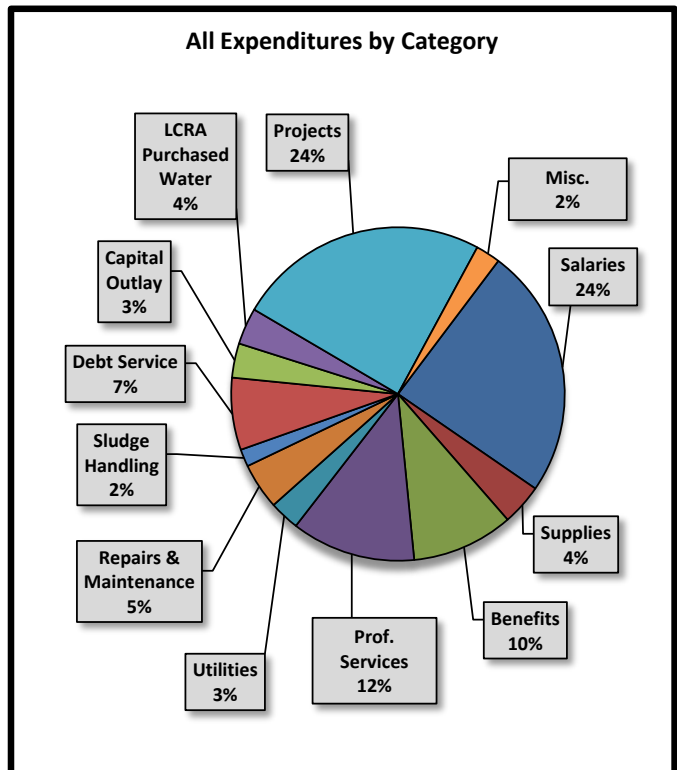
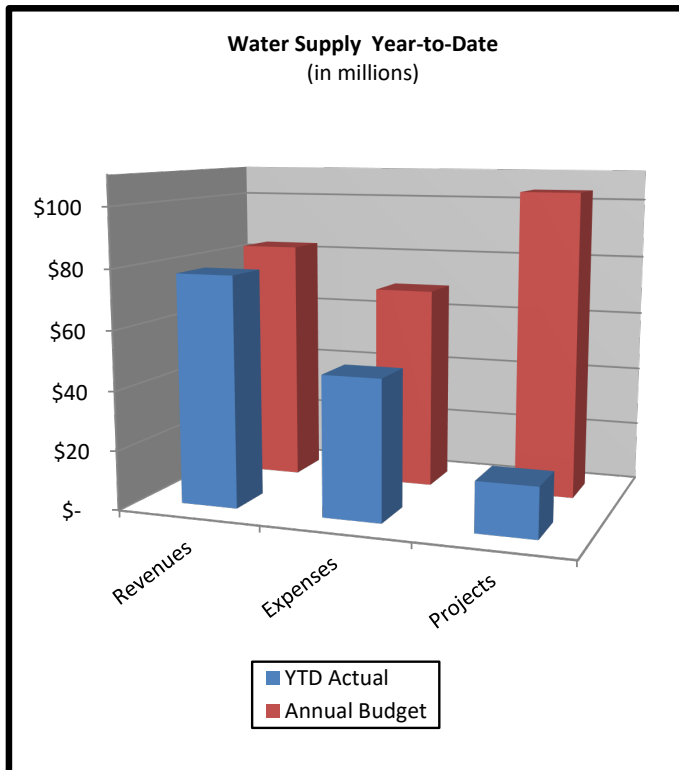




**BRAZOS RIVER AUTHORITY
SUMMARY
QUARTERLY BUDGET REPORT - 3rd QUARTER FY 2026
(in thousands)**

	Annual Budget	Year-to-Date Actual	Variance
<u>Water Supply</u>			
Beginning Working Capital	\$ 104,643	\$ 121,395	\$ 16,752
Revenues	82,695	77,713	(4,982)
Less: Expenses	62,917	42,070	20,847
Less: Debt Service	5,921	5,045	875
Less: Operating Projects	5,715	2,329	3,386
Surplus/(Deficit)	8,142	28,269	20,127
Plus: Debt Funding	33,000	-	(33,000)
Less: Capital Improvement Projects	97,877	14,531	83,346
Ending Working Capital	\$ 47,908	\$ 135,133	\$ 87,225

