

**SOUTH PLAINS WATER SUPPLY CORPORATION**

**LUBBOCK, TEXAS**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

**AND**

**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**LUBBOCK, TEXAS**

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LUBBOCK, TEXAS**

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FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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**Independent Auditor's Report**

Board of Directors  
South Plains Water Supply Corporation  
Lubbock, Texas

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of South Plains Water Supply Corporation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of South Plains Water Supply Corporation as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 South Plains Water Supply Corporation (the Corporation) 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 opinion.

**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 Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **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 opinion. 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 GAAS 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 GAAS 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 Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2026 on our consideration of the Corporation'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 Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

*Bolinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

April 7, 2026

**BASIC FINANCIAL STATEMENTS**

## SOUTH PLAINS WATER SUPPLY CORPORATION

Exhibit A

STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2025 AND 2024

## ASSETS

	December 31,	
	2025	2024
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 250,406	\$ 140,732
Restricted Cash and Cash Equivalents - Debt Reserves	4,008	1,477
Accounts Receivable	107,864	77,751
Less Allowance for Credit Losses	(65,269)	(12,268)
Unbilled Revenue	38,716	36,350
Total Current Assets	<u>\$ 335,725</u>	<u>\$ 244,042</u>
<b>PROPERTY AND EQUIPMENT</b>		
Property and Equipment	\$ 395,375	\$
Construction Work in Progress	10,500	
Less Accumulated Depreciation	(348,724)	
Total Property and Equipment, Net	<u>\$ 57,151</u>	<u>\$ 0</u>
<b>TOTAL ASSETS</b>	<u>\$ 392,876</u>	<u>\$ 244,042</u>

## LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 81,030	\$ 55,633
Current Maturities of Long-Term Debt	40,787	39,296
Total Current Liabilities	<u>\$ 121,817</u>	<u>\$ 94,929</u>
<b>LONG-TERM DEBT</b>		
Notes Payable Less Current Maturities	\$ 568,668	\$ 409,455
Total Long-Term Debt	<u>\$ 568,668</u>	<u>\$ 409,455</u>
<b>NET ASSETS (DEFICIT)</b>		
Without Member Restrictions	\$ (297,609)	\$ (260,342)
Total Net Assets	<u>\$ (297,609)</u>	<u>\$ (260,342)</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 392,876</u>	<u>\$ 244,042</u>

See accompanying notes to financial statements.

**SOUTH PLAINS WATER SUPPLY CORPORATION**

**Exhibit B**

**STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	December 31,	
	<u>2025</u>	<u>2024</u>
<b>REVENUES AND GAINS</b>		
Water Sales	\$ 495,908	\$ 305,699
Donated Property and Equipment	32,432	
Membership Fees		900
Miscellaneous Income	60	
Total Revenues and Gains	<u>\$ 528,400</u>	<u>\$ 306,599</u>
<b>EXPENSES</b>		
Program Expenses		
Water Utilities	\$ 18,145	\$ 11,132
Water Chemicals	12,825	9,431
Water Testing	20,474	
Contracted Services	108,702	65,641
Engineering Services	17,000	31,493
Depreciation	618	
Repairs and Maintenance	80,330	36,899
Management and General		
Professional Fees	216,701	367,161
Interest Expense	19,531	8,540
Insurance	5,540	4,939
Bad Debt	53,501	20,061
Office Expenses	12,300	11,644
Total Operating Expenses	<u>\$ 565,667</u>	<u>\$ 566,941</u>
<b>CHANGE IN NET ASSETS</b>	\$ (37,267)	\$ (260,342)
<b>NET ASSETS (DEFICIT) WITHOUT MEMBER RESTRICTIONS - BEGINNING OF YEAR</b>	<u>(260,342)</u>	<u>0</u>
<b>NET ASSETS (DEFICIT) WITHOUT MEMBER RESTRICTIONS - END OF YEAR</b>	<u>\$ (297,609)</u>	<u>\$ (260,342)</u>

See accompanying notes to financial statements.

**SOUTH PLAINS WATER SUPPLY CORPORATION**

**Exhibit C**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	December 31,	
	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (37,267)	\$ (260,342)
Adjustments to Reconcile Change in Net Assets to Net Cash		
From Operating Activities		
Depreciation	618	
Donated Property and Equipment	(32,432)	
Changes in Operating Assets and Liabilities		
Accounts Receivable	22,888	(65,483)
Unbilled Revenue	(2,366)	(36,350)
Accounts Payable	25,397	55,633
Net Cash from Operating Activities	<u>\$ (23,162)</u>	<u>\$ (306,542)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	<u>\$ (25,337)</u>	<u>\$</u>
Net Cash From Investing Activities	<u>\$ (25,337)</u>	<u>\$ 0</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances on Notes Payable	\$ 200,000	\$ 500,000
Payments on Notes Payable	(39,296)	(51,249)
Net Cash From Financing Activities	<u>\$ 160,704</u>	<u>\$ 448,751</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	\$ 112,205	\$ 142,209
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>142,209</u>	<u>0</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 254,414</u>	<u>\$ 142,209</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>		
Cash and Cash Equivalents	\$ 250,406	\$ 140,732
Restricted Cash and Cash Equivalents - Debt Reserve	4,008	1,477
Total Cash and Cash Equivalents	<u>\$ 254,414</u>	<u>\$ 142,209</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid During the Year for:		
Interest	<u>\$ 19,531</u>	<u>\$ 8,540</u>
Income Taxes	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

