

**NOTICE OF REGULAR MEETING
TOWN OF RANSOM CANYON
CITY COUNCIL AGENDA
TUESDAY, OCTOBER 13, 2026**

Val Meixner, Mayor

Scottie Hildebrant, Alderman
David Beckham, Alderman
David Riley, Alderman

Alicia (Ali) Lucero, Alderwoman
Ginger Whetzel, Alderwoman
Elena Quintanilla, City Administrator

Notice is hereby given that a regular meeting for the governing body of the Town of Ransom Canyon is called for 6:30 p.m. on Tuesday, October 13, 2026, to be held at City Hall located at 24 Lee Kitchens Drive in Ransom Canyon, Texas. The City Council agenda and packet are posted online at <https://www.townofransomcanyon.gov>. **If you make a public comment on the day of the meeting, you must publicly attend the meeting.** The following are instructions on how to access the meeting via telephone or video conference call:

Ransom Canyon is inviting you to a scheduled Zoom meeting.

Topic: Oct. regular city council meeting

Time: Oct 13, 2026 06:30 PM Central Time (US and Canada)

Join Zoom Meeting

<https://zoom.us/j/98815926770?pwd=1jpwlRQU92HCLRkhaolktlRrDPbDQ.1>

Join and take notes

<https://zoom.us/j/98815926770?pwd=1jpwlRQU92HCLRkhaolktlRrDPbDQ.1&mynotes=on>

Meeting chat link

<https://zoom.us/join/jc/98815926770>

Meeting ID: 988 1592 6770

Passcode: 907517

One tap mobile

+13092053325,,98815926770#,,,907517# US

+13126266799,,98815926770#,,,907517# US (Chicago)

Join by SIP

• 98815926770@zoomcrc.com

Join instructions

https://zoom.us/join/98815926770/invitations?signature=L7oyJz-3_fVoWIPAWtAjQIRdvqcwbbHillsuizUWhtlo

1. CALL TO ORDER FOR CITY COUNCIL MEETING/PRAYER/PLEDGES – 6:30 P.M.
2. CITIZEN COMMENTS - **In accordance with law, no Council *discussion or action* is to be taken until such matter is placed on the agenda.** Citizens shall be allowed to speak on any matter other than personnel matters, matters under litigation or matters concerning the purchase, exchange, lease or value of real property
3. DISCUSSION ITEM: Discussion on audit for 2025-2026 fiscal year.
4. ACTION ITEM: APPROVE MINUTES OF:
 - a. Special Meeting – September 1, 2026
 - b. Regular Meeting – September 8, 2026
5. ACTION ITEM: APPROVE FINANCIALS
 - a. Financial Reports
 - b. September 2026 Claims & Demands
 - c. Quarterly Financial Investment Report
6. ACTION ITEM: CONSIDER AND ACT UPON a resolution to apply for Critical Needs Funding through Lubbock County for FY 2027.

I. BUILDING REVIEW COMMITTEE REPORT: The Building Review Committee did not meet in the month of September.

II. DEPARTMENT REPORTS:

- a. Administration: Elena Quintanilla
 - City Administrator Schedule of Events
 - Codes Enforcement – Texas Communities Group Report
 - Legislative Report
- b. Court: Elena Quintanilla
 - No Court Report
- c. Operations: Cory Needham
 - Mosquito Prevention
 - Update on Road Repairs
 - Generators
- d. Police: James Hill
 - Citations, Warnings, and Arrests
 - Personnel Training and Education
 - Disaster Recovery/Emergency Management Planning/Communications
 - Weed Notices
 - Community Fall Festival Police Booth
- e. Fire: Angela Hill
 - EMS/Fire Calls
 - Pancake Breakfast

- Fire Department Halloween Party
- f. Library: Mary Roberts
 - Library Attendance
 - Fall Festival/40th Anniversary of Library

7. EXECUTIVE SESSION: Hold an executive session in accordance with Texas Government Code, Sections 551.071 and 551.074, regarding Personnel matters involving the City Administrator, including the Employment Agreement and the City Attorney's contract.

8. ADJOURNMENT

Executive Session Disclosure Statement: The City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code, Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

If any accommodation for a disability is required, please notify the City Administrator's office at 806-810-2736 at least two (2) working days prior to the date of the meeting. The building has handicap parking areas and is wheelchair accessible at the front entrance to the building.

All items listed on this agenda are eligible for both discussion and action unless expressly limited.

CERTIFICATION

DATED THIS THE 7th DAY OF OCTOBER 2026

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the governing body of Ransom Canyon, Texas is a true and correct copy of said notice that has been posted in the display case at the City Hall of Ransom Canyon, Texas, a place convenient and readily accessible to the general public at all times, and said notice was posted on or before October 7, 2026 by midnight and remained so posted continuously for at least three business days preceding the scheduled time of such meeting.

Sheila Jennings, City Secretary

I certify that the attached notice and agenda of items to be considered by the City Council was removed by me from the front doors of City Hall on _____ day of _____, 2026.

Sheila Jennings, City Secretary

AGENDA ITEM #4

ACTION ITEM:

Approve Minutes for

September 1, 2026

September 8, 2026

Property Owners Association
Monthly Meeting, September 1, 2026
Ranch House, Ransom Canyon

Topics that were discussed:

- Planting a few trees at the back of the Ranch House.
- Painting and adding stones to the columns around the Ranch House.
- The ceiling project should start in January.
- Cleaning up around Ransom Ranch, might have a buyer.
- The POA donations are not tax deductible.
- Ashley should be getting The Echo submitted soon. She is still looking for an individual that will help her with The Echo.
- Fees & Fines, Deed Restrictions were discussed.
- Short-term rentals vs 90-day rentals.
- There will not be a Home Tour this year due to the bridge replacement detour.
- The Events Committee has several activities planned until the end of the year.
- The Ranch House has quite a few rentals scheduled. Chelsea wants a different kind of lock for the doors; she suggested a blue tooth lock.
- The pool will be closing on Labor Day.

The meeting adjourned at 7:47.

APPROVED:

Val Meixner, Mayor

ATTEST:

Sheila Jennings, City Secretary

Ransom Canyon City Council Meeting Minutes
Regular Meeting, September 8, 2026
Ransom Canyon City Hall, 24 Lee Kitchens Drive

1. Call to Order

The Regular City Council meeting was called to order at 6:30 p.m. by Mayor Val Meixner. The City Council met in person at City Hall, 24 Lee Kitchens Drive, Ransom Canyon, Texas 79366. The following City Council members physically attended the meeting: Councilmembers Scottie Hildebrandt, Alicia "Ali" Lucero, David Riley, David Beckham. Ginger Whetzel attended by Zoom. Staff members attending the City Council meeting included City Administrator, Elena Quintanilla, City Secretary, Sheila Jennings, Operations Manager, Cory Needham, Police Chief, James Hill, and Fire Chief, Angela Hill. People attending Zoom were Vicky Keller and Michael Miller. The prayer was said by Mayor Val, followed by pledges of allegiance. The list of guests in attendance at the meeting is attached.

2. Citizen Comments

Two resident's spoke about raising property taxes and a few line items on the budget.

3. Public Hearing on Budget for 2026 - 2027

Entered the hearing at 6:48. No comments, so exited the hearing at 6:49.

4. Approve minutes

The City Council approved the minutes for the Regular Meeting, August 11, 2026, a Special Meeting, August 25, 2026, and a Special Meeting, August 27, 2026. A motion was made by Councilmember Alicia "Ali" Lucero; seconded by Councilmember Scottie Hildebrandt; the motion carried unanimously.

5. Approve Financials

The City Council approved the financials for August 2026. A motion was made by Councilmember Alicia "Ali" Lucero; seconded by Councilmember Scottie Hildebrandt; the motion carried unanimously.

6. Consider and Act Upon Second Reading of Ordinance No. 26-0020

A motion was made to approve the second reading of Ordinance No. 26-0020 it adopts the 2026 – 2027 fiscal year budget, by Councilmember Alicia "Ali" Lucero; seconded by Councilmember David Beckham; the motion carried unanimously. The Impact Statement for fiscal year 2026 -2027 was read prior to the motion.

7. Consider and Act Upon Resolution No. 26-090826

A motion was made to approve Resolution No. 26-09082, to ratify the 2026 – 2027 fiscal year budget, by Councilmember Alicia “Ali” Lucero; Seconded by Councilmember Scottie Hildebrandt; the motion carried unanimously.

8. Consider and Act Upon Ordinance No. 26-00210

A motion was made to approve Ordinance No. 26-00210, setting the property tax rate/levy for the 2026 tax year at the rate of .713113 per \$100 per taxable value:

a) .683715 per \$100 of taxable value for Maintenance and Operations

b) .029398 per \$100 of taxable value for Debt

by Councilmember Alicia “Ali” Lucero; seconded by Councilmember David Beckham. Aye’s were Councilmember Alicia “Ali” Lucero, Councilmember David Beckham, Councilmember Scottie Hildebrandt and Councilmember Ginger Whetzel; Councilmember David Riley voted nay.

9. Consider and Act Upon Resolution No. R-26-000908

A motion was made to approve Resolution No. R-26-000908, to designate the Slatonite as the official newspaper for the 2026 – 2027 fiscal year, by Councilmember Alicia “Ali” Lucero; seconded by Councilmember David Riley; the motion carried unanimously.

10. Consider and Act Upon approval of Terry & King, CPA’s

A motion was made, to approve Terry & King, CPA’s as the auditor review, by Councilmember Alicia “Ali” Lucero but the motion died. Moved for further discussion at the October meeting.

11. Consider and Act Upon independent contractor agreement

A motion was made, to approve the librarian services agreement, by Councilmember Alicia “Ali” Lucero; seconded by Councilmember Scottie Hildebrandt, the motion carried unanimously.

12. Consider and Act Upon amendment for Fire Department

A motion was made, to modify an increase in the Vehicle Repair Expense line item, by Councilmember Alicia “Ali” Lucero; seconded by Councilmember David Beckham; the motion carried unanimously.

13. Consider and Act Upon an official ballot for Texas Municipal League (IRP)

A motion was made, to elect Board of Trustees for Texas Municipal League Intergovernmental Risk Pool, by Councilmember Alicia “Ali” Lucero; seconded by Councilmember David Beckham. The motion was voted down by nays which were Councilmember Scottie Hildebrandt and Councilmember David Beckham; Councilmember David Riley abstained; ayes were Councilmember Alicia “Ali” Lucero and Councilmember Ginger Whetzel.

A. Building Review Committee

The Building Review Committee did not meet in the month of August.

B. Department Reports

a. Administration: Elena Quintanilla reported the following:

- She will be attending the TX Health Board meeting
- She will be attending the Texas City Manager's meeting

b. Court: Elena Quintanilla

- No Court Report

c. Operations: Cory Needham

- The Operations team hasn't had any luck trapping mosquitoes.
- The property east of Canyonview has been sold and we will be receiving back taxes. TCG was involved in this process.
- The Operations team has built the forms for the concrete bases where the generators will be located.
- Cory is looking into a solar system for the sprinkler system at the front road.

d. Police: Police Chief James Hill reported the following:

- There were two (2) citations, thirteen (13) warnings, and one (1) arrest.
- There was an accident on the lake.
- Disaster Recovery for November is on track.
- Chief Hill will be out next week on training.
- He is still waiting for the guy to repair the sirens.

e. Fire: Fire Chief Angela Hill reported the following:

- The Fire Department had three (3) fire calls and eight (8) EMS calls.
- The County will pay \$650 per call through the Critical Needs funding.
- The County will be providing funds for the Fire Suppression and Emergency Response Calls.

f. Library: Elena Quintanilla reported for Mary Roberts the following:

- The 40th Anniversary of the library is coming up next month.
- If anyone has photos of the library, please share them with Mary.

14. Adjournment

City Council adjourned the meeting at 7:27 p.m. on a motion made by Councilmember Alicia "Ali" Lucero, seconded by Councilmember David Riley; the motion carried unanimously.

APPROVED:

Val Meixner, Mayor

ATTEST:

Sheila Jennings, City Secretary

AGENDA ITEM #5

ACTION ITEM:

**Approve Financials for
September 2026**

ABOUT THIS QUARTERLY FINANCIAL REPORT

This report has been prepared by the Town of Ransom Canyon's City Administrator. The Quarterly Financial Report is intended to provide our users (internal and external) with information regarding the town's financial position and economic activity. This report includes information for the Quarter ending September 30, 2026.

The Report is presented in the following three sections:

1. The Financial Summary section reports the performance of the major operating funds of the Town. This section also highlights the general ledger transactions.
2. The Quarterly Investment section provides information regarding the current balances in the Town's bank accounts, along with any current debts to be paid.
3. The Southwest Economy Report for the Quarter provides information on the Texas Economy to review the Market Outlook in the State of Texas. This quarter has articles that provide information regarding the Lubbock and Texas Economy.

This Quarterly Financial Report is intended to provide our users with timely and relevant financial information regarding the Town of Ransom Canyon.