<u>Cost Reimbursable</u>			
Revenues	\$ 22,541	\$ 11,630	\$ (10,911)
Less: Expenses	22,541	11,630	10,911
Surplus/(Deficit)	\$ -	\$ -	\$ -





BRAZOS RIVER AUTHORITY
WATER SUPPLY OPERATIONS
QUARTERLY BUDGET REPORT - 3rd QUARTER FY 2026
(in thousands)

	Annual Budget	Year-to-Date Actual	\$ Variance	% of Annual Budget
Beginning Working Capital	\$ 104,643	\$ 121,395	\$ 16,752	
Revenues				
Raw Water Sales - System	51,766	49,516	(2,250)	96%
Raw Water Sales - Non-System	8,255	8,372	117	101%
East Williamson County RWS	10,120	8,435	(1,685)	83%
Sugar Land WW	5,111	3,169	(1,942)	62%
Lake Operations	540	570	30	106%
Grants	1,953	1,881	(72)	96%
Management Fees	661	390	(271)	59%
Interest Income	4,238	5,312	1,074	125%
Miscellaneous	51	68	17	133%
Total Revenues	82,695	77,713	(4,982)	94%
Operating Expenses				
<u>Reservoir, Water Supply & Treatment Operations</u>				
Operations Management	1,346	833	513	62%
Possum Kingdom Lake	11,595	7,586	4,009	65%
Lake Granbury	5,094	3,129	1,965	61%
Lake Limestone	4,042	2,292	1,750	57%
Allens Creek Reservoir	682	439	243	64%
East Williamson County RWS	3,534	2,237	1,297	63%
Sugar Land WW	5,732	3,496	2,236	61%
<u>Project Delivery Division</u>				
Project Delivery Division Management	1,250	984	266	79%
Project Management	2,214	1,684	530	76%
Construction Services	868	658	210	76%
Engineering	1,861	1,704	157	92%
<u>Water Services</u>				
Water Services	2,237	1,530	707	68%
Federal Reservoirs	17,123	11,813	5,310	69%
<u>Environmental Services</u>				
Environmental Services	4,434	3,036	1,398	68%
<u>Special Projects & Strategic Initiatives</u>				
Special Projects & Strategic Initiatives	906	650	256	72%
<u>Central Services</u>				
Board of Directors	120	91	29	76%
General Administration	1,324	965	359	73%
Legal	1,805	1,073	732	59%
Public Information	788	484	304	61%
Legislative Government Affairs	763	400	363	52%
Human Resources	1,715	1,153	562	67%
Finance & Administration	2,627	1,938	689	74%
Information Technology	4,000	2,958	1,042	74%
Less Central Services allocated	(13,143)	(9,062)	(4,081)	69%
Total Operating Expenses	62,917	42,070	20,847	67%
Debt Service				
East Williamson County	2,538	2,347	191	92%
Allens Creek	1,934	1,325	609	69%
Federal Reservoirs	1,448	1,373	75	95%
Total Debt Service	5,921	5,045	875	85%
Operating Projects	5,715	2,329	3,386	41%
Total Expenses	74,553	49,445	25,108	66%
Surplus/(Deficit) before CIP	8,142	28,269	20,127	
Plus: Debt Funding	33,000	-	(33,000)	0%
Less: Capital Improvement Projects	97,877	14,531	83,346	15%
Ending Working Capital	\$ 47,908	\$ 135,133	\$ 87,225	



BRAZOS RIVER AUTHORITY
WATER SUPPLY OPERATIONS
QUARTERLY BUDGET REPORT - 3rd QUARTER FY 2026
VARIANCE DISCUSSION - 75% OF FISCAL YEAR ELAPSED

