



**Annual Comprehensive Financial Report
For The Fiscal Year Ended September 30, 2024**

105 Port Road • Port Isabel, Texas 78578



LAGUNA MADRE WATER DISTRICT

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2024

PREPARED BY:

The Finance Department of Laguna Madre Water District

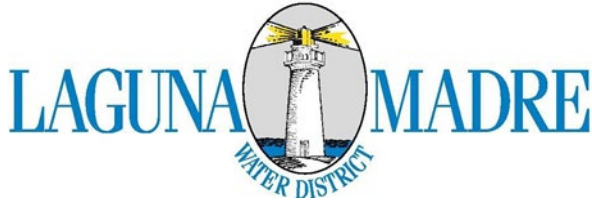
(This page intentionally left blank)

**LAGUNA MADRE WATER DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
TABLE OF CONTENTS**

	Page
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal.....	i.
Organizational Chart.....	ii.
List of Principal Officials.....	iii.
GFOA Certificate of Achievement.....	iv.
Annual Filing Affidavit.....	v.
<u>FINANCIAL SECTION:</u>	
Independent Auditor's Report.....	1-3
Management's Discussion and Analysis.....	4-18
<u>BASIC FINANCIAL STATEMENTS:</u>	
Statement of Net position and Governmental Funds Balance Sheet.....	19
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position.....	20
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances.....	21
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities.....	22
Notes to the Financial Statements.....	23-53
<u>REQUIRED SUPPLEMENTARY INFORMATION:</u>	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual – General Fund.....	54-55
Schedule of Changes in Net Pension Liability and Related Ratios.....	56
Schedule of Employer Pension Contributions – Last 10 Years.....	57
Notes to Schedule of Pension Contributions.....	58
<u>OTHER SUPPLEMENTARY INFORMATION SECTION</u>	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual – Debt Service Fund.....	59
<u>TEXAS SUPPLEMENTARY INFORMATION (TSI) SECTION</u>	
TSI - 1 Services and Rates.....	60-61
TSI - 2 General Fund Expenditures.....	62
TSI - 3 Investments.....	63
TSI - 4 Taxes Levied and Receivable.....	64-65
TSI - 5 Long-Term Debt Service Requirements by Years.....	66-70
TSI - 6 Changes in Long-Term Bonded Debt.....	71
TSI - 7a Comparative Schedule of Revenues and Expenditures General Fund - 10 Years.....	72
TSI - 8 Board Members, Key Personnel, and Consultants.....	73-74
<u>STATISTICAL SECTION</u>	
Financial Trends:	
Net Position by Component.....	75
Changes in Net Position.....	76
Fund Balances of Governmental Funds.....	77
Changes in Fund Balances of Governmental Funds.....	78
Revenue Capacity:	
Average Monthly Revenue per Customer.....	79
Water, Wastewater and Raw Water Rates.....	80
Top Ten Utility Rate Payers.....	81
Top Ten Rate Taxpayers.....	82
Property Tax Levies and Collections.....	85
Debt Capacity:	
Ratios of Outstanding Debt.....	86
General Bonded Debt Ratio.....	87
Direct and Overlapping Debt.....	88
Total Indebtness per Customer.....	89
Revenue Bond Coverage.....	90
Demographic and Economic Statistics:	
Demographic and Economic Statistics.....	91
Ten Principal Employers.....	92
Operating Information:	
Full-Time Employees by Department.....	93
Total Active Connections.....	94
Capital Assets Statistics.....	95
<u>INTERNAL CONTROL AND COMPLIANCE SECTION</u>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	96-97

(This page intentionally left blank)

INTRODUCTORY SECTION



March 4, 2025

Scott D. Friedman, Chairman
Members of the Board of Directors
Laguna Madre Water District
105 Port Road
Port Isabel, TX 78578

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the Laguna Madre Water District (District) for the fiscal year ended September 30, 2024. The purpose of the report is to provide the Board of Directors, our customers, creditors, investors, and other interested parties with transparent financial information about the District.

The ACFR was prepared by the District's Finance Department following the guidelines set forth by the Government Accounting Standards Board (GASB) and in accordance with Generally Accepted Accounting Principles (GAAP). Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rests with District management. We believe the data, as presented, is accurate in all material respects and that it is presented in a manner that provides a fair representation of the financial position and results of operation of the District and includes all disclosures necessary to enable readers to gain the maximum understanding of the District's financial activity.

The District's policy requires that an independent certified public accounting firm, selected by the Board, audit the basic financial statements on an annual basis. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended September 30, 2024, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statements presentation. The independent auditor, Adrian K. Webb, CPA, have issued an unmodified ("clean") opinion on the District's financial statements for the fiscal year ended September 30, 2024. The independent auditor's report is presented as the first component of the financial section of this report. Management's Discussion & Analysis (MD&A) immediately follows the independent auditor's report in the Financial Section and provides an overview, summary, and analysis of the basic financial statements.

District Profile

The Laguna Madre Water District, formerly Cameron County Fresh Water Supply District No. 1, was created by order of the Commissioner's Court of Cameron County, Texas, on December 5, 1950, as a Fresh Water Supply District pursuant to the provisions of Chapter 4, Title 128, Vernon's Texas Civil Statutes, as amended (now Chapter 53, Texas Water Code) and the creation thereof was duly and lawfully confirmed at an election held for such purpose as required by law.

The Board of Supervisors of the District, acting pursuant to the authority conferred by Chapter 54, Texas Water Code, duly and lawfully adopted and entered in the minutes of the Board of Supervisors resolution declaring that in its judgments, conversion into a municipal utility district operating under Chapter 54 and under Article XVI, Section 59, of the Texas Constitution, would serve the best interest of the District and would be a benefit to the land and property included in the District. The Commission on October 23, 1973, duly passed an order to convert the District into a Municipal Utility District.

Finally, on November 8, 1995, the Board of Directors of Cameron County Fresh Water Supply District No. 1 changed the name to Laguna Madre Water District. The District is regulated pursuant to provisions of the Texas Commission on Environmental Quality. The District is governed by a five-member Board of Directors (Board), elected at large by the voters of the Laguna Madre Area. This area covers the City of Port Isabel, City of South Padre Island and the Town of Laguna Vista, as well as surrounding areas within the District's boundaries.

The mission of the District is to deliver safe, reliable and high-quality water and sewer services to its customers. The District's sole source of water is surface water pumped from the Rio Grande River approximately 25 miles away through a series of pump stations, pipelines and reservoirs to reach the District's treatment facilities. The District typically diverts approximately 5,800 acre-feet per year from the Rio Grande River to serve its customers.

