maintaining the safety, health, and appearance of our community by ensuring compliance with local codes and ordinances.

### 1. Inspections Conducted

- Total Inspections: [70]
- Types of Inspections: unsanitary conditions/ inoperable vehicles/ substandard buildings
- Property maintenance: [45]
- Inoperable Vehicles [25]
- Signage: [6]
- Animal complaints: [10]
- Health and safety violations: [0]

### 2.. Actions Taken

- Warnings Issued: [17]
- Notices of Violation: [5]
- Citations Issued: [5]
- Compliance Achieved: [18]

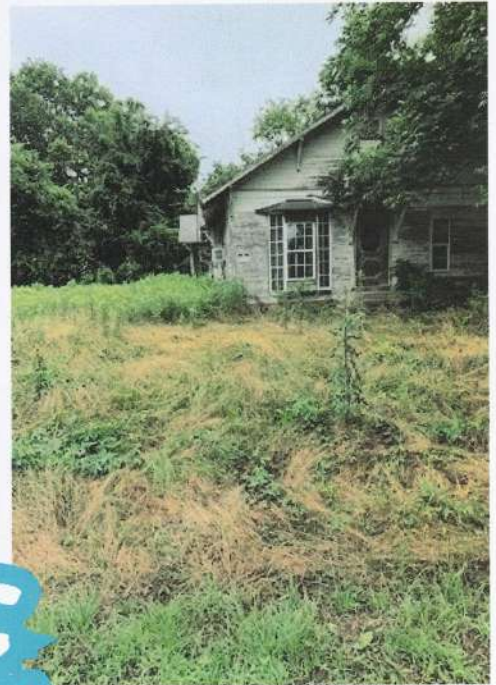
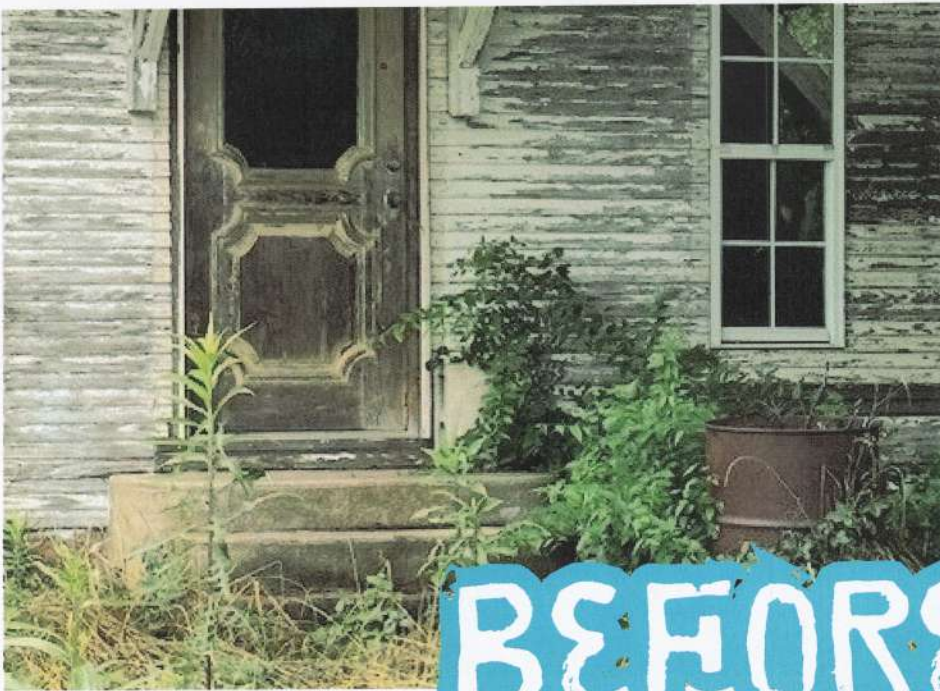
The Code Enforcement Department remains committed to upholding the city's standards and improving the quality of life for all residents. We appreciate the council's support and look forward to continuing our efforts to maintain a safe and attractive community.

Thank you for your attention to this report. I am happy to answer any questions or provide further details as needed.

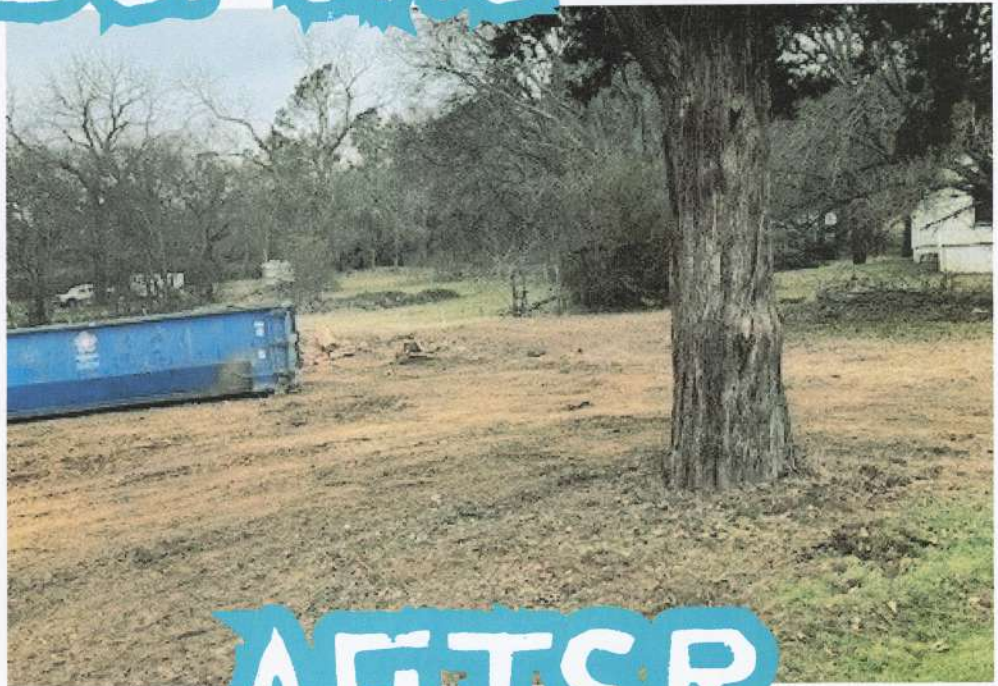
508 Taylor St. has been completed with abatement, 600 Ochiltree Is almost complete with abatement.



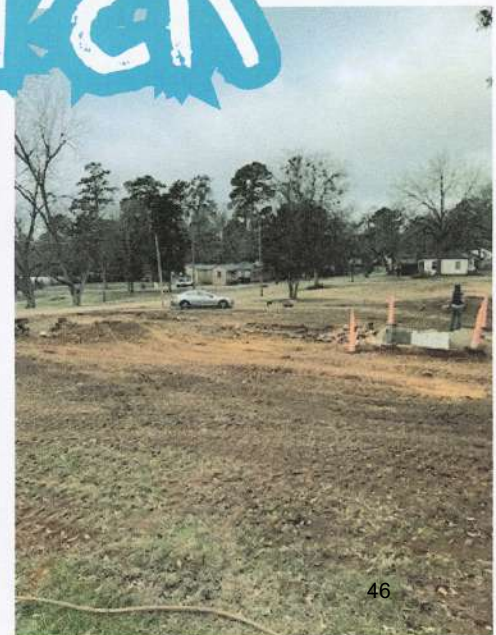




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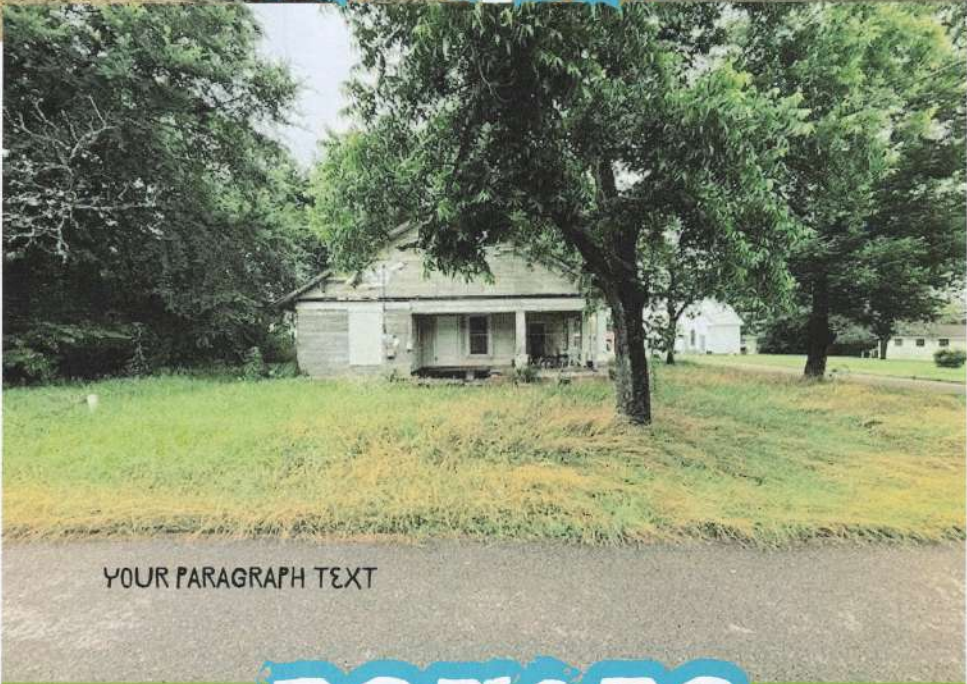
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AFTER



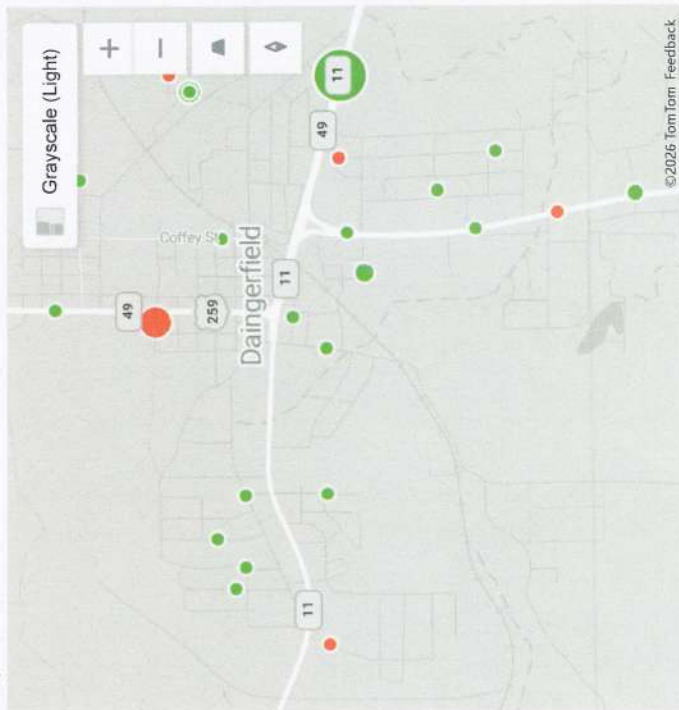
YOUR PARAGRAPH TEXT

BEFORE





## Map

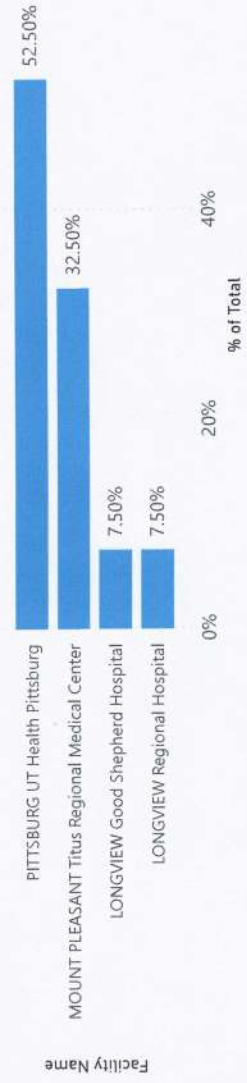


## Nature of Calls



ContractZone	Incidents	% of Total	Compliance %
<b>Daingerfield</b>	<b>50</b>	<b>100.00%</b>	<b>90.00%</b>
8:59 Emergency [539 secs]	50	100.00%	90.00%
Arrival-No Patient Contact			100.00%
Arrival-Refusal No Treatment	9	18.00%	100.00%
Arrival-Refusal with Treatment	1	2.00%	100.00%
Caller Request-Other			100.00%
Transferred to Hospital	40	80.00%	87.50%
<b>Total</b>	<b>50</b>	<b>100.00%</b>	<b>90.00%</b>

## Destinations



CTRL + click to select multiple contract zones

Contract Zone
Daingerfield

Trip Date
1/1/2026
1/31/2026

**Daingerfield Fire Department**  
**Activity Report October 2025 thru September 2026**

**December      Number of Calls: 22      YTD: 80**

<b>Date</b>	<b>Hours</b>	<b>Personnel</b>	<b>Remarks</b>	<b>Water Used</b>
1/1	5	5	Debri Fire	10
1/1	9	9	Grass Fire	300
1/1	5	5	Grass Fire      Assist Cason	800
1/2	7	7	Grass Fire	100
1/2	14	7	Brush Fire	1500
1/4	3	3	Lift Assist	0
1/5	11	11	Vehicle Crash	0
1/9	6	6	Vehicle Crash	0
1/12	4	4	Assist EMS	0
1/14	4	4	Assist EMS	0
1/14	2	2	Assist EMS	0
1/15	7	7	Assist EMS	0
1/16	24	12	Grass Fire      Assist Jenkins	3800
1/16	7	7	Grass Fire      Assist Jenkins	300
1/17	4	4	Assist EMS	0
1/21	5	5	Assist EMS	0
1/23	11	11	Vehicle Crash      Ice Storm	0
1/24	6	6	Lift Assist      Ice Storm	0
1/24	2	2	CO2 Detector      Ice Storm	0
1/27	4	4	Assist EMS      IceStorm	0
1/27	7	7	Vehicle Crash      Ice Storm	0
1/27	5	5	Assist EMS      Ice Storm	0

<b>Total Hours</b>	<b>152 YTD:</b>	<b>Personnel Responding:</b>	<b>133 YTD:</b>	<b>Water Used:</b>	<b>6810</b>
	<b>AVE:</b>		<b>8.75 YTD AVE:</b>		<b>9.05</b>