REVENUES			
Category	% of Budget	Status	Discussion
Raw Water Sales - System	96%		As expected. Most System Water contracts are invoiced at the beginning of the fiscal year. Some customers choose to be invoiced quarterly or monthly.
Raw Water Sales - Non-System	101%		Better than expected. Most Two-Tier contracts and Residential/Commercial Water Permits are invoiced on a calendar year.
East Williamson County RWS	83%		As expected. Ten months of revenue recorded through Q3.
Sugar Land WW	62%		As expected. Pass through revenues from disinfection chemicals and sludge hauling are lower than budgeted due to lower actual unit costs. This lower revenue will be offset by lower actual expenditures.
Lake Operations	106%		Better than expected. The majority of these contracts are invoiced on a calendar year, which falls in Q2. Increase in Airport Hangar Lease fees collected through Q3.
Grants	96%		As expected. Spending on Brazos G and Region 8 is on track to complete all tasks planned in FY 26.
Management Fees	59%		As expected. Lag salaries due to vacant positions and capital projects waiting for equipment deliveries are responsible for the lower percentage. We expect to make up the capital spending by year end. Lag salaries will depend on job vacancies.
Interest Income	125%		Better than expected. Beginning reserves were \$16M higher than budgeted, CIP spending was fairly low during the third quarter and interest rates are better than the 4% return assumed in the budget (4.07% YTD).
Miscellaneous	133%		Better than expected. The bulk of this revenue is the rebate on our P-card program which usually happens in January.

EXPENSES			
Category	% of Budget	Status	Discussion
Reservoir, Water Supply & Treatment Operations	62%		As expected. All expense categories tracking as planned.
Project Delivery Division	81%		As expected. Annual software expenses recognized in the second and third quarter. All expense categories tracking as planned.
Water Services	69%		As expected. U.S. ACE O&M charges for storage space in the Federal Reservoirs came in \$660K under budget. Other annual charges have been recognized, but overall the expense categories are tracking as planned.
Environmental Services	68%		As expected. All expense categories tracking as planned.
Special Projects & Strategic Initiatives	72%		As expected. All expense categories tracking as planned.
Central Services	69%		As expected. All expense categories tracking as planned.
Debt Service	85%		As expected. The first annual debt service payments for EWC and Allens Creek, which included principal, were made in February. The second debt service payment, which will be interest only, will be made in August.
Operating Projects	41%		As expected. We are forecasting to spend approximately 80% of the total FY 26 Operating Projects budget. Materials ordered with long lead times are expected to be delivered soon.
Capital Improvement Projects	15%		Lower than expected. Third quarter spending increased slightly, and fourth quarter spending is expected to increase as well. Total Capital Improvement Project Spending for FY 26 is projected to be 36% of budget.



BRAZOS RIVER AUTHORITY
COST REIMBURSABLE OPERATIONS
QUARTERLY BUDGET REPORT - 3rd QUARTER FY 2026
(in thousands)

	Annual Budget	Date Actual	\$ Variance	% of Annual Budget
Operating Revenues				
WCRRWL	\$ 3,083	\$ 1,481	\$ (1,602)	48%
Temple-Belton	5,932	3,905	(2,027)	66%
Hutto	2,528	1,819	(709)	72%
Sandy Creek	2,714	1,884	(830)	69%
Clute	1,266	667	(599)	53%
Debt Service Revenues				
WCRRWL	3,040	250	(2,790)	8%
Capital Project Funding				
Local Stakeholders Funding	3,978	1,624	(2,354)	41%
Total Revenues	22,541	11,630	(10,911)	52%
Operating Expenses				
WCRRWL	3,083	1,481	1,602	48%
Temple-Belton	5,932	3,905	2,027	66%
Hutto	2,528	1,819	709	72%
Sandy Creek	2,714	1,884	830	69%
Clute	1,266	667	599	53%
Debt Service Expenses				
WCRRWL	3,040	250	2,790	8%
Capital Improvement Projects				
WCRRWL Phase 3 Pumps	3,978	1,624	2,354	41%
Total Expenses	22,541	11,630	10,911	52%
Surplus/(Deficit)	\$ -	\$ -	\$ -	



BRAZOS RIVER AUTHORITY
OPERATING PROJECTS and CAPITAL IMPROVEMENT PROJECTS
QUARTERLY BUDGET REPORT - 3rd QUARTER FY 2026 Period Ending May 31, 2026