The District's ordinances, policies, taxes, and rates for service are set by the Board of Directors, who serve staggered four-year terms on its Governing Board. The Board manages the District through an appointed General Manager. The District's leadership team also includes the Director of Operations, the Director of Finance, the District Engineer, the Superintendent of Water and the Superintendent of Sewer. There are currently 90 full-time employees working for the District.

Internal Controls

This report contains management’s representations concerning the finances of the Laguna Madre Water District. Therefore, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide for a reasonable basis for making these representations, management has established a comprehensive internal control framework designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed with the objective of providing reasonable, but not absolute, assurance that the financial statements are free of any material misstatements. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluations of costs and benefits require estimates and judgements by management. To assist with this mission, the District has established and maintains various self-balancing groups of accounts to enhance internal control and to further the attainment of other management objectives. These groups of accounts, which are funds of the reporting entity, are identified in the District’s books and records as:

- General Fund
- Emergency Preparation and Recovery Fund
- Debt Service Fund
- Capital Projects Fund
- Long Island Village Project Fund

The General Fund accounts for all the activities of the general government and funded primarily by water and sewer services. The Emergency Preparations and Recovery Fund is used for preparing for and recovering from disasters or emergencies. The Debt Service Fund is used to accumulate resources necessary for the payment of long-term debt obligations. The Capital Projects Fund accounts for the acquisition or construction of the District’s major infrastructure and facilities. The Long Island Village Project Fund accounts for resources restricted for the District’s construction of the water and sewer infrastructure project in Long Island Village. The appropriated budget is prepared by fund. Annual appropriated budgets are adopted for the general and debt service funds. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital project funds. The legal level of budgetary control is at the total expenditure level.

Local Economy

The Laguna Madre area is a coastal region located at the tropical tip of South Texas, where the local economy is predominantly driven by tourism. In recent years, the economy has remained strong, with sales tax and hotel tax revenues approaching record highs. However, challenges have emerged due to water restrictions, stemming from low reservoir levels in the region, which have limited consumption of water and sewer services.

The once-booming real estate market, spurred by the region’s warm climate, low taxes, and strong governance from state and local officials, has cooled in response to the high-interest rate environment and persistent home prices. While the local economy faces these pressures, there are positive signs on the horizon. Unemployment has dropped to 5.2% as of September 2024, nearing a record low.

Long-Term Financial Planning

The District has focused on rebuilding its aging infrastructure over the past few years. In November 2020, voters approved a \$27.6 million tax bond to finance several water infrastructure projects, including upgrading Water Plant 1 (WP1) to microfiltration. The bonds were sold in April 2022, and construction is ongoing. However, the projects have faced cost overruns, leading to the issuance of an additional \$12.98 million in revenue bonds in November 2023 to continue the work, which is ongoing.

In response to low water levels in our regional reservoirs along the Rio Grande River, the District is prioritizing plans for an alternative water source. Given our proximity to the Gulf of Mexico, seawater desalination is the preferred solution. Voters had previously approved a \$15.6 million tax bond for a seawater desalination facility, and in November 2024, the District issued \$10 million to fund the planning, acquisition, piloting, and full-scale design of the facility. We also commissioned a desalination intake and discharge modeling study by the Army Corps of Engineers, which confirmed favorable seawater quality conditions near our existing WP1 facility, making it the District's preferred location for the desalination plant. The study has also enabled us to qualify for grant funding for a feasibility study.

Additionally, the District is working closely with our largest customer, Long Island Village, on their transition from a mobile home and RV park to a subdivision. A \$20.8 million tax bond was approved by residents to finance water and sewer improvements, which will be funded solely by property owners in the area. This project will replace the existing master water meter with over 1,000 individually metered lots to promote water conservation. Private water lines with frequent breaks will be replaced with new water mains, which will be accepted by the District for Operations and Maintenance (O&M). The private sewer system will also be rebuilt to prevent sanitary sewer overflows and be accepted for O&M. The project is currently under construction.

Accomplishments

The Water Plant Department maintained our designation as a Superior Public Water System, exceeding all minimum standards for operations and water quality. We made significant improvements to our technology infrastructure and operational capabilities. We purchased a new server to enhance our infrastructure resilience and support our ongoing migration to a virtualized platform. Additionally, we acquired a new drone equipped with thermal imaging to help us detect water leaks from a distance, improving our ability to respond quickly to maintenance needs. To ensure minimal downtime and disruptions, we completed various network upgrades at the main office. Furthermore, we installed a new lithium-ion UPS in the server room, providing enhanced reliability, longer battery life, and greater efficiency during power disruptions.

The Finance Department won the Certificate of Achievement for Excellence in Financial Reporting for the fourth time from the Government Finance Officers Association of the United States and Canada (GFOA) for its annual comprehensive financial report for the fiscal year ended September 30, 2023. The award is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

Acknowledgements

The preparation of this report could not have been accomplished without the contribution of the Finance Department and our independent auditor, Adrian K. Webb, CPA. We would also like to particularly thank the Board of Directors for their continued dedication supporting the highest level of prudent fiscal management.

(This page intentionally left blank)