**Meeting/Training:**

<b>Date</b>	<b>Hours</b>	<b>Personnel</b>
1/8	8	4
1/13	42	21
1/15	6	3
1/17	15	5
1/22	8	4

			Cancelled due
1/27	0	0	to ice storm
1/29	8	4	
<b>Training HoursTotal:</b>			
	87	41	

**Public Relations**

Date	Hours	Personnel
	0	0

**Public Relations Hours Total:**

**Monthly Total Hours:** 239

**Calendar Year:**

City Responses	YTD	11
Outside City Responses	YTD	11
	<b>Total:</b>	<b>22</b>

## January 2026

Detailed Breakdown	
Audiobooks	0
Computer	48
DVDs	19
Games & Puzzles	2
Board Books	6
Graphic Novels	2
Easy Reader	4
Spanish	0
Children Fiction	17
Children NonFiction	0
Junior Fiction	11
Junior NonFiction	4
Classics	1
Young Adult Fiction	2
Adult Fiction	60
Adult NonFiction	6
Christian Fiction	8
Resource/Local Author	3
<b>Total</b>	<b>193</b>
<b>CYTD Total</b>	<b>193</b>

Questions from Patrons	
Month:	1
CYTD:	1
FYTD:	87

Basic Breakdown	
Audiobooks	0
Computer	48
DVDs	19
Games & Puzzles	2
Books	124
<b>Total</b>	<b>193</b>
<b>CYTD Total</b>	<b>193</b>

Totals	
Fax	\$23.00
Copies	\$159.40
Book Donations	\$20.00
Notary	\$8.00

Checkout Counts (includes renewals)	
Patron Category	
Adult	128
Juvenile	5
Young Adults	3
<b>Total</b>	<b>136</b>

New Patron Accounts	
Patron Category	Count
Adult	4
Juvenile	0
Young Adults	0
Renewal	19
<b>Total</b>	<b>23</b>

Total Visitors This Month: 381					Total FYTD: 4705
Monthly Breakdown:					
Age of activity	Activity	Number in Activity	CYTD	FYTD	
Birth - 5 years	Songs/Fingerplays, Games/Movement	7	7	33	
6 yrs - 11 yrs	Recycled Crafts, STEM	20	20	68	
12 yrs - 18 yrs			0	0	
Adult	Book Club	5	5	15	
General Public			0	352	
General Public	Summer Read		0	122	
General Public	Summer Programs		0	252	

Games and Puzzle counts are for those that played in the library; games and puzzles are not checked out. The noted book donation includes an amount for Thriftbooks. Weeded books were sold to Thriftbooks; money was credited to the account to use when purchasing books.



# Monthly Council Report

January 2026

Printed: 2/2/2026

## Cases Filed

Penal Count	3	Ordinance Count	4
Traffic Count	15	Parking Count	0
Other Count	2	STEP Count	0

Total Filed 24

## Amounts Collected

Tech Fund	\$ 46.95	Building Security Fund	\$ 57.51
State	\$ 957.00	Fine	\$ 1,570.99
City	\$ 884.65	Warrant Fee	\$ 124.70

Total Amount \$ 3,517.10

## Warrants

Issued	12	Recalled	2
Served	2	Outstanding Amount	\$ 430,479.88

Total Amount \$ 1,896.40

## Dispositions

Paid in Full	8	Credit for Time Served	4
Paid Partial	12	Dismissed	4
Appealed	0	Total Disposed	16

## Trials

Jury	0	Total	9
Bench	9		



## Citation Offense Count By Stop Type

Number of TRAFFIC Offenses (for *ALL*)		21
Number of CITATIONS		21
Speeding 11-15 (6011 - 3001)		4
Fail to Maintain Financial Responsibility (3049)		4
Unsanitary Conditions (202)		3
Inoperable Vehicle (203)		2
Speeding 15+ (6015 - 3001)		2
No Drivers License (3103)		2
Disregard Red Light (3007)		1
Possession Of Drug Paraphernalia (7000)		1
OPEN CONTAINER-Driver (3309)		1
Expired Motor Vehicle Registration (3656 - 3656)		1

Number of NON-TRAFFIC Offenses (for *ALL*)		3
Number of CITATIONS		3
Theft under100.00 First Offense (7012)		2
Public Intoxication 1st Offense (7005)		1

TRACEY CLIMER  
CHIEF OF POLICE



DEANNA HARRISON  
ADMINISTRATIVE ASSISTANT

Daingerfield Police Department  
101 LINDA DRIVE • DAINGERFIELD, TX 75638

**JANUARY 2026**

<b>CALLS OF SERVICE:</b>	<b>152</b>
<b>NUMBER OF TRAFFIC CONTACTS:</b>	<b>71</b>
<b>CRASH INVESTIGATIONS:</b>	<b>4</b>
<b>ARREST:</b>	<b>15</b>

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OFFICE (903) 645-2114 • DISPATCH (903) 645-2232 • FAX: (903) 645-3263

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**PUBLIC WORKS REPORT**  
**Report Period January 1<sup>st</sup> – 31<sup>st</sup>, 2026**

**Personnel**

- Number                    7 full-time Public Works employees. 1 full-time Parks
- Comments                \_\_\_\_\_

**Parks**

- Trash                    City park checked daily. Picked up trash off Hwy 259, Carpenter St, Coffey St, Short St, Hwy 11.
- Mowing                N/A
- Downtown Maintenance – N/A.
- Miscellaneous – N/A .

**Streets**

- Patching                Repaired Potholes on Carpenter St.
- Signage                N/A.
- Mowing                N/A
- Tree Trimming        Trimmed/ removed trees from around Irvin Park, Bert St, Nix St, Coffey St, Nichols St, Cason St, Walker St.
- Drainage                N/A.
- Miscellaneous        Prepping/ spreading salt preparing for Winter Storm Fern.

## Water

- Leak repairs
  - Service lines N/A
  - Main lines 2" main line 1305 Bert St, 6" to 2" main tap at Glenn St and Dale Ave, 8" main repair Peters St.
- Connections 41
- Disconnections 52
- Meter reading start/end 1/12/26
- Total meters read 1252
- Total customers billed 1073
- Re-reads/Leak Check 2
- Meters Replaced 0
- Pressure checks 0
- Taps installed 1 – had to re-tap line after water leak repair.
- Fire Hydrants
  - Repaired 0
  - Replaced 0
  - Flushed 28

## City Departmental Usage

- (See Attached Listing)



### Wastewater Treatment Plant

- Chlorine usage                      387lbs .
- Maintenance/Repairs              Contractors are working on racetrack and old clarifier. All four new aerators are now installed and working in race track. Clarifier has be rebuilt. Final walk through to ensure it is running properly is scheduled for 2/3/26.
- Non-Compliance                      Discharge numbers are within permit levels.
- Explanation                          N/A.
- **Waste Water Treated**
  - Beginning reading      194215
  - Ending reading          208762
  - Total treated              15.032 Million Gallons – AVG – 0.485 MGD
  - Rainfall                      4.3" \_
  - Sludge Removal          0 gallons

### Lift Station

- Maintenance                          Daily checks to ensure compliance and no pump issues. Weekly pulling of pumps at West Lift due to large amount of rags.
- Repairs                                  N/A.

### Sewer

- Number Calls                          7
- Sewer Repairs                          0
- Taps installed                          0

**Miscellaneous Matters**

**Dropped off four carts, Picked up 5 carts. Winterized buildings and pipes for Winter Storm Fern.**

**Water Accountability**  
**Report Period**  
**December 10th 2025 - January 10th**  
**2026**

<b>Location</b>	
City Hall/Police Department	2,800
Library	400
Fire Department	900
Public Works	1,400
Wastewater Treatment Plant	473,700
Roundabout/Coffey St.	300
City Park (sprinkler)	100
Dixie Youth Baseball	3,400
Animal Shelter	15,600
Total City Usage	498,600
Total Gallons Billed	6,747,100
Fire Fighting Gallons estimate	6,810
Line Flushing estimate	1,733,805
Leaks estimate 12/10 -1/10	387,360
Bulk Water - 12/10 -1/10	
	-
	-
	-
Total Gallons Used	9,373,675
Total Gallons Delivered	10,312,800
Difference	939,125
Percentage Unaccounted	9%

# City of Daingerfield

## Financial Status Report

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Reporting Period: January 31, 2026

Prepared for: City Council Meeting Packet

### Overview

This report provides a summary of the city's financial position for the fiscal year through January 2026. It includes revenue and expenditure figures for both the General Fund and Water & Sewer Fund, compares actual performance to budget targets, and highlights any notable trends.

### 1. Year-to-Date Revenue Summary

Category	YTD Actual	Budget	Remaining \$	Remaining %
General Revenue	\$1,553,543.17	\$2,835,788.00	\$1,282,244.83	45.22%
Water/Sewer	\$510,099.94	\$1,806,152.00	\$1,296,052.06	71.76%

As of January, revenues are tracking higher, reaching approximately 44.46% of the annual budget, while the target was 33.32%. *11.14% higher*)

### 2. Year-to-Date Net Cash Position

The table below shows the Year-to-Date (YTD) revenue and expenditure for the General Fund and the Water & Sewer Fund. The net cash position represents the surplus (or deficit) in each fund.

Fund	YTD Revenue	YTD Expenses	Net Position
General Fund	\$1,553,543.17	\$946,490.73	\$607,052.44
Water & Sewer	\$510,099.94	\$447,334.65	\$62,765.29

Both the General Fund and Water & Sewer Fund operate with a positive net cash position. This indicates healthy financial performance and budgetary control for the current fiscal year.

	CITY OF DAINGERFIELD			1/31/2026
CASH BALANCE SHEET				
TX HERITAGE Bank/Cypress/TexSTAR				
ACCOUNT NAME	BALANCE	RECEIPTS	DISBURSE	TOTALS
Consolidated - THB	\$ 721,148.81	\$ 363,245.19	\$ 339,864.83	\$ 744,529.17
TCDP Grant	\$ 202.09	\$ -	\$ -	\$ 202.09
RBEG LOAN FUND	\$ 157,258.17	\$ 4,980.60		\$ 162,238.77
RBEG-TYPE B	\$ 97,097.03	\$ 10,392.70		\$ 107,489.73
MCBS CHECKING	\$ 8,939.68	\$ 3.67		\$ 8,943.35
MCTF CHECKING	\$ 1,242.52	\$ 0.51		\$ 1,243.03
MCBS/MCTF-CONSOLIDATED	\$ 100.00			\$ 100.00
DDM CHECKING	\$ 735.19			\$ 735.19
CHILD SAFETY-SZ	\$ 2,239.27	\$ 0.92		\$ 2,240.19
ANIMAL SHELTER	\$ 11,762.29	\$ 7.25		\$ 11,769.54
HOTEL/MOTEL CHCK	\$ 49,693.18	\$ 2,615.69		\$ 52,308.87
PEG FEES SUDDNL	\$ 4,644.43	\$ 1.91	\$ -	\$ 4,646.34
LOCAL TRUANCY PREVENTION	\$ 759.84			\$ 759.84
HOME GRANT	\$ -			\$ -
TXCDBG GRANT	\$ -			\$ -
CITY PARK DONATION ACCOUNT	\$ 100.00			\$ 100.00
CYPRESS CD 02-1061	\$ 141,062.16		\$ -	\$ 141,062.16
4.25% 8/14/2026				
CYPRESS CD 01-1037	\$ 141,029.58		\$ -	\$ 141,029.58
4.25% 8/12/2026				
CYPRESS CD 01-1040	\$ 284,753.16		\$ -	\$ 284,753.16
4.0% 4/19/2026				
CYPRESS CD 01-1041	\$ 280,347.94	\$ 2,826.52	\$ -	\$ 283,174.46
4.0% 4/23/2026				
CYPRESS CD 02-1062	\$ 284,766.65		\$ -	\$ 284,766.65
4.0% 04/19/2026				
CYPRESS CD 02-1063	\$ 280,347.94	\$ 2,826.52	\$ -	\$ 283,174.46
4.50% 4/23/2026				
TexSTAR-01-1080	\$ 103,042.73	\$ 324.46		\$ 103,367.19
YIELD-3.7%				
TexSTAR-02-1080	\$ 414,666.51	\$ 1,305.68		\$ 415,972.19
YIELD- 3.7%				
TX HRTG C.O.B. # 2941	\$ 836,290.69	\$ -	\$ 836,190.69	\$ 100.00
TX HRTG C.O.B. # 2968	\$ 100.00			\$ 100.00
TX HRTG C.O.B. # 2984	\$ 73.00	\$ 9,477.43		\$ 9,550.43
TX HRTG C.O.B. # 2976	\$ 186,124.25	\$ -	\$ 186,024.25	\$ 100.00
TX HRTG C.O.B. #1606	\$ 100.00			\$ 100.00
TX HRTG C.O.B. #1614	\$ 9,676.49	\$ 1.06	\$ 9,565.00	\$ 112.55
TX HRTG DEBT SERVICE #1835	\$ 172,804.44	\$ 25,314.60		\$ 198,119.04
TX HRTG C.O.B. #2823	\$ 8,775.50	\$ -	\$ 8,675.50	\$ 100.00
TX HRTG C.O.B. #2831	\$ 100.00			\$ 100.00
TX HRTG C.O.B. #4249	\$ 3,550.00	\$ -	\$ 3,450.00	\$ 100.00
TX HRTG C.O.B. #4257	\$ 100.00			\$ 100.00
GRAND TOTAL	\$ 4,322,373.05	\$ 398,009.05	\$ 1,493,344.78	\$ 3,044,456.39
CD's Maturing 2026				
Pool Account- No Term				



REVENUE		ACTUAL vs. BUDGET YTD		31-Jan-26	2025-2026
G/L Code	Account	YTD Actual	Budget	Remaining \$	Remaining %
1	General Revenue	\$1,553,543.17	\$2,835,788.00	\$1,282,244.83	45.22%
2	Water/Sewer	\$510,099.94	\$1,806,152.00	\$1,296,052.06	71.76%
Total		\$2,063,643.11	\$4,641,940.00	\$2,578,296.89	55.54%