Elena Quintanilla

City Administrator

24 Lee Kitchens Drive

Ransom Canyon, TX

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 2026

01 -GENERAL FUND
FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
UTILITY REVENUE	1,030.00	0.00	0.00	1,030.00	0.00
BUILDING PERMIT REVENUE	7,500.00	1,075.00	19,595.14 (	12,095.14)	261.27
FRANCHISE REVENUE	45,240.00	0.00	34,243.74	10,996.26	75.69
AD VALOREM TAX REVENUE	1,318,942.00	14,821.26	1,399,369.27 (	80,427.27)	106.10
INTEREST REVENUE	83,000.00	6,797.14	77,957.08	5,042.92	93.92
LIBRARY REVENUE	5,000.00	0.00	7,659.00 (	2,659.00)	153.18
COURT REVENUE	1,650.00	0.00	2,246.31 (	596.31)	136.14
OTHER REVENUE	63,500.00	2,807.98	76,963.45 (	13,463.45)	121.20
BUDGETED SURPLUS	63,127.00	769.40	65,555.23 (	2,428.23)	103.85
TOTAL REVENUES	1,588,989.00	26,270.78	1,683,589.22 (	94,600.22)	105.95
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<u>EXPENDITURE SUMMARY</u>					
CITY COURT	9,000.00	0.00	1,642.80	7,357.20	18.25
ADMINISTRATION	604,303.00	64,821.41	535,821.08	68,481.92	88.67
OPERATIONS	39,000.00	1,358.85	24,294.31	14,705.69	62.29
FIRE DEPARTMENT	141,137.00	31,048.68	175,584.70 (	34,447.70)	124.41
LIBRARY	26,099.00	1,922.66	25,964.56	134.44	99.48
POLICE DEPARTMENT	442,511.00	39,575.39	417,790.08	24,720.92	94.41
SEWER DEPARTMENT	0.00	50.82	50.82 (	50.82)	0.00
ROADS AND GROUNDS DEPT	111,434.00	10,640.02	77,939.73	33,494.27	69.94
WATER DEPARTMENT	0.00	0.00	0.00	0.00	0.00
PAYROLL DEPARTMENT	0.00	0.00	0.00	0.00	0.00
EMERGENCY OPS CENTER	23,500.00	193.83	2,768.71	20,731.29	11.78
CAPITAL EXPENDITURES	0.00	0.00	0.00	0.00	0.00
BONDS	0.00	0.00	124,645.51 (	124,645.51)	0.00
TOTAL EXPENDITURES	1,396,984.00	149,611.66	1,386,502.30	10,481.70	99.25
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REVENUES OVER/(UNDER) EXPENDITURES	192,005.00 (	123,340.88)	297,086.92 (	105,081.92)	154.73

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 2026

01 -GENERAL FUND
REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>UTILITY REVENUE</u>					
401 WATER REVENUE	0.00	0.00	0.00	0.00	0.00
402 SEWER REVENUE	0.00	0.00	0.00	0.00	0.00
403 GARBAGE REVENUE	0.00	0.00	0.00	0.00	0.00
404 PENALTY REVENUE	0.00	0.00	0.00	0.00	0.00
405 MOSQUITO SPRAY GROUND	0.00	0.00	0.00	0.00	0.00
406 MOSQUITO SPRAY AIR	1,030.00	0.00	0.00	1,030.00	0.00
407 GAS LIGHTS REVENUE	0.00	0.00	0.00	0.00	0.00
408 TURN ON REVENUE	0.00	0.00	0.00	0.00	0.00
409 RV REVENUE MONTHLY PAYEES	0.00	0.00	0.00	0.00	0.00
TOTAL UTILITY REVENUE	1,030.00	0.00	0.00	1,030.00	0.00
<u>BUILDING PERMIT REVENUE</u>					
410 BUILDING PERMIT REVENUE	7,500.00	1,075.00	14,705.00 (	7,205.00)	196.07
411 TAP CONNECTION REVENUE	0.00	0.00	4,890.14 (	4,890.14)	0.00
TOTAL BUILDING PERMIT REVENUE	7,500.00	1,075.00	19,595.14 (	12,095.14)	261.27
<u>FRANCHISE REVENUE</u>					
420 ATMOS FRANCHISE REVENUE	12,000.00	0.00	11,825.90	174.10	98.55
421 SPEC FRANCHISE REVENUE	18,000.00	0.00	11,074.96	6,925.04	61.53
422 SOUTH PLAINS TEL FRANCHISE REV	2,000.00	0.00	961.82	1,038.18	48.09
423 SBC FRANCHISE REVENUE	40.00	0.00	17.92	22.08	44.80
424 MISC FRANCHISE REVENUE	200.00	0.00	850.40 (	650.40)	425.20
425 INTERNET REVENUE	13,000.00	0.00	9,512.74	3,487.26	73.17
TOTAL FRANCHISE REVENUE	45,240.00	0.00	34,243.74	10,996.26	75.69
<u>AD VALOREM TAX REVENUE</u>					
443 DELINQUENT TAX REVENUE	2,000.00	59.17	3,649.53 (	1,649.53)	182.48
444 CURRENT TAX REVENUE	1,316,142.00	14,752.64	1,395,537.41 (	79,395.41)	106.03
445 TAX P&I REVENUE	750.00	0.00	0.00	750.00	0.00
446 TAX CERTIFICATE REVENUE	50.00	9.45	182.33 (	132.33)	364.66
447 MISC TAX REVENUE	0.00	0.00	0.00	0.00	0.00
448 TAX COLLECTION REVENUE	0.00	0.00	0.00	0.00	0.00
TOTAL AD VALOREM TAX REVENUE	1,318,942.00	14,821.26	1,399,369.27 (	80,427.27)	106.10
<u>INTEREST REVENUE</u>					
455 INTEREST INCOME	83,000.00	6,797.13	77,940.18	5,059.82	93.90
456 I&S INTEREST EARNED	0.00	0.01	16.90 (	16.90)	0.00
457 CONSTRUCTION INTEREST	0.00	0.00	0.00	0.00	0.00
TOTAL INTEREST REVENUE	83,000.00	6,797.14	77,957.08	5,042.92	93.92
<u>LIBRARY REVENUE</u>					
465 LIBRARY REVENUE	5,000.00	0.00	7,659.00 (	2,659.00)	153.18
466 CH FOUNDATION GRANT	0.00	0.00	0.00	0.00	0.00
TOTAL LIBRARY REVENUE	5,000.00	0.00	7,659.00 (	2,659.00)	153.18

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 2026

01 -GENERAL FUND
REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>COURT REVENUE</u>					
476 SEIZURE INCOME	0.00	0.00	0.00	0.00	0.00
477 COURT FEES	650.00	0.00	162.00	488.00	24.92
478 COURT FINES	1,000.00	0.00	2,084.31 (	1,084.31)	208.43
479 COURT TRUST	0.00	0.00	0.00	0.00	0.00
TOTAL COURT REVENUE	1,650.00	0.00	2,246.31 (	596.31)	136.14
<u>OTHER REVENUE</u>					
480 BUFFALO LAKE REVENUE	0.00	0.00	0.00	0.00	0.00
481 POA REVENUE	0.00	0.00	0.00	0.00	0.00
482 TEXAS WATER DEVELOPMENT BOARD	0.00	0.00	0.00	0.00	0.00
483 CITY SALES TAX REVENUE	32,000.00	2,142.98	33,168.74 (	1,168.74)	103.65
484 COPS FAST GRANT	0.00	0.00	0.00	0.00	0.00
485 SCHOLARSHIP DONATION REVENUE	0.00	0.00	0.00	0.00	0.00
486 LEOSE TRAINING REVENUE	0.00	0.00	0.00	0.00	0.00
487 RECREATIONAL REVENUE	8,000.00	285.00	9,388.00 (	1,388.00)	117.35
488 RV STORAGE REVENUE ANNUAL PAY	8,500.00	280.00	10,745.00 (	2,245.00)	126.41
489 MISC REVENUE	15,000.00	100.00	23,661.71 (	8,661.71)	157.74
TOTAL OTHER REVENUE	63,500.00	2,807.98	76,963.45 (	13,463.45)	121.20
<u>BUDGETED SURPLUS</u>					
490 TRANSFER IN	0.00	0.00	0.00	0.00	0.00
491 NOTE PROCEEDS - CITIZENS BANK	0.00	0.00	0.00	0.00	0.00
492 INSURANCE RECOVERIES	0.00	0.00	0.00	0.00	0.00
493 LUBBOCK COUNTY FIRE GRANT	57,127.00	0.00	56,722.27	404.73	99.29
494 TX PARKS AND WILDLIFE	0.00	0.00	0.00	0.00	0.00
495 CC PROCESSING FEES	6,000.00	769.40	8,832.96 (	2,832.96)	147.22
496 JAG GRANT	0.00	0.00	0.00	0.00	0.00
497 BULLET PROOF VESTS GRANT	0.00	0.00	0.00	0.00	0.00
498 SECO GRANT	0.00	0.00	0.00	0.00	0.00
TOTAL BUDGETED SURPLUS	63,127.00	769.40	65,555.23 (	2,428.23)	103.85
<u>TOTAL REVENUES</u>					
	1,588,989.00	26,270.78	1,683,589.22 (	94,600.22)	105.95
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CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 2026

01 -GENERAL FUND
CITY COURT
EXPENDITURES

		CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
504-4020	JUDGE CONTRACT	5,000.00	0.00	0.00	5,000.00	0.00
504-4030	COURT OPERATING EXPENSE	1,000.00	0.00	1,642.80 (	642.80)	164.28
504-4040	COURT EDUCATION EXPENSE	3,000.00	0.00	0.00	3,000.00	0.00
TOTAL CITY COURT		9,000.00	0.00	1,642.80	7,357.20	18.25

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 2026

01 -GENERAL FUND
ADMINISTRATION
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
505-5000 PAYROLL	320,601.00	29,341.28	320,035.97	565.03	99.82
505-5005 PAYROLL SERVICE	0.00	0.00	0.00	0.00	0.00
505-5006 FUEL ALLOWANCE	0.00	0.00	0.00	0.00	0.00
505-5010 AUDIT EXPENSE	19,000.00	0.00	19,713.83 (	713.83)	103.76
505-5020 COMPUTER EXP	74,941.00	27,786.61	80,018.26 (	5,077.26)	106.78
505-5030 ELECTION EXP	8,000.00	0.00	0.00	8,000.00	0.00
505-5040 XEROX EXPENSE	8,000.00	543.76	7,060.27	939.73	88.25
505-5050 PITNEY BOWES EXPENSE	1,650.00	0.00	693.27	956.73	42.02
505-5070 GENERAL LIABILITY INSURANCE	2,000.00	0.00	2,250.00 (	250.00)	112.50
505-5071 WORKERS COMP INSURANCE	555.00	0.00	555.00	0.00	100.00
505-5075 E&O/REAL & PERSONAL, CRIME IN	9,066.00	0.00	8,060.67	1,005.33	88.91
505-5080 LEGAL EXPENSE	20,000.00	2,423.10	9,235.58	10,764.42	46.18
505-5081 LEGAL EXPENSE CODIFY CITY ORD	7,000.00	0.00	2,387.00	4,613.00	34.10
505-5090 LCAD EXPENSE	28,000.00	0.00	22,322.00	5,678.00	79.72
505-5100 MEETINGS-EDUCATION EXPENSE	17,000.00	1,691.74	13,601.39	3,398.61	80.01
505-5101 CITY COUNCIL TRAINING	20,000.00	485.00	5,989.08	14,010.92	29.95
505-5105 ASSOCIATION DUES EXPENSE	2,100.00	0.00	4,389.25 (	2,289.25)	209.01
505-5110 ADMIN OFFICE SUPPLIES	10,000.00	493.14	6,716.47	3,283.53	67.16
505-5120 POSTAGE EXPENSE	8,000.00	0.00	4,454.74	3,545.26	55.68
505-5130 PUBLIC RELATIONS EXPENSE	8,000.00	465.29	9,255.92 (	1,255.92)	115.70
505-5140 OFFICE UTILITY EXPENSE	12,390.00	1,044.68	10,444.90	1,945.10	84.30
505-5150 OFFICE TELEPHONE EXPENSE	9,000.00	442.33	6,812.06	2,187.94	75.69
505-5155 SECURITY SYSTEM	1,000.00	30.00	641.25	358.75	64.13
505-5160 SCHOLARSHIP GRANT	0.00	0.00	0.00	0.00	0.00
505-5170 MILEAGE REIMBURSEMENT	3,000.00	74.48	832.93	2,167.07	27.76
505-5175 CREDIT CARD FEE EXPENSE	15,000.00	0.00	245.00	14,755.00	1.63
505-5180 OTHER USES OF FUNDS	0.00	0.00	106.24 (	106.24)	0.00
505-5300 CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00
 TOTAL ADMINISTRATION	 604,303.00	 64,821.41	 535,821.08	 68,481.92	 88.67

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 2026

01 -GENERAL FUND
OPERATIONS
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
506-6000 PAYROLL	0.00	0.00	0.00	0.00	0.00
506-6010 DUES AND FEES EXPENSE	0.00	0.00	0.00	0.00	0.00
506-6015 OPERATIONS SCHOOL EXPENSE	0.00	0.00	0.00	0.00	0.00
506-6016 OPERATIONS CELL PHONE	0.00	0.00	0.00	0.00	0.00
506-6020 ENGINEERING EXPENSE	0.00	0.00	0.00	0.00	0.00
506-6030 BUILDING INSPECTION EXPENSE	25,000.00	1,350.00	16,700.00	8,300.00	66.80
506-6040 GARBAGE CONTRACT EXPENSE	0.00	0.00	0.00	0.00	0.00
506-6050 GAS AND OIL EXPENSE	0.00	0.00	0.00	0.00	0.00
506-6055 MILEAGE REIMBURSEMENT	0.00	0.00	421.03 (	421.03)	0.00
506-6060 SHOP MATERIALS EXPENSE	0.00	0.00	0.00	0.00	0.00
506-6080 BUILDING REPAIR EXPENSE	0.00	0.00	9.97 (	9.97)	0.00
506-6100 EQUIPMENT REPAIR EXPENSE	0.00	0.00	0.00	0.00	0.00
506-6105 VEHICLE EXPENSE	0.00	0.00	0.00	0.00	0.00
506-6110 SMALL TOOLS EXPENSE	0.00	0.00	0.00	0.00	0.00
506-6120 UNIFORMS EXPENSE	0.00	0.00	0.00	0.00	0.00
506-6150 JOHN DEERE EXPENSE	0.00	0.00	0.00	0.00	0.00
506-6160 EQUIPMENT PURCHASE EXPENSE	0.00	0.00	0.00	0.00	0.00
506-6170 MOSQUITO SPRAY GROUND	7,000.00	0.00	7,019.07 (	19.07)	100.27
506-6171 MOSQUITO SPRAY AIR	7,000.00	8.85	144.24	6,855.76	2.06
506-6175 DUMP TRUCK REPAIR	0.00	0.00	0.00	0.00	0.00
506-6200 WORKERS COMP INSURANCE	0.00	0.00	0.00	0.00	0.00
506-6210 AUTO & APD INSURANCE	0.00	0.00	0.00	0.00	0.00
506-6220 GENERAL /E&O LIABILITY INS	0.00	0.00	0.00	0.00	0.00
506-6230 REAL/PERSONAL/MOBILE PROP INS	0.00	0.00	0.00	0.00	0.00
506-6300 CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00
 TOTAL OPERATIONS	 39,000.00	 1,358.85	 24,294.31	 14,705.69	 62.29