Contacting the Finance Department

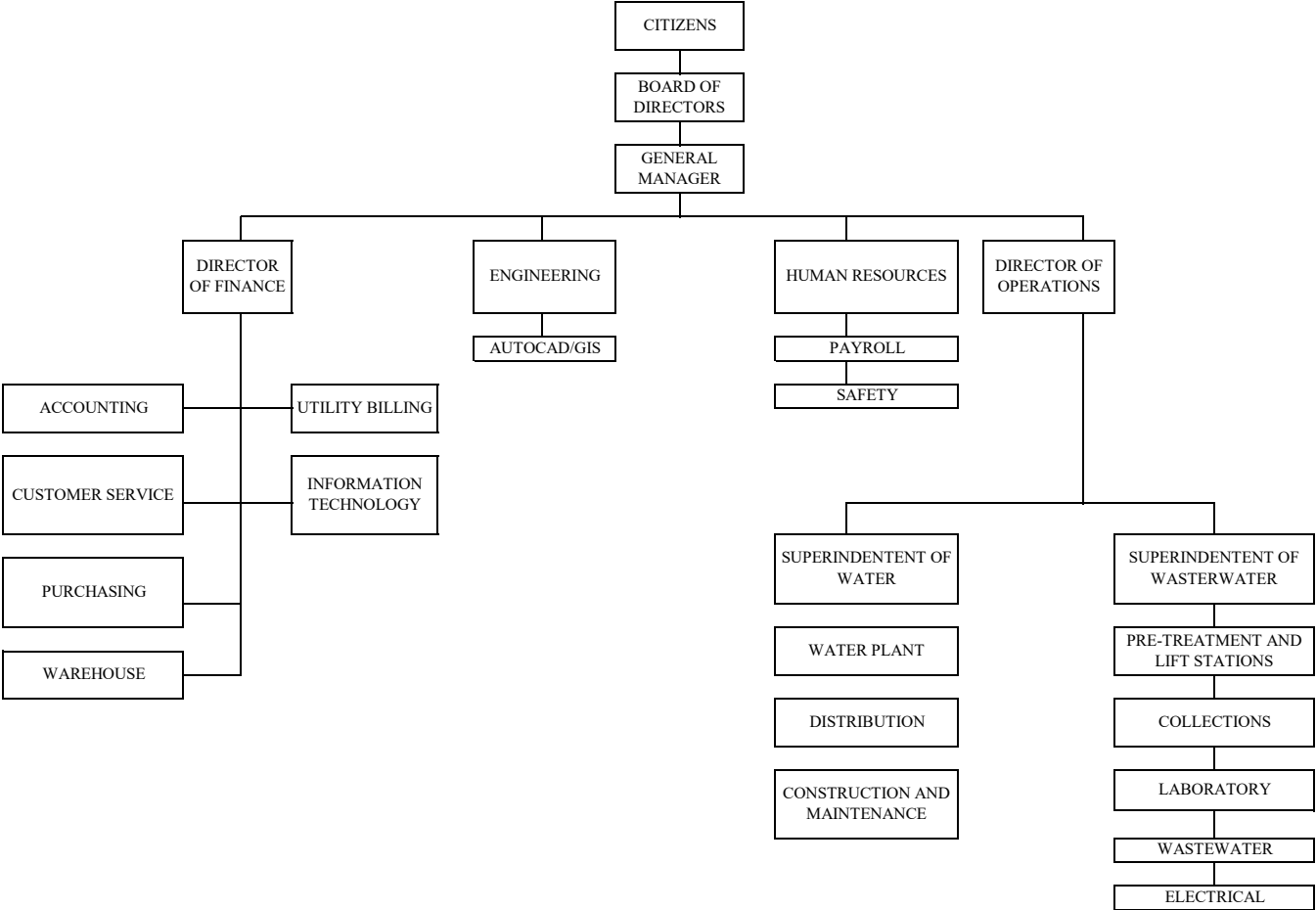
This financial report is designed to provide the Board of Directors, customers, creditors and investors with a general overview of the District's financial condition. Should you have any questions regarding the content of this report, please contact Eduardo Salazar, Director of Finance, at 956-943-2626 or esalazar@lmwd.org.

Respectfully submitted:

A handwritten signature in black ink, appearing to read 'Eduardo Salazar', written in a cursive style.

Eduardo Salazar
Director of Finance
Laguna Madre Water District

**LAGUNA MADRE WATER DISTRICT
ORGANIZATIONAL CHART
FOR YEAR ENDED SEPTEMBER 30, 2024**



**LAGUNA MADRE WATER DISTRICT
LIST OF PRINCIPAL OFFICIALS
FOR YEAR ENDED SEPTEMBER 30, 2024**

BOARD MEMBERS

NAME	POSITION
Scott D. Friedman	Chairman
Adam Lalonde	Vice Chairman
Jason Starkey	Secretary
Dave Boughter	Director
Bill Donahue	Director

ADMINISTRATION

NAME	POSITION
Carlos J. Galvan, Jr.	General Manager
Robert Gomez	Director of Operations
Eduardo Salazar	Director of Finance
Charles Ortiz, P.E.	District Engineer
Noe Cantu Jr.	Superintendent of Water
Santiago Ochoa	Superintendent of Wastewater



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Laguna Madre Water District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS }
COUNTY OF CAMERON }

I, CARLOS J. GALVAN, JR. of the
(Name of Duly Authorized District Representative)

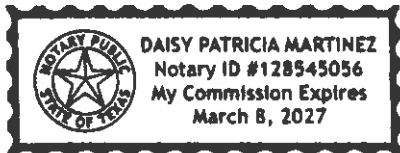
Laguna Madre Water District hereby swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors of the District on MARCH 12, 2025, its annual audit report for the fiscal year or period ended September 30, 2024 and that copies of the annual audit report have been filed in the District's office, located at 105 Port Road, Port Isabel, Tx 78578.
(Address of the District's Office)

This filing affidavit and the attached copy of the audit report will be submitted to the Texas Commission on Environmental Quality to satisfy the annual filing requirements of Texas Water Code Section 49.194.

Date: MARCH 17, 2025 By: Carlos J. Galvan Jr.
(Signature of District Representative)

CARLOS J. GALVAN JR., GENERAL MANAGER
(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this 17th day of MARCH, 2025.



Daisy Patricia Martinez
(Signature of Notary)

My Commission Expires on: March 8, 2027.
Notary Public in the State of Texas.

(This page intentionally left blank)

FINANCIAL SECTION

ADRIAN WEBB, CPA

Certified Public Accountant

Independent Auditor's Report

To the Board of Directors
Laguna Madre Water District
Port Isabel, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Laguna Madre Water District (the "District") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison schedule – General Fund, schedule of changes in net pension liability and related ratios, and schedule of employer pension contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is a responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

(This page intentionally left blank)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Debt Service Fund – Budget and Actual, and The Texas Supplementary Information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Debt Service Fund – Budget and Actual, and Texas Supplementary Information, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, other information, and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Adrian Webb, CPA

Adrian Webb, CPA
Edinburg, Texas
March 4, 2025

(This page intentionally left blank)

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

**Laguna Madre Water District
Management's Discussion and Analysis
For the Year Ended September 30, 2024**

This section of the Laguna Madre Water District's (District) annual financial report presents our discussion and analysis (MD&A) of the District's financial performance for the fiscal year ended September 30, 2024. The MD&A should be read in conjunction with the District's financial statements which follow this section.

Financial Highlights

- In the Government-Wide Statement of Net Position, total assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources for the fiscal year ended September 30, 2024, by \$74,944,469. Of this amount, \$10,148,318 is considered unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors. The net investment in capital assets of the District is \$60,561,425.
- The restricted portion of the Government-Wide net position includes amounts restricted for debt service of \$4,234,726.
- The fund balance in the General Fund increased by \$432,543. The ending fund balance for the fiscal year ended September 30, 2024, was \$6,822,986.
- For the fiscal year ended September 30, 2024, the District's fund balances reported a combined ending fund balance of \$58,810,131.

Overview of the Financial Statements

This annual report consists of the management's discussion and analysis (this section), the basic financial statements, notes to the basic financial statements, required supplementary information, supplementary information, Texas supplementary information (TSI) section, other information section and statistical section.