EXPENSES    ACTUAL vs. BUDGET YTD    31-Jan-26    2025-2026					
G/L Code	Account Title	YTD Actual	Budget	Remaining \$	Remaining %
101	Legislative	\$4,346.53	\$32,029.00	<div><div></div></div>	\$27,682.47 86.43%
110	Administration	\$148,676.94	\$478,905.00	<div><div></div></div>	\$330,228.06 68.95%
120	Library	\$20,033.12	\$69,954.00	<div><div></div></div>	\$49,920.88 71.36%
201	Judicial	\$16,265.83	\$61,826.00	<div><div></div></div>	\$45,560.17 73.69%
202	Police Department	\$188,990.29	\$710,445.00	<div><div></div></div>	\$521,454.71 73.40%
203	Code Enforcement	\$77,406.59	\$168,578.00	<div><div></div></div>	\$91,171.41 54.08%
204	Fire Department	\$138,965.62	\$161,003.00	<div><div></div></div>	\$22,037.38 13.69%
205	Animal Shelter	\$53,926.51	\$157,130.00	<div><div></div></div>	\$103,203.49 65.68%
301	Streets	\$174,263.30	\$694,754.00	<div><div></div></div>	\$520,490.70 74.92%
401	Sanitation	\$110,475.22	\$434,193.00	<div><div></div></div>	\$323,717.78 74.56%
602	City Park	\$13,140.78	\$147,062.00	<div><div></div></div>	\$133,921.22 87.94%
601	Water	\$258,186.38	\$1,118,658.00	<div><div></div></div>	\$860,471.62 76.92%
608	Sewer	\$189,148.27	\$407,312.00	<div><div></div></div>	\$218,163.73 53.56%
Total		\$1,393,825.38	\$4,641,849.00	\$3,248,023.62	69.97%

# Expenses over \$5,000 -JAN 31,2026

Invoice Date	Check Amount	Payee	Method of Distribution	Budgeted	Notes
1/28/2026	\$ (10,392.70)	SALES TAX-TYPE B-INTERNET TRANSFER FROM CHK 7387 TO CHK 2408 5204382	BANK TRANSFER	Y	TRANSFER TO EDC TYPE B - SALES TAX
1/27/2026	\$ (24,449.06)	DEBT SERVICE-INTERNET TRANSFER FROM CHK XXXXX387 TO CHK XXXXX835 6817816	BANK TRANSFER	Y	TRANSFER TO DEBT SERVICE ACCOUNT
1/23/2026	\$ (8,738.69)	IRS USATAXPYMT	EFT	Y	PAYROLL TAXES
1/22/2026	\$ (28,413.89)	CITY OF DANGERFIELD PAYROLLDD	BANK DRAFT	Y	PAYROLL
1/20/2026	\$ (15,812.45)	CK # 63250	CHECK	Y	D&D SERVICES - PROPERTY ABATEMENT
1/20/2026	\$ (8,491.25)	ENTERPRISE FM TR DIRECT PAY	EFT	Y	LEASED VEHICLES
1/15/2026	\$ (36,077.81)	REPUBLICS SERVICES RSIBILLPAY	EFT	Y	TRASH SERVICES
1/14/2026	\$ (13,000.00)	CK # 63237	CHECK	Y	MIKE WARD- ANNUAL AUDIT
1/13/2026	\$ (36,669.00)	CK # 63227	CHECK	Y	NETMWD- TREATED WATER
1/13/2026	\$ (5,332.29)	CK # 63181	CHECK	Y	SWPCO- PUMPS- ELECTRIC
1/12/2026	\$ (17,900.00)	CK # 63221	CHECK	Y	H.H. HOWARD - ROAD AT WEST LIFT
1/8/2026	\$ (6,478.25)	CK # 63212	CHECK	Y	D&D SERVICES - PROPERTY ABATEMENT
1/8/2026	\$ (8,714.07)	IRS USATAXPYMT	EFT	Y	PAYROLL TAXES
1/8/2026	\$ (15,224.54)	33531 CURATIVE AD PAYMENT	EFT	Y	HEALTH INSURANCE
1/8/2026	\$ (28,529.52)	CITY OF DANGERFIELD PAYROLLDD	BANK DRAFT	Y	PAYROLL
1/2/2026	\$ (8,917.02)	TMRIS PAYROLL	EFT	Y	RETIREMENT
	\$ (272,140.54)				



CITY OF DAINGERFELD  
SALES TAX

	2025-2026	2024-2025	2023-2024	2022-2023	2021 - 2022	2020 - 2021	2019 - 2020	2018 - 2019	2017 - 2018	2016 - 2017	2015-2016
OCT	\$ 63,194.06	\$ 55,429.39	\$ 55,701.94	\$ 48,112.35	\$ 51,443.59	\$ 41,142.45	\$ 34,761.49	\$ 35,300.59	\$ 36,337.88	\$ 35,441.70	\$ 31,704.23
NOV	\$ 62,709.37	\$ 53,497.67	\$ 49,803.84	\$ 45,806.14	\$ 46,197.98	\$ 35,612.60	\$ 31,359.30	\$ 33,270.36	\$ 33,577.76	\$ 39,876.78	\$ 33,968.53
DEC	\$ 62,356.17	\$ 52,247.12	\$ 51,876.11	\$ 50,182.69	\$ 42,117.81	\$ 37,318.54	\$ 34,762.48	\$ 34,702.95	\$ 36,175.21	\$ 35,973.52	\$ 34,089.97
JAN		\$ 70,407.91	\$ 60,657.95	\$ 66,134.84	\$ 66,649.73	\$ 48,088.61	\$ 42,764.34	\$ 39,807.70	\$ 37,709.62	\$ 34,861.36	\$ 31,676.77
FEB		\$ 48,689.48	\$ 51,370.90	\$ 52,483.27	\$ 47,851.50	\$ 39,490.77	\$ 34,291.95	\$ 31,283.74	\$ 35,127.25	\$ 46,094.85	\$ 64,074.18
MAR		\$ 49,537.71	\$ 47,562.15	\$ 48,145.56	\$ 41,993.69	\$ 36,435.54	\$ 31,536.80	\$ 34,701.53	\$ 31,673.08	\$ 34,438.07	\$ 27,272.25
APRIL		\$ 63,543.20	\$ 56,519.81	\$ 57,440.64	\$ 63,486.11	\$ 53,557.35	\$ 41,293.43	\$ 35,680.32	\$ 39,677.01	\$ 31,459.64	\$ 34,548.22
MAY		\$ 62,214.00	\$ 56,025.91	\$ 57,699.79	\$ 44,380.90	\$ 48,081.93	\$ 44,606.19	\$ 34,907.70	\$ 32,406.71	\$ 41,223.85	\$ 56,468.45
JUNE		\$ 61,142.04	\$ 53,372.33	\$ 44,148.01	\$ 44,395.41	\$ 44,089.79	\$ 39,446.15	\$ 33,957.00	\$ 36,456.88	\$ 34,687.58	\$ 31,820.67
JULY		\$ 63,656.52	\$ 65,371.82	\$ 63,081.26	\$ 53,757.11	\$ 50,913.19	\$ 46,885.21	\$ 40,559.24	\$ 37,165.13	\$ 37,155.79	\$ 36,660.64
AUG		\$ 58,690.67	\$ 51,869.36	\$ 50,077.31	\$ 50,099.53	\$ 45,473.20	\$ 45,864.91	\$ 40,854.16	\$ 31,930.61	\$ 41,511.29	\$ 50,345.73
SEPT.		\$ 53,787.94	\$ 53,042.76	\$ 52,483.12	\$ 47,786.30	\$ 43,148.35	\$ 36,962.28	\$ 31,329.20	\$ 31,432.68	\$ 32,602.90	\$ 39,033.77
	\$ 188,259.60	\$ 692,843.65	\$ 653,174.88	\$ 635,794.98	\$ 600,159.66	\$ 523,352.32	\$ 464,534.53	\$ 426,354.49	\$ 419,669.82	\$ 445,327.33	\$ 471,663.41

% Increase/decrease from previous Year	6.07%	2.73%	5.93%	14.68%	12.67%	8.95%	1.59%	-5.74%	-5.58%	11.73%
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RURAL BUSINESS ENTERPRISE GRANT						
		January 1, 2026				
LOANS						
Name	LOAN DATE	Loan Matures	Loan Amount	Payment Amount	Delinquent	NOTES
Chris Smith	10/16/2015	11/25/2025	\$ 32,000.00	\$ 301.66		PAID OFF
Chris Smith-TexSTAR Properties	1/1/2019	1/1/2029	\$ 75,000.00	\$ 708.00		\$ 25,063.04
Chris Smith-TexSTAR Properties #2	7/27/2021	7/27/2031	\$ 76,884.00	\$ 725.00		Paid by Georgia Nava
Austin Luxury Realty	10/15/2021	10/15/2031	\$ 43,000.00	\$ 405.00		\$ 25,949.55
Morris Pharmacy Sean Family Realty	2/15/2022	2/15/2032	\$ 80,000.00	\$ 755.99		\$ 46,433.95
Marty Walker Realty	8/24/2022	8/24/2032	\$ 75,000.00	\$ 707.02		\$ 52,044.94
Start2Finish	12/1/2022	12/1/2027	\$ 35,000.00	\$ 621.16		\$ 14,526.37
Lindberge Construction	9/26/2024	9/26/2034	\$ 75,000.00	\$ 707.02		\$ 65,675.50
Chism Investments	1/1/2025	1/1/2035	\$ 49,000.00	\$ 462.00		One Payment Behind
Outstanding Loan Balance						\$ 320,924.48
BANK STATEMENT						
Revolving Loan Fund						
Beginning Balance			\$ 157,258.17			
Deposits for the month			\$ 4,783.06			
Interest			\$ 197.54			
Expenses for the month						
Bank Balance as of 1/31/2026			\$ 162,238.77			
EDC TYPE A Account						
Beginning Balance			\$ 5,255.35			
Deposits						
Interest						
Expenses						
Bank Balance as of 1/31/2026			\$ 5,255.35			
EDC TYPE B Account						
Beginning Balance			\$ 97,097.03			
Deposits						
Interest			\$ 10,392.70	Sales Tax		
Expenses						
Balance as of 1/31/2026			\$ 107,489.73			

\*\* Payroll Expenses will be reimbursed to City in one end of year transaction.

Minutes of Regular Meeting  
Northeast Texas Municipal Water District  
Board of Directors  
December 29, 2025 – 10:00 a.m.

The Board of Directors of the Northeast Texas Municipal Water District met in an open meeting on Tuesday, December 29, 2025, at 10:00 A.M. The meeting was held at Northeast Texas Municipal Water District's Executive Office located at 4180 Farm Road 250, Hughes Springs, Texas 75656. Notice of the meeting was legally posted. A quorum was present. An opportunity was provided for public comments before any action was taken by the Board of Directors.

Present:      Jack Salmon                      -      City of Avinger  
                  Robyn Shelton                   -      City of Hughes Springs  
                  Dennis Hammond                   -      City of Lone Star  
                  Jimmy E. Cox                           -      City of Ore City  
                  Patrick Smith                           -      City of Pittsburg

Staff:           Osiris Brantley                   -      NETMWD  
                  Dominik Sobieraj                   -      NETMWD  
                  Aracely Reyes                       -      NETMWD

President Jimmy Cox called the meeting to order at 10:00 A.M. Jack Salmon gave the invocation. Mr. Cox led the directors in the Pledge of Allegiance to the United States and Texas flags.

On a motion by Dennis Hammond and a second by Robyn Shelton, minutes of the November 24, 2025, meeting were approved. Motion carried, all voting aye.

Jack Salmon made a motion to approve the monthly investment report, to approve financial reports on all current accounts and funds, and to pay invoices for professional services. Dennis Hammond seconded the motion. Motion carried, all voting aye.

Dominik Sobieraj gave the Operations Manager report:

**Operations and Maintenance Report**

Raw water quality is challenging to moderate. Alum dosages are stable between 50mg/l and 65mg/l.

**Pittsburg Water Treatment Plant**

- **Water Treatment and Process Control:**
  - Finished TCEQ routine inspection.
    - Awaiting exit interview report.

**Tanner Water Treatment Plant and System-Wide Activities**

- **Master Flow Meter Replacement:**
  - Installed a new 24-inch mag flow meter on the raw water main at Tanner Plant.
    - Meter accidentally damaged by contractor during installation.
    - Contractor purchasing a new meter.
- **Capital Improvement Projects (CIP 25/26):**
  - Finished raw water intake dredging.
    - Completed north and south gates sedimentation removal.
    - Cleaned out the dry shore in front of the intake.
    - Moved wet sludge into the upper lagoon and drying fields.
  - Finished new VFD electrical room for raw water pump #3.
- **Process Optimization and Maintenance:**
  - Continuing to address organic content in source water.
    - Continuing to lower chlorine dosages.
    - Working on fine-tuning the chlorine to ammonia ratio.
    - Preparing for basin wash rotation.

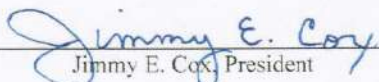


During the General Manager's report, Osiris Brantley updated the Board on Luminant. Their continued work on the pit's bank caused a minor delay on water quality testing. The Corps of Engineers invoice was received and compared to budget. Mrs. Brantley informed the Board that audit fieldwork had been conducted the week before, and auditors would present their findings at the January board meeting.

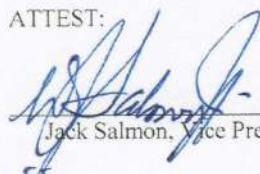
On a motion by Dennis Hammond and a second by Robyn Shelton, the next meeting of the Board of Directors was set for January 26, 2026. Motion carried, all voting aye.

The Board of Directors meeting was adjourned at 10:20 A.M. on a motion by Patrick Smith with a second from Dennis Hammond. Motion carried, all voting aye.

APPROVED:

  
Jimmy E. Cox, President

ATTEST:

  
Jack Salmon, Vice President

**Northeast Texas Municipal Water District**  
**Financial Statements**  
**And Independent Auditor's Report**  
**For the years ended September 30, 2025 and 2024**

**Northeast Texas Municipal Water District**  
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ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS       :  
                                     :  
COUNTY OF MORRIS       :

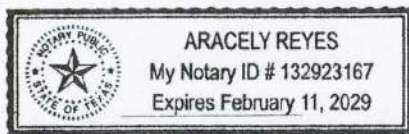
I, Osiris Brantley, General Manager of the Northeast Texas Municipal Water District hereby swear, or affirm, that the District named above has reviewed and approved at a meeting of the Board of Directors of the District on the 2nd day of February, 2026, its annual audit report for the fiscal year or period ended September 30, 2025, and that copies of the annual audit report have been filed in the District office, located at Highway 250, Hughes Springs, Texas.