## **SOUTH PLAINS WATER SUPPLY CORPORATION**

### **NOTES TO FINANCIAL STATEMENTS**

#### **1. Nature of Operations and Summary of Significant Accounting Policies**

##### **Nature of Operations**

South Plains Water Supply Corporation (the Corporation) is a member owned, nonprofit corporation organized under the Texas Water Code Chapter 67 and the provisions of the Texas Business Organizations Code, applicable to member owned, nonprofit corporations, for the purpose of furnishing a water supply, sewer service, or both for a municipality, a private corporation, or individual in the Shallowater and Lubbock communities in Lubbock County, Texas and the surrounding rural areas. The Corporation's operating policies, rates, and regulations are adopted by the Board of Directors that are elected by the members of the Corporation.

The Corporation was established in July 2023 and became the temporary manager of the water system in March 2024. In August 2025, the Public Utility Commission of Texas (PUCT) approved the sale, transfer, and merger of the water system. This approval ended the temporary management period and the Corporation holds full ownership of the water system.

In accordance with the bylaws of the Corporation, no dividends are to be paid based on membership in the Corporation. The Corporation shall conduct business on a nonprofit basis. Upon discontinuance of the Corporation by dissolution or otherwise, all assets remaining after debts are satisfied will be distributed among members in direct proportion to the amount of their patronage with the Corporation insofar as practicable.

##### **Basis of Accounting**

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recognized when incurred.

##### **Income Taxes**

The Corporation is an exempt organization for federal income tax purposes under Section 501(c)(12) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the financial statements. The Corporation is no longer subject to examinations by federal taxing authorities for years before 2023. There were no penalties or interest recognized during the years ended December 31, 2025 and 2024.

##### **Cash and Cash Equivalents**

For purposes of the Statements of Cash Flows, cash and cash equivalents and restricted cash and cash equivalents – debt reserves are considered cash and cash equivalents.

##### **Restricted Cash and Cash Equivalents**

Restricted cash and cash equivalents consist of reserve funds set aside as stipulated by the Corporation's debt agreements. The Corporation is required to set aside an amount equal to the Average Annual Debt Service funded through monthly amounts for 120 months in a separate bank account.

## SOUTH PLAINS WATER SUPPLY CORPORATION

### NOTES TO FINANCIAL STATEMENTS

#### Financial Statement Presentation

The Corporation is required to classify net assets and revenues, expenses, and gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

**Net assets with donor restrictions:** Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Corporation does not have any net assets with donor restrictions.

**Net assets without donor restrictions:** Net assets not subject to donor-imposed restrictions. Net assets without donor restrictions are currently available for operating purposes under the direction of the board, designated by the board for specific use, or invested in property and equipment.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

#### Concentrations of Credit Risk

The Corporation maintains its cash deposits in financial institutions insured by the Federal Deposit Insurance Corporation. At times during the year, cash balances may exceed those limits.

#### Revenues from Contracts with Members

Substantially all revenues and accounts receivable are derived from contracts with members related to water services. Performance obligations related to the sale of water are satisfied as water is delivered to the members. These revenues are recorded and billed on a monthly basis based on the reading of the meters. At the end of the month, amounts of water delivered to the member since the date of the last meter reading have been estimated and the corresponding unbilled revenue recognized. The Corporation has calculated that its unbilled revenue for delivered water usage, which has not been billed to members, at December 31, 2025 and 2024 amounted to \$38,716 and 36,350, respectively.

**SOUTH PLAINS WATER SUPPLY CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**Allowance for Credit Losses**

The allowance for credit losses represents an estimate of the expected credit losses inherent in trade receivables as of the Statements of Financial Position date. Additions to the allowance for credit losses, if any, are made by recording charges to expenses in the Statement of Activities. The Corporation's methodology in determining the adequacy of the allowance for credit losses includes consideration of the aging of accounts receivable. The delinquent accounts deemed uncollectible are written off upon approval of the Board of Directors. Changes in the allowance for credit losses during the years ended December 31, 2025 and 2024 were as follows:

	December 31,	
	<u>2025</u>	<u>2024</u>
Balance, Beginning of Year	\$ 12,268	\$ 12,268
Accruals	<u>53,001</u>	<u>12,268</u>
Balance, End of Year	<u>\$ 65,269</u>	<u>\$ 12,268</u>

**Property and Equipment**

Property and equipment are recorded at cost and depreciated using the straight-line method for financial reporting purposes. The Corporation does not have a formal capitalization policy, but generally items over \$5,000 with a useful life of 3 years or more are capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed. Upon routine sales or retirement of property and equipment, the cost and the related accumulated depreciation are removed from the respective accounts and any gain or loss is included in the Statements of Activities.