The basic financial statements are comprised of three components:

- The *government-wide financial statements* provide both long-term and short-term information about the District's overall financial status. These statements are presented for governmental activities, the only activity of the District. They are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.
- The *statement of net position* presents information on all the District's assets and liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**Laguna Madre Water District
Management's Discussion and Analysis
For the Year Ended September 30, 2024**

Overview of the Financial Statements (Continued)

- The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The fund financial statements focus on individual parts of the District, reporting the District's operation in greater detail than the government-wide statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the District are considered governmental funds.

- The governmental funds statements show how general government services were financed in the short term as well as what remains for future spending. The District considers the following funds as major: General Fund, Debt Service Fund, Emergency Preparation and Recovery Fund, Capital Projects Fund and LIV Project Fund.

Additional Information Regarding the District's Fund Financial Statements:

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District adopts an annual appropriated budget for its general fund and debt service fund. Budgetary comparison statements have been provided for the general and debt service fund. The District's basic financial statements can be found on pages 19-22.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-53 of this report.

**Laguna Madre Water District
Management's Discussion and Analysis
For the Year Ended September 30, 2024**

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's general fund budgetary schedule, schedule of changes in employer's net pension liability and related ratios, as well as the schedule of employer contributions. Required supplementary information can be found on pages 54-59 of this report.

Other Supplementary Information, Texas Supplementary Information (TSI) Section and Other Information Section

The District also provides other supplementary information concerning the District's debt service fund budgetary schedule, Texas Supplementary Information schedules as required by the Texas Commission on Environmental Quality, and other information deemed appropriate. The other supplementary information, the TSI, and other information can be found on pages 60-94 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of the District's financial position. As of September 30, 2024, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$74,944,469. By far, the largest portion of the District's net position, \$60,561,425 (80.8%), reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment), less any related outstanding debt that was used to acquire those assets. The District uses these capital assets to provide services to its citizens and therefore these assets are not available for future spending. Although the District's investment in these capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position, \$4,234,726 (5.7%), represents resources that are subject to external restriction on how they may be used. The remaining balances of unrestricted net position, totaling \$10,148,318 (13.5%), may be used to meet the District's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the District is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental activities. The same situation held true for the prior fiscal year.

**Laguna Madre Water District
Management's Discussion and Analysis
For the Year Ended September 30, 2024**

Government-Wide Overall Financial Analysis (Continued)

The following table summarizes the District's Net Position:

Exhibit 1
Laguna Madre Water District
Governmental Activities - Net Position
For the Fiscal Year Ended September 30,

	September 30, 2024	September 30, 2023	Increase (Decrease)	
			\$	%
ASSETS & DEFERRED OUTFLOWS:				
Current Assets:				
Current & Other Assets	\$ 62,696,047	\$ 53,890,947	\$ 8,805,100	16.34%
Capital Assets, Net	98,720,797	92,567,680	6,153,117	6.65%
Deferred Outflows of Resources	1,233,937	1,507,122	(273,185)	-18.13%
Total Assets & Other Deferred Outflows	<u>\$ 162,650,781</u>	<u>\$ 147,965,749</u>	<u>\$ 14,685,032</u>	<u>9.92%</u>
LIABILITIES, DEFERRED INFLOWS, & NET POSITION:				
Current liabilities:				
Long-Term liabilities Outstanding	83,716,440	73,959,943	9,756,497	13.19%
Other Liabilities	3,946,442	3,133,147	813,295	25.96%
Deferred Inflows of Resources	43,430	52,426	(8,996)	-17.16%
Total Liabilities & Deferred Inflows:	<u>87,706,312</u>	<u>77,145,516</u>	<u>10,560,796</u>	<u>13.69%</u>
NET POSITION:				
Invested in Capital Assets-Net	60,561,425	59,755,053	806,372	1.35%
Restricted	4,234,726	3,015,061	1,219,665	40.45%
Unrestricted	10,148,318	8,050,119	2,098,199	26.06%
Total Net Position	<u>74,944,469</u>	<u>70,820,233</u>	<u>4,124,236</u>	<u>5.82%</u>
Total Liabilities, Deferred Inflows, & Net Position	<u>\$ 162,650,781</u>	<u>\$ 147,965,749</u>	<u>\$ 14,685,032</u>	<u>9.92%</u>

Governmental Activities

During the current fiscal year, net position for governmental activities increased by \$4,124,236 from current year's operations. As indicated in Exhibit 2, charges for services comprised 64.55% and property taxes comprised 18.64% of all revenues. Service operations comprised 67.46% of all expenses; interest on long-term debt, 15.35%; and depreciation expense, 17.19%.

Charges for services increased by \$2,145,742 or 16.93% compared to the prior year. The increase in charges for services is primarily a result of increases in the water and wastewater service rates. The increase in service rates is being used to finance the increasing cost of service operations. Service operations expenses increased by \$2,266,606 or 21.72% compared to the prior year.

**Laguna Madre Water District
Management's Discussion and Analysis
For the Year Ended September 30, 2024**

Governmental Activities (Continued)

The following table summarizes the District's Changes in Net Position:

Exhibit 2
Laguna Madre Water District
Governmental Activities - Changes in Net Position
For the Fiscal Year Ended September 30,

	<u>September 30, 2024</u>	<u>September 30, 2023</u>	<u>Increase / (Decrease) \$</u>
Revenues:			
Program Revenues			
Charges for Service	\$ 14,816,970	\$ 12,671,228	\$ 2,145,742
General Revenues			
Property Taxes	4,277,754	2,870,433	1,407,321
Investment Earnings	3,154,288	1,769,548	1,384,740
Other Revenue	<u>703,877</u>	<u>463,964</u>	<u>239,913</u>
Total Revenues	22,952,889	17,775,173	5,177,716
Expenses:			
Service Operations	12,700,976	10,434,370	2,266,606
Interest on Long-Term Debt	2,890,173	3,208,726	(318,553)
Depreciation Expense	<u>3,237,505</u>	<u>3,308,924</u>	<u>(71,419)</u>
Total Expenses	18,828,654	16,952,020	1,876,634
Other Income/Expenses			
Gain or Loss on Disposal of Assets	<u>-</u>	<u>(58,553)</u>	<u>58,553</u>
Total Expenses	18,828,654	16,893,467	3,811,821
Increase (Decrease) in Net Position	4,124,236	881,706	1,365,895
Net Position, Beginning	<u>70,820,233</u>	<u>69,938,527</u>	<u>881,706</u>
Net Position, Ending	\$ 74,944,469	\$ 70,820,233	\$ 4,124,236

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Laguna Madre Water District
Management's Discussion and Analysis
For the Year Ended September 30, 2024**

Governmental Funds

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party or the District itself. As of September 30, 2024, the District's governmental funds reported combined ending fund balances of \$58,810,131, an increase of \$7,877,974 in comparison with the prior year. Approximately \$5,710,455 of this amount (9.71%) constitutes *unassigned fund balance*, which is available for spending at the District's discretion. The remainder of the fund balance is either *non-spendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form (\$1,112,531), 2) restricted for particular purposes (\$49,632,654), 3) committed for particular purposes (\$2,354,491).