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 2026

01 -GENERAL FUND
FIRE DEPARTMENT
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
507-7008 PART-TIME SALARIES	8,600.00	10,485.00	12,171.00 (	3,571.00)	141.52
507-7020 COMPUTER EXPENSE	1,600.00	499.50	638.91	961.09	39.93
507-7030 DUES EXPENSE	500.00	0.00	1,107.10 (	607.10)	221.42
507-7040 EDUCATION EXPENSE	6,000.00	0.00	5,520.00	480.00	92.00
507-7045 LUBBOCK COUNTY GRANT	57,127.00	0.00	56,722.27	404.73	99.29
507-7050 EQUIPMENT EXPENSE	7,000.00	0.00	128.59	6,871.41	1.84
507-7055 SUPPLIES	1,000.00	0.00	5,139.07 (	4,139.07)	513.91
507-7060 AUTO & APD INSURANCE EXPENSE	4,548.00	0.00	7,389.67 (	2,841.67)	162.48
507-7061 REAL & PERSONAL PROP INSURANC	7,374.00	0.00	7,374.25 (	0.25)	100.00
507-7065 TANKER/ENGINE 2 TRUCK PAYMENT	0.00	0.00	0.00	0.00	0.00
507-7070 WORKERS COMP INSURANCE	388.00	0.00	2,189.00 (	1,801.00)	564.18
507-7080 MEDICAL EQUIPMENT EXPENSE	6,000.00	0.00	2,354.83	3,645.17	39.25
507-7090 PERSONAL EQUIPMENT EXPENSE	2,500.00	0.00	7,319.56 (	4,819.56)	292.78
507-7100 RADIO REPAIR EXPENSE	3,000.00	0.00	1,923.91	1,076.09	64.13
507-7130 PUBLIC RELATIONS	0.00	0.00	0.00	0.00	0.00
507-7140 BUILDING UTILITIES EXPENSE	9,000.00	1,231.21	5,681.43	3,318.57	63.13
507-7145 FIRE STATION BUILDING REPAIR	5,000.00	689.02	4,519.73	480.27	90.39
507-7150 TELEPHONE EXPENSE	1,500.00	118.69	1,406.83	93.17	93.79
507-7160 VEHICLE REPAIR EXPENSE	20,000.00	18,025.26	53,998.55 (	33,998.55)	269.99
507-7170 BUNKER GEAR CAPITAL EXP	0.00	0.00	0.00	0.00	0.00
507-7190 INTEREST EXPENSE ASB	0.00	0.00	0.00	0.00	0.00
 TOTAL FIRE DEPARTMENT	 141,137.00	 31,048.68	 175,584.70 (	 34,447.70)	 124.41

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 202601 -GENERAL FUND
LIBRARY
EXPENDITURES

		CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
508-8020	PAYROLL	11,440.00	1,045.20	13,675.32 (	2,235.32)	119.54
508-8030	LIBRARY PROGRAMS EXPENSE	9,000.00	614.62	9,376.25 (	376.25)	104.18
508-8035	CH FOUNDATION GRANT	0.00	0.00	0.00	0.00	0.00
508-8140	UTILITIES EXPENSE	4,000.00	141.37	1,360.14	2,639.86	34.00
508-8145	BUILDING REPAIR	200.00	0.00	109.00	91.00	54.50
508-8150	TELEPHONE EXPENSE	1,350.00	121.47	1,334.85	15.15	98.88
508-8160	WORKERS COMP INSURANCE	109.00	0.00	109.00	0.00	100.00
TOTAL LIBRARY		26,099.00	1,922.66	25,964.56	134.44	99.48

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 2026

01 -GENERAL FUND
POLICE DEPARTMENT
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
509-9000 PAYROLL	327,423.00	33,038.46	301,633.07	25,789.93	92.12
509-9010 AMMO EXPENSE	3,000.00	2,320.00	4,516.29 (	1,516.29)	150.54
509-9015 ANIMAL CONTROL	100.00	0.00	133.99 (	33.99)	133.99
509-9020 DUES EXPENSE	300.00	0.00	514.54 (	214.54)	171.51
509-9021 PROFESSIONAL DEVELOPMENT	550.00	0.00	894.02 (	344.02)	162.55
509-9022 CODE ENFORCEMENT	7,000.00	175.00	4,425.00	2,575.00	63.21
509-9030 EDUCATION EXPENSE	3,500.00	680.00	2,185.08	1,314.92	62.43
509-9040 EMT EDUCATION EXPENSE	0.00	0.00	0.00	0.00	0.00
509-9041 EMERGENCY MGT TRAINING	0.00	0.00	0.00	0.00	0.00
509-9050 GAS -OIL EXPENSE	15,000.00	2,491.00	16,907.90 (	1,907.90)	112.72
509-9055 MILEAGE REIMBURSEMENT	0.00	0.00	0.00	0.00	0.00
509-9060 AUTO & APD INSURANCE EXPENSE	4,548.00	0.00	5,685.20 (	1,137.20)	125.00
509-9065 LAW ENFORCEMENT LIABILITY INS	2,666.00	0.00	2,666.00	0.00	100.00
509-9066 E&O/REAL & PERSONAL PROP INS	7,374.00	0.00	7,374.25 (	0.25)	100.00
509-9067 WORKERS COMP INSURANCE	6,900.00	0.00	6,771.00	129.00	98.13
509-9070 CELL PHONE EXPENSE	3,750.00	257.60	2,625.61	1,124.39	70.02
509-9090 OFFICE SUPPLY EXPENSE	500.00	0.00	867.32 (	367.32)	173.46
509-9110 SMALL EQUIPMENT EXPENSE	3,500.00	0.00	1,441.63	2,058.37	41.19
509-9130 RADIO REPAIR EXPENSE	3,700.00	0.00	4,908.60 (	1,208.60)	132.66
509-9150 TELEPHONE EXPENSE	1,500.00	206.87	1,665.67 (	165.67)	111.04
509-9160 VEHICLE REPAIR EXPENSE	30,000.00	0.00	8,253.80	21,746.20	27.51
509-9170 CAMERA EXPENSE	0.00	0.00	29,449.97 (	29,449.97)	0.00
509-9175 SURVEILLANCE VIDEO CAMERAS	7,000.00	0.00	451.63	6,548.37	6.45
509-9180 COMPUTER EXPENSE	8,000.00	174.99	9,912.74 (	1,912.74)	123.91
509-9200 UNIFORM EXPENSE	2,500.00	231.47	4,285.03 (	1,785.03)	171.40
509-9210 BOAT MAINTENANCE EXPENSE	1,000.00	0.00	0.00	1,000.00	0.00
509-9215 05 POLICE VEH PAYMENT	0.00	0.00	0.00	0.00	0.00
509-9220 LAKE REPAIR & MAINT EXPENSE	1,000.00	0.00	208.50	791.50	20.85
509-9221 COMMUNITY EVENTS EXPENSE	1,700.00	0.00	13.24	1,686.76	0.78
509-9230 INTEREST EXPENSE - FMCC	0.00	0.00	0.00	0.00	0.00
509-9240 BULLET PROOF VEST MATCH	0.00	0.00	0.00	0.00	0.00
509-9300 CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00
 TOTAL POLICE DEPARTMENT	 442,511.00	 39,575.39	 417,790.08	 24,720.92	 94.41

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 202601 -GENERAL FUND
SEWER DEPARTMENT
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
510-1000 CHEMICAL EXPENSE	0.00	0.00	0.00	0.00	0.00
510-1001 PAYROLL	0.00	0.00	0.00	0.00	0.00
510-1005 PERMIT INSPECTION EXPENSE	0.00	0.00	0.00	0.00	0.00
510-1010 LAB EXPENSE	0.00	0.00	0.00	0.00	0.00
510-1014 UTILITY EXPENSE	0.00	0.00	0.00	0.00	0.00
510-1016 SEWER SLUDGE HAULING	0.00	0.00	0.00	0.00	0.00
510-1020 REPAIR EXPENSE	0.00	50.82	50.82 (	50.82)	0.00
510-1025 SEWER PLANT WATER EXPENSE	0.00	0.00	0.00	0.00	0.00
510-1100 WORKERS COMP INSURANCE	0.00	0.00	0.00	0.00	0.00
TOTAL SEWER DEPARTMENT	0.00	50.82	50.82 (	50.82)	0.00

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 2026

01 -GENERAL FUND
ROADS AND GROUNDS DEPT
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
511-1000 PAYROLL	64,834.00	6,531.34	54,382.73	10,451.27	83.88
511-1100 STREET SWEEPING EXPENSE	6,600.00	0.00	0.00	6,600.00	0.00
511-1101 CONTRACT ROAD REPAIR EXPENSE	0.00	0.00	0.00	0.00	0.00
511-1110 EQUIPMENT REPAIR	13,000.00	322.84	5,802.06	7,197.94	44.63
511-1115 GROUNDS MAINTENANCE EXPENSE	7,000.00	785.84	4,834.79	2,165.21	69.07
511-1120 MATERIALS & SUPPLIES EXPENSE	4,000.00	0.00	4,485.55 (	485.55)	112.14
511-1124 STREET SIGNS EXPENSE	8,000.00	0.00	5,013.47	2,986.53	62.67
511-1130 TREE TRIMMING EXPENSE	0.00	0.00	0.00	0.00	0.00
511-1140 PARK EXPENSES	8,000.00	3,000.00	3,421.13	4,578.87	42.76
511-1300 CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00
 TOTAL ROADS AND GROUNDS DEPT	 111,434.00	 10,640.02	 77,939.73	 33,494.27	 69.94

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 202601 -GENERAL FUND
WATER DEPARTMENT
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
512-1000 PAYROLL	0.00	0.00	0.00	0.00	0.00
512-1200 WATER SYSTEM PERMIT FEES	0.00	0.00	0.00	0.00	0.00
512-1205 LAB EXPENSE	0.00	0.00	0.00	0.00	0.00
512-1210 LP&L PURCHASE	0.00	0.00	0.00	0.00	0.00
512-1214 UTILITIES EXPENSE	0.00	0.00	0.00	0.00	0.00
512-1215 WATER METER EXPENSE	0.00	0.00	0.00	0.00	0.00
512-1220 REPAIR EXPENSE	0.00	0.00	0.00	0.00	0.00
512-6155 PICKUP LEASE EXPENSE	0.00	0.00	0.00	0.00	0.00
512-6160 TAIL GATE LIFT	0.00	0.00	0.00	0.00	0.00
512-6165 TANK INSPECTION	0.00	0.00	0.00	0.00	0.00
TOTAL WATER DEPARTMENT	0.00	0.00	0.00	0.00	0.00

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 202601 -GENERAL FUND
PAYROLL DEPARTMENT
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
513-1301 ADMINISTRATION EXPENSE	0.00	0.00	0.00	0.00	0.00
513-1302 OPERATIONS EXPENSE	0.00	0.00	0.00	0.00	0.00
513-1303 POLICE EXPENSE	0.00	0.00	0.00	0.00	0.00
513-1304 MEDICAL INSURANCE EXPENSE	0.00	0.00	0.00	0.00	0.00
513-1306 LONGEVITY EXPENSE	0.00	0.00	0.00	0.00	0.00
513-1310 PAYROLL SERVICE EXPENSE	0.00	0.00	0.00	0.00	0.00
513-1311 PAYROLL TAX EXPENSE	0.00	0.00	0.00	0.00	0.00
513-1325 TMRS EXPENSE	0.00	0.00	0.00	0.00	0.00
513-1350 WORKERS COMP EXPENSE	0.00	0.00	0.00	0.00	0.00
513-1355 POLICE WORKERS COMP EXPENSE	0.00	0.00	0.00	0.00	0.00
513-1360 CITY SEC FUEL REIMBURSEMENT	0.00	0.00	0.00	0.00	0.00
TOTAL PAYROLL DEPARTMENT	0.00	0.00	0.00	0.00	0.00

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 202601 -GENERAL FUND
EMERGENCY OPS CENTER
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
514-1405 EMERGENCY OPERATIONS CENTER	20,000.00	150.45	2,341.39	17,658.61	11.71
514-1410 EOC SIREN	3,500.00	43.38	427.32	3,072.68	12.21
TOTAL EMERGENCY OPS CENTER	23,500.00	193.83	2,768.71	20,731.29	11.78

01 -GENERAL FUND
CAPITAL EXPENDITURES
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
520-4900 BUDGETED SURPLUS TRANSFER	0.00	0.00	0.00	0.00	0.00
520-4910 CONSTRUCTION SAVINGS	0.00	0.00	0.00	0.00	0.00
520-4920 OPERATING RESERVE	0.00	0.00	0.00	0.00	0.00
520-5000 POLICE DEPT VEHICLE	0.00	0.00	0.00	0.00	0.00
520-5005 DAM REPAIR	0.00	0.00	0.00	0.00	0.00
520-5007 E LAKE SHORE DR SAVINGS PLAN	0.00	0.00	0.00	0.00	0.00
520-5008 DEBT PMT SEWER LINE REPAIR	0.00	0.00	0.00	0.00	0.00
520-5009 POLICE VEHICLE	0.00	0.00	0.00	0.00	0.00
520-5010 SEAL COAT/STREET REPAIRS	0.00	0.00	0.00	0.00	0.00
520-5011 SEWER JETTER	0.00	0.00	0.00	0.00	0.00
520-5012 OPERATIONS VEHICLE	0.00	0.00	0.00	0.00	0.00
520-5015 CITY HALL DEBT PAYMENT	0.00	0.00	0.00	0.00	0.00
520-5016 CITY HALL	0.00	0.00	0.00	0.00	0.00
520-5017 CITY HALL REPAIRS/FURNITURE	0.00	0.00	0.00	0.00	0.00
520-5018 CITY PARK IMPROVEMENTS	0.00	0.00	0.00	0.00	0.00
520-5027 SHREDDER	0.00	0.00	0.00	0.00	0.00
520-5028 SECO GRANT CITY HALL WINDOWS	0.00	0.00	0.00	0.00	0.00
520-5029 WATER & SEWER LINE REPAIR	0.00	0.00	0.00	0.00	0.00
520-5030 WATER TANK REPAIR CIP	0.00	0.00	0.00	0.00	0.00
520-5071 SEWER PLANT MUFFLER REPAIR	0.00	0.00	0.00	0.00	0.00
520-5072 SEWER REPAIR ENGINEERING	0.00	0.00	0.00	0.00	0.00
520-5073 SEWER PLANT REHABILITATION	0.00	0.00	0.00	0.00	0.00
520-5080 ROOSEVELT WATER LINE	0.00	0.00	0.00	0.00	0.00
520-5081 FERRARA FIRE TRUCKS (2)	0.00	0.00	0.00	0.00	0.00
520-5085 WATER SYSTEM VAULT & VALVE FR	0.00	0.00	0.00	0.00	0.00
520-5090 MASTER CONTROL VALVE	0.00	0.00	0.00	0.00	0.00
520-5095 ISOLATION VALVE FRONT ROAD VA	0.00	0.00	0.00	0.00	0.00
520-5101 LEGAL/ENGINEERING,CCN/WATERLI	0.00	0.00	0.00	0.00	0.00
520-5102 ENGINEERING, ZONING CODE	0.00	0.00	0.00	0.00	0.00
520-5120 CROFOOT VAULT & METER	0.00	0.00	0.00	0.00	0.00
520-5150 PRUSSURE SUSTAINING VALVES-FR	0.00	0.00	0.00	0.00	0.00
520-5160 CAMERA SYSTEMS	0.00	0.00	0.00	0.00	0.00
520-5200 GARAGE ADDITION	0.00	0.00	0.00	0.00	0.00
520-5300 WATER METER REPLACEMENT PROG	0.00	0.00	0.00	0.00	0.00
520-5400 DUMP TRAILER	0.00	0.00	0.00	0.00	0.00
520-5500 POLICE VEHICLE JAG GRANT	0.00	0.00	0.00	0.00	0.00
520-5600 METAL DETECTOR	0.00	0.00	0.00	0.00	0.00
520-5700 SKID LOADER	0.00	0.00	0.00	0.00	0.00
520-5701 VACTRON	0.00	0.00	0.00	0.00	0.00
520-5800 BUFFALO FLOW METER	0.00	0.00	0.00	0.00	0.00
520-5810 EMERGENCY ROAD	0.00	0.00	0.00	0.00	0.00
520-5811 LAWN MOWER	0.00	0.00	0.00	0.00	0.00
520-5812 LAND ACQUISITION	0.00	0.00	0.00	0.00	0.00
520-5813 FIRE TRUCK	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL EXPENDITURES	0.00	0.00	0.00	0.00	0.00