**Functional Expenses**

The Corporation operates one program to deliver water to its members. Costs associated with producing and delivering the water are shown as program expenses while costs directly related to the office are shown as management and general on the Statements of Activities.

**Use of Estimates in the Preparation of Financial Statements**

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**SOUTH PLAINS WATER SUPPLY CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**2. Property and Equipment**

Property and equipment consisted of the following as of December 31, 2025 and 2024:

	December,	
	2025	2024
Land	\$ 32,432	\$
Machinery and Equipment	362,943	
	\$ 395,375	\$ 0
Construction Work in Progress	10,500	
Less Accumulated Depreciation	(348,724)	
	<u>\$ 57,151</u>	<u>\$ 0</u>

The Corporation provides for depreciation on a straight-line basis over the estimated useful lives of the depreciable assets as follows:

Machinery and Equipment	5 - 10 Years
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Depreciation expense on these assets for the years ended December 31, 2025 and 2024 was \$618 and \$0, respectively.

**3. Notes Payable**

Notes payable consisted of the following as of December 31, 2025:

	December 31,	
	2025	2024
Communities Unlimited, Inc.	\$ 226,955	\$ 238,285
Water Finance Exchange (WFX)	182,500	210,466
U.S. Water Services Corporation	200,000	
	\$ 609,455	\$ 448,751
Less Current Maturities	(40,787)	(39,296)
	<u>\$ 568,668</u>	<u>\$ 409,455</u>

Note payable to Communities Unlimited, Inc. requires monthly installments of \$2,110 with an interest rate of 6.00% through November 2038. Interest expense on this note payable totaled \$13,985 and \$5,162 for the years ended December 31, 2025 and 2024, respectively.

Note payable to Water Finance Exchange (WFX) requires monthly installments of \$2,793 with an interest rate of 2.805% through November 2031. Interest expense on this note payable totaled \$5,546 and \$3,378 for the years ended December 31, 2025 and 2024.

During the current year, the Corporation entered into a bridge loan with U.S. Water Services

**SOUTH PLAINS WATER SUPPLY CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

Corporation for \$200,000. This note payable has an interest rate of 5.60% and no principal amounts are required to be paid until additional loan proceeds are received. After 18 months, if the additional loan proceeds have not been received, then the terms will be renegotiated. Interest expense on this note payable totaled \$0 for the year ended December 31, 2025.

Debt service requirements on notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 40,787	\$ 29,248	\$ 70,035
2027	242,346	22,086	264,432
2028	43,969	14,858	58,827
2029	45,676	13,151	58,827
2030	47,450	11,377	58,827
2031-2035	122,041	35,257	157,298
2036-2038	67,186	6,177	73,363
	<u>\$ 609,455</u>	<u>\$ 132,154</u>	<u>\$ 741,609</u>

**4. Liquidity and Availability of Financial Assets**

The following reflects the Corporation's financial assets as of December 31, 2025, reduced by amounts not available to general use within one year of the balance sheet date because of contractual or member-imposed restrictions or internal designations:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Financial Assets		
Cash and Cash Equivalents	\$ 254,414	\$ 142,209
Accounts Receivable Less Allowance for Credit Losses	42,595	65,483
Unbilled Revenue	38,716	36,350
Total Financial Assets	\$ 335,725	\$ 244,042
Less Contractual or Member-Imposed Restrictions:		
Restricted Cash and Cash Equivalents	(4,008)	(1,477)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$ 331,717</u>	<u>\$ 242,565</u>

**5. Donated Property and Equipment**

Upon the approval of PUCT for the sale/transfer of the water system in August 2025, the Corporation took ownership of all the property and equipment of the water system. The Corporation received donated property and equipment at an estimated value of \$32,432. These donations are reflected in property and equipment on the Statements of Financial Position and donated property and equipment on the Statements of Activities.

**SOUTH PLAINS WATER SUPPLY CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**6. Significant Risks and Uncertainties**

The Corporation ended the year with a deficit net asset balance. Management believes that this is temporary as they finally received approval from PUCT for the sale/transfer of the water system in late 2025. Until the Corporation took possession of the water system, they were unable to receive any additional funding through loans and/or grants. The Corporation is in the process of applying for additional funding. Therefore, management believes once they receive the additional funding there is not a concern that they will be unable to fund operations for the twelve months subsequent to the date of this report.

**7. Litigation, Commitments, and Contingencies**

Management represents there is no pending litigation against the Corporation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

**8. Subsequent Events**

The Corporation's management has evaluated subsequent events through April 7, 2026, the date which the financial statements were available for issue.

**COMPLIANCE AND INTERNAL CONTROL SECTION**

**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Directors  
South Plains Water Supply Corporation  
Lubbock, 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 South Plains Water Supply Corporation (a nonprofit organization) (the Corporation), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated April 7, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Report on Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bolinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

April 7, 2026