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$5,710,455, while total fund balance increased to \$6,822,986. The fund balance of the District's general fund increased by \$432,543 primarily due to transfers to the District's other funds during the year.

As shown in Exhibit 3 below, the District has maintained healthy fund balances in its general fund for several consecutive fiscal years.

Exhibit 3
Laguna Madre Water District
Fund Balance of the General Fund

Fiscal Year	Revenues	Expenditures Plus Transfers Out	Fund Balance	Percentage of Fund Balance in Relation to Revenues	Percentage of Fund Balance in Relation to Expenditures Plus Transfers Out
April					
2010	\$ 7,443,217	\$ 7,387,754	\$ 4,511,569	60.6%	61.1%
2011	8,100,426	7,466,198	5,087,406	62.8%	68.1%
2012	8,268,463	7,151,218	6,284,270	76.0%	87.9%
2013	8,738,728	10,335,855	4,697,639	53.8%	45.4%
September					
2013*	3,813,789	3,137,960	5,373,468	140.9%	171.2%
2014	7,459,276	7,345,323	5,487,421	73.6%	74.7%
2015	8,022,892	7,743,486	5,771,327	71.9%	74.5%
2016	9,259,450	8,864,410	6,267,812	67.7%	70.7%
2017	9,738,484	9,695,592	6,317,365	64.9%	65.2%
2018	9,585,386	8,858,549	6,840,953	71.4%	77.2%
2019	10,715,366	9,801,803	7,754,516	72.4%	79.1%
2020	11,206,439	10,641,826	8,319,129	74.2%	78.2%
2021	12,028,449	11,985,139	8,362,439	69.5%	69.8%
2022	12,228,089	17,320,645	6,708,321	54.9%	38.7%
2023	13,132,706	13,509,407	6,390,443	48.7%	47.3%
2024	\$ 15,543,394	\$ 15,110,851	\$ 6,822,986	43.9%	45.2%

**Laguna Madre Water District
Management's Discussion and Analysis
For the Year Ended September 30, 2024**

Exhibit 4
Laguna Madre Water District
Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund
For the Fiscal Year Ended September 30,

	2024	2023
Revenues		
Water Service	\$ 6,842,243	\$ 6,077,769
Wastewater Services	6,771,300	6,081,173
Other Water Sales	105,857	95,350
Late Fees	102,263	81,919
Tap Fees	283,184	328,017
Annexation Fees	444,109	7,000
Intergovernmental	490,000	28,989
Investment Earnings	291,615	179,658
Miscellaneous	212,822	252,831
Total Revenues	15,543,394	13,132,706
Expenditures		
Service Operations	10,620,816	10,217,976
Financing Agreement Principal	-	13,754
Financing Agreement Interest	-	421
Capital Outlay	505,422	839,930
Total Expenditures	11,126,238	11,072,081
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,417,157	2,060,625
Other Financing Sources (Uses)		
Gain or Loss on Disposal of Assets	-	58,553
Transfer From Other Funds	-	270
Transfer to Other Funds	(3,984,613)	(2,437,326)
Total Other Financing Sources (Uses)	(3,984,613)	(2,378,503)
Net Change in Fund Balance	432,544	(317,878)
Fund Balance, Beginning	6,390,443	6,708,321
Fund Balance, Ending	\$ 6,822,986	\$ 6,390,443

**Laguna Madre Water District
Management's Discussion and Analysis
For the Year Ended September 30, 2024**

Exhibit 5
Laguna Madre Water District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Debt Service Fund
For the Fiscal Year Ended September 30,

	2024	2023
Revenues		
Property Taxes and Penalties/Interest	\$ 4,263,710	\$ 2,858,753
Investment Earnings	291,380	145,079
Miscellaneous	-	12,249
Total Revenues	4,555,091	3,016,081
Expenditures		
Bond Principal	2,490,000	1,855,000
Bond Interest and Fiscal Agent Fees	3,154,019	2,706,670
Bond Issuance Costs	4,978	479,700
Advance Refunding Escrow Agent	-	-
Contracted Services	106,521	110,349
Other	101,486	-
Total Expenditures	5,857,004	5,151,719
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,301,913)	(2,135,638)
Other Financing Sources (Uses)		
Refunding Bond Issued	-	-
Payment to Refunded Bond Escrow Agent	-	-
Premium on Bonds Issued	-	-
Transfer From Other Funds	2,521,578	2,268,565
Transfer to Other Funds	-	-
Total Other Financing Sources	2,521,578	2,268,565
Net Change in Fund Balance	1,219,665	132,927
Fund Balance, Beginning	3,015,061	2,882,134
Fund Balance, Ending	\$ 4,234,726	\$ 3,015,061

**Laguna Madre Water District
Management's Discussion and Analysis
For the Year Ended September 30, 2024**

Exhibit 6
Laguna Madre Water District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Capital Projects Fund
For the Fiscal Year Ended September 30,

	2024	2023
Revenues		
Intergovernmental	\$ -	\$ -
Investment Earnings	1,448,782	1,032,323
Other	(46,733)	-
Total Revenues	1,402,049	1,032,323
Expenditures		
Other	1,354,620	91,749
Capital Outlay	7,493,430	8,255,583
Bond Issuance Costs	502,010	-
Total Expenditures	9,350,060	8,347,332
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,948,011)	(7,315,009)
Other Financing Sources (Uses)		
Issuance of Debt	12,980,000	-
Premiums on Bonds Issued	-	-
Transfer From Other Funds	2,165,505	1,035,000
Transfer to Other Funds	(702,469)	(250)
Total Other Financing Sources	14,443,036	1,034,750
Net Change in Fund Balance	6,495,025	(6,280,259)
Fund Balance, Beginning	20,272,636	26,552,895
Fund Balance, Ending	\$ 26,767,661	\$ 20,272,636

**Laguna Madre Water District
Management's Discussion and Analysis
For the Year Ended September 30, 2024**

Exhibit 7
Laguna Madre Water District
Statement of Revenues, Expenditures, and Changes in Fund Balance
AMI Meter Project Fund
For the Fiscal Year Ended September 30,