	FY 2026 Annual Budget				FY 2026 Year to Date Actual				Inception to Date				
	Bonds, Grants, Other		BRA Reserves	Total Annual	Bonds, Grants, Other		BRA Reserves	Total Actual	Budget vs. Actual	Budget	Actual	Balance	
	Expenditures	Expenditures	Budget	Expenditures	Expenditures	Expenditures	Variance						
Operating Projects													
BW-ES-Brazos Water Snake Study	5	\$ -	\$ 71	\$ 71	\$ -	\$ 68	\$ 68	\$ 3	\$ 875	\$ 875	\$ -		
BW-IT-Technical Security Upgrades		-	850	850	-	625	625	225	1,050	668	382		
BW-PD-Risk Based Capital Planning and Management Support		-	505	505	-	284	284	221	1,915	1,541	374		
CB-WH-Lake Whitney Reallocation Study		-	500	500	-	489	489	11	2,117	2,104	13		
UB-ES-Comprehensive Water Quality Modeling Tool For PK	5	-	1,245	1,245	-	168	168	1,077	3,250	387	2,863		
UB-LG-Embankment Stability Analysis and Assessment		-	159	159	-	74	74	85	710	210	500		
UB-LG-Tainter Gate Evaluation		-	700	700	-	385	385	315	2,163	1,941	222		
UB-PK-Bay 9 Transition Beam Leak Remediation		-	535	535	-	235	235	300	1,439	236	1,204		
UB-PK-COC Recoating and Repairs		-	750	750	-	-	-	750	2,501	-	2,501		
UB-PK-Elevators Replacement		-	400	400	-	-	-	400	1,050	229	821		
Total Operating Projects		\$ -	\$ 5,715	\$ 5,715	\$ -	\$ 2,329	\$ 2,329	\$ 3,387	\$ 17,070	\$ 8,190	\$ 8,880		
Capital Improvement Projects													
CB-BE-Belhouse Drought Preparedness		\$ -	\$ 8,658	\$ 8,658	\$ -	\$ 3,791	\$ 3,791	\$ 4,867	\$ 179,959	\$ 6,591	\$ 173,368		
CB-EW-EWCRWS 48 inch Treated Water Pipeline		-	8,530	8,530	-	512	512	8,018	37,925	1,568	36,357		
CB-EW-EWCRWS Expansion Phase II		-	28,440	28,440	-	645	645	27,795	150,794	9,718	141,076		
CB-EW-EWCRWS Trinity Well #1 Infrastructure		-	25,074	25,074	-	431	431	24,643	27,240	2,469	24,771		
CB-WCR-WCRRWL Phase 3 Pumps		3,978	-	3,978	1,624	-	1,624	2,354	68,738	4,103	64,635		
CO-ES-Environmental Services Building	1	-	4,427	4,427	-	2,428	2,428	1,999	13,592	12,326	1,266		
CO-PD-Lake Shore Office Property	3	-	2,050	2,050	-	2,050	2,050	-	2,050	2,050	-		
LB-AC-Allens Creek Reservoir		-	8,200	8,200	-	3,285	3,285	4,915	700,326	77,062	623,264		
LB-LL-Hydrostatic Relief System Assessment & Replacement		-	500	500	-	-	-	500	14,152	621	13,531		
LB-LL-Low Flow Facility Modifications & Improvements		-	750	750	-	-	-	750	20,312	24	20,288		
LB-LL-Park 5 Access Pier and Park Upgrades		-	900	900	-	-	-	900	2,919	419	2,500		
LB-LL-Tainter Gate Replacement and Improvements	2,4	-	5,187	5,187	-	216	216	4,971	52,126	22,654	29,472		
UB-LG-Buttress 1 and 44 Repairs		-	425	425	-	10	10	415	3,098	861	2,237		
UB-LG-Hearth Stability Analysis		-	75	75	-	6	6	69	10,141	208	9,933		
UB-LG-Low Flow Facilities		-	1,600	1,600	-	813	813	787	9,340	7,824	1,516		
UB-LG-Stoplog Replacement System		-	2,006	2,006	-	90	90	1,916	14,301	2,266	12,035		
UB-PK-Bay #9 Weir Box		-	255	255	-	101	101	154	1,193	151	1,042		
UB-PK-Flow Control Gate Replacement		-	800	800	-	154	154	646	2,692	1,104	1,588		
Total Capital Improvement Projects		\$ 3,978	\$ 97,877	\$ 101,855	\$ 1,624	\$ 14,531	\$ 16,155	\$ 85,700	\$ 1,310,898	\$ 152,019	\$ 1,158,879		