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 2026

01 -GENERAL FUND

BONDS

EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
545-4500 BOND PRINCIPAL EXPENSE	0.00	0.00	0.00	0.00	0.00
545-5000 BOND INTEREST EXPENSE	0.00	0.00	124,645.51 (	124,645.51)	0.00
545-5001 NOTE INTEREST	0.00	0.00	0.00	0.00	0.00
545-5010 BOND SERVICING FEE	0.00	0.00	0.00	0.00	0.00
545-5015 Amortization	0.00	0.00	0.00	0.00	0.00
545-6000 Depreciation	0.00	0.00	0.00	0.00	0.00
545-6005	0.00	0.00	0.00	0.00	0.00
545-6100 INDIRECT COST ALLOCATION	0.00	0.00	0.00	0.00	0.00
545-6105	0.00	0.00	0.00	0.00	0.00
 TOTAL BONDS	 0.00	 0.00	 124,645.51 (	 124,645.51)	 0.00
 TOTAL EXPENDITURES	 1,396,984.00	 149,611.66	 1,386,502.30	 10,481.70	 99.25
	=====	=====	=====	=====	=====
REVENUES OVER/(UNDER) EXPENDITURES	192,005.00 (	123,340.88)	297,086.92 (	105,081.92)	154.73
	=====	=====	=====	=====	=====

*** END OF REPORT ***

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 2026

02 -ENTERPRISE
FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
UTILITY REVENUE	1,273,900.00	126,579.08	1,514,304.26 (	240,404.26)	118.87
BUILDING PERMIT REVENUE	2,200.00	0.00	0.00	2,200.00	0.00
AD VALOREM TAX REVENUE	0.00	0.00	0.00	0.00	0.00
INTEREST REVENUE	0.00	0.00	0.00	0.00	0.00
OTHER REVENUE	250,000.00	22,280.45	261,193.13 (	11,193.13)	104.48
BUDGETED SURPLUS	<u>108,800.00</u>	<u>(3,159.61)</u>	<u>(33,251.19)</u>	<u>142,051.19</u>	<u>30.56-</u>
TOTAL REVENUES	<u>1,634,900.00</u>	<u>145,699.92</u>	<u>1,742,246.20 (</u>	<u>107,346.20)</u>	<u>106.57</u>
<u>EXPENDITURE SUMMARY</u>					
OPERATIONS	485,065.00	57,751.80	457,121.81	27,943.19	94.24
SEWER DEPARTMENT	234,595.00	16,168.83	191,722.82	42,872.18	81.73
WATER DEPARTMENT	476,283.00	66,420.53	452,758.89	23,524.11	95.06
CAPITAL EXPENDITURES	0.00	0.00	0.00	0.00	0.00
BONDS	<u>438,957.00</u>	<u>0.00</u>	<u>313,261.76</u>	<u>125,695.24</u>	<u>71.37</u>
TOTAL EXPENDITURES	<u>1,634,900.00</u>	<u>140,341.16</u>	<u>1,414,865.28</u>	<u>220,034.72</u>	<u>86.54</u>
REVENUES OVER/(UNDER) EXPENDITURES	<u>0.00</u>	<u>5,358.76</u>	<u>327,380.92 (</u>	<u>327,380.92)</u>	<u>0.00</u>

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 2026

02 -ENTERPRISE
REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>UTILITY REVENUE</u>					
400 MISCELLANEOUS GARBAGE	0.00	0.00	0.00	0.00	0.00
401 WATER REVENUE	770,000.00	80,422.81	924,702.76 (	154,702.76)	120.09
402 SEWER REVENUE	268,000.00	22,289.77	289,597.83 (	21,597.83)	108.06
403 GARBAGE REVENUE	230,000.00	23,866.50	299,743.67 (	69,743.67)	130.32
404 PENALTY REVENUE	5,400.00	0.00	260.00	5,140.00	4.81
405 MOSQUITO SPRAY GROUND	0.00	0.00	0.00	0.00	0.00
406 MOSQUITO SPRAY AIR	0.00	0.00	0.00	0.00	0.00
408 TURN ON REVENUE	500.00	0.00	0.00	500.00	0.00
TOTAL UTILITY REVENUE	1,273,900.00	126,579.08	1,514,304.26 (	240,404.26)	118.87
<u>BUILDING PERMIT REVENUE</u>					
411 TAP CONNECT FEES	2,200.00	0.00	0.00	2,200.00	0.00
TOTAL BUILDING PERMIT REVENUE	2,200.00	0.00	0.00	2,200.00	0.00
<u>AD VALOREM TAX REVENUE</u>					
443 DELINQUENT TAX REVENUE	0.00	0.00	0.00	0.00	0.00
444 CURRENT TAX REVENUE	0.00	0.00	0.00	0.00	0.00
445 TAX P & I REVENUEE(I&S)	0.00	0.00	0.00	0.00	0.00
TOTAL AD VALOREM TAX REVENUE	0.00	0.00	0.00	0.00	0.00
<u>INTEREST REVENUE</u>					
455 INTEREST REVENUE	0.00	0.00	0.00	0.00	0.00
TOTAL INTEREST REVENUE	0.00	0.00	0.00	0.00	0.00
<u>OTHER REVENUE</u>					
480 SEWER - BUFFALO LAKE	250,000.00	22,280.45	261,193.13 (	11,193.13)	104.48
489 MISCELLANEOUS REVENUE	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER REVENUE	250,000.00	22,280.45	261,193.13 (	11,193.13)	104.48
<u>BUDGETED SURPLUS</u>					
490 TRANSFER IN	108,800.00	0.00	0.00	108,800.00	0.00
494 COVID GRANT FUNDS - CLFRF	0.00	0.00	0.00	0.00	0.00
495 CC PROCESSING FEES	0.00 (	3,159.61) (	33,252.49)	33,252.49	0.00
499 CASH SHORT/LONG	0.00	0.00	1.30 (	1.30)	0.00
TOTAL BUDGETED SURPLUS	108,800.00 (	3,159.61) (	33,251.19)	142,051.19	30.56-
<u>TOTAL REVENUES</u>					
	1,634,900.00	145,699.92	1,742,246.20 (	107,346.20)	106.57
	=====	=====	=====	=====	=====

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 2026

02 -ENTERPRISE
OPERATIONS
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
506-6000 PAYROLL	146,674.00	14,004.70	144,359.45	2,314.55	98.42
506-6010 DUES/FEES	1,400.00	0.00	850.26	549.74	60.73
506-6015 OPERATION SCHOOL	11,000.00	695.00	5,666.75	5,333.25	51.52
506-6016 OPERATIONS CELL PHONE	4,000.00	165.07	2,310.74	1,689.26	57.77
506-6020 ENGINEERING	10,000.00	0.00	0.00	10,000.00	0.00
506-6030 BUILDING INSPECTION	0.00	192.04	192.04 (	192.04)	0.00
506-6040 GARBAGE CONTRACT (W&S)	200,000.00	36,419.04	219,400.47 (	19,400.47)	109.70
506-6050 GAS AND OIL	15,000.00	2,174.64	18,821.65 (	3,821.65)	125.48
506-6055 MILEAGE REIMBURSEMENT	3,120.00	1,433.36	5,066.17 (	1,946.17)	162.38
506-6060 SHOP MATERIALS	4,000.00	579.85	3,566.58	433.42	89.16
506-6080 BUILDING REPAIRS	12,000.00	2,024.00	10,056.29	1,943.71	83.80
506-6100 EQUIPMENT REPAIR	8,000.00	0.00	10,522.21 (	2,522.21)	131.53
506-6105 VEHICLE REPAIR	30,000.00	10.99	500.70	29,499.30	1.67
506-6110 SMALL TOOLS	500.00	42.98	75.96	424.04	15.19
506-6120 UNIFORMS	8,000.00	0.00	6,330.69	1,669.31	79.13
506-6130 BAD DEBT	0.00	0.00	0.00	0.00	0.00
506-6160 EQUIPMENT	10,000.00	0.00	7,236.05	2,763.95	72.36
506-6170 MOSQUITO SPRAY - GROUND	0.00	0.00	0.00	0.00	0.00
506-6171 MOSQUITO SPRAY - AIR	0.00	10.13	10.13 (	10.13)	0.00
506-6200 WORKERS COMP INSURANCE	6,064.00	0.00	5,849.00	215.00	96.45
506-6210 AUTO & APD INSURANCE	4,548.00	0.00	5,547.67 (	999.67)	121.98
506-6220 GENERAL / E&O INSURANCE	2,500.00	0.00	2,500.00	0.00	100.00
506-6230 REAL/PERSONAL/MOBILE INSURANC	8,259.00	0.00	8,259.00	0.00	100.00
 TOTAL OPERATIONS	 485,065.00	 57,751.80	 457,121.81	 27,943.19	 94.24

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 2026

02 -ENTERPRISE
SEWER DEPARTMENT
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
510-1000 SEWER CHEMICALS	7,000.00	10.00	3,282.88	3,717.12	46.90
510-1001 PAYROLL	110,912.00	10,029.92	110,610.58	301.42	99.73
510-1005 PERMITS	2,500.00	0.00	1,500.00	1,000.00	60.00
510-1010 LAB CHARGES	6,000.00	1,215.30	7,086.10 (	1,086.10)	118.10
510-1014 UTILITIES	90,000.00	3,788.76	45,381.85	44,618.15	50.42
510-1016 SEWER SLUDGE HAULING	2,000.00	167.85	2,992.01 (	992.01)	149.60
510-1020 REPAIR AND MAINTENANCE	14,000.00	957.00	18,686.40 (	4,686.40)	133.47
510-1030 BAD DEBT	0.00	0.00	0.00	0.00	0.00
510-1100 WORKERS COMP INSURANCE	2,183.00	0.00	2,183.00	0.00	100.00
510-1101 TRANSFER TO GENERAL FUND	0.00	0.00	0.00	0.00	0.00
 TOTAL SEWER DEPARTMENT	 234,595.00	 16,168.83	 191,722.82	 42,872.18	 81.73

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 2026

02 -ENTERPRISE
WATER DEPARTMENT
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
512-1000 PAYROLL	84,883.00	8,040.32	85,110.40 (	227.40)	100.27
512-1200 SYSTEM FEES	1,600.00	0.00	1,337.70	262.30	83.61
512-1205 LAB CHARGES	3,000.00	712.30	3,255.18 (	255.18)	108.51
512-1210 WATER PURCHASES	355,000.00	56,950.14	335,402.20	19,597.80	94.48
512-1214 UTILITIES	9,000.00	48.00	9,263.00 (	263.00)	102.92
512-1215 METERS	14,000.00	0.00	12,191.47	1,808.53	87.08
512-1220 REPAIR	8,000.00	269.77	5,798.94	2,201.06	72.49
512-1230 BAD DEBT	0.00	0.00	0.00	0.00	0.00
512-6165 TANK INSPECTION	800.00	400.00	400.00	400.00	50.00
 TOTAL WATER DEPARTMENT	 476,283.00	 66,420.53	 452,758.89	 23,524.11	 95.06

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 2026

02 -ENTERPRISE
CAPITAL EXPENDITURES
EXPENDITURES

		CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
520-5300	WATER METER REPLACEMENT	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL EXPENDITURES		0.00	0.00	0.00	0.00	0.00

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 202602 -ENTERPRISE
BONDS
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
545-4500 BOND PRINCIPAL	185,000.00	0.00	185,000.00	0.00	100.00
545-5000 BOND INTEREST	251,957.00	0.00	127,311.76	124,645.24	50.53
545-5010 BOND SERVICING FEE	2,000.00	0.00	950.00	1,050.00	47.50
545-6000 DEPRECIATION	0.00	0.00	0.00	0.00	0.00
TOTAL BONDS	438,957.00	0.00	313,261.76	125,695.24	71.37
TOTAL EXPENDITURES	1,634,900.00	140,341.16	1,414,865.28	220,034.72	86.54
REVENUES OVER/(UNDER) EXPENDITURES	0.00	5,358.76	327,380.92 (	327,380.92)	0.00

*** END OF REPORT ***

CITY OF RANSOM CANYON
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: SEPTEMBER 30TH, 2026

03 -CAPITAL
FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>EXPENDITURE SUMMARY</u>					
CAPITAL EXPENDITURES	<u>1,056,323.00</u>	<u>19,213.50</u>	<u>771,666.33</u>	<u>284,656.67</u>	<u>73.05</u>
TOTAL EXPENDITURES	<u>1,056,323.00</u>	<u>19,213.50</u>	<u>771,666.33</u>	<u>284,656.67</u>	<u>73.05</u>
	=====	=====	=====	=====	=====
REVENUES OVER/(UNDER) EXPENDITURES	(1,056,323.00) (	19,213.50) (	771,666.33) (	284,656.67)	73.05