The annual filing affidavit and the attached copy of the annual audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code.

Date: February 2, 2026  
By: \_\_\_\_\_

  
Osiris Brantley, General Manager

Sworn to and subscribed to before me this 2nd day of February, 2026.



(SEAL)

  
(Signature of Notary)

My Commission Expires On: February 11, 2029, Notary Public in and for the State of Texas.



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Northeast Texas Municipal Water District  
Hughes Springs, Texas

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities and each major fund of Northeast Texas Municipal Water District as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District'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 business-type activities and each major fund of the District, as of September 30, 2025 and 2024, and the respective changes in financial position, and, 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 audits 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 the District 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.

#### *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 States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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 the District's internal control. Accordingly, no such opinion is expressed.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and net pension liability and contributions to TRS on pages 4-7 and 29 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 audits 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental section as listed in the table of contents is presented for purposes of additional analysis and is 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 America. In our opinion, the supplemental section is 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 December 17, 2025, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

**Arnold, Walker, Arnold & Co., P.C.**

Arnold, Walker, Arnold & Co., P.C.

December 17, 2025

**Northeast Texas Municipal Water District  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Northeast Texas Municipal Water District was created in 1953 and performs two primary purposes. One purpose is to assure a sufficient supply of water for Northeast Texas. A second purpose is to assure water quality in the Cypress Creek Basin. During the time from October 1, 2024, to September 30, 2025, significant activities occurred in furtherance of each of these purposes. During this time, the District had a net position of \$28.1 million dollars and operating income was \$3.2 million.

Financial Highlights

For September 30, 2025

- The total assets and deferred outflows related to TCDRS pension and debt refunding of the District are \$45.2 million.
- The total liabilities and deferred inflows related to TCDRS are \$17.1 million.
- The total net position of the District increased by \$3.0 million as compared to an increase of \$2.2 million the prior year from net income. The larger increase than the previous year is due to a decrease in costs of contracted services, debt service, accretion on capital appreciation bonds, and a larger increase to revenue mainly due to increased rates.
- The District was required to record its portion of the net pension asset/liability as per Governmental Accounting Standards Board (GASB) Statement number 68. The District is overfunded with a net pension asset of \$697 thousand and deferred outflows of resources of \$173 thousand related to TCDRS and deferred inflows of resources of \$111 thousand, an increase of \$27 thousand.

Overview of the Financial Statements

This section is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are: 1) Balance Sheet; 2) Statement of Revenues, Expenses, and Changes in Fund Net Position; and, 3) Statement of Cash Flows.

The Balance Sheet indicates the financial condition at the end of the fiscal year expressed in terms of assets, liabilities, and net position. The Statement of Revenues, Expenses, and Changes in Net Position indicates the effect of activities during the fiscal year. Statement of Cash Flows indicates the effect that activities have had on the cash position of the District over the fiscal year.

Some of the information in the basic statements has been separated by enterprise. Concerning this separation, please be aware that water production has been separately identified in some of these statements.

The District provides water in two ways. One way is to make the water available in a raw or unimproved condition. A second way that water is made available is in a potable condition. The information in the financial statements labeled "Regional Water Supply System" or "RWSS" is information related to the operations where water is made potable and then sold on a wholesale basis. The District operates two regional water treatment plants that change the water from its natural condition to a condition usable for municipal and industrial consumption. The District developed and operates a regional water project serving needs in areas that are south and west of Lake O' the Pines. The financial information labeled "Lake O' the Pines South Side" or "LOPSS" refers to that regional project that primarily serves Tryon Road SUD, Diana SUD, and Ore City.

The financial information under the label of "Primary Water District" is information pertaining to the overall administration of the District, raw water sales, and efforts to assure water quality. To assure water quality, the District has several active programs. Some of these programs are principally funded by grants from the Texas Commission on Environmental Quality (TCEQ), the Texas State Soil and Water Conservation Board (TSSWCB) or funded by contributions from other sources. The District performed all of the tasks associated with the Onsite Septic Facilities Program (OSSF) in the counties of Upshur, Marion, Morris, and Cass for the audited year. In the audited year, the District continued a significant multi-year effort related to reducing nutrient loading in the Cypress Creek Basin.

**Northeast Texas Municipal Water District  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Overview of Financial Activities and Analysis**

To begin our analysis, a summary of the District's Statement of Net Position and Statement of Revenues, Expenses, and Changes in Fund Net Position is presented.

	The District's Net Position Business-Type Activities	
	2025	2024
Current and other assets	8,579,542	6,462,119
Capital and non-current assets	35,608,255	36,048,424
Net pension asset	697,183	534,588
<b>TOTAL ASSETS</b>	<b>44,884,980</b>	<b>43,045,131</b>
Deferred Outflow related to TCDRS and debt refunding	345,903	546,427
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>345,903</b>	<b>546,427</b>
Long-term liabilities	15,339,724	16,743,464
Other liabilities	1,680,753	1,674,872
Net pension liability	-	-
<b>TOTAL LIABILITIES</b>	<b>17,020,477</b>	<b>18,418,336</b>
Deferred Inflow related to TCDRS	111,474	84,028
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b>111,474</b>	<b>84,028</b>
Invested in capital assets, net of related debt	20,269,481	19,651,086
Restricted/reserved	2,256,000	2,195,775
Unrestricted	5,573,451	3,242,333
<b>TOTAL NET POSITION</b>	<b>28,098,932</b>	<b>25,089,194</b>

	The District's Changes in Net Position Business-Type Activities	
	2025	2024
<b>Revenues</b>		
Raw water sales	3,098,890	2,922,052
Treated water sales	4,987,769	4,351,029
State grants	147,052	193,157
Other grants	3,572	3,435
Investment income	227,382	246,348
Other	258,511	154,564
<b>Total revenues</b>	<b>8,723,176</b>	<b>7,870,585</b>
<b>Expenses</b>		
Personnel	1,616,313	1,568,642
Supplies	583,708	572,755
Maintenance	469,630	603,687
Contractual services	961,833	850,796
Depreciation	1,218,845	1,180,003
State grant programs	127,210	113,234
Other grant expenses	-	1,270
Interest expense (A)	735,899	745,534
<b>Total expenses</b>	<b>5,713,438</b>	<b>5,635,921</b>
Increase (decrease) in net assets before transfers	3,009,738	2,234,664
Transfers (net)	-	-
<b>Increase (decrease) in net position</b>	<b>3,009,738</b>	<b>2,234,664</b>
<b>Beginning net position</b>	<b>25,089,194</b>	<b>22,854,530</b>
<b>Ending net position</b>	<b>28,098,932</b>	<b>25,089,194</b>

(A) Interest accretion on capital appreciation bonds was \$232 thousand in fiscal year 2024 and was \$132 thousand in fiscal year 2025.

**Northeast Texas Municipal Water District  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Raw water revenue slightly increased from the previous year to a contracted rate increase. No new customers of raw water were added during the fiscal year. The revenues from most of the raw water contracts are more influenced by the amount reserved rather than the amount actually diverted. Treated water revenue increased due to a rate increase for both member cities as well as non-member customers. Production at the Tanner Plant which serves both LOPSS and RWSS exceeded 1.043 billion gallons in fiscal year 2025. Treated water sales are usually affected by weather conditions. According to the U.S. Army Corps of Engineers, rainfall at Lake O' the Pines in fiscal year 2025 was about 55.61 inches, compared to 27.47 inches in 2024. The shared production expenses for treated water produced by the Tanner Plant continue to have beneficial effects on RWSS and LOPSS.

Capital Assets And Debt Administration

Capital Assets

	District's Capital Assets (in thousands of dollars)	
	2025	2024
Non-depreciable:		
Land and right-of-way	1,462	1,462
Water rights	1,753	1,753
Depreciable:		
Water treatment plants	28,155	27,713
Water lines and intake structures	25,497	25,400
Buildings	757	749
Other	3,686	3,454
Less accumulated depreciation:	(25,702)	(24,483)
	<u>35,608</u>	<u>36,048</u>

The District added \$779 thousand of new assets in fiscal year 2025.

Long-Term Debt

	District's Long-Term Debt (in thousands of dollars)	
	2025	2024
Bonds payable	<u>15,166</u>	<u>16,397</u>

\$1.5 million of debt principal was retired in the current year.

**Northeast Texas Municipal Water District  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Economic Factors and Next Year's Budget

The adopted 2025/2026 Budget anticipates no changes in rates. Treated water per thousand gallons will continue to be \$3.40 for member cities and \$5.08 for non-member customers. The district will continue to make capital improvements to its raw water delivery systems, water treatment plants and treated water transmission systems, to assure reliable provision of the highest water quality drinking water at the lowest possible cost. The budget anticipates over \$1.5 million in capital infrastructure projects. Looking ahead, the treated water rates will continue to be adjusted to address revenue sufficiency and maintenance of adequate operational and emergency reserves.

Request for Information:

This financial report is designed to provide a general overview of the District's finances for those with an interest in the District's activities. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Northeast Texas Municipal Water District, PO Box 955, Hughes Springs, TX 75656.



## BASIC FINANCIAL STATEMENTS

**Northeast Texas Municipal Water District**  
**STATEMENTS OF NET POSITION—PROPRIETARY FUNDS**  
As of September 30, 2025 and 2024

	Primary		Enterprise Funds	
	Water District		Regional Water Supply System	
	2025	2024	2025	2024
<b>ASSETS</b>				
Current assets				
Cash on hand and in bank	548,015	350,385	795,016	219,942
Investments	2,983,837	1,651,625	-	-
Receivables:				
Water sales	246,449	386,446	364,436	227,582
Grants receivable	27,309	27,628	-	-
Interfund receivable	-	-	85,814	85,814
Inventory	-	-	-	64,686
Total current assets	<u>3,805,610</u>	<u>2,416,084</u>	<u>1,245,266</u>	<u>598,024</u>
Non-current assets				
Restricted cash in bank	-	-	114,250	115,697
Restricted investments	-	-	1,965,504	1,930,652
Utility deposits	50	50	-	-
Capital assets	5,221,058	5,212,832	35,249,692	34,581,869
Less: accumulated depreciation	(1,499,693)	(1,432,612)	(18,287,557)	(17,517,982)
Net pension asset	320,704	251,256	250,986	192,452
Total non-current assets	<u>4,042,119</u>	<u>4,031,526</u>	<u>19,292,875</u>	<u>19,302,688</u>
Total assets	<u>7,847,729</u>	<u>6,447,610</u>	<u>20,538,141</u>	<u>19,900,712</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflow of resources related to TCDRS	79,506	94,142	62,222	72,109
Deferred outflow related to debt refunding	-	-	-	-
Total deferred outflows of resources	<u>79,506</u>	<u>94,142</u>	<u>62,222</u>	<u>72,109</u>
<b>LIABILITIES</b>				
Current liabilities				
Current portion of bonds payable	-	-	155,000	155,000
Accounts payable	60,951	54,451	5,773	4,413
Accrued expenses	2,038	2,807	10,615	11,233
Interfund payable	-	-	1,194,470	1,194,470
Unearned revenues:				
Water sales	235,499	235,304	-	-
Other	-	-	-	-
Total current liabilities	<u>298,488</u>	<u>292,562</u>	<u>1,365,858</u>	<u>1,365,116</u>
Non-current liabilities				
Accrued expenses	-	-	26,500	26,500
Bonds payable	-	-	1,240,000	1,395,000
Net pension liability	-	-	-	-
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>1,266,500</u>	<u>1,421,500</u>
Total liabilities	<u>298,488</u>	<u>292,562</u>	<u>2,632,358</u>	<u>2,786,616</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow of resources related to TCDRS	51,278	39,493	40,131	30,250
Total deferred inflows of resources	<u>51,278</u>	<u>39,493</u>	<u>40,131</u>	<u>30,250</u>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	3,721,365	3,780,221	15,567,135	15,513,887
Restricted for debt service	-	-	2,079,754	2,046,349
Restricted for other purposes	-	-	-	-
Unrestricted	3,856,104	2,429,476	280,985	(404,281)
Total net position	<u>7,577,469</u>	<u>6,209,697</u>	<u>17,927,874</u>	<u>17,155,955</u>

The accompanying notes are an integral part of these statements.