	2024	2023
Revenues		
Intergovernmental	\$ -	\$ -
Investment Earnings	-	-
Total Revenues	-	-
Expenditures		
Other	-	-
Capital Outlay	-	-
Bond Issuance Costs	-	-
Total Expenditures	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
Other Financing Sources (Uses)		
Issuance of Debt	-	-
Transfer to Other Funds	-	-
Total Other Financing Sources	-	-
Net Change in Fund Balance	-	-
Fund Balance, Beginning	-	-
Fund Balance, Ending	\$ -	\$ -

**Laguna Madre Water District
Management's Discussion and Analysis
For the Year Ended September 30, 2024**

Exhibit 8

Laguna Madre Water District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Emergency Preparation and Recovery Fund
For the Fiscal Year Ended September 30,

	2024	2023
Revenues		
Intergovernmental	\$ -	-
Investment Earnings	126,039	51,198
Other	-	34,651
Total Revenues	126,039	85,849
Expenditures		
Other	-	-
Total Expenditures	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	126,039	85,849
Other Financing Sources (Uses)		
Transfer From Other Funds	-	4,281
Transfer to Other Funds	-	(20)
Total Other Financing Sources	-	4,261
Net Change in Fund Balance	126,039	90,110
Fund Balance, Beginning	2,228,452	2,138,342
Fund Balance, Ending	\$ 2,354,491	\$ 2,228,452

**Laguna Madre Water District
Management's Discussion and Analysis
For the Year Ended September 30, 2024**

Exhibit 9

Laguna Madre Water District
Statement of Revenues, Expenditures, and Changes in Fund Balance
LIV Project Fund
For the Fiscal Year Ended September 30,

	2024	2023
Revenues		
Investment Earnings	\$ 996,471	\$ 361,290
Total Revenues	996,471	361,290
Expenditures		
Other	-	50
Capital Outlay	1,391,770	1,040,675
Bond Issuance Costs	-	224,480
Total Expenditures	1,391,770	1,265,205
Excess (Deficiency) of Revenues Over (Under) Expenditures	(395,299)	(903,915)
Other Financing Sources (Uses)		
Issuance of Debt	-	20,800,000
Transfer to Other Funds	-	(870,520)
Total Other Financing Sources	-	19,929,480
Net Change in Fund Balance	(395,299)	19,025,565
Fund Balance, Beginning	19,025,565	-
Fund Balance, Ending	\$ 18,630,266	\$ 19,025,565

**Laguna Madre Water District
Management’s Discussion and Analysis
For the Year Ended September 30, 2024**

I. General Fund Budgetary Highlights

For the fiscal year ended September 30, 2024, total actual revenues were under budget by 302,543. Total actual expenditures were under budget by \$1,965,552. Variances between budgeted and actual amounts are not expected to have a significant effect on future services or liquidity of the District. The budget remains in effect the entire year and is revised only, if necessary, through a budget amendment.

II. Capital Asset and Debt Administration

As shown in Exhibit 10, the District’s capital assets, net of depreciation for its governmental activities as of September 30, 2024, amounts to \$98,720,797. The net increase in capital assets for the fiscal year ended September 30, 2024, was \$6,153,117. Depreciation expense for the year ended September 30, 2024, totaled \$3,237,505.

Exhibit 10
Laguna Madre Water District
Capital Assets, Net of Depreciation
For the Fiscal Year Ended September 30,

	2024	2023
Capital Assets		
Land	\$ 1,462,527	\$ 1,462,527
Water Rights	4,477,175	4,477,175
Construction in Progress	24,731,484	15,846,283
Buildings and Improvements	2,531,378	2,657,132
Improvements Other Than Buildings	6,224,318	6,540,910
Machinery and Equipment	2,079,942	2,138,112
Infrastructure	57,213,973	59,445,541
Total Capital Assets, Net	\$ 98,720,797	\$ 92,567,680

Long-Term Debt

As of September 30, 2024, the District's total bonded debt was \$78,360,000, with \$2,704,804 in unamortized bond premiums. Of this amount, \$54,965,000 is considered to be tax supported debt and \$23,395,000 is considered revenue supported debt. The District also has revenue notes outstanding totaling \$1,280,000 and lease payables of 1,934.

**Laguna Madre Water District
Management's Discussion and Analysis
For the Year Ended September 30, 2024**

Bond Ratings

The District maintains the following general obligation and revenue bond credit ratings:

	Moody's Investors Service	Standars & Poor's
General Obligation Bonds	Aa2	AA-
Revenue Bonds	A1	N/A

Exhibit 11 shows the District's outstanding long-term debt as of September 30, 2024.

Exhibit 11
Laguna Madre Water District
Long-Term Liabilities
For the Fiscal Year Ended September 30,

	2024	2023
Notes Payable		
Revenue Notes Payable	\$ 1,280,000	\$ 1,575,000
Total Notes Payable	1,280,000	1,575,000
Bonds Payable		
General Obligation Tax Bonds	54,965,000	56,255,000
Revenue Bonds	23,395,000	11,320,000
Total Bonds Payable	78,360,000	67,575,000
Leases Payable		
Financed Purchases	1,934	-
Total Leases Payable	1,934	-
Compensated Absences	113,789	122,400
Plus: Unamortized Premium	2,704,804	2,891,714
Net Pension Liability	1,255,913	1,795,830
Total Long-Term Liabilities	\$ 83,716,440	\$ 73,959,944

Additional information on the District's long-term debt can be found in Note 7 on pages 39-42 of this report.

(This page intentionally left blank)

**Laguna Madre Water District
Management's Discussion and Analysis
For the Year Ended September 30, 2024**

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the Laguna Madre Water District and were considered in developing the 2024-2025 fiscal year budget.

- Continued water restrictions caused by low reservoir levels in our region have limited consumption of water and sewer services. The consumption of water and sewer services in the current year is expected to be limited to approximately 5%.
- A 3% increase in water and wastewater rates along with a reduction in tiered consumption beginning November 2023 anticipates current expenditure increases in operating costs due to inflation and investments in capital projects.
- A property tax rate increase of .005 cents per hundred or 9.96% is due to property values increasing. The taxes will be used for the seawater desalination project.
- A new property tax rate decrease of 0.018 cents per hundred is due to an increase in property values and will be used to finance Long Island Village infrastructure project located in the Long Island Village Defined Area.
- Interest rates are expected to remain elevated, as the Federal Reserve Bank continues to monitor inflation.
- On the expenditure side, a cost-of-living adjustment of 2% will be given to all employees to help alleviate the effects of inflation.
- Local funds of \$1,121,000 dollars, in addition to revenue bonds from 2019 and 2023 tax bonds are being used to finance ongoing water and sewer rehabilitation projects.
- Over \$282,000 in purchases of heavy equipment, machinery and equipment.

Request for Information

This financial report is to provide the District directors, citizens, taxpayers, customers, bondholders, creditors, and other governmental sectors with a general overview of the District's financial condition and to demonstrate the District's accountability for the funds it receives.