03 -CAPITAL

CAPITAL EXPENDITURES
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
520-4900 BUDGETED SURPLUS TRANSFER	0.00	0.00	0.00	0.00	0.00
520-4910 CONSTRUCTION SAVINGS	0.00	0.00	0.00	0.00	0.00
520-4911 GENERATOR	36,000.00	11,583.37	12,633.07	23,366.93	35.09
520-4920 OPERATING RESERVE	0.00	0.00	0.00	0.00	0.00
520-5000 POLICE DEPT VEHICLE	0.00	0.00	0.00	0.00	0.00
520-5003	0.00	0.00	0.00	0.00	0.00
520-5005 DAM REPAIR	0.00	0.00	0.00	0.00	0.00
520-5007 E. LAKESHORE DR SAVINGS PLAN	0.00	0.00	0.00	0.00	0.00
520-5008 SEWER LINE REPAIR	0.00	0.00	0.00	0.00	0.00
520-5009 OPERATIONS VEHICLE	50,454.00	0.00	52,516.37 (	2,062.37)	104.09
520-5010 SEAL COAT/STREET REPAIR	42,850.00	0.00	32,850.42	9,999.58	76.66
520-5011 SEWER JETTER	0.00	0.00	0.00	0.00	0.00
520-5012 OPERATIONS VEHICLE	0.00	0.00	0.00	0.00	0.00
520-5013	0.00	0.00	0.00	0.00	0.00
520-5015 CITY HALL DEBT PAYMENT	0.00	0.00	0.00	0.00	0.00
520-5016 CITY HALL	0.00	0.00	0.00	0.00	0.00
520-5017 CITY HALL REPAIRS/FURNITURE	0.00	0.00	0.00	0.00	0.00
520-5018 CITY PARK IMPROVEMENTS	0.00	0.00	0.00	0.00	0.00
520-5027 SHREDDER	55,396.00	0.00	49,362.19	6,033.81	89.11
520-5028	0.00	0.00	0.00	0.00	0.00
520-5029 WATER LINE REPAIR	0.00	0.00	0.00	0.00	0.00
520-5030 WATER TANK REPAIR	0.00	0.00	0.00	0.00	0.00
520-5071	0.00	0.00	0.00	0.00	0.00
520-5073 SEWER PLANT REHABILITATION	871,623.00	7,630.13	624,304.28	247,318.72	71.63
520-5080 ROOSEVELT ISD	0.00	0.00	0.00	0.00	0.00
520-5090 MASTER CONTROL VALVE	0.00	0.00	0.00	0.00	0.00
520-5095 ISOLATION VALVE FRONT ROAD	0.00	0.00	0.00	0.00	0.00
520-5102	0.00	0.00	0.00	0.00	0.00
520-5150 PRESSURE SUSTAINING VALVES	0.00	0.00	0.00	0.00	0.00
520-5160 CAMERA SYSTEMS	0.00	0.00	0.00	0.00	0.00
520-5200 GARAGE ADDITION	0.00	0.00	0.00	0.00	0.00
520-5300 WATER METER REPLACEMENT	0.00	0.00	0.00	0.00	0.00
520-5400 DUMP TRAILER	0.00	0.00	0.00	0.00	0.00
520-5500 POLICE VEHICLE GRANT	0.00	0.00	0.00	0.00	0.00
520-5600 METAL DETECTOR	0.00	0.00	0.00	0.00	0.00
520-5700 SKID LOADER	0.00	0.00	0.00	0.00	0.00
520-5701 VACTRON	0.00	0.00	0.00	0.00	0.00
520-5800 BUFFALO FLOW METER	0.00	0.00	0.00	0.00	0.00
520-5810 EMERGENCY ROAD	0.00	0.00	0.00	0.00	0.00
520-5811 LAWN MOWER	0.00	0.00	0.00	0.00	0.00
520-5812 LAND ACQUISITION	0.00	0.00	0.00	0.00	0.00

TOTAL CAPITAL EXPENDITURES	1,056,323.00	19,213.50	771,666.33	284,656.67	73.05
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TOTAL EXPENDITURES	1,056,323.00	19,213.50	771,666.33	284,656.67	73.05
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REVENUES OVER/(UNDER) EXPENDITURES	(1,056,323.00)	(19,213.50)	(771,666.33)	(284,656.67)	73.05
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Table 1. The mean (SD) age, height, weight, and body mass index (BMI) of the participants in the study

Measure	Mean (SD)
Age (years)	12.5 (0.5)
Height (cm)	152.5 (6.5)
Weight (kg)	45.5 (10.5)
BMI (kg m ⁻²)	19.5 (3.5)

Table 2. The mean (SD) age, height, weight, and body mass index (BMI) of the participants in the study

Measure	Mean (SD)
Age (years)	12.5 (0.5)
Height (cm)	152.5 (6.5)
Weight (kg)	45.5 (10.5)
BMI (kg m ⁻²)	19.5 (3.5)

Table 3. The mean (SD) age, height, weight, and body mass index (BMI) of the participants in the study

Measure	Mean (SD)
Age (years)	12.5 (0.5)
Height (cm)	152.5 (6.5)
Weight (kg)	45.5 (10.5)
BMI (kg m ⁻²)	19.5 (3.5)

Table 4. The mean (SD) age, height, weight, and body mass index (BMI) of the participants in the study

Measure	Mean (SD)
Age (years)	12.5 (0.5)
Height (cm)	152.5 (6.5)
Weight (kg)	45.5 (10.5)
BMI (kg m ⁻²)	19.5 (3.5)

OUTSTANDING LIABILITIES

FINANCED THROUGH	BALANCE	INT. RATE	MATURES
COMBINATION TAX AND SURPLUS REVENUE	\$ 5,462,683	2.27%	2/1/2050
CERTIFICATES OF OBLIGATION (TWDB) UMB BANK	\$ 5,350,543	4.65%	9/30/2053
SEWER PLANT AND WATER ELEVATED TANK AND GROUND STORAGE TANK			
TOTAL	\$ 10,813,227		



Federal Reserve Bank of Dallas

Rig count no longer a reliable bellwether for risk in oil and gas services lending

Sung Je Byun and Mario A. Gonzalez

July 16, 2026

For decades, commercial lenders relied on a simple rule when evaluating credit risk in oil and gas support services: follow the U.S. rig count. When drilling activity surged, service companies prospered. When rigs went idle, defaults followed. This relationship became embedded in credit models, risk ratings and portfolio stress tests across the banking industry.

But something fundamental has changed.

Since 2021, upstream capital spending has remained at [historically subdued levels](#). Yet many service companies are reporting healthy operating margins and stable cash flows. This pattern defies decades of precedent and reflects a structural transformation in how leading service companies generate revenue and manage risk.

Historically, revenue streams rose and fell with rig count

To understand why the current shift matters, consider how exposed service companies traditionally were to industry cycles. Unlike upstream producers who own reserves or midstream companies with long-term contracts, service firms operated in a spot market for drilling services.

Service firms generated income through equipment rentals, consumable products and technical services. All three revenue streams moved in lockstep with active drilling. When oil prices rose, upstream companies increased drilling budgets, and service companies enjoyed robust demand.

When prices fell, upstream companies slashed budgets immediately. Service companies faced lower volumes and compressed pricing as competitors fought for shrinking work.

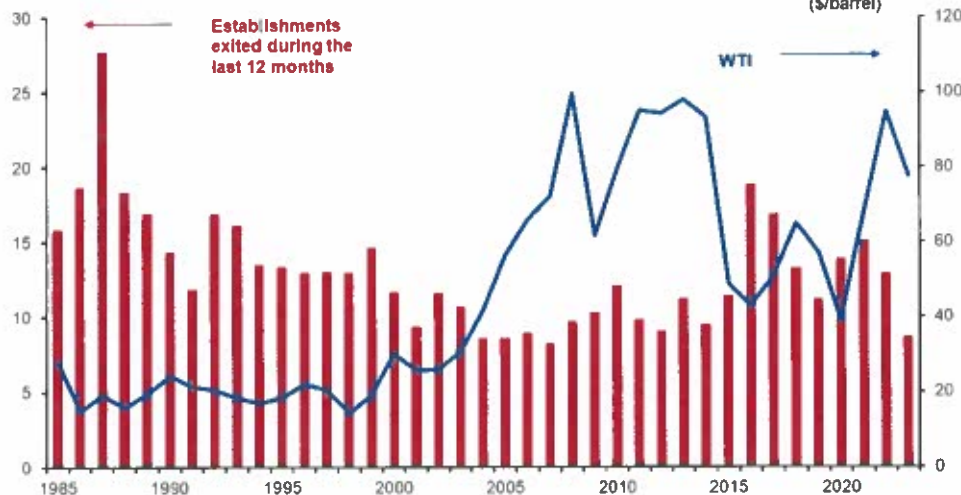
This dynamic made the U.S. rig count, [published weekly by Baker Hughes](#), the industry's most closely watched leading indicator. Many credit models incorporated rig count projections directly into cash flow forecasts and covenant compliance.

Multiple downturns proved sector couldn't escape cycle

Service firms' vulnerability to the energy price fluctuations has been demonstrated repeatedly over decades. Chart 1 shows establishment exit rates in the oilfield services sector from 1985 to 2023 alongside West Texas Intermediate (WTI) crude oil prices. The pattern was remarkably consistent: when oil prices collapsed, businesses closed.

Chart 1**Oilfield services establishment exits track oil price cycles, until recently**

Establishment exit rate (%)

WTI crude oil price
(\$/barrel)

NOTES: Establishment exit rate for U.S. oil and gas support services sector and annual average West Texas Intermediate crude oil (WTI) spot price, 1985-2023. Establishment exits include business closures, bankruptcies, asset sales and liquidations. Exit rate calculated as exits divided by total establishments. Data reflect the support activities for mining, oil and gas (NAICS 2131), including drilling contractors and oilfield support services. The sector typically experiences 6-9% annual exit rates during stable periods, exit rates spike to 13-17% during severe downturns.

SOURCES: U.S. Census Bureau, Business Dynamics Statistics; Federal Reserve Bank of St. Louis (FRED).

Federal Reserve Bank of Dallas

The 1980s oil bust brought the most severe crisis on record, with exit rates reaching 27.7 percent in 1987. The sector stabilized during the 2000s shale boom, with exit rates falling to 8-11 percent even during the 2008-2009 financial crisis.

Then came the 2014-2016 collapse. As WTI prices crashed from over \$90 to below \$50 per barrel, exit rates surged to 18.8 percent in 2016—levels not seen since the 1980s. Exit rates remained elevated through 2018. The 2020-2021 period brought another wave, with exit rates reaching 13.9-15.1 percent.

The pattern became familiar to bankers and bank examiners. Companies that appeared well-positioned during good times **deteriorated rapidly** when the cycle turned. Equipment collateral lost value, working capital lines became impaired and covenants were breached.

By 2021, the conventional wisdom was clear: oilfield services carried inherent cyclical risk that no amount of underwriting discipline could fully mitigate.

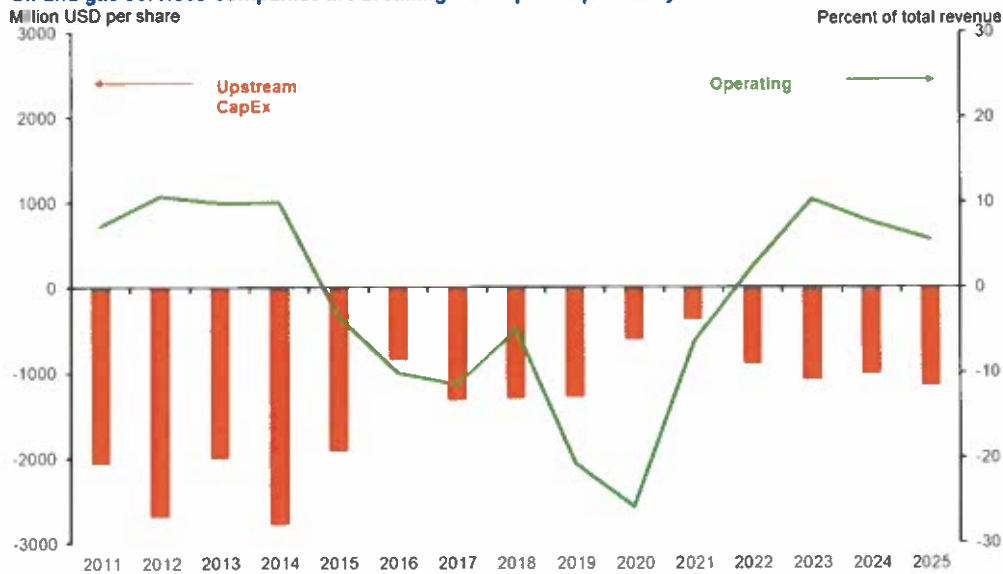
Then, something unexpected happened. By 2023, establishment exit rates had fallen to 8.7 percent, returning to pre-2014 levels. This occurred despite upstream capital expenditures (CapEx) remaining 30-40 percent below historical peaks. The 2014-2016 downturn sustained elevated exit rates for four consecutive years. The 2020-2021 spike reversed in just two years—an unprecedented recovery speed.

Leading service companies show unexpected resilience despite subdued upstream spending

Service sector operating margins have typically moved in tandem with upstream capital spending, as shown in Chart 2. Because CapEx are expenses, they are conventionally shown as negative amounts. When upstream CapEx collapsed after 2015, falling by nearly 50 percent, service margins turned negative.

Chart 2

Oil and gas services companies are breaking the CapEx dependency



NOTES: Upstream CapEx represents aggregate capital expenditure for constituents of the Standard and Poor's Oil and Gas Exploration and Production Select Industry Index (U.S. E&P companies). Service sector operating margin represents aggregate operating income as percentage of revenue for constituents of the Standard and Poor's Oil and Gas Equipment and Services Select Industry Index (oilfield services companies). Both metrics calculated by Bloomberg from company-reported financial data, 2011-2025.

SOURCE: Bloomberg.

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The 2020 Covid-19 pandemic and global response brought the most severe demand shock in modern energy market history. Upstream CapEx cratered, and service margins collapsed.

In 2021, upstream capital spending began recovering modestly, but remained well below prepandemic levels. Under historical patterns, service margins should have remained compressed. Instead, service margins turned decisively positive and remained healthy throughout 2022-23.

Upstream CapEx plateaued at levels 30-40 percent below the previous decade's peaks. Historically, this would have signaled distress for the service sector. But by 2023 many leading service companies **reported operating margins** at or near cycle highs. This sustained divergence fundamentally challenges how we assess risk in this sector.

Upstream capital discipline forced service companies to adapt

The post-2020 environment created unique pressures that forced service companies to adapt or perish. The most important factor was the **fundamental shift** in upstream capital discipline.

Unlike previous downturns, upstream companies didn't ramp up spending aggressively once oil prices recovered. The post-pandemic period brought a new paradigm. Investors demanded that producers prioritize free cash flow generation over production growth.

For service companies, this meant that the traditional recovery pattern of waiting out the downturn and then riding the next upcycle, was no longer viable. This lower-for-longer CapEx environment also brought deflationary pressures, squeezing margins even as revenue growth remained constrained.