Lake O' the Pines South Side		Total Proprietary Funds	
2025	2024	2025	2024
500	500	1,343,531	570,827
-	-	2,983,837	1,651,625
163,540	143,030	774,425	757,058
-	-	27,309	27,628
1,108,656	1,108,656	1,194,470	1,194,470
-	-	-	64,686
<u>1,272,696</u>	<u>1,252,186</u>	<u>6,323,572</u>	<u>4,266,294</u>
176,216	149,426	290,466	265,123
-	-	1,965,504	1,930,652
-	-	50	50
20,839,528	20,736,951	61,310,278	60,531,652
(5,914,823)	(5,532,634)	(25,702,073)	(24,483,228)
125,493	90,880	697,183	534,588
<u>15,226,414</u>	<u>15,444,623</u>	<u>38,561,408</u>	<u>38,778,837</u>
<u>16,499,110</u>	<u>16,696,809</u>	<u>44,884,980</u>	<u>43,045,131</u>
31,111	34,051	172,839	200,302
173,064	346,125	173,064	346,125
<u>204,175</u>	<u>380,176</u>	<u>345,903</u>	<u>546,427</u>
1,326,345	1,382,045	1,481,345	1,537,045
145,907	144,307	212,631	203,171
-	1,387	12,653	15,427
-	-	1,194,470	1,194,470
-	-	235,499	235,304
-	-	-	-
<u>1,472,252</u>	<u>1,527,739</u>	<u>3,136,598</u>	<u>3,185,417</u>
-	-	26,500	26,500
12,617,379	13,811,419	13,857,379	15,206,419
-	-	-	-
<u>12,617,379</u>	<u>13,811,419</u>	<u>13,883,879</u>	<u>15,232,919</u>
<u>14,089,631</u>	<u>15,339,158</u>	<u>17,020,477</u>	<u>18,418,336</u>
20,065	14,285	111,474	84,028
<u>20,065</u>	<u>14,285</u>	<u>111,474</u>	<u>84,028</u>
980,981	356,978	20,269,481	19,651,086
-	-	2,079,754	2,046,349
176,246	149,426	176,246	149,426
1,436,362	1,217,138	5,573,451	3,242,333
<u>2,593,589</u>	<u>1,723,542</u>	<u>28,098,932</u>	<u>25,089,194</u>

**Northeast Texas Municipal Water District**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION—PROPRIETARY FUNDS**  
For the years ended September 30, 2025 and 2024

	Primary Water District		Enterprise Funds	
			Regional Water Supply System	
	2025	2024	2025	2024
<b>OPERATING REVENUES</b>				
Raw water sales	3,098,890	2,922,052	-	-
Treated water sales	-	-	2,855,596	2,152,841
State grants	147,052	193,157	-	-
Other grants	3,572	3,435	-	-
Total operating revenues	<u>3,249,514</u>	<u>3,118,644</u>	<u>2,855,596</u>	<u>2,152,841</u>
<b>OPERATING EXPENSES</b>				
Personnel	740,479	651,215	592,867	587,462
Supplies	25,434	26,020	306,670	319,112
Maintenance	390,114	528,469	50,988	50,830
Contractual services	464,563	476,884	314,994	264,115
Depreciation	67,081	66,659	769,575	733,418
State grant programs	127,210	113,234	-	-
Other grant programs	-	1,270	-	-
Total operating expenses	<u>1,814,881</u>	<u>1,863,751</u>	<u>2,035,094</u>	<u>1,954,937</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,434,633</u>	<u>1,254,893</u>	<u>820,502</u>	<u>197,904</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income, net	137,924	140,012	89,458	106,336
Interest expense and debt fees	-	-	(87,703)	(102,880)
Other	238,047	137,667	5,464	1,897
Total non-operating revenues (expenses)	<u>375,971</u>	<u>277,679</u>	<u>7,219</u>	<u>5,353</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>1,810,604</u>	<u>1,532,572</u>	<u>827,721</u>	<u>203,257</u>
<b>TRANSFERS, NET</b>	<u>(442,832)</u>	<u>(1,173,752)</u>	<u>(55,802)</u>	<u>645,962</u>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<u>1,367,772</u>	<u>358,820</u>	<u>771,919</u>	<u>849,219</u>
<b>NET POSITION (DEFICIT) at beginning of year</b>	<u>6,209,697</u>	<u>5,850,877</u>	<u>17,155,955</u>	<u>16,306,736</u>
<b>NET POSITION (DEFICIT) at end of year</b>	<u><u>7,577,469</u></u>	<u><u>6,209,697</u></u>	<u><u>17,927,874</u></u>	<u><u>17,155,955</u></u>

The accompanying notes are an integral part of these statements.

Lake O' the Pines South Side		Total Proprietary Funds	
2025	2024	2025	2024
-	-	3,098,890	2,922,052
2,132,173	2,198,188	4,987,769	4,351,029
-	-	147,052	193,157
-	-	3,572	3,435
<u>2,132,173</u>	<u>2,198,188</u>	<u>8,237,283</u>	<u>7,469,673</u>
282,967	290,045	1,616,313	1,528,722
251,604	227,623	583,708	572,755
28,528	24,388	469,630	603,687
182,276	149,717	961,833	890,716
382,189	379,926	1,218,845	1,180,003
-	-	127,210	113,234
-	-	-	1,270
<u>1,127,564</u>	<u>1,071,699</u>	<u>4,977,539</u>	<u>4,890,387</u>
<u>1,004,609</u>	<u>1,126,489</u>	<u>3,259,744</u>	<u>2,579,286</u>
-	-	227,382	246,348
(648,196)	(642,654)	(735,899)	(745,534)
15,000	15,000	258,511	154,564
<u>(633,196)</u>	<u>(627,654)</u>	<u>(250,006)</u>	<u>(344,622)</u>
371,413	498,835	3,009,738	2,234,664
<u>498,634</u>	<u>527,790</u>	<u>-</u>	<u>-</u>
870,047	1,026,625	3,009,738	2,234,664
<u>1,723,542</u>	<u>696,917</u>	<u>25,089,194</u>	<u>22,854,530</u>
<u>2,593,589</u>	<u>1,723,542</u>	<u>28,098,932</u>	<u>25,089,194</u>



**Northeast Texas Municipal Water District**  
**STATEMENTS OF CASH FLOWS—PROPRIETARY FUNDS**  
For the years ended September 30, 2025 and 2024

	Enterprise Funds			
	Primary		Regional Water	
	Water District		Supply System	
	2025	2024	2025	2024
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Cash received from customers	3,477,180	2,848,616	2,726,924	2,084,304
Cash received from grants	150,943	291,987	-	-
Cash paid to suppliers	(871,465)	(1,007,261)	(609,326)	(647,171)
Cash paid to employees including benefits	(784,325)	(731,735)	(631,525)	(624,410)
Cash paid for state grant programs	(129,357)	(199,127)	-	-
Net cash provided by (used in) operating activities	<u>1,842,976</u>	<u>1,202,480</u>	<u>1,486,073</u>	<u>812,723</u>
<b>CASH FLOW FROM NON CAPITAL FINANCING ACTIVITIES</b>				
Transfers from (to) other funds	<u>(442,832)</u>	<u>(1,173,752)</u>	<u>(55,802)</u>	<u>645,962</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(8,226)	(1,098)	(667,823)	(757,333)
Interest, paying agent fees, and bond issuance costs paid	-	-	(88,427)	(104,146)
Bond principal paid	-	-	(155,000)	(661,939)
Net cash provided by (used in) capital and related financing activities	<u>(8,226)</u>	<u>(1,098)</u>	<u>(911,250)</u>	<u>(1,523,418)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net (purchases) sales of investment pools	-	-	-	-
Purchase of investment securities	(2,200,000)	(2,016,000)	-	-
Redemption of investment securities	998,800	1,855,000	45,797	163,000
Principal paydowns on mortgage-backed securities	-	-	4,559	5,473
Interest received on investments	6,912	115,237	3,250	7,147
Net cash provided by (used in) investing activities	<u>(1,194,288)</u>	<u>(45,763)</u>	<u>54,606</u>	<u>175,620</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>197,630</u>	<u>(18,133)</u>	<u>573,627</u>	<u>110,887</u>
<b>CASH AND CASH EQUIVALENTS, at beginning of year</b>	<u>350,385</u>	<u>368,518</u>	<u>335,639</u>	<u>224,752</u>
<b>CASH AND CASH EQUIVALENTS, at end of year</b>	<u><u>548,015</u></u>	<u><u>350,385</u></u>	<u><u>909,266</u></u>	<u><u>335,639</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	1,434,633	1,254,893	820,502	197,904
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	67,081	66,659	769,575	733,418
Miscellaneous income	238,047	137,667	5,464	1,897
Decrease/(Increase) in net pension assets and deferred outflows/inflows	(43,027)	(40,702)	(38,766)	(37,180)
Decrease/(Increase) in accounts receivable	140,316	(127,041)	(136,854)	(70,425)
Increase/decrease in:	-	-	-	-
Inventory	-	-	64,686	-
Accounts payable	6,500	(100,431)	1,360	(13,114)
Accrued liabilities	(769)	102	106	223
Unearned revenues	195	11,333	-	-
Net cash provided by (used in) operating activities	<u>1,842,976</u>	<u>1,202,480</u>	<u>1,486,073</u>	<u>812,723</u>

The accompanying notes are an integral part of these statements.

Lake O' the Pines South Side		Total Proprietary Funds	
2025	2024	2025	2024
2,126,633	2,146,184	8,330,737	7,079,104
-	-	150,943	291,987
(460,808)	(335,322)	(1,941,599)	(1,989,754)
(308,860)	(304,916)	(1,724,710)	(1,661,061)
-	-	(129,357)	(199,127)
<u>1,356,965</u>	<u>1,505,946</u>	<u>4,686,014</u>	<u>3,521,149</u>
 498,634	 527,790	 -	 -
 (102,577)	 (317,211)	 (778,626)	 (1,075,642)
 (344,207)	 (239,825)	 (432,634)	 (343,971)
 (1,382,025)	 (1,483,600)	 (1,537,025)	 (2,145,539)
 (1,828,809)	 (2,040,636)	 (2,748,285)	 (3,565,152)
 -	 -	 -	 -
 -	 -	 (2,200,000)	 (2,016,000)
 -	 -	 1,045,597	 2,018,000
 -	 -	 4,559	 5,473
 -	 -	 10,162	 122,384
 -	 -	 (1,139,682)	 129,857
 26,790	 (6,900)	 798,047	 85,854
 149,926	 156,826	 835,950	 750,096
 176,716	 149,926	 1,633,997	 835,950
 1,004,609	 1,126,489	 3,259,744	 2,579,286
 382,189	 379,926	 1,218,845	 1,180,003
 15,000	 15,000	 258,511	 154,564
 (25,893)	 (14,871)	 (107,686)	 (92,753)
 (20,540)	 (67,018)	 (17,078)	 (264,484)
 -	 -	 64,686	 -
 1,600	 66,420	 9,460	 (47,125)
 -	 -	 (663)	 325
 -	 -	 195	 11,333
<u>1,356,965</u>	<u>1,505,946</u>	<u>4,686,014</u>	<u>3,521,149</u>

**Northeast Texas Municipal Water District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
At September 30, 2025 and 2024

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Northeast Texas Municipal Water District (District) was created in 1953 by the legislature of the State of Texas. The member cities are Avinger, Daingerfield, Hughes Springs, Jefferson, Lone Star, Ore City, and Pittsburg. The District provides raw and purified water on a wholesale basis to the member cities and industrial users.

A summary of the District's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**A. REPORTING ENTITY**

The reporting entity refers to the scope of activities, organizations, and functions included in the financial statements. The District is an independent unit with no dependent agencies and is managed by governing body of appointed officials. The funds included in these financial statements represent the reporting entity in accordance with requirements of the Governmental Accounting Standards Board.

**B. FUND ACCOUNTING**

The District's accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenues, and expenses. The following is a description of the fund type used by the District in the accompanying financial statements.

**C. PROPRIETARY FUNDS**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District's three major enterprise funds are described below:

1. Primary Water District Fund – accounts for the operations of providing a raw water supply for municipal and industrial use out of the Lake O' the Pines.
2. Regional Water Supply System Fund – accounts for the operations of providing a treated water supply to the District's member cities and other customers.
3. Lake O' the Pines South Side Fund – accounts for the construction of improvements providing a treated water supply to the communities of Tryon Road, Diana, and Ore City.

**D. BASIS OF ACCOUNTING**

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). 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.

Proprietary Funds are accounted for using the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

**E. DEPRECIATION**

Depreciation is provided for in the Enterprise Funds in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives on the straight-line method. The service lives by type of asset are as follows:

Water intake structure	80 Years
Water treatment plants and pipelines	30-80 Years
Buildings	10-40 Years
Auto, furniture, tools and equipment	3-10 Years

**Northeast Texas Municipal Water District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**At September 30, 2025 and 2024**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *continued*

**F. BOND ISSUANCE COSTS**

The District elected to early implement GASB 65 regarding bond issuance costs. These costs are now charges to expense in the year incurred.

**G. UNEARNED REVENUE**

Water sales, government grants, and other revenues are recognized when earned. Revenues are considered to be earned when the District has performed all services related to the generation of revenue. At September 30, 2025 and 2024, the District had received payment for services to be performed subsequent to year end. This resulted in deferral of revenue recognition until the period when service is performed.

**H. INVESTMENTS**

The District carries all debt securities at fair market value.

**I. RECEIVABLES**

Accounts receivable are considered fully collectible; accordingly, no allowance for doubtful accounts is required. In the event an account becomes uncollectible in the future, in whole or in part, such amount will be charged to operations when that determination is made.

**J. VACATION AND PERSONAL TIME OFF**

The District provides for vacations and personal time off. Vacation days may not be carried over from one year to the next. Any unused vacation is payable upon termination. Employees may accrue 12 days per year of sick leave. The amount accrued is not payable upon termination, death, or retirement.

**K. CASH AND CASH EQUIVALENTS**

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and cash deposit accounts in banks.

**L. RESTRICTED CASH AND INVESTMENTS**

Some cash and investments are restricted for future debt payments.

**M. PENSION PLAN**

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

**N. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

Deferred Outflows/Inflows of Resources—The District implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities for the year ended September 30, 2013. The District implemented GASB Statement No. 68 as amended by GASB 71, Accounting and Financial Reporting for Pensions for the year ended September 30, 2016. In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one type of item that qualifies for reporting in this category, outflows related to TCERS as per GASB 68 as amended by GASB 71, related to pension accounting. These will be recognized as an outflow of resources in the subsequent years as they are amortized.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item that qualifies for reporting in this category, deferred inflows related to TCERS. This amount will be recognized as an inflow of resources in the subsequent years as collected.

**Northeast Texas Municipal Water District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
At September 30, 2025 and 2024

**O. USE OF ESTIMATES**

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

**P. OTHER**

When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if not used.

**II. DETAILED NOTES**

**A. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash and Cash Equivalents**

District 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 agent. Since the district complies with this law, it has no custodial credit risk for deposits.

Foreign Currency Risk The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by not investing in foreign currency investments.

As of September 30, 2025, the following are the District's cash and cash equivalents with respective maturities and credit rating:

Type of Deposit	Fair Value	Percent	Maturity in Less than 1 year	Maturity in 1-10 Years	Maturity in Over 10 Years	Credit Rating
Cash, Money Markets and FDIC Insured Accounts	<u>\$ 1,633,997</u>	100%	<u>\$ 1,633,997</u>	-	-	N/A
Total Cash and Cash Equivalents	<u>\$ 1,633,997</u>	<u>100%</u>	<u>\$ 1,633,997</u>	<u>-</u>	<u>-</u>	



**Northeast Texas Municipal Water District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**At September 30, 2025 and 2024**

As of September 30, 2024, the following are the District's cash and cash equivalents with respective maturities and credit rating:

Type of Deposit	Fair Value	Percent	Maturity in Less than 1 year	Maturity in 1-10 Years	Maturity in Over 10 Years	Credit Rating
Cash, Money Markets and FDIC Insured Accounts	\$ 835,950	100%	\$ 835,950	-	-	N/A
Total Cash and Cash Equivalents	\$ 835,950	100%	\$ 835,950	-	-	

In addition, the following is disclosed regarding coverage of combined balances at September 30, 2025:

- a. Depository: First National Bank of Hughes Springs
- b. The market value of securities pledged at September 30, 2025 was \$1,550,909.
- c. The bank balance of cash, savings, and time deposit accounts amounted to \$1,401,846 at September 30, 2025.
- d. Total amount of FDIC coverage at September 30, 2025 was \$250,000.