If you have any questions regarding this report or need additional information, please contact:

Laguna Madre Water District
Eduardo Salazar, Director of Finance
105 Port Road
Port Isabel, Texas 78578
Phone Number: 956-943-2626
Fax Number: 956-943-6662
E-mail: esalazar@lmwd.org
Web Page: lmwd.org

(This page intentionally left blank)

BASIC FINANCIAL STATEMENTS

Laguna Madre Water District
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2024

	General Fund	Emergency Preparation and Recovery Fund	Debt Service Fund	Capital Projects Fund	LIV Project Fund	Total Governmental Funds	Adjustments	Statement of Net Position
ASSETS:								
Cash and Cash Equivalents	\$ 3,336,586	\$ -	\$ -	\$ -	\$ -	\$ 3,336,586	\$ -	\$ 3,336,586
Receivables (Net):								
Taxes Receivable	-	-	116,472	-	-	116,472	-	116,472
Accounts	1,144,981	-	-	-	-	1,144,981	-	1,144,981
Accrued Interest	-	-	42,779	24,919	41,839	109,537	-	109,537
Internal Receivables	132,669	-	-	-	-	132,669	(132,669)	-
Inventories	811,642	-	-	-	-	811,642	-	811,642
Prepaid Expenses	260,964	-	-	-	-	260,964	-	260,964
Restricted Assets:								
Cash and Cash Equivalents	682,601	278	265,972	4,713,627	1,820,142	7,482,619	-	7,482,619
Certificates of Deposit (Short-Term)	1,447,778	2,354,213	2,431,694	6,456,489	4,188,111	16,878,285	-	16,878,285
Investments	-	-	1,488,504	17,086,282	13,980,175	32,554,961	-	32,554,961
Capital Assets								
Capital Assets Not Being Depreciated	-	-	-	-	-	-	30,671,186	30,671,186
Capital Assets Being Depreciated	-	-	-	-	-	-	68,049,611	68,049,611
TOTAL ASSETS	7,817,221	2,354,491	4,345,421	28,281,316	20,030,266	62,828,716	98,588,129	161,416,844
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred Outflows Related to Pension	-	-	-	-	-	-	1,233,937	1,233,937
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-	1,233,937	1,233,937
LIABILITIES:								
Accounts Payable	268,587	-	3,723	425,704	-	698,013	-	698,013
Accrued Payroll	73,559	-	-	-	-	73,559	-	73,559
Accrued Expenses	78,361	-	-	-	-	78,361	-	78,361
Customer Deposits	573,727	-	-	-	-	573,727	-	573,727
Retainage Payable	-	-	-	955,283	-	955,283	-	955,283
Internal Payables	-	-	-	132,669	-	132,669	(132,669)	-
Accrued Interest	-	-	-	-	-	-	167,499	167,499
Unearned Revenues	-	-	-	-	1,400,000	1,400,000	-	1,400,000
Noncurrent Liabilities:								
Due Within One Year								
Notes Payable	-	-	-	-	-	-	305,000	305,000
Bonds Payable	-	-	-	-	-	-	2,375,000	2,375,000
Lease Liability	-	-	-	-	-	-	1,934	1,934
Compensated Absences	-	-	-	-	-	-	25,000	25,000
Due in More Than One Year								
Notes Payable	-	-	-	-	-	-	975,000	975,000
Bonds Payable	-	-	-	-	-	-	78,689,804	78,689,804
Compensated Absences	-	-	-	-	-	-	88,789	88,789
Net Pension Liability	-	-	-	-	-	-	1,255,913	1,255,913
TOTAL LIABILITIES	994,234	-	3,723	1,513,655	1,400,000	3,911,612	83,751,270	87,662,882
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Tax Revenue	-	-	106,973	-	-	106,972.58	(106,973)	-
Deferred Charge on Refunding	-	-	-	-	-	-	43,430	43,430
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	106,973	-	-	106,973	(63,543)	43,430
FUND BALANCES/NET POSITION:								
FUND BALANCES:								
Non-spendable:								
Inventory	851,568	-	-	-	-	851,568	(851,568)	-
Prepaid Items	260,964	-	-	-	-	260,964	(260,964)	-
Restricted:								
Debt Service	-	-	4,234,726	-	-	4,234,726	(4,234,726)	-
Capital Projects	-	-	-	26,767,661	18,630,266	45,397,928	(45,397,928)	-
Committed:								
Emergency Reserve	-	2,354,491	-	-	-	2,354,491	(2,354,491)	-
Assigned:								
Unassigned	5,710,455	-	-	-	-	5,710,455	(5,710,455)	-
TOTAL FUND BALANCES	6,822,986	2,354,491	4,234,726	26,767,661	18,630,266	58,810,131	(58,810,131)	-
NET POSITION								
Net Investment in Capital Assets							60,561,425	60,561,425
Restricted for Debt Service							4,234,726	4,234,726
Unrestricted							10,148,318	10,148,318
TOTAL NET POSITION							\$ 74,944,469	\$ 74,944,469

Laguna Madre Water District
Reconciliation of the Balance Sheet - Governmental to the Governmental Activities -
Statement of Net Position
As of September 30, 2024

Total Fund Balances - Governmental Funds	\$	58,810,131
---	----	------------

Amounts Reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore are not reported in governmental funds:

Capital Assets Not Being Depreciated	30,671,186	
Capital Assets Being Depreciated	134,474,031	
Accumulated Depreciation	<u>(66,424,420)</u>	
Total Capital Assets, Net		98,720,797

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities at the fund level.

Debt Service - Due Within One Year	(2,681,934)	
Debt Service - Due in More Than One Year	(79,664,804)	
Compensated Absences	<u>(113,789)</u>	
Total Long-Term Liabilities		(82,460,527)

Some expenses are reported as deferred outflows of resources at the governmental level, and therefore are not reported in governmental funds.

Deferred Charge on Refunding	<u>(43,430)</u>	
Total Deferred Outflows of Resources		(43,430)

Some receivables are reported as deferred inflows of resources at the governmental level, and therefore are not reported in governmental funds.

Property Taxes	<u>106,973</u>	
Total Deferred Inflows of Resources		106,973

Interest on long-term debt is not accrued in the governmental funds, but is recognized as an expenditure in the funds.

Accrued Interest Payable	<u>(167,499)</u>	
Total Accrued Interest Payable		(167,499)

Included in the noncurrent liabilities is the recognition of the District's net pension liability required by GASB Statement No. 68, a deferred resource outflow and net pension liability. This resulted in a decrease in net position.