Service companies faced a stark choice: accept permanently impaired profitability or fundamentally restructure their business models. The margin recovery in Chart 2 suggests that leading companies chose restructuring and executed successfully.

Three strategies for breaking the cycle

Three major firms illustrate different but effective approaches to breaking free from the drilling cycle.

SLB centered its strategy on [digital technology and international diversification](#). The company's Digital and Integration segment now delivers 35 percent adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) margins, which is significantly higher than traditional services at 20-25 percent. Growing digital revenue represents 7 percent of total revenue. Approximately 78 percent of SLB's revenue comes from international markets, providing natural diversification from volatile North American drilling.

Halliburton focused on efficiency-driven technology while expanding into [data center infrastructure projects](#). Management restructured customer contracts toward multiyear, performance-based arrangements that provide revenue predictability and reduce exposure to spot market volatility.

Baker Hughes pursued the most aggressive diversification. Its Industrial and Energy Technology segment now represents approximately [45 percent of total revenue](#). This includes gas turbines, liquefied natural gas (LNG) compression equipment and industrial process solutions, which are all businesses operating on entirely different cycles than upstream drilling. The company increasingly emphasizes [long-term service agreements](#) particularly within this segment.

In all three strategies, management emphasizes multiyear contractual revenue visibility that fundamentally alters risk profiles. The evidence supports their claims: measurably reduced revenue volatility, structurally improved margins and stronger free cash flow conversion.

The transformation is far from universal

While success stories from industry majors paint an encouraging picture, the transformation is far from universal. The gap between companies that have genuinely diversified and those trapped in traditional cyclical models has widened dramatically.

Earnings-call language reveals this divergence. Successful transformers provide specific metrics: digital revenue growth rates, margin profiles by segment and multi-year contract percentages. This is quantifiable evidence of genuine business model evolution.

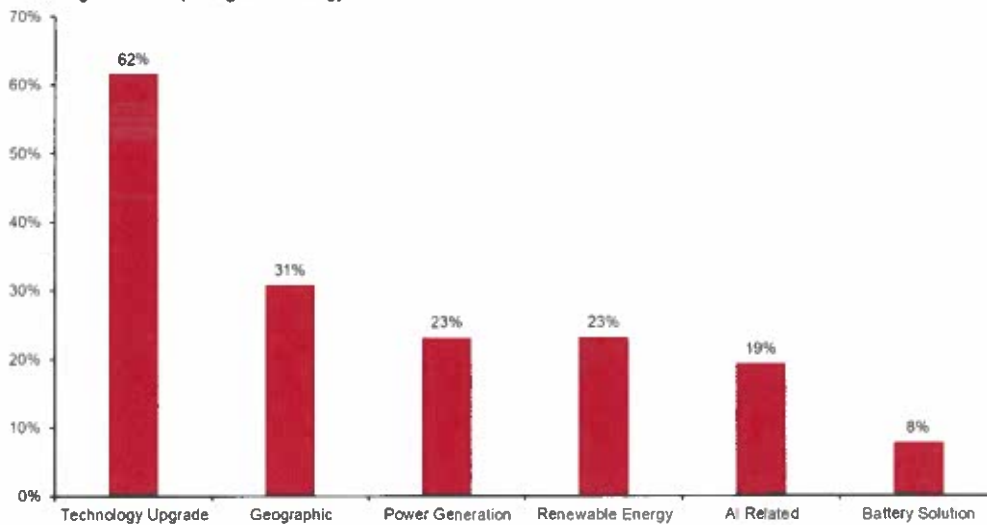
Traditional cyclical companies tell a different story. They discuss maintaining equipment readiness for when activity rebounds and focusing on cost management. This signals continued dependence on traditional activity levels with no articulated diversification path.

Companies in the middle show measurable progress in international expansion or technology offerings. But they remain predominantly tied to traditional cyclical drivers.

Chart 3 quantifies the breadth of diversification strategies. An analysis of twenty-six oil and gas service firms reveals that while many are improving technological offerings or expanding geographically, a meaningful number are growing in fields related to AI and power generation.

Chart 3
Diversification strategies among oil and gas support services companies

Percentage of firms reporting each strategy



NOTES: Based on analysis of earnings calls and investor presentations from 26 publicly traded oil and gas support services companies for fiscal year 2025. Companies may report multiple diversification strategies; percentages do not sum to 100. Technology upgrade includes investments in digitalization, automation, artificial intelligence applications and proprietary equipment innovations. Twenty-five of twenty-six companies reported at least one diversification strategy.

SOURCE: Analysis of company earnings calls and investor presentations, fiscal year 2025.

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Technology upgrades lead the way, chosen by 62 percent of firms analyzed. Geographic diversification follows at 31 percent. But the emerging trends are most telling: 23 percent are pursuing power generation opportunities, 23 percent renewable energy, 19 percent AI-related services and 8 percent battery solutions.

These aren't just talking points. For example, Atlas Energy Solutions [deployed a patented hybrid battery solution](#) that integrates with generators. They're growing their energy fleet to over 500 megawatts by 2027, selling power under longer-term arrangements.

Similarly, ProPetro Holding Corp [has diversified](#) into low-emission power generation using high-efficiency natural gas generators and low-emissions modular turbines. Management views the market for reliable, low-emission power solutions as a significant growth opportunity beyond traditional oilfield services.

Twenty-five of the twenty-six firms analyzed are diversifying using at least one approach identified in Chart 3. This widespread adoption suggests the transformation extends well beyond the industry's largest players.

Credit analysis must adapt to the sector's transformation

The breakdown of the historical relationship between upstream CapEx and service profitability represents one of the most significant structural shifts in the energy sector in decades. Leading service companies have successfully reduced their dependence on drilling activity through diversification into digital platforms, adjacent industries and recurring revenue models.

However, the transformation is profoundly uneven. A portfolio classification of oil and gas support services now encompasses businesses with radically different risk profiles. Some are technology companies serving energy markets. Others remain equipment rental firms whose fortunes are still tied to weekly rig counts.

This evolution carries significant implications for lenders and bank examiners. Credit models built on historical relationships may overstate risk for companies that have successfully diversified. They may understate risk for companies that haven't transformed. For bank examiners conducting loan reviews, historical peer comparisons may no longer provide reliable benchmarks.

Understanding revenue composition, margin sustainability, management execution and technology differentiation have become essential. When underwriting or reviewing these credits, service companies should consider requesting a

breakdown of revenue by contract duration and end-market exposure. The rig count will always matter for this sector, but it no longer tells the whole story.

For credit professionals, the challenge is clear: develop a more nuanced analytical framework that can distinguish genuine transformation from cyclical noise. The companies have rewritten the rules. Now it's time for credit analysis to catch up.

About the author



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The views expressed are those of the authors and should not be attributed to the Federal Reserve Bank of Dallas or the Federal Reserve System.

Table 1. The number of children in each age group and the number of children in each age group who were in the sample at baseline and at follow-up

Age group	Baseline	Follow-up
12-13	10	10
14-15	10	10
16-17	10	10
18-19	10	10
20-21	10	10
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830-831	1	



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Oil and gas and renewable energy projects demand tailored risk management approaches

Sung Je Byun

September 04, 2026

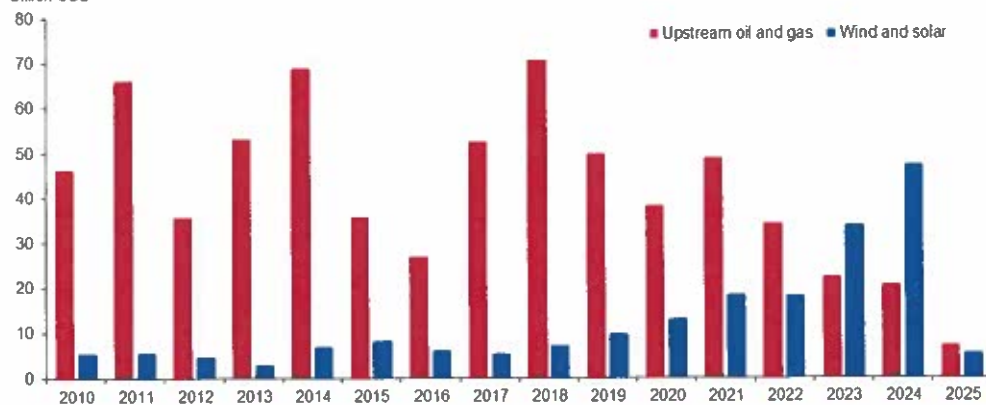
The upstream oil and gas sector and renewable energy sector tend to follow opposite trajectories. Oil and gas lending peaked during the U.S. shale boom, while wind and solar financing has surged recently. Both require massive upfront investment, making bank lending critical to their growth.

Syndicated loan data from the Shared National Credit Program reveals this divergence clearly. The upstream oil and gas sector received approximately \$51 billion in syndicated loans annually from 2011–2019 but then declined steadily from 2020 to 2024 (*Chart 1*).

Chart 1

Wind and solar lending surges while upstream oil and gas declines

Billion USD



NOTES: Commitments for newly originated syndicated loans to upstream oil and gas and wind and solar sectors. 2011–2025 Data based on loan origination date. 2025 figures represent partial-year data through Q3.

SOURCE: Shared National Credit (SNC) examination data.

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Both sectors now face distinct vulnerabilities. The oil and gas sector faces transition pressures and the potential for stranded assets. On the other hand, the renewable energy sector is very sensitive to legislative changes affecting tax incentives and subsidies.

In 2016, the Federal Reserve produced [SR Letter 16–17](#), which offers energy lending guidance around reserves-based lending activities. While there is no published guidance around renewables-based energy lending, understanding each sector's unique risk profile is essential for lenders and bank examiners. This knowledge shapes lending decisions, risk management strategies and portfolio performance.

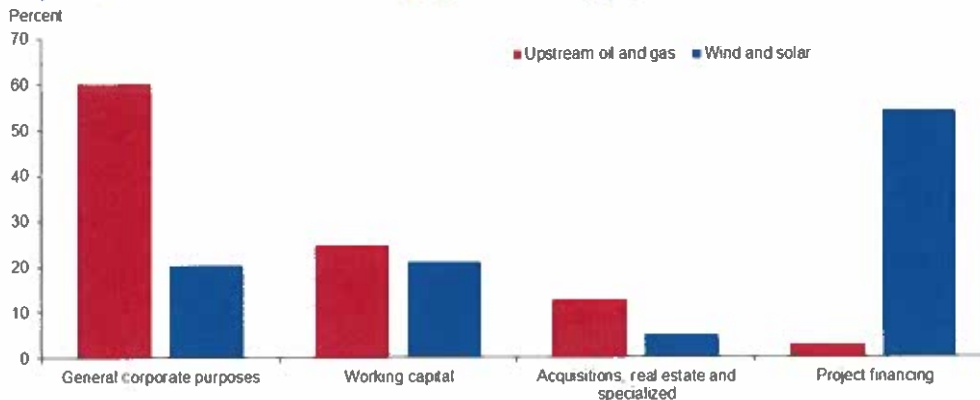
Many banks organize both oil and gas and renewable lending under a single Energy or Specialized Lending group. While operationally efficient, this structure can lead to inappropriate application of similar underwriting standards across fundamentally different assets. Lenders must recognize that expertise in one sector does not automatically translate to the other.

Upstream loans fund operations while renewable loans finance specific projects

The financing purposes in these sectors differ significantly due to operational differences and project lifecycles.

In the upstream oil and gas sector, financing supports high-risk exploration and production activities. General corporate purposes (60 percent) and working capital (25 percent) collectively represent the majority of loan purposes (*Chart 2*). This broad approach provides flexible capital for drilling, exploration and production.

Chart 2
Project finance dominates wind and solar while oil and gas loans fund operations



NOTES: Distribution of loan commitments by purpose for newly originated syndicated loans, 2011-2025. General Corporate Purposes includes debt refinancing, capital expenditures, recapitalizations. Working Capital includes commercial paper backup, permanent/seasonal working capital. Acquisition, Real Estate and Specialized includes mergers and acquisitions financing, real estate development and equipment leasing. Project Finance includes project financing and bridge financing.
SOURCE: SNC examination data

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Unlike the oil and gas sector, renewable energy financing focuses on long-term, capital-intensive projects. Bank loans primarily support construction of solar and wind installations. Project financing accounts for 54 percent of wind and solar loans, with working capital (21 percent) and general corporate purposes (20 percent) comprising most of the remainder (*Chart 2*).

These different purposes create fundamentally different risk exposures. Upstream oil and gas operations face volatile commodity price risk. Wind and solar projects benefit from [government incentives](#) and predictable cash flows, often secured by long-term [Power Purchase Agreements \(PPAs\)](#).

Upstream uses balance-sheet financing while renewables rely on special purpose vehicles

The capital structures in these sectors reflect their distinct operational and risk profiles.

The upstream oil and gas sector typically uses balance-sheet financing. Loans are secured against the company's overall assets and creditworthiness. This approach provides flexibility but exposes lenders to commodity price swings, operational failures and corporate financial health.

The renewable energy sector predominantly uses non-recourse project financing. Specific projects are funded through Special Purpose Vehicles (SPVs) that rely solely on the project's future cash flows for repayment. The debt stays off the sponsor's balance sheet, limiting lender recourse to the project's assets only.

This structural difference fundamentally changes credit analysis. Upstream lenders analyze corporate financial statements and overall company creditworthiness. Renewable lenders focus almost exclusively on project-level metrics and cash flow models.

Collateral requirements reflect the nature of each sector's assets

Oil and gas reserves are depleting assets with uncertain extraction timelines. Solar and wind projects are fixed installations with predictable generation profiles. The decisions by these two sectors to finance themselves differently are a result of the fundamentally different risk of their assets.

For upstream oil and gas loans, collateral primarily comprises the oil and gas reserves themselves. The security package covers licenses, production equipment and project accounts. The **borrowing base** is determined by the present value of future cash flows from proven reserves.

Renewable energy project financing relies on a comprehensive collateral package. This includes all project assets (both physical and intangible), revenue streams and contractual rights. The sponsor often pledges its equity interests in the SPV, providing lenders with a straightforward foreclosure route if needed.

