

**DATE**

RSM US LLP  
19026 Ridgewood Pkwy, Suite 400  
San Antonio, TX 78259

This representation letter is provided in connection with your audit of the basic financial statements of Edwards Aquifer Authority (the EAA), as of and for the years ended December 31, 2025 and 2024, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of **DATE**:

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 28, 2025, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. The methods, assumptions and data used to estimate the net pension liability are as follows, and result in an estimate that is appropriate for financial statement measurement and disclosure purposes and have been consistently selected and applied in making the estimate: actuarial cost method, amortization method, inflation rate, salary increase rate, investment rate of return, retirement age, mortality, changes in assumptions and methods and changes in plan provisions. Significant judgments made in making the estimate have taken into account all relevant information of which we are aware. Appropriate specialized skills or expertise has been applied in making the estimate. All disclosures related to the estimate, including disclosures describing estimation uncertainty, are complete and reasonable in the context of U.S. GAAP. No subsequent events have occurred that would require adjustment to the estimate and related disclosures included in the financial statements.

6. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Types of related-party transactions engaged in by the EAA include:
  - a. Those with the South Central Texas Water Advisory Committee (SCTWAC). SCTWAC advises the EAA Board of Directors on downstream water rights and issues. Costs incurred are a result of SCTWAC performing duties on behalf of the EAA.
7. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
9. Management has followed applicable laws and regulations in adopting, approving and amending budgets.
10. Risk disclosures associated with deposit and investment securities are presented in accordance with GASB requirements.
11. Provisions for uncollectible receivables have been properly identified and recorded.
12. Capital assets, including infrastructure, intangible assets, and right of use assets are properly capitalized, reported and, if applicable, depreciated.
13. The government properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.
14. Components of net position (net investment in capital assets, restricted, and unrestricted) are properly classified and, if applicable, approved.
15. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
16. The EAA's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and appropriately disclosed and that net position is properly recognized under the policy.
17. Leases have been properly identified, recorded, and disclosed in accordance with GASB Statement No. 87, *Leases*.
18. Subscription-based information technology arrangements (SBITAs) have been properly identified, recorded, and disclosed in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.
19. There are no public-private and public-public partnerships and availability payments that are required to be recorded and disclosed in accordance with GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.

20. The government has properly measured, recorded, and disclosed compensated absences and other salary-related payments in accordance with GASB Statement No. 101, *Compensated Absences*.
21. There are no concentrations or constraints requiring disclosure in accordance with GASB Statement No. 102, *Certain Risk Disclosures*.
22. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
23. There are no conduit debt obligations and/or certain arrangements associated with conduit debt obligations in accordance with GASB Statement No. 91, *Conduit Debt Obligations*, that are required to be disclosed or recognized.
24. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
25. We have reviewed the GASB Statements effective for the fiscal year ending December 31, 2025, and concluded the implementation of the following Statements did not have a material impact on the basic financial statements:
  - a. GASB Statement No. 102, *Certain Risk Disclosures*.
26. We have no knowledge of any uncorrected misstatements in the financial statements.
27. In the audit engagement letter dated October 28, 2025, we requested that you:
  - a. Draft the financial statements;

With respect to this service:

  - a. We have made all management decisions and performed all management functions;
  - b. We assigned an appropriate individual to oversee the services;
  - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
  - d. We have accepted responsibility for the results of the services; and
  - e. We have accepted responsibility for all significant judgments and decisions that were made.
28. We have requested an unsecured electronic copy of the auditor's report and basic financial statements and agree that the auditor's report and basic financial statements will not be modified in any manner.

**Information Provided**

29. We have provided you with:

- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the EAA from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
30. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.
31. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.
32. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of an entity's system of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.
33. We have no knowledge of allegations of fraud or suspected fraud affecting the EAA's basic financial statements involving:
- a. Management.
  - b. Employees who have significant roles in internal control.
  - c. Others where the fraud could have a material effect on the basic financial statements.
34. We have no knowledge of any allegations of fraud or suspected fraud affecting the EAA's basic financial statements received in communications from employees, former employees, analysts, regulators, or others.
35. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
36. We are not aware of any pending or threatened litigation, claims or assessments; unasserted claims or assessments that are probable of assertion and must be disclosed in accordance with GASB Codification Section C50; Claims and Judgments ; or other matters, including gain or loss contingencies, whose effects should be considered when preparing the financial statements.
37. We have disclosed to you the identity of all of the EAA's related parties and all the related-party relationships and transactions of which we are aware.
38. We are aware of no deficiencies in internal control over financial reporting, including significant deficiencies or material weaknesses, in the design or operation of internal controls that could adversely affect the EAA's ability to record, process, summarize and report financial data.
39. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

40. It is our responsibility to inform you of all current and potential affiliates of the EAA as defined by the "State and Local Government Client Affiliates" interpretation (ET sec. 1.224.020). Financial interests in, and other relationships with, affiliates of the EAA may create threats to independence. We have:
  - a. Provided you with all information we are aware of with respect to current and potential affiliates, including degree of influence assessments and materiality assessments.
  - b. Notified you of all changes to relevant considerations that may impact our determination of the existence of current or potential affiliates involving (i) changes in the determination of the materiality of an entity to the EAA's financial statements as a whole, (ii) the level of influence the EAA has over an entity's financial reporting process or (iii) the level of control or influence the EAA or a potential or current affiliate has over an investee that is not trivial or clearly inconsequential, sufficiently in advance of their effective dates to enable the EAA and RSM US LLP to identify and eliminate potential impermissible services and relationships between RSM US LLP or its associated entities and those potential affiliates, prior to the effective dates.
  - c. Made you aware, to the best of our knowledge and belief, of any nonaudit services that the EAA or any of our affiliates has engaged RSM US LLP or any of its associated entities to perform.
41. We agree with the findings of the specialist in evaluating our estimated liabilities for the net pension liability of the EAA and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give instructions, or cause any instructions to be given, to the specialist with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialist.
42. We believe that the actuarial assumptions and methods used by the actuary for funding purposes and for determining accumulated plan benefits are appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the actuary with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the plan's actuary.
43. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

### **Supplementary Information**

44. With respect to supplementary information presented in relation to the basic financial statements as a whole:
  - a. We acknowledge our responsibility for the presentation of such information.
  - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
  - c. The methods of measurement or presentation have changed from those used in the prior period due to the addition of the information in the current year.
  - d. There are no underlying significant assumptions or interpretations regarding the measurement or presentation of such information.

- e. When supplementary information is not presented with the audited basic financial statements, we will make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

45. With respect to Management's Discussion and Analysis, Schedule of Changes in Net Pension Liability, Schedule of the EAA's Pension Contribution, and Notes to Required Supplementary information as required by the Governmental Accounting Standards Board to supplement the basic financial statements:

- a. We acknowledge our responsibility for the presentation of such required supplementary information.
- b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. The following are underlying significant assumptions or interpretations regarding the measurement or presentation of such information:

Actuary assumptions to the TCDRS pension plan

Edwards Aquifer Authority

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Roland Ruiz, General Manager

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Felix Marquez, Executive Director of  
Administration and Financial Services

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Shelly Hendrix, Controller/Director of Finance

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Marc Friberg, Deputy General Manager