### **Investments**

#### **District Policies and Legal and Contractual Provisions Governing Investments**

##### **Compliance with the Public Funds Investment Act**

The **Texas Public Funds Investment Act of 1995** (Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity 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 entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality not less than an "A"; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) public funds investment pools; and (8) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. NORTHEAST TEXAS MUNICIPAL WATER DISTRICT is in substantial compliance with the requirements of the Act and with local policies.

**Northeast Texas Municipal Water District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
At September 30, 2025 and 2024

Additional policies and contractual provisions governing investments for NORTHEAST TEXAS MUNICIPAL WATER DISTRICT are specified below:

*Credit Risk* To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments in corporate bonds, mutual bond funds to the top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of September 30, 2025, the district's investments in commercial paper were rated, AAAf/SI+ and AAAm by Standard & Poor's.

*Custodial Credit Risk for Investments* To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the district and hand them over to the District or its designated agent. This includes securities in securities lending transactions. All of the securities are in the District's name and held by the District or its agent.

*Concentration of Credit Risk* To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District limits investments to less than 5% of its total investments. The District further limits investments in a single issuer when they would cause investment risks to be significantly greater in the business-type activities, individual major funds, aggregate non-major funds. Usually this limitation is 20%.

*Interest Rate Risk* To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires all of the investment portfolio to have maturities of less than one year.

*Foreign Currency Risk for Investments* The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment by not allowing foreign investments.

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

In this discussion and in the table below, investments are defined according to GASB 72 as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. An asset initially reported as a capital asset and later held for sale would not subsequently be reclassified as an investment.

**Northeast Texas Municipal Water District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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As of September 30, 2025, Northeast Texas Municipal Water District had the following investments:

<u>Investment Type</u>	<u>Amortized Cost</u>
Investment Pools	
Logic Investment Pool	\$2,785,158
TexSTAR Investment Pool	\$198,679
Lone Star Investment Pool	<u>\$1,963,504</u>
Total Investment Pools	<u>\$4,949,341</u>
Total Investments	<u>\$4,949,341</u>

As of September 30, 2024, Northeast Texas Municipal Water District had the following investments:

<u>Investment Type</u>	<u>Amortized Cost</u>
Investment Pools	
Logic Investment Pool	\$1,402,786
TexSTAR Investment Pool	\$300,275
Lone Star Investment Pool	<u>\$1,879,296</u>
Total Investment Pools	<u>\$3,582,357</u>
Total Investments	<u>\$3,582,357</u>

The Advisory Board of each pool is composed of participants and other knowledgeable individuals representing public schools, public junior colleges, cities, counties, and other local governments. The purpose of the Advisory Board is to gather and exchange information from participants and nonparticipants relating to the operation of the investment pools. The investment pools employ an independent third-party bank to perform custody and valuation services. Investment advisory services are provided for each investment pool and each are audited.

NORTHEAST TEXAS MUNICIPAL WATER DISTRICT has no investments measured at the Net Asset Value (NAV) per Share.

**Northeast Texas Municipal Water District**  
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At September 30, 2025 and 2024

**B. DISAGGREGATION OF RECEIVABLES AND PAYABLES**

Receivables at September 30, 2025 and 2024 were as follows:

	2025				2024			
	Water Sales	Grants	Other	Total	Water Sales	Grants	Other	Total
<b>Major Proprietary Funds:</b>								
Primary Water District	246,449	27,309	-	273,758	386,446	27,628	-	414,074
Regional Water Supply	364,436	-	-	364,436	227,582	-	-	227,582
Lake O' the Pines Southside	163,540	-	-	163,540	143,030	-	-	143,030
	<u>774,425</u>	<u>27,309</u>	<u>-</u>	<u>801,734</u>	<u>757,058</u>	<u>27,628</u>	<u>-</u>	<u>784,686</u>

Payables at September 30, 2025, were as follows:

	Accounts Payable	Accrued Benefits	Accrued Interest	Accrued Sludge Disposal	Total
<b>Major Proprietary Funds:</b>					
Primary Water District	60,951	2,038	-	-	62,989
Regional Water Supply	5,773	3,824	6,791	26,500	42,888
Lake O' the Pines Southside	145,907	-	-	-	145,907
	<u>212,631</u>	<u>5,862</u>	<u>6,791</u>	<u>26,500</u>	<u>251,784</u>

Payables at September 30, 2024, were as follows:

	Accounts Payable	Accrued Benefits	Accrued Interest	Accrued Sludge Disposal	Total
<b>Major Proprietary Funds:</b>					
Primary Water District	54,451	2,807	-	-	57,258
Regional Water Supply	4,413	3,717	7,516	26,500	42,146
Lake O' the Pines Southside	144,307	-	1,387	-	145,694
	<u>203,171</u>	<u>6,524</u>	<u>8,903</u>	<u>26,500</u>	<u>245,098</u>

**C. INTERFUND BALANCES /TRANSFERS**

Interfund balances between the major proprietary funds total \$498,631 between the Regional Water Supply System and the Lake O' the Pines Southside funds at September 30, 2025 and 2024.

Interfund transfers between the three major proprietary funds for the year netted as follows:

<b>Transfers from Primary Water District to:</b>	<u>2025</u>	<u>2024</u>
Regional Water Supply System	818,091	818,091
Lake O' the Pines Southside	527,790	527,790
	<u>1,345,881</u>	<u>1,345,881</u>
<b>Transfers from Regional Water Supply System to:</b>	<u>2025</u>	<u>2024</u>
Primary Water District	172,129	172,129
	<u>172,129</u>	<u>172,129</u>

These are transfers for operations and debt service and will not be repaid.

**Northeast Texas Municipal Water District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**At September 30, 2025 and 2024**

**D. CAPITAL ASSETS**

The District's capital asset activity for the year ended September 30, 2025, was as follows:

	Balance 10/1/2024	Additions	Deletions	Balance 9/30/2025
Non-depreciable assets:				
Land and right-of-way	1,462,481	-	-	1,462,481
Water rights	1,752,565	-	-	1,752,565
Construction in progress	-	-	-	-
	<u>3,215,046</u>	<u>-</u>	<u>-</u>	<u>3,215,046</u>
Depreciable assets:				
Water treatment plants	27,712,725	442,157	-	28,154,882
Water lines and intake structures	25,401,138	95,777	-	25,496,915
Pump station	869,559	57,620	-	927,179
Buildings	749,195	8,225	-	757,420
Furniture, tools and equipment	1,811,854	63,966	-	1,875,820
Autos, trucks and tractors	300,493	110,880	-	411,373
Clean rivers project	84,025	-	-	84,025
Corp of Engineers	387,617	-	-	387,617
	<u>57,316,606</u>	<u>778,625</u>	<u>-</u>	<u>58,095,231</u>
Total capital assets	<u>60,531,652</u>	<u>778,625</u>	<u>-</u>	<u>61,310,277</u>
Less accumulated depreciation for:				
Water treatment plants	(13,793,915)	(761,030)	-	(14,554,945)
Water lines and intake structures	(7,692,391)	(288,030)	-	(7,980,421)
Pump station	(650,957)	(17,391)	-	(668,348)
Buildings	(542,546)	(30,421)	-	(572,967)
Furniture, tools and equipment	(1,322,555)	(87,889)	-	(1,410,444)
Autos, trucks and tractors	(288,312)	(26,332)	-	(314,644)
Clean rivers project	(84,025)	-	-	(84,025)
Corp of Engineers	(108,527)	(7,752)	-	(116,279)
Total accumulated depreciation	<u>(24,483,228)</u>	<u>(1,218,845)</u>	<u>-</u>	<u>(25,702,073)</u>
Net Capital Assets	<u>36,048,424</u>	<u>(440,220)</u>	<u>-</u>	<u>35,608,204</u>

Depreciation expense for the year ended September 30, 2025 was \$1,218,845.



**Northeast Texas Municipal Water District**  
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**At September 30, 2025 and 2024**

**D. CAPITAL ASSETS (Continued)**

The District's capital asset activity for the year ended September 30, 2024, was as follows:

	Balance 10/1/2024	Additions	Deletions	Balance 9/30/2025
Non-depreciable assets:				
Land and right-of-way	1,462,481	-	-	1,462,481
Water rights	1,752,565	-	-	1,752,565
Construction in progress	-	-	-	-
	<u>3,215,046</u>	<u>-</u>	<u>-</u>	<u>3,215,046</u>
Depreciable assets:				
Water treatment plants	27,320,745	391,980	-	27,712,725
Water lines and intake structures	25,018,000	383,138	-	25,401,138
Pump station	869,559	-	-	869,559
Buildings	696,838	52,357	-	749,195
Furniture, tools and equipment	1,577,118	234,736	-	1,811,854
Autos, trucks and tractors	287,062	13,431	-	300,493
Clean rivers project	84,025	-	-	84,025
Corp of Engineers	387,617	-	-	387,617
	<u>56,240,964</u>	<u>1,075,642</u>	<u>-</u>	<u>57,316,606</u>
Total capital assets	<u>59,456,010</u>	<u>1,075,642</u>	<u>-</u>	<u>60,531,652</u>
Less accumulated depreciation for:				
Water treatment plants	(13,133,459)	(660,456)	-	(13,793,915)
Water lines and intake structures	(7,326,631)	(365,760)	-	(7,692,391)
Pump station	(633,566)	(17,391)	-	(650,957)
Buildings	(513,057)	(29,489)	-	(542,546)
Furniture, tools and equipment	(1,229,877)	(92,678)	-	(1,322,555)
Autos, trucks and tractors	(281,835)	(6,477)	-	(288,312)
Clean rivers project	(84,025)	-	-	(84,025)
Corp of Engineers	(100,775)	(7,752)	-	(108,527)
Total accumulated depreciation	<u>(23,303,225)</u>	<u>(1,180,003)</u>	<u>-</u>	<u>(24,483,228)</u>
Net Capital Assets	<u>36,152,785</u>	<u>(104,361)</u>	<u>-</u>	<u>36,048,424</u>

Depreciation expense for the year ended September 30, 2024 was \$1,180,003.

**Northeast Texas Municipal Water District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**E. DEFINED BENEFIT PENSION PLANS**

Plan Description

The District provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the state-wide agent multiple-employer public employee retirement system consisting of over 600 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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

All eligible employees of the District are required to participate in the TCDRS.

Benefits Provided

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

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

Employees covered by benefit terms.

At December 31, 2023 and 2024 valuation and measurement date, the following employees were covered by the benefit terms:

	2023	2024
Inactive employees or beneficiaries currently receiving benefits	12	12
Inactive employees entitled to but not yet receiving benefits	7	6
Active employees	<u>15</u>	<u>15</u>
	<u>34</u>	<u>33</u>

Contributions

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

Employees for the District were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the District were 9.1% and 9.1% in calendar years 2023 and 2024, respectively. The District's contributions to TCDRS for the year ended September 30, 2024 and 2025, were \$110,080, and \$113,966 and were equal to the required contributions. The District contributed an additional \$0 and \$0 respectively for these years.

Net Pension Liability

The District's Net Pension Liability (NPL) was measured as of December 31, 2023 and 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2023 and 2024 actuarial valuations were determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	4.7% for 2023 and 4.7% for 2024
Investment Rate of Return	7.5% for 2023 and 7.5% for 2024

Demographic and economic assumptions are used to estimate employer liabilities and to determine the amount of funding required from employer contributions as opposed to investment earnings. These assumptions reflect a long-term perspective of 30 years or more. Examples of key economic assumptions include long-term investment return, long-term inflation and annual payroll increase.

**Northeast Texas Municipal Water District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**E. DEFINED BENEFIT PENSION PLANS (continued)**

Demographic assumptions are the actuary's best estimate of what will happen to TCDRS members and retirees. Examples of demographic assumptions are employment termination rates, retirement rates and retiree mortality rates. A complete listing of all actuarial assumptions can be found in the annual system-wide valuation report.

The long-term expected rate of return on pension plan investments is 7.60%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Rate of Return
US Equity	11.5%	5.35%
International Equity	10.0%	4.75%
Strategic Credit	9.0%	3.70%
Direct Lending	16.0%	6.85%
Various	22.5%	1.00-6.80%
Hedge Funds	6.0%	3.60%
Private Equity	25.0%	8.15%
Total	100.0%	

**Discount Rate**

The discount rate used to measure the Total Pension Liability was 7.6%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. 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.

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

	Increase (decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at December 31, 2023	\$ 4,323,770	\$ 4,858,358	\$ (534,588)
Changes for the year:			
Service cost	140,600	-	140,600
Interest	328,978	-	328,978
Effect of economic/demographic gains/losses	43,354	-	43,354
Effect of plan changes	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	106,507	(106,507)
Contributions - employee	-	81,929	(81,929)
Net investment income	-	493,360	(493,360)
Benefit payments, including refund of contributions	(276,500)	(276,500)	-
Administrative expense	-	(2,862)	2,862
Other changes	-	(3,408)	3,408
Net changes	\$ 236,432	\$ 399,026	\$ (162,594)
Balance at December 31, 2024	\$ 4,560,202	\$ 5,257,384	\$ (697,182)

**Northeast Texas Municipal Water District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**E. DEFINED BENEFIT PENSION PLANS (continued)**

	Increase (decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at December 31, 2022	\$ 4,223,646	\$ 4,471,858	\$ (248,212)
Changes for the year:			
Service cost	153,789	-	153,789
Interest	322,150	-	322,150
Effect of economic/demographic gains/losses	(93,387)	-	(93,387)
Effect of plan changes	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	104,059	(104,059)
Contributions - employee	-	80,046	(80,046)
Net investment income	-	490,489	(490,489)
Benefit payments, including refund of contributions	(282,428)	(282,428)	-
Administrative expense	-	(2,537)	2,537
Other changes	-	(3,129)	3,129
Net changes	\$ 100,124	\$ 386,500	\$ (286,376)
Balance at December 31, 2023	\$ 4,323,770	\$ 4,858,358	\$ (534,588)

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the District, calculated using the discount rate of 7.6% and 7.6%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.6% and 6.6%) or 1-percentage-point higher (8.6% and 8.6%) than the current rate for 2023 and 2024 respectively:

Measurement Date	1% Decrease in Discount Rate 6.6%	Discount Rate 7.6%	1% Increase in Discount Rate 8.6%
12/31/2023 District's net pension liability/(Asset)	\$ (71,597)	\$ (534,588)	\$ (939,051)

Measurement Date	1% Decrease in Discount Rate 6.6%	Discount Rate 7.6%	1% Increase in Discount Rate 8.6%
12/31/2024 District's net pension liability/(Asset)	\$ (205,045)	\$ (697,182)	\$ (1,127,099)

**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.com](http://www.tcdrs.com).

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

For the year ended September 30, 2024 and 2025, the District recognized pension expense of \$110,880 and \$113,966.