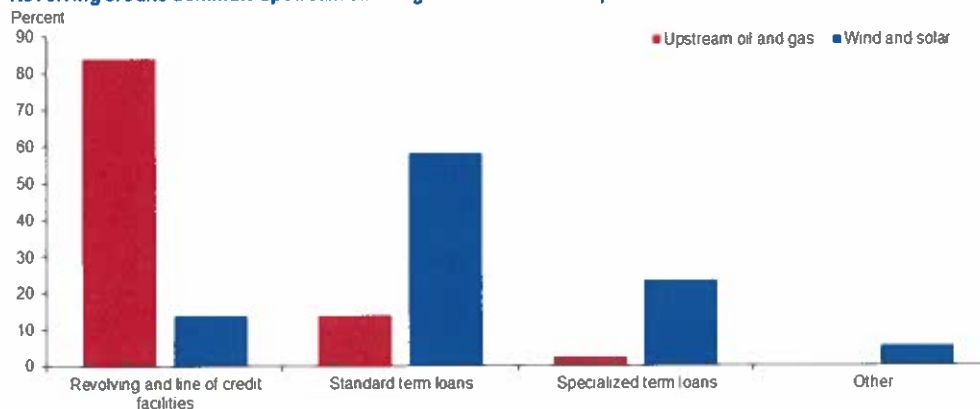
Revolving credits dominate upstream lending, term loans prevail in renewables

Separate from the degree of collateral, the types of financing facilities used also differ markedly.

In the upstream oil and gas sector, **reserve-based loans (RBLs)** are common. Borrowing limits depend on proven and probable reserve values, making them sensitive to commodity price fluctuations. Upstream companies need ongoing capital access for continuous drilling, so these loans are primarily structured as revolving credit facilities and lines of credit, accounting for 84 percent of upstream facilities (*Chart 3*).

Chart 3

Revolving credits dominate upstream oil and gas while term loans prevail in wind and solar facilities



NOTES: Distribution of loan commitments by facility type for newly originated syndicated loans to upstream oil and gas and wind and solar sectors, 2011-2025. Revolving and Line of Credit Facilities includes revolving credit (asset-based and reserve-based) and non-revolving lines of credit. Standard Term Loans includes Term Loans A, B and C. Specialized Term Loans includes bridge loans, converting facilities, asset-based term loans, second lien and delayed draw term loans. Other includes standby letters of credit and letters of credit.

SOURCE: SNC examination data

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In the wind and solar sector, financing follows a two-stage approach. Construction loans provide short-term, interest-only financing during the build phase. These convert to long-term (e.g. 25–30 years) amortizing loans when projects reach commercial operation and begin generating steady revenue.

Standard term loans (58 percent) and specialized term loans (23 percent), including cash and tax equity bridge loans, account for two-thirds of wind and solar facilities (*Chart 3*). Project finance packages typically combine term loans with smaller revolving credits (14 percent) that support operations or provide credit enhancement.

Solar asset-backed securities are mainstream while oil and gas securitization remains niche

Securitization plays different roles in each sector.

In renewable energy, **solar Asset-Backed Securities (ABS)** have become mainstream. These structures bundle predictable future cash flows from solar projects into bonds sold to investors.

In upstream oil and gas, **Proved Developed Producing (PDP) ABS** represents a growing but still niche instrument. These securitizations offer higher advance rates and longer maturities than traditional reserve-based lending but remain less common.

The difference reflects underlying cash flow characteristics. Solar projects generate highly predictable revenue streams ideal for fixed-income investors. Oil and gas production faces commodity price volatility that complicates securitization. Both ABS types offer alternative financing with longer maturities and higher advance rates than traditional bank facilities.

Commodity price risk dominates upstream while project execution risk drives renewable lending

Lenders and bank examiners must recognize these sectors require fundamentally different risk assessment frameworks.

For upstream oil and gas lending, commodity price risk management is paramount. Lenders should closely monitor reserve valuations, production decline curves and hedging strategies. Price volatility demands regular borrowing base redeterminations and robust stress testing.

For wind and solar project financing, focus shifts to project execution risk during construction and operational performance thereafter. Lenders must assess technology risk, contractor capabilities and interconnection agreements. The evaluation of long-term PPAs—including off-taker creditworthiness—becomes critical, as these contracts often determine project viability.

Cross-cutting risks require attention in both sectors

Despite their differences, both sectors share critical portfolio-level risks that lenders and examiners must monitor carefully.

Third-party risk affects both industries significantly. Both involve numerous external parties—equipment suppliers, contractors, off-takers and operators—whose financial health and operational capabilities directly impact project outcomes. For renewable projects, key dependencies include equipment manufacturers, construction firms and power off-takers under long-term contracts. For upstream companies, critical third parties include drilling contractors, midstream operators and hedging counterparties.

Concentration risk also deserves close attention. Banks heavily exposed to either sector face significant portfolio risk from industry-wide shocks, such as commodity price crashes in oil and gas or renewable policy changes. Banks with concentrated upstream portfolios learned this painfully during the 2014–2016 oil price collapse.

Lenders should implement comprehensive third-party risk assessment procedures, including evaluation of contractual relationships, financial stability assessments and scenario analysis of third-party failures. Examiners should verify that banks have appropriate concentration limits, diversification strategies and risk management practices tailored to their energy lending portfolios.

Understanding these differences is critical for managing energy lending risk

The financing landscapes of upstream oil and gas and renewable energy, while both capital-intensive, present distinct challenges and risk profiles for lenders.

Upstream financing depends on volatile commodity prices, reserve-based lending structures and exploration and production risks. Renewable energy financing offers more predictable cash flows through long-term PPAs, though it faces technology, grid integration and policy risks.

Lenders must navigate these sector-specific risks with careful consideration of financing structures, cash flow predictability and the physical and regulatory environments. The capital structures, collateral packages and facility types appropriate for each sector differ substantially.

By integrating sector-specific risk frameworks—including third-party risk evaluation—into loan review procedures, lenders can better safeguard their investments. This tailored approach enables banks to support development in both sectors while managing portfolio risk effectively.

As the energy landscape evolves, a sophisticated understanding of these differences can protect energy lenders from unexpected losses. This knowledge is essential for banks to assess their risk management practices in their energy portfolios.

About the author



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The views expressed are those of the authors and should not be attributed to the Federal Reserve Bank of Dallas or the Federal Reserve System.



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Consumer compliance remains a multipronged effort

Wendy Shoniregun

September 04, 2026

The financial landscape continues to evolve with technological advancements, regulatory changes and shifting consumer expectations. As banks embrace this progress in 2026 and beyond, they will continue to need strong consumer compliance programs to mitigate the risk of regulatory penalties and enforcement actions, consumer harm and legal liability, and to maintain consumers' trust. Let's dive deeper into some key aspects of a sound consumer compliance program.

Key aspects of a sound consumer compliance program for 2026

To effectively navigate the complex compliance landscape of the future, banks need to build and maintain robust consumer compliance programs that incorporate 1) strong governance and oversight, 2) proactive and forward-looking risk assessments, 3) robust policies and procedures, 4) effective training and awareness, 5) independent monitoring and testing.

Strong governance and oversight

It is important that the board of directors assumes an active role overseeing consumer compliance at a bank. This involvement sets the tone for a culture of consumer compliance and empowers top compliance officers to enforce a successful program. As such, the Federal Reserve Bank Consumer Compliance examination uses the [Uniform Interagency Consumer Compliance Rating System](#) to rate the effectiveness of financial institutions' Compliance Management System (CMS). The elements within the rating system are designed to evaluate risk control processes, internal procedures, controls and audit activities. Given that the board plays a crucial governance role in overseeing these systems, its awareness and engagement are integral to the compliance posture assessed by examiners. Therefore, a board that is not adequately informed or engaged in consumer compliance issues may adversely affect the institution's CMS evaluation and, by extension, its overall rating.

Complementing this oversight, the appointment of a qualified and experienced compliance officer is important. This individual should possess the requisite authority and resources to effectively manage the compliance program, ensuring its alignment with regulatory requirements and with industry best practices. When evaluating qualifications, consider several key factors: the number of years they have spent in the compliance field, relevant certifications they have obtained and their technical experience.

Establishing clear reporting lines and communication channels from the compliance officer to independent board members is essential to facilitate the prompt identification and resolution of compliance issues. This structured approach to reporting and communication assists with ensuring that any concerns are swiftly addressed, thereby maintaining the integrity of the bank's compliance framework and reinforcing its dedication to safeguarding consumer interests.

Proactive and forward-looking risk assessments

Risk assessments should cover all aspects of operations, including lending, deposit accounts, marketing, and technology-driven services to risk the occurrence of omitting potential risks. Rather than focusing solely on past violations, assessments should identify potential risks from emerging technologies, new products and changing consumer behaviors. Regular reviews and updates ensure assessments reflect current business activities and the evolving regulatory environment.

Forward-looking risk assessments emphasize prevention, early detection and continuous improvement by integrating governance, risk and compliance functions to ensure consistent decision-making and a holistic view of organizational health and compliance. This approach involves building risk intelligence through regulatory horizon scanning, scenario planning and early warning systems to monitor external environments for emerging compliance and regulatory changes thereby enabling organizations to anticipate and mitigate potential disruptions before they occur.

Robust policies and procedures

To foster a culture of compliance and consumer protection within a financial institution, it is important to establish robust policies and procedures that are clear, concise, easily understood and readily accessible to all employees. These policies and procedures should offer comprehensive coverage, addressing all relevant consumer protection regulations to safeguard both the institution and its clients, and should be regularly updated with the latest regulatory changes and industry best practices. This proactive approach not only enhances the institution's compliance posture but also reinforces its commitment to upholding standards of consumer protection.

Effective training and awareness

Targeted training helps to cultivate a workforce that is well-equipped to navigate the complexities of financial regulations and consumer protection. Training programs tailored to the specific roles and responsibilities of each employee help to ensure that every team member receives the knowledge and skills pertinent to their function within the organization. To maintain a dynamic and knowledgeable workforce, it is equally important to offer continuous learning opportunities. These should encompass ongoing training sessions that keep employees abreast of new regulations, evolving industry trends and best practices.

Publications like the Consumer Compliance Outlook, a Federal Reserve System publication focusing on topics of consumer compliance, can assist with understanding industry trends. For example, the first issue of 2026 emphasizes the 2024 supervisory data, which indicates that violations of the Electronic Fund Transfer Act (EFTA), as implemented by Regulation E, were among the top-cited consumer compliance violations in examinations. These violations were also a noticeable source of complaints against state-member banks during that year. Continuous education strengthens the institution's overall compliance framework and its dedication to consumer protection.

Independent testing and monitoring

To ensure a bank's compliance program stays robust, it is important to conduct regular independent reviews that assess its effectiveness across all operational facets. Reviews can identify areas of improvement and ensure adherence to regulatory standards.

In tandem with these reviews, the strategic use of data analytics and Key Risk Indicators (KRIs) can proactively identify potential compliance risks and emerging trends within the financial landscape. KRIs such as filings of suspicious activity reports, complaints or checking account holds can give an overall picture of the consumer experience and potential compliance focus points. This data-driven approach enables the institution to stay ahead of potential issues.

After identifying any deficiencies or areas of concern, it is essential to develop and implement timely corrective action plans. These plans should be crafted to address the root causes of the issues, thereby fortifying the bank's compliance posture and ensuring the protection of consumer interests. This proactive and responsive approach to compliance management not only enhances the institution's regulatory standing but also reinforces its commitment to maintaining standards of integrity and consumer protection.

Collaboration between banks and regulators

Open collaboration between banks and regulators is becoming increasingly valuable in navigating the complex compliance landscape of 2026. As financial institutions face evolving compliance requirements and heightened scrutiny, open communication and partnership with regulatory bodies like the Federal Reserve System can highlight best practices, help mitigate risks and give banks clearer insights into regulatory expectations.

A collaborative approach not only fosters transparency and trust but also promotes innovation in compliance strategies, enabling banks to better serve their customers while maintaining the integrity of the financial system. Moving forward, strengthening these relationships can help banks manage regulatory challenges and drive industry-wide improvements.

Investing in consumer compliance is an investment in the future

A strong consumer compliance program represents more than regulatory adherence—it's a strategic component of sustained success. By implementing these key aspects, banks can build consumer trust and support long-term stability. Organizations that prioritize proactive, well-managed consumer compliance position themselves to navigate future challenges more effectively.

About the author

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The views expressed are those of the authors and should not be attributed to the Federal Reserve Bank of Dallas or the Federal Reserve System.

Table 1. The number of children in each age group and the number of children in each age group who were in the sample at baseline and follow-up

Age group	Baseline	Follow-up
10-11	10	10
12-13	10	10
14-15	10	10
16-17	10	10
18-19	10	10
20-21	10	10
22-23	10	10
24-25	10	10
26-27	10	10
28-29	10	10
30-31	10	10
32-33	10	10
34-35	10	10
36-37	10	10
38-39	10	10
40-41	10	10
42-43	10	10
44-45	10	10
46-47	10	10
48-49	10	10
50-51	10	10
52-53	10	10
54-55	10	10
56-57	10	10
58-59	10	10
60-61	10	10
62-63	10	10
64-65	10	10
66-67	10	10
68-69	10	10
70-71	10	10
72-73	10	10
74-75	10	10
76-77	10	10
78-79	10	10
80-81	10	10
82-83	10	10
84-85	10	10
86-87	10	10
88-89	10	10
90-91	10	10
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528-529	10	10
530-531	10	10
532-533	10	10
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540-541	10	10
542-543	10	10
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562-563	10	10
564-565	10	10
566-567	10	10
568-569	10	10
570-571	10	10
572-573	10	10
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578-579	10	10
580-581	10	10
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584-585	10	10
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628-629	10	10
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730-731	10	10
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736-737	10	10
738-739	10	10
740-741	10	10
742-743	10	10
744-745	10	10
746-747	10	10
748-749	10	10
750-751	10	10
752-753	10	10
754-755	10	10
756-757	10	10
758-759	10	10
760-761	10	10
762-763	10	10
764-765	10	10
766-767	10	10
768-769	10	10
770-771	10	10
772-773	10	10
774-775	10	10
776-777	10	10
778-779	10	10
780-781	10	10
782-783	10	10
784-785	10	10
786-787	10	10
788-789	10	10
790-791	10	10
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794-795	10	10
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798-799	10	10
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802-803	10	10
804-805	10	10
806-807	10	10
808-809	10	10
810-811	10	10
812-813	10	10
814-815	10	10
816-817	10	10
818-819	10	10
820-821	10	10
822-823	10	10
824-825	10	10
826-827	10	10
828-829		



Federal Reserve Bank of Dallas

Securing digital financial assets from AI-driven fraud, a shared mission

Raja Qasim

September 04, 2026

Artificial Intelligence (AI)-assisted fraud intersects three connected participants: consumers who need to protect digital access to their financial assets and virtual lives, banks with an obligation to authenticate customers and safeguard accounts, and federal banking agencies that promote a safe, sound and resilient financial system. Digital estate planning offers a useful example of this intersection by connecting bank controls, supervisory expectations and household preparedness into one risk management conversation.