BRAZOS RIVER AUTHORITY
OPERATING PROJECTS and CAPITAL IMPROVEMENT PROJECTS
QUARTERLY BUDGET REPORT - 3rd QUARTER FY 2026 Period Ending May 31, 2026

Notes

1. Board of Directors approved a budget amendment to increase the FY26 CO-ES-Environmental Services Building Project Budget from \$1,364,000 to \$4,427,300 to cover timing differences at the September 29, 2025 Board Meeting.
2. Board of Directors approved a budget amendment to decrease the FY26 LB-LL-Tainter Gate Replacement and Improvements Project Budget by (\$440,052) to cover timing differences in FY25 LB-LL-Tainter Gate Replacement and Improvements Project Budget at the November 17, 2025 Board Meeting.
3. Board of Directors approved a budget amendment to increase the Capital Improvement Project budget by \$2,050,000 to purchase additional office space for the CO-PD-Lake Shore Office Property Project at the November 17, 2025 meeting.
4. Board of Directors approved a budget amendment to increase the FY26 LB-LL-Tainter Gate Replacement and Improvements Project Budget from \$3,686,948 to \$5,186,948 for mediation and litigation expenses at the November 17, 2025 Board Meeting.
5. GM approved budget transfer to remove unspent funds from UB-ES-Comprehensive Water Quality Modeling Tool For PK (\$5,000) to cover funding shortfalls for BW-ES-Brazos Water Snake Study (\$5,000).



**BRAZOS RIVER AUTHORITY
DIRECTOR'S FEES AND EXPENSES
3rd QUARTER FY 2026**

	Budget		Actual		Variance	
Director Fees	\$	31,326	\$	22,542	\$	8,784
Professional Development	\$	12,200		10,277		1,923
Transportation	\$	22,000		14,516		7,484
Lodging	\$	15,000		8,416		6,584
Meals	\$	15,000		12,626		2,374
Materials & Supplies	\$	17,800		16,918		882
Postage & Delivery	\$	580		72		508
Bonds/Insurance	\$	5,593		5,345		248
Rental	\$	800		-		800
Total Directors' Expense	\$	120,299	\$	90,712	\$	29,587



BRAZOS RIVER AUTHORITY
STATEMENTS OF NET POSITION
May 31, 2026 and 2025
(unaudited)
(in thousands)

	2026	2025
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
UNRESTRICTED:		
Cash and cash equivalents	\$ 63,538	\$ 50,839
Investments	87,902	105,813
Accounts receivable	2,443	3,361
Other receivables	248	299
Other current assets	1,001	2,881
TOTAL UNRESTRICTED	<u>155,132</u>	<u>163,193</u>
RESTRICTED:	-	-
TOTAL CURRENT ASSETS	<u>155,132</u>	<u>163,193</u>
NONCURRENT ASSETS:		
RESTRICTED:		
Cash and cash equivalents	5,440	5,361
Investments	15,167	15,474
TOTAL RESTRICTED	<u>20,607</u>	<u>20,835</u>
CAPITAL ASSETS:		
Land, storage and water rights	185,807	185,722
Reservoirs, water treatment & sewerage facilities	142,719	139,472
Building, structure & improvements	126,399	122,503
Vehicle, furniture & equipment	25,847	23,189
Construction in progress	79,589	56,403
TOTAL CAPITAL ASSETS	<u>560,361</u>	<u>527,289</u>
Less accumulated depreciation	<u>(171,039)</u>	<u>(163,221)</u>
NET CAPITAL ASSETS	<u>389,322</u>	<u>364,068</u>
OTHER NONCURRENT ASSETS:		
Net pension asset	-	915
Other assets	1,041	1,119
TOTAL OTHER NONCURRENT ASSETS	<u>1,041</u>	<u>2,034</u>
TOTAL NONCURRENT ASSETS	<u>410,970</u>	<u>386,937</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amount on refunding	129	147
Pension Plans	1,458	2,382
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,587</u>	<u>2,529</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 567,689</u></u>	<u><u>\$ 552,659</u></u>