At September 30, 2024 and 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	30,369	81,494	49,868	59,424
Changed is actuarial assumptions	64,228	2,534	32,115	1,266
Difference between projected and actual investment earnings	21,633	-	-	50,784
Contributions subsequent to the measurement date	84,072	-	90,856	-
Total	200,302	84,028	172,839	111,474

**Northeast Texas Municipal Water District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**E. DEFINED BENEFIT PENSION PLANS (continued)**

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

Year ended September 30:	
2026	(7,761)
2027	61,568
2028	(66,440)
2029	(16,858)
2030	-
Thereafter	-

**F. LONG-TERM DEBT**

The District's long-term debt activity for the year ended September 30, 2025, was as follows:

	Balance at 10/1/2024	Issued	Retired/ Refunded	Balance at 9/30/2025	Current Portion
Water System Revenue Bonds					
Series 2008	1,550,000	-	(155,000)	1,395,000	155,000
Series 2013 (refunding)	-	-	-	-	-
	<u>1,550,000</u>	<u>-</u>	<u>(155,000)</u>	<u>1,395,000</u>	<u>155,000</u>
Contract Revenue Bonds:					
Accreted Interest	1,799,572	-	132,304	1,931,876	-
Series 2013 (refunding)	725,000	-	(725,000)	-	-
Series 2017 (refunding)	12,668,892	-	(657,045)	12,011,847	1,326,345
Unamortized difference on refunding	(346,125)	-	173,064	(173,061)	-
	<u>14,847,339</u>	<u>-</u>	<u>(1,076,677)</u>	<u>13,770,662</u>	<u>1,326,345</u>
	<u>16,397,339</u>	<u>-</u>	<u>(1,231,677)</u>	<u>15,165,662</u>	<u>1,481,345</u>

The District's long-term debt activity for the year ended September 30, 2024, was as follows:

	Balance at 10/1/2023	Issued	Retired/ Refunded	Balance at 9/30/2024	Current Portion
Water System Revenue Bonds					
Series 2008	1,550,000	-	-	1,550,000	155,000
Series 2013 (refunding)	1,020,000	-	(1,020,000)	-	-
	<u>2,570,000</u>	<u>-</u>	<u>(1,020,000)</u>	<u>1,550,000</u>	<u>155,000</u>
Contract Revenue Bonds:					
Accreted Interest	1,567,323	-	232,249	1,799,572	-
Series 2013 (refunding)	1,660,000	-	(935,000)	725,000	725,000
Series 2017 (refunding)	12,859,431	-	(190,539)	12,668,892	657,045
Unamortized difference on refunding	(519,189)	-	173,064	(346,125)	-
	<u>15,567,565</u>	<u>-</u>	<u>(720,226)</u>	<u>14,847,339</u>	<u>1,382,045</u>
	<u>18,137,565</u>	<u>-</u>	<u>(1,740,226)</u>	<u>16,397,339</u>	<u>1,537,045</u>



**Northeast Texas Municipal Water District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
At September 30, 2025 and 2024

**F. LONG-TERM DEBT** *continued*

**Water System Revenue Bonds, Series 2008**, dated November 12, 2008, in the aggregate principal amount of \$1,550,000; interest payable semi-annually at coupon rates ranging from 5.5% to 5.85%; principal payable annually from September 1, 2025 through September 1, 2034; secured by a pledge of revenues. The bond proceeds were used to fund improvements to the District's Tanner water treatment plant.

**Contract Revenue Refunding Bonds, Series 2013**, dated June 25, 2013, in the aggregate principal amount of \$10,875,000, interest payable semi-annually at a rate of 2.25%, principal payable annually through September 1, 2025; secured by a pledge of revenues. The bond proceeds were used to advance refund the Contract Revenue Bonds, Series 2003. The refunding was undertaken to reduce the total debt service payments over the next 13 years by approximately \$1.21 million and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$897 thousand. These were paid off in the current year.

**Contract Revenue Refunding Bonds, Series 2017**, dated April 15, 2017, in the aggregate principal amount of \$13,989,850, interest payable semi-annually at a rate of 2.00%-4.00%, principal payable annually through September 1, 2041; secured by a pledge of revenues. The bond proceeds were used to advance refund the Contract Revenue Bonds, Series 2009. The refunding was undertaken to reduce the total debt service payments over the next 25 years by approximately \$2.9 million and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$4.6 million. The principal balance of the refunded debt is \$3,404,777 at September 30, 2025.

Certain bond agreements require the District to maintain reserve funds in an amount equal to the average annual principal and interest requirements of the outstanding bonds. As of September 30, 2025, reserve funds restricted for debt service totaled \$2,079,754 which exceeded the coverage required.

The scheduled Maturities of bonds payable as of September 30, 2025, are as follows:

Years Ending 9/30	Principal	Interest	Total
2026	1,481,345	468,508	1,949,853
2027	1,476,245	464,605	1,940,850
2028	1,466,660	464,110	1,930,770
2029	1,455,973	470,367	1,926,340
2030	1,438,582	471,935	1,910,517
2031-2035	4,070,661	2,428,774	6,499,435
2036-2040	1,798,903	2,816,097	4,615,000
2041-2045	218,478	431,522	650,000
<b>Total</b>	<b>13,406,847</b>	<b>8,016,118</b>	<b>21,422,965</b>
Unamortized difference on refunding	(173,061)		
Accreted Interest	1,931,876		
	<u>15,165,662</u>		

**Northeast Texas Municipal Water District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**At September 30, 2025 and 2024**

**G. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The District purchases commercial insurance to indemnify it in the event of loss.

**H. COMMITMENTS AND CONTINGENCIES**

The District has no significant commitments or contingencies at September 30, 2025.

**I. LITIGATION**

As of September 30, 2025, the District was not involved in any significant litigation.

**J. RESERVED/RESTRICTED NET POSITION**

Reservations or restrictions of fund equity reflect amounts legally set aside for specified purposes. The purpose of each is indicated by the account title on the face of the statement of net assets.

**K. SUBSEQUENT EVENTS**

Administration has evaluated subsequent events through December 17, 2025, the financial statement issuance date.

## REQUIRED SUPPLEMENTARY INFORMATION

**Northeast Texas Municipal Water District**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
Measurement Date At December 31

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>											
Service Cost	140,600	153,789	130,333	148,708	106,946	100,446	98,810	97,295	102,282	82,397	76,528
Interest (on the Total Pension Liability)	328,978	322,750	308,362	289,573	261,696	241,804	220,113	204,725	181,086	167,691	152,425
Effect of economic/demographic gains/losses	(13,354)	(93,387)	(113,570)	-	86,817	5,151	31,635	14,770	15,323	-	-
Changes of benefit terms	-	-	(17,692)	-	-	-	-	-	-	44,008	-
Difference between expected and actual experience	-	-	-	3,560	-	-	-	-	-	(32,417)	26,430
Changes of assumptions	-	-	-	(6,358)	192,680	-	-	4,179	-	17,219	-
Benefit payments, including refunds of employee contributions	(276,500)	(282,428)	(217,708)	(123,824)	(97,649)	(97,649)	(91,849)	(93,841)	(88,327)	(98,014)	(101,636)
Net change in total pension liability	236,432	100,124	189,725	311,679	550,506	218,932	239,509	224,128	210,364	180,884	153,847
Total pension liability - beginning	4,323,770	4,223,646	4,033,921	3,722,242	3,171,736	2,922,784	2,663,275	2,439,147	2,228,783	2,047,899	1,894,052
Total pension liability - ending	<u>4,560,202</u>	<u>4,323,770</u>	<u>4,223,646</u>	<u>4,033,921</u>	<u>3,722,242</u>	<u>3,171,736</u>	<u>2,922,784</u>	<u>2,663,275</u>	<u>2,439,147</u>	<u>2,228,783</u>	<u>2,047,899</u>
<b>Plan fiduciary net position</b>											
Contributions - employer	106,307	104,059	109,301	104,842	96,429	90,273	62,687	59,954	57,560	57,037	52,046
Contributions - employee	81,929	80,046	79,301	79,841	71,429	63,273	62,687	59,954	57,560	57,037	52,046
Net investment income	493,360	490,889	(277,817)	855,855	353,516	477,030	(54,130)	369,961	171,141	(7,794)	147,141
Benefit payments, including refunds of employee contributions	(276,500)	(282,428)	(217,708)	(123,824)	(97,649)	(97,649)	(91,849)	(93,841)	(88,327)	(98,014)	(101,636)
Administrative expense	(2,862)	(2,337)	(2,621)	(2,587)	(2,828)	(2,621)	(2,334)	(1,946)	(1,859)	(1,672)	(1,740)
Other	(3,468)	(3,129)	(102)	2,788	1,393	2,461	1,317	330	23,333	(31,706)	9,175
Net change in plan fiduciary net position	399,026	386,300	(309,646)	916,915	424,500	534,787	(20,822)	394,412	219,408	(25,112)	157,032
Plan fiduciary net position - beginning	4,858,358	4,471,858	4,781,504	3,864,589	3,440,089	2,905,302	2,926,124	2,531,712	2,312,304	2,337,416	2,180,381
Plan fiduciary net position - ending	<u>5,257,384</u>	<u>4,858,358</u>	<u>4,471,858</u>	<u>4,781,504</u>	<u>3,864,589</u>	<u>3,440,089</u>	<u>2,905,302</u>	<u>2,926,124</u>	<u>2,531,712</u>	<u>2,312,304</u>	<u>2,337,416</u>
<b>Net pension liability/(asset)</b>	<u>(697,182)</u>	<u>(534,588)</u>	<u>(248,212)</u>	<u>(747,583)</u>	<u>(142,347)</u>	<u>(268,353)</u>	<u>17,482</u>	<u>(262,849)</u>	<u>(92,565)</u>	<u>(83,521)</u>	<u>(289,517)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	115.29%	112.36%	105.63%	118.53%	103.81%	108.46%	99.40%	109.49%	103.79%	103.75%	114.14%
<b>Covered-employee payroll</b>	4,170,411	4,143,508	4,132,866	4,073,147	4,020,444	3,932,471	3,916,630	3,898,357	3,845,495	3,814,819	3,743,520
<b>Net pension liability as a percentage of covered employee payroll</b>	-9.77%	-12.75%	-6.01%	-18.35%	-3.54%	-6.82%	0.44%	-6.74%	-2.43%	-2.21%	-7.73%

**NOTES:**

*Changes of benefit terms*

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

*Changes of assumptions*

There were no significant changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

## SUPPLEMENTAL SECTION

**Northeast Texas Municipal Water District**  
**SCHEDULE OF REVENUES AND EXPENSES-**  
**BUDGET AND ACTUAL**  
for the year ended September 30, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
<b>OPERATING REVENUES</b>			
Raw water sales	3,184,449	3,098,890	(85,559)
Treated water sales	4,653,188	4,987,769	334,581
State grants	100,000	147,052	47,052
Other grants	-	3,572	3,572
Total operating revenues	<u>7,937,637</u>	<u>8,237,283</u>	<u>299,646</u>
<b>OPERATING EXPENSES</b>			
Personnel	1,821,090	1,616,313	204,777
Supplies	595,027	583,708	11,319
Maintenance	706,241	469,630	236,611
Contractual services and other	1,384,340	961,833	422,507
State grant programs	100,000	127,210	(27,210)
Other grant programs	-	-	-
Total operating expenses	<u>4,606,698</u>	<u>3,758,694</u>	<u>848,004</u>
Excess (deficiency) of revenues over expenditures	<u>3,330,939</u>	<u>4,478,589</u>	<u>1,147,650</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income, net	150,000	227,382	77,382
Interest expense and debt fees	(432,646)	(735,899)	(303,253)
Other	108,022	258,511	150,489
Total non-operating revenues (expenses)	<u>(174,624)</u>	<u>(250,006)</u>	<u>(75,382)</u>
<b>NET INCOME BEFORE NON-BUDGETED EXPENSES</b>	<u>3,156,315</u>	<u>4,228,583</u>	<u>1,072,268</u>
<b>NON-BUDGETED EXPENSES</b>			
Depreciation		<u>1,218,845</u>	
<b>NET INCOME/(LOSS)</b>		<u>3,009,738</u>	



**Northeast Texas Municipal Water District**  
**INDEX OF SUPPLEMENTAL SCHEDULES**  
**REQUIRED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**  
**for the year ended September 30, 2025**

(Check those schedules included and provide a brief explanation below the schedule title for any schedule omissions)

		<u>Page Number</u>
<input checked="" type="checkbox"/>	(D) Notes required by the Water District Accounting Manual (Included in the notes to the financial statements)	14-28
<input checked="" type="checkbox"/>	(E) Services and rates	32-33
<input checked="" type="checkbox"/>	(F) Schedule of operating expenditures	34
<input checked="" type="checkbox"/>	(G) Schedule of temporary investments (Included in the notes to the financial statements)	16-19
<input type="checkbox"/>	(H) Analysis of taxes levied and receivable	*
<input checked="" type="checkbox"/>	(I) Analysis of changes in general fixed assets (Included in the notes to the financial statements)	21-22
<input checked="" type="checkbox"/>	(J) General long-term debt service requirements by years	35-36
<input checked="" type="checkbox"/>	(K) Analysis of changes in general long-term debt	37
<input type="checkbox"/>	(L) Comparative schedule of revenues and expenditures	*
<input checked="" type="checkbox"/>	(M) Insurance coverage	38
<input type="checkbox"/>	(N) Board members, key personnel, and consultants	*

\* The Northeast Texas Municipal Water District provides only wholesale water services and therefore is not required to provide this supplemental information.