Net Pension Liability	(1,255,913)	
Deferred Outflow related to Pension Plan	<u>1,233,937</u>	
		(21,976)

Net position of governmental activities	\$	<u>74,944,469</u>
--	-----------	--------------------------

Laguna Madre Water District
Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances
For The Year Ended September 30, 2024

	General Fund	Emergency Preparation and Recovery Fund	Debt Service Fund	Capital Projects Fund	LIV Project Fund	Total Governmental Funds	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES:								
Water/Wastewater Service Operations:								
Administration	\$ 630,489	\$ -	\$ -	\$ -	\$ -	\$ 630,489	\$ 1,935	\$ 632,424
Contracted Services	106,743	-	208,006	-	-	314,749	-	314,749
Insurance	410,976	-	-	-	-	410,976	-	410,976
Professional Fees	184,353	-	-	-	-	184,353	-	184,353
Payroll and Benefits	6,482,051	-	-	-	-	6,482,051	8,611	6,490,662
Utilities	787,115	-	-	-	-	787,115	-	787,115
Materials and Supplies	1,761,864	-	-	-	-	1,761,864	-	1,761,864
Repairs and Maintenance	257,225	-	-	-	-	257,225	-	257,225
Depreciation	-	-	-	-	-	-	3,237,505	3,237,505
Desalination	-	-	-	1,354,620	-	1,354,620	-	1,354,620
Debt Service:								
Principal	-	-	2,490,000	-	-	2,490,000	(2,490,000)	-
Interest and Fiscal Charges	-	-	3,154,019	-	-	3,154,019	(263,846)	2,890,173
Bond Issuance Costs	-	-	4,978	502,010	-	506,988	-	506,988
Capital Outlay	505,422	-	-	7,493,430	1,391,770	9,390,623	(9,390,623)	-
TOTAL EXPENDITURES/EXPENSES	11,126,238	-	5,857,004	9,350,060	1,391,770	27,725,071	(8,896,418)	18,828,654
PROGRAM REVENUES:								
Water Services	6,842,243	-	-	-	-	6,842,243	-	6,842,243
Wastewater Services	6,771,300	-	-	-	-	6,771,300	-	6,771,300
Other Water Sales	105,857	-	-	-	-	105,857	-	105,857
Late Fees	102,263	-	-	-	-	102,263	-	102,263
Tap Fees	283,184	-	-	-	-	283,184	-	283,184
Annexation Fees	444,109	-	-	-	-	444,109	-	444,109
Operating Grants and Contributions:								
Intergovernmental	490,000	-	-	-	-	490,000	-	490,000
TOTAL PROGRAM REVENUES	15,038,957	-	-	-	-	15,038,957	-	15,038,957
Net Program Expense								3,789,696
GENERAL REVENUES:								
Property Taxes	-	-	4,215,922	-	-	4,215,922	61,832	4,277,754
Penalty and Interest on Taxes	-	-	47,788	-	-	47,788	-	47,788
Pension Income	-	-	-	-	-	-	268,013	268,013
Investment Earnings	291,615	126,039	291,380	1,448,782	996,471	3,154,288	-	3,154,288
Miscellaneous	212,822	-	-	(46,733)	-	166,089	-	166,089
TOTAL GENERAL REVENUES	504,437	126,039	4,555,091	1,402,049	996,471	7,584,088	329,845	7,913,932
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,417,156	126,039	(1,301,913)	(7,948,010)	(395,299)	(5,102,026)	9,226,262	4,124,236
OTHER FINANCING SOURCES (USES):								
Issuance of Debt	-	-	-	12,980,000	-	12,980,000	(12,980,000)	-
Transfers In	-	-	2,521,578	2,165,505	-	4,687,082	(4,687,082)	-
Transfers Out	(3,984,613)	-	-	(702,469)	-	(4,687,082)	4,687,082	-
TOTAL OTHER FINANCING SOURCES (USES)	(3,984,613)	-	2,521,578	14,443,035	-	12,980,000	(12,980,000)	-
Net Change in Fund Balances Change in Net Position	432,543	126,039	1,219,665	6,495,025	(395,299)	7,877,974	(7,877,974)	4,124,236
Fund Balance/Net Position - Beginning	6,390,443	2,228,452	3,015,061	20,272,636	19,025,565	50,932,157	19,888,076	70,820,233
Fund Balance/Net Position - Ending	\$ 6,822,986	\$ 2,354,491	\$ 4,234,726	\$ 26,767,661	\$ 18,630,266	\$ 58,810,131	\$ 16,134,339	\$ 74,944,469

Laguna Madre Water District
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds to the Governmental Activities - Statement of Activities
For the Year Ended September 30, 2024

Total Net Change in Fund Balances - Governmental Funds	\$	7,877,974
Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of removing the 2024 capital outlay is to increase (decrease) the change in net position.		
Additions to Capital Assets	9,390,622	
Depreciation of Capital Assets	<u>(3,237,505)</u>	6,153,117
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal Repayment	2,495,893	
Acquisition of Debt	(12,987,828)	
Amortization of Bond Premium	186,910	
Deferred Charge on Refunding	7,715	
Compensated Absences	<u>(8,611)</u>	(10,305,921)
Interest on long-term debt is not accrued in the governmental funds, but it is recognized as an expenditure at the fund level.		
Accrued Interest Payable	<u>69,221</u>	69,221
Because some property taxes will not be collected for several months after the District's year end, they are not considered "available" revenues in the governmental funds. This represents the change in unavailable revenue from the prior year.		
Property Taxes	<u>61,832</u>	61,832
GASB 68 requires certain plan expenditures to be de-expensed and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position. Contributions made before the measurement date and during the previous fiscal year were expensed and recorded as a reduction in net pension liability. Finally, the proportionate share of pension income on the plan as a whole has to be recorded.		
Change in Net Pension Liability	539,917	
Deferred Outflow related to Pension Plan	(273,185)	
Deferred Inflow related to Pension Plan	<u>1,281</u>	268,013
Change in Net Position of Governmental Activities	\$	<u>4,124,236</u>

(This page intentionally left blank)

**NOTES TO THE
FINANCIAL STATEMENTS**

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Laguna Madre Water District (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Government Accounting Standards Board (“GASB”) is the accepted standard setting body for established governmental accounting and financial reporting principles. The most significant of the District’s accounting policies are described below.

a) Reporting Entity

The Laguna Madre Water District was organized on October 10, 1973, to create a municipal utility district, and is governed by a five-member Board of Directors. The District is governed pursuant to provisions of the Texas Commission on Environmental Quality. Service areas include Port Isabel, South Padre Island and Laguna Vista, Texas, and surrounding areas. The District was established for the purpose of providing water and wastewater services to its residents and taxpayers.

The District follows GASB accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. In evaluating the District as a reporting entity, management