For consumers, the risk is immediate and personal: AI can make impersonation faster, cheaper and more convincing, allowing cybercriminals to defraud individuals when they are settling an estate. For banks, the same fraud attempt becomes an operational and compliance challenge involving identity verification, elder exploitation and payment controls. As the nation's central bank, the Federal Reserve supports financial stability, supervises and regulates banking organizations, promotes a safe and efficient payment system, and helps ensure banks treat consumers fairly. AI-assisted fraud can undermine confidence in banking, test banks' operational resilience, increase losses to households and institutions, and if left unchecked at scale, contribute to broader financial system vulnerabilities.

AI-enabled elder exploitation: a growing threat

The scale of the threat is growing quickly. According to the [FBI's Crime Report](#), overall cybercrime losses exceeded \$20 billion, a 26 percent increase from 2024, based on more than one million complaints. For the first time, the report included an AI-related descriptor: Americans filed 22,364 AI-related complaints and lost \$893 million to AI-driven scams in 2025. This figure is likely conservative because it captures only cases in which victims recognized and reported the AI component.

Elderly individuals, who may be less familiar with AI-related scams yet often hold significant financial assets which they can access digitally, are particularly vulnerable. The FBI issued a Public Service Announcement warning of scammers targeting senior citizens after receiving complaints regarding grandparent scams resulting in at least \$1.9 million in victim losses.

Unfortunately, scammers have become more sophisticated. They are using AI to mimic the voice or likeness of deceased or elderly individuals, aiming to intercept inherited financial accounts. These cases are personal for families, but they also test banks' ability to verify identity, recognize exploitation and stop suspicious transfers before losses spread.

Deepfakes, agentic AI and the new fraud burden on banks

Several financial industry leaders described the challenges posed by AI-assisted fraud in [a recent American Banker article](#). They include lower barriers to entry for committing fraud without expertise in financial or cybercrime and increasingly realistic personalization that makes scams easier to make and harder to detect. This allows economies of scale to be achieved within hours.

Evolving bank defenses: from real-time detection to consumer education

Banks are deploying AI-powered tools in new ways due to [Section 314\(b\) of the USA PATRIOT Act](#) which enables banks to share customer and transaction data with other banks free from civil liability. This collaboration connects fragmented institution-specific data in order to pool anomalous behavioral indicators, such as deep-fake patterns or automated bulk

account takeovers, to rapidly update their AI-detection models. The 314(b) program enables banks to freeze accounts or stop fraudulent transactions in real time. This addresses a concern voiced by smaller community banks about a lack of timely response from their larger partners in responding to urgent information requests to facilitate processing or halt transactions.

Banks, industry groups and law enforcement agencies like the ABA and FBI, respectively, are also collaborating to develop educational resources to help customers identify deepfakes, verify authentic communications and protect personal data against advanced social engineering schemes.

Supervisory expectations for AI governance and risk management

U.S. Federal Banking Agencies including the Federal Reserve, OCC and the FDIC apply broad, principles-based risk frameworks to supervise evolving generative and agentic AI models. For example, the Financial Stability Board (FSB) published [a report](#) outlining sound practices for financial institutions in navigating benefits and risks responsibly as they adopt AI. On Sept. 2, 2026, the Federal Reserve Board released some [updated resources](#) that may be helpful to institutions as they manage the opportunities and risks of frontier AI for cybersecurity. The message for bankers is that innovation is expected to be paired with governance, controls, testing and accountability.

Consumer vigilance: protecting digital assets before crisis strikes

Consumers also have a role to play. In addition to digital keys and passwords, more financial apps have introduced Multifactor Authentication (MFA) to control access to customer accounts. MFA is a layered approach to securing data and applications where a user must present a combination of two or more credentials, such as a password and then a passcode sent to their phone, to verify their identity for login. It is essential that families secure MFA credentials in addition to passwords and other credentials for the financial apps that manage their savings and investments as part of their digital estate planning.

The offline key solution

Customers should designate a digital executor—a trusted individual authorized to manage online assets, much like an executor named in a traditional will. The executor should be entrusted with a list of one's online financial accounts, including banking, retirement, brokerage, life insurance and payment applications as well as social media to cover one's entire digital footprint.

A simple offline key solution can reduce cyber exposure. Instead of storing sensitive passwords or codes in cloud services or email drafts, customers should be instructed to document important accounts and access instructions in a secure offline location such as a locked drawer, safe deposit box or sealed envelope where a digital executor can find them when needed. This offline information should not be denoted as an appendix to the will, as wills may become public record after probate. The digital executor should be instructed to close accounts once transactions are settled and erase sensitive data from legacy devices before disposal.

Protecting the digital financial ecosystem

Individual preparedness, bank safeguards and supervisory oversight all play a role in mitigating AI threats. Banks need smarter real-time defenses and practical collaboration; regulators must continue emphasizing governance, accountability and resilience; and consumers should approach digital estate planning with non-technical safeguards. Protecting digital financial assets has become both a household responsibility and a broader focus of financial system resilience. Together, these efforts can help ensure financial innovation strengthens trust within the banking industry and allows families to pass their digital financial assets across generations.

About the author

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AGENDA ITEM #6

ACTION ITEM:

Consider and Act Upon a
resolution to apply for
Critical Needs Funding

RESOLUTION NO. 100826

A RESOLUTION OF THE TOWN OF RANSOM CANYON, TEXAS, AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION FOR PUBLIC SAFETY CRITICAL NEEDS FUNDING AND COMMITTING TO COMPLIANCE WITH ALL ELIGIBILITY AND FUNDING REQUIREMENTS.

WHEREAS, Lubbock County has established funding opportunities through the Public Safety Critical Needs Fund to support contracted fire departments in enhancing firefighting capabilities and providing improved fire and rescue services to the Citizens of Lubbock County; and

WHEREAS, the Town of Ransom Canyon is contracted with Lubbock County for Fire and Rescue Suppression Services and follows all obligations outlined in the Fire and Rescue Suppression Interlocal Agreement; and

WHEREAS, the Town of Ransom Canyon will adhere to all contractual obligations, and substantiation of purchases made with Public Safety Critical Needs Funding; and

WHEREAS, Fiscal Year 2026-2027 grant funds shall be used exclusively to enhance the firefighting capabilities of the Ransom Canyon Volunteer Fire Department, including the purchase of additional firefighting equipment and/or personal protective equipment (PPE) aligned with the priority funding categories identified by Lubbock County; and

WHEREAS, the identified priority funding categories for eligible purchases include:

1. Personal Protective Equipment (PPE);
2. Firefighting equipment related to fire and rescue services, including but not limited to fire hoses, nozzles, rescue equipment, extrication equipment, hand tools, PPV fans, flashlights, and ladders;
3. Other equipment related to fire and rescue services, such as vehicles, generators, or associated vehicle maintenance equipment; and

WHEREAS, the Ransom Canyon Volunteer Fire Department affirms that all equipment purchased with Public Safety Critical Needs Funding shall be used exclusively to provide Fire and Rescue Services to the Citizens of Lubbock County.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN OF RANSOM CANYON CITY COUNCIL OF THE RANSOM CANYON VOLUNTEER FIRE DEPARTMENT:

1. That the Ransom Canyon Volunteer Fire Department is hereby authorized to submit a grant application to Lubbock County for Public Safety Critical Needs Funding.
2. That the Ransom Canyon Volunteer Fire Department commits to compliance with all eligibility and contractual requirements as outlined in the Fire and Rescue Suppression Interlocal Agreement.
3. That all awarded funds shall be expended exclusively for the purchase of firefighting equipment and/or personal protective equipment (PPE) in alignment with the funding categories identified by Lubbock County.

4. That the Ransom Canyon Volunteer Fire Department acknowledges that unsubstantiated purchases will result in the ineligibility of the fire department for future Public Safety Critical Needs Funding.

PASSED AND APPROVED on this 8th day of October 2026.

Val Meixner, Mayor

Sheila Jennings, City Secretary

LEGISLATIVE UPDATE INFORMATION

Election Outlook and the 2027 Legislative Session

The November election will play an important role in shaping the political environment for the 2027 Texas Legislative Session. Early voting begins **October 19**, with Election Day on **November 3**.

Recent polling indicates competitive statewide races. The race for governor between **Gov. Greg Abbott and Gina Hinojosa** has drawn increased attention, while the U.S. Senate contest between **Ken Paxton and James Talarico** is particularly close in recent polling. Because some differences are within the polls' margins of error, these results should be viewed as snapshots rather than predictions.

The election could also affect the direction and priorities of the Texas Legislature. Republican candidates and officeholders are navigating questions about how closely to align their campaigns and legislative priorities with President Trump's agenda, while statewide and legislative races could influence which issues receive the most attention when lawmakers return to Austin.

Key Issues for Cities

Several issues are likely to be particularly important to Texas cities during the upcoming legislative session:

- **Affordability and the cost of living**, including fuel and other increasing costs affecting residents and local governments.
- **Property taxes and government spending**, with continued attention on limiting local government expenditures and providing additional property tax relief.
- **Land use and permitting**, including potential changes affecting local development authority, permitting requirements, and third-party reviews.
- **City fees and general fund transfers**, which have received legislative attention in previous sessions.
- **Consultants and non-governmental organizations**, including increased scrutiny of local government spending involving outside organizations.
- **Data centers**, particularly their impact on electricity, water, infrastructure, tax incentives, and surrounding communities. State officials have recently increased their review of proposed data center developments.
- **Rural and agricultural concerns**, including issues affecting farmers and ranchers, such as beef imports and other agricultural policies.
- **Border and West Texas issues**, including concerns surrounding border infrastructure and the Big Bend region.

Property tax relief is also expected to remain a significant issue. **Lt. Gov. Dan Patrick** has emphasized tax exemptions and school property tax relief, while debates over local government spending and taxation are likely to continue.

With the election approaching, the positions taken by state leaders and legislators may continue to develop. **House Speaker Dustin Burrows** will also play an important role in determining which legislative priorities advance in the House once the Legislature convenes.

With Election Day only **32 days away as of October 2**, the results will help establish the political landscape in which lawmakers consider these and other issues during the 2027 session.

Other Updates

Former State Rep. Garnet Coleman

Former Houston state Rep. Garnet Coleman passed away at age 65. Coleman served in the Texas House from 1991 until his retirement in 2022. During his career, he focused heavily on health care and mental health issues and played a role in establishing the Children's Health Insurance Program in Texas. He also authored the Sandra Bland Act.

Former State Rep. Gary VanDeaver

Former state Rep. Gary VanDeaver has been named Executive Director of the Texas Association of School Boards. VanDeaver, a former teacher and school administrator, recently resigned from the Texas House after a legislative career focused largely on public and higher education.

Railroad Commission of Texas

Worth Farabee has joined the Railroad Commission of Texas as its new Government Relations Director. He will serve as the Commission's liaison with state leaders and lawmakers. Farabee has nearly 20 years of government and legislative experience and most recently worked for the Texas Tech University System.

Several Texas House and Senate committees are continuing work on interim issues in preparation for the 2027 legislative session.

House Select Committee on Governmental Oversight

The committee will review several issues, including:

- Requirements for potentially adding neighboring New Mexico counties to Texas.
- The use of outside organizations and consultants by local prosecutors.
- Local government spending on consultants and nonprofit or nongovernmental organizations.

House Committee on Culture, Recreation & Tourism

The committee will hear testimony on:

- Texas' oyster farming industry and conservation of wild oyster reefs.
- The voluntary commercial oyster license buyback program.
- Implementation of legislation related to the care and display of important Texas historical documents.

House Committee on Agriculture & Livestock

The committee will review:

- Invasive species affecting Texas agriculture.
- Efforts to expand markets for Texas-grown products.
- Activities of state agencies overseen by the committee.

Senate Committee on Business & Commerce

The committee will discuss:

- Electric transmission planning, costs, and reliability.
- ERCOT interconnection reforms and new electric grid technologies.
- Implementation of the Texas Cyber Command.
- Possible consumer protections involving pricing and other practices in online and secondary ticket markets.

These interim committee meetings help lawmakers study key issues and develop potential legislation before the 2027 legislative session.

The “Hot Topics”

Oilfield Theft

The Senate Natural Resources Committee discussed the growing problem of oilfield theft in Texas. Industry representatives estimated that about **\$2 billion in crude oil was stolen in 2025**, resulting in billions of dollars in economic losses. Lawmakers discussed adding investigators and prosecutors, improving coordination among state agencies, and strengthening tracking and reporting requirements.

Wind and Solar Cleanup

Lawmakers also reviewed whether wind and solar companies should provide stronger financial guarantees for cleaning up equipment when projects close. The goal is to prevent landowners and taxpayers from being responsible for abandoned equipment.

Local Hotel Occupancy Taxes

The Senate Economic Development Committee reviewed how cities and counties collect and spend hotel occupancy taxes. Texas local governments collect about **\$1 billion annually**, but lawmakers raised concerns about reporting requirements and approximately **\$633 million in unspent funds**. Local officials also discussed whether communities should have greater flexibility in using these revenues.

Economic Development Incentives

Lawmakers reviewed project financing zones that allow certain cities to use additional state tax revenue for convention and tourism projects. About **\$312 million** has been transferred to these projects through fiscal year 2026. Legislators discussed whether stronger reporting is needed to determine the economic return from these investments.

Artificial Intelligence and the Workforce

The committee also discussed how artificial intelligence could affect Texas workers and businesses. Topics included employee retraining, AI education, shorter certification programs, student privacy, and assistance for small businesses adapting to AI.

Other State Issues

Hill Country Flood Investigation

The Texas Rangers are investigating whether criminal violations occurred in connection with the deaths of campers and counselors at Camp Mystic during the 2025 Hill Country floods. Search

warrants have been issued, but **no criminal charges have been filed**. The investigation follows previous reviews of emergency planning, evacuation procedures, and communication during the disaster.

Data Centers

Texas is increasing oversight of large data centers because of concerns about their impact on **electricity, water supplies, infrastructure, and surrounding communities**. Gov. Greg Abbott directed TCEQ to halt permits for new data center projects while state agencies review these impacts. State officials are also examining whether data center developers should pay infrastructure costs associated with their projects.

Attorney General Ken Paxton has also launched an investigation into proposed data centers that have not responded to required Texas Water Development Board surveys regarding water use. The investigation includes projects in several counties, including **Lubbock County**.

Proposed State Rules

Water and Sewer Utility Rates

The Public Utility Commission proposed correcting its rules for calculating water and sewer utility costs used in setting rates. The change restores language that was accidentally omitted during a previous rule update. **Public comments are due October 15.**