BRAZOS RIVER AUTHORITY
STATEMENTS OF NET POSITION (continued)
May 31, 2026 and 2025
(unaudited)
(in thousands)

	2026	2025
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES:		
PAYABLE FROM CURRENT ASSETS:		
Accounts payable	\$ 8,924	\$ 7,863
Contracts payable	1,327	1,019
Accrued interest	353	374
Unearned revenues	14,115	11,674
TOTAL PAYABLE FROM CURRENT ASSETS	<u>24,719</u>	<u>20,930</u>
PAYABLE FROM RESTRICTED ASSETS:		
Accrued interest	70	73
Construction contracts payable	-	200
Revenue bonds payable	2,835	2,765
Unearned revenues	1,908	3,108
TOTAL PAYABLE FROM RESTRICTED ASSETS	<u>4,813</u>	<u>6,146</u>
TOTAL CURRENT LIABILITIES	<u>29,532</u>	<u>27,076</u>
NONCURRENT LIABILITIES:		
Revenue bonds payable, net of current portion	76,755	82,409
Contracts payable, net of current portion	14,275	14,968
Allens Creek contingent compensation liability	15,000	15,000
Net pension liability	2,791	6,614
Other liabilities	3,231	1,985
TOTAL NONCURRENT LIABILITIES	<u>112,052</u>	<u>120,976</u>
TOTAL LIABILITIES	<u>141,584</u>	<u>148,052</u>
DEFERRED INFLOWS OF RESOURCES	<u>884</u>	<u>459</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>142,468</u>	<u>148,511</u>
NET POSITION:		
Invested in capital assets	279,259	247,854
Restricted for construction and debt service	18,276	17,280
Restricted for pension assets	-	915
Unrestricted	127,686	138,099
TOTAL NET POSITION	<u>425,221</u>	<u>404,148</u>
TOTAL LIABILITIES, DERERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 567,689</u>	<u>\$ 552,659</u>



BRAZOS RIVER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE NINE MONTHS ENDED
MAY 31, 2026 and 2025
(unaudited)
(in thousands)

OPERATING REVENUES:	2026	2025
Water Supply System:		
Raw water sales-system and non-system	\$ 57,888	\$ 55,527
Treated water	8,427	7,944
Wastewater treatment	3,166	3,149
Lake operations	577	476
Other	768	735
Cost Reimbursable Operations:		
Water conveyance	1,611	3,584
Water treatment	1,834	1,602
Wastewater treatment	6,125	5,682
TOTAL OPERATING REVENUES	<u>80,396</u>	<u>78,699</u>
OPERATING EXPENSES:		
Personnel services	25,815	23,335
Materials and supplies	3,171	3,081
Utilities	2,326	2,266
Outside services	10,655	10,702
Repair and maintenance	3,782	3,064
Landfill and sludge hauling	1,274	1,264
Purchased water	2,687	89
Other	3,873	2,624
TOTAL OPERATING EXPENSES	<u>53,583</u>	<u>46,425</u>
OPERATING INCOME	<u>26,813</u>	<u>32,274</u>
NON-OPERATING REVENUES (EXPENSES):		
Investment income	5,592	6,711
Grants	1,209	1,645
Gain/(loss) on sale of capital assets	51	143
Interest expense	(1,572)	(1,672)
Debt service - principal	(3,723)	(3,625)
Other (expenses)/income	(28)	(18)
TOTAL NET NON-OPERATING EXPENSES	<u>1,529</u>	<u>3,184</u>
INCOME BEFORE CONTRIBUTIONS	28,342	35,458
Non-capital contributions	170	-
Capital contributions	<u>500</u>	<u>(569)</u>
CHANGE IN NET POSITION	29,012	34,889
NET POSITION, BEGINNING	<u>396,209</u>	<u>369,259</u>
NET POSITION, ENDING	<u>\$ 425,221</u>	<u>\$ 404,148</u>