N/A – No: applicable

**Northeast Texas Municipal Water District**  
**(E) SCHEDULE OF SERVICES AND RATES**  
For the year ended September 30, 2025

**1. Services provided by the District:**

<input type="checkbox"/> Retail water	<input checked="" type="checkbox"/> Wholesale water	<input type="checkbox"/> Drainage
<input type="checkbox"/> Retail wastewater	<input type="checkbox"/> Wholesale wastewater	<input type="checkbox"/> Irrigation
<input type="checkbox"/> Parks/recreation	<input type="checkbox"/> Fire protection	<input type="checkbox"/> Security
<input type="checkbox"/> Solid waste/garbage	<input type="checkbox"/> Flood control	<input type="checkbox"/> Roads
<input type="checkbox"/> Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)		
<input type="checkbox"/> Other (specify): _____		

**2. Retail rates based on 5/8" meter:**

☐ Retail rates not applicable ☒

Most prevalent type of meter (if not a 5/8"): \_\_\_\_\_

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1000 Gallons Over Minimum	Usage Levels
WATER:	_____	\$ _____	_____	\$ _____	_____ to _____
WASTEWATER:	_____	\$ _____	_____	\$ _____	_____ to _____
SURCHARGE:	_____	\$ _____	_____	\$ _____	_____ to _____

District employs winter averaging for wastewater usage?      yes ☐      no ☐

Total water and wastewater charges per 10,000 gallons usage (including surcharges). \$ \_\_\_\_\_

**3. Retail Service Providers:** Number of retail water and/or wastewater\* connections within the District as of the fiscal year end. Provide actual numbers and single family equivalents (ESFC) as noted:

N/A	Active Connections	Active ESFC	Inactive Connections (ESFC)**
Single Family	_____	_____	_____
Multi-Family	_____	_____	_____
Commercial	_____	_____	_____
Other-recreational centers, government & VFD	_____	_____	_____
<b>TOTAL</b>	=====	=====	=====

**4. Total Water Consumption (in Thousands) During the Fiscal Year:**

Gallons pumped into system: 1,228,295  
Gallons billed to customers: 1,136,522

\* Number of connections relates to water service, if provided. Otherwise, the number of wastewater connections should be provided.

\*\* "Inactive" means that water and wastewater connections were made, but service is not being provided.

5. **Standby Fees:** Does the District assess standby fees?

Yes ☐ No ☒

For the most recent full fiscal year, FYE \_\_\_\_\_:

Debt Service: Total levy \$ \_\_\_\_\_  
Total collected \$ \_\_\_\_\_  
Percentage collected \_\_\_\_\_

Operation & Maintenance: Total levy \$ \_\_\_\_\_  
Total collected \$ \_\_\_\_\_  
Percentage collected \_\_\_\_\_

Have standby fees been levied in accordance with Water Code Section 49,231  
thereby constituting a lien on property.

Yes ☐ No ☐

6. **Anticipated sources of funds to be used for debt service payments in the District's following fiscal year:**

a. Debt Service Tax Receipts \$ \_\_\_\_\_  
b. Surplus Construction Funds \_\_\_\_\_  
c. Water and/or Wastewater Revenue \_\_\_\_\_  
d. Standby Fees \_\_\_\_\_  
e. Debt Service Fund Balance to be Used \_\_\_\_\_  
f. Interest Revenues \_\_\_\_\_  
g. Other (Describe) \_\_\_\_\_  
\_\_\_\_\_

**\*TOTAL ANTICIPATED FUNDS TO BE USED**

\$ \_\_\_\_\_

7. **Location of District:**

County(ies) in which District is located. Cass, Morris, Marion, Upshur, Camp

Is the District located entirely within one county? Yes ☐ No ☒

Is the District within a City? Not at all ☒ Partly ☐ Entirely ☐

City(ies) in which District is located. Avinger, Daingerfield, Hughes Springs, Jefferson, Lone Star, Ore City, Pittsburg

Is the District located within a city's extra territorial jurisdiction (ETJ)? Not at all ☒ Partly ☐ Entirely ☐

ETJ's in which District is located. \_\_\_\_\_

Is the general membership of the Board appointed by an office outside the District? Yes ☐ No ☒

If Yes, by whom? \_\_\_\_\_

\* This total should equal the District's total annual debt service for the fiscal year following the fiscal year reported or in the audited financial statements.

**Northeast Texas Municipal Water District**  
**(F) SCHEDULE OF OPERATING EXPENDITURES**  
For the year ended September 30, 2025

Current:	
Personnel (including benefits)	1,616,313
Professional Fees:	
Auditing	36,350
Legal	178,864
Engineering	13,014
Financial advisor	-
Other professional fees	-
Purchased services for resale:	
Bulk water and sewer service purchases	-
Tap connection expenses	-
Contracted services:	
Bookkeeping	-
General manager	-
Appraisal district	-
Tax collector	-
Other contracted services	-
Utilities	294,255
Repairs and maintenance	469,629
Administrative expenses:	
Directors' fees	19,800
Office supplies	14,505
Insurance	57,331
Other administrative expenses	29,178
Capital outlay:	
Acquisition of fixed assets	778,625
Chemicals	402,168
Transfers	-
Special projects - State grant programs	127,210
Special projects - Other grant programs	-
Solid waste disposal	-
Other expenditures	500,077
<b>TOTAL OPERATING EXPENDITURES</b>	<b>4,537,319</b>
Number of persons employed by the District:	<u>14 full-time</u>
(Does not include independent contractors or consultants)	<u>1 part-time</u>

As of September 30, 2025

[illegible]

**Northeast Texas Municipal Water District**  
**(J) LONG-TERM DEBT SERVICE REQUIREMENTS – BY YEAR**  
As of September 30, 2025

FYE 9/30	Contract Revenue Refunding Bonds			TOTAL		
	Series 2017					
	Principal	Interest	Total	Principal	Interest	Total
2026	1,326,345	388,605	1,714,950	1,481,345	468,508	1,949,853
2027	1,321,245	393,305	1,714,550	1,476,245	464,605	1,940,850
2028	1,311,660	401,490	1,713,150	1,466,660	464,110	1,930,770
2029	1,300,973	416,627	1,717,600	1,455,973	470,567	1,926,540
2030	1,283,582	426,830	1,710,412	1,438,582	471,935	1,910,517
2031	1,278,106	438,582	1,716,688	1,433,106	474,774	1,907,880
2032	850,009	447,141	1,297,150	1,005,009	474,344	1,479,353
2033	464,100	460,900	925,000	619,100	479,035	1,098,135
2034	440,355	484,645	925,000	595,355	493,712	1,089,067
2035	418,091	506,909	925,000	418,091	506,909	925,000
2036	395,168	524,832	920,000	395,168	524,832	920,000
2037	375,986	544,014	920,000	375,986	544,014	920,000
2038	359,464	565,536	925,000	359,464	565,536	925,000
2039	342,352	582,648	925,000	342,352	582,648	925,000
2040	325,933	599,067	925,000	325,933	599,067	925,000
2041	218,478	431,522	650,000	218,478	431,522	650,000
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
	<u>12,011,847</u>	<u>7,612,653</u>	<u>19,624,500</u>	<u>13,406,847</u>	<u>8,016,118</u>	<u>21,422,965</u>



**Northeast Texas Municipal Water District**  
**(K) ANALYSIS OF CHANGES IN LONG-TERM DEBT**  
for the year ended September 30, 2025

	Water System Revenue Bonds		Contract Revenue Bonds		Unamortized	Interest	Total
	Series 2008		Series 2013	Series 2017	Difference on Refunding	Accretion	
Interest rate	5.50-5.85%		2.25%	2.00-4.00%			
Dates interest payable	3/1 & 9/1		3/1 & 9/1	3/1 & 9/1	N/A	N/A	
Maturity dates	9/1/25 to 9/1/34		9/1/13 to 9/1/25	9/1/17 to 9/1/41			
Bonds outstanding at beginning of current year	1,550,000		725,000	12,668,892	(346,125)	1,799,572	16,397,339
Bonds sold during the current year	-		-	-	-	-	-
Interest accretion	-		-	-	-	132,304	132,304
Retirements: principal	(155,000)		(725,000)	(657,045)	-	-	(1,537,045)
Refunding amortization	-		-	-	173,064	-	173,064
Bonds outstanding at end of current year	1,395,000		-	12,011,847	(173,061)	1,931,876	15,165,662
Retirement: interest	88,427		16,312	327,905	-	-	432,644
Bond Authority:	Tax Bonds *	Other Bonds	Refunding Bonds				
Amount authorized	N/A	1,550,000	53,319,850				
Amount issued	-	1,550,000	53,319,850				
Remaining to be issued	-	-	-				

\* Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes.

**Northeast Texas Municipal Water District**  
**(M) INSURANCE COVERAGE**  
September 30, 2025

Type of Coverage	Insurer		Type of Corporation Stock/Mutual	Policy Clause: Co-Insurance
	Amount of Coverage	Name		
Treasurer - Faithful Performance Bond	\$ 100,000	Western Surety Company	Stock	No
Notary - Faithful Performance Bond	\$ 5,000	CNA Surety	Stock	No
Public Employer - Faithful Performance Bond	\$ 5,000	CNA Surety	Stock	No
Commercial Property - Real and Personal Property	\$ 44,819,908	TML	Pool	No
Valuable Paper and Records	\$ 50,000			
Loss of Revenues, Extra Expenses and Rents	\$ 50,000			
Commercial General Liability		TML	Pool	No
Limits of Liability	\$ 9,000,000			
Sudden Events, Involving Pollution	\$ 1,000,000			
Annual Aggregate	\$ 9,000,000			
Commercial Auto/Truck		TML	Pool	No
Limits of Liability	\$ 9,000,000			
Medical Payments Limit	\$ 25,000			
Automobile Physical Damage	Per schedule			
Uninsured/Underinsured Motorist	\$ 1,000,000			
Mobile Equipment	\$ 229,699	TML	Pool	No
Workers Compensation and Employers Liability	Statutory	UTICA National Insurance Group	Stock	No
Directors and Officers Liability	\$ 9,000,000	Great American Insurance	Stock	No
Crime Blanket - Per Occurrence		TML	Pool	No
Public Employee Dishonesty	\$ 500,000			
Forgery and Alteration	\$ 25,000			
Theft, Disappearance and Destruction	\$ 10,000			
Computer Fraud	\$ 10,000			

INTERNAL CONTROL AND COMPLIANCE SECTION



CPAs & Advisors

Lanny G. Walker, CPA, PFS  
Kris Arnold, CPA, PFS  
Andrew Arnold, CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Northeast Texas Municipal Water District  
Hughes Springs, 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 business-type activities and each major fund of Northeast Texas Municipal Water District, as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise Northeast Texas Municipal Water District, basic financial statements, and have issued our report thereon dated December 17, 2025.

**Report on Internal Control Over Financial Reporting**

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Respectfully Submitted,

Arnold, Walker, Arnold & Co., P.C.

Arnold, Walker, Arnold & Co., P.C.

December 17, 2025

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Member: American Institute of Certified Public Accountants • Texas State Society of Certified Public Accountants

**Northeast Texas Municipal Water District**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2025 and 2024**

**I. Summary of the Auditor's Results:**

- a. The type of report issued on the financial statements of the Northeast Texas Municipal Water District was an unmodified opinion.
- b. Where applicable, a statement that control deficiencies in internal control were disclosed by the audit of the financial statements and whether they were material weaknesses. None
- c. A statement as to whether the audit disclosed any noncompliance which is material to the financial statements of the auditee. NONE
- d. Where applicable, a statement that control deficiencies in internal control over major programs were disclosed by the audit and whether any such conditions were material weaknesses. NONE
- e. The type of report the auditor issued on compliance for major programs. N/A
- f. A statement as to whether the audit disclosed any audit findings which the auditor is required to report under "Uniform Guidance under section 200.516 Audit Findings paragraph (a)" as required by Title 2 U.S. code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). : NONE
- g. An identification of major programs: N/A
- h. The dollar threshold used to distinguish between Type A and Type B programs. N/A
- i. A statement as to whether the auditee qualified as a low-risk auditee. N/A

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

None

**III. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in I.f Above**

N/A

**Northeast Texas Municipal Water District**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2025 and 2024**

**PRIOR YEAR'S FINDINGS/ NONCOMPLIANCE**

N/A

**STATUS OF PRIOR YEAR'S FINDINGS/ NONCOMPLIANCE**

N/A



**Northeast Texas Municipal Water District**  
**CORRECTIVE ACTION PLAN**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023 and 2024**

**CORRECTIVE ACTION**

N/A

The contact at the District is Osiris Brantley at (903) 639-7538.

## MINUTES OF REGULAR MEETING

OF DAINGERFIELD ECONOMIC DEVELOPMENT CORPORATION TYPE A & TYPE B  
City Hall – 101 Linda Drive – Daingerfield, TX 75638

**November 20, 2025**

### Board Present:

Board members President- Chris Smith and Walter Bass.  
Both Keitha Nilsson and Beverly Austin joined meeting by phone  
Director Michelle Jones and Administrative Assistant Amanda Sanders

Absent: Marcie McGill, Jason Horn, and Brenda Howard

Others:

### 1. Meeting Called to Order

Meeting was called to order at 4:40 p.m. by Chris Smith.

### 2. Public Comments

None.

### 3. Business

#### A. Hear, Discuss, and Possibly Act to Approve Minutes for October 16, 2025

*Motion made by Keitha Nilsson to approve the minutes as presented. Seconded by Walter Bass. All voted for. Motion carried.*

#### B. Hear, Discuss and Possibly Act to approve Certified Agenda for October 16, 2025.

*Motion made by Keitha Nilsson to approve the certified agenda as presented. Seconded by Beverly Austin All voted for. Motion carried.*

#### C. Hear, Discuss, and Possibly Act on Loan Conflict- Smith/EDC Loans (Mugshots, Coffey Street, Postmark)

*Chris Smith provided his resignation from the board effective 11/21/2025. Motion made by Keitha Nilsson to accept resignation. Seconded by Walter Bass. All voted for. Motion carried.*

#### D. Hear, Discuss and possibly act on procedures related to delinquent Economic Development Corporation Loans.

*Discussion only- no action*

## **5. Monthly Reports**

A. Economic Development Financial Reports – Informational only.

B. EDC Director Report – Informational only.

*No action taken.*

## **6. Adjournment**

*Motion made by Walter Bass Seconded by Beverly Austin, all voted for. Motion carried.*

All voted for. Meeting adjourned at **5:06 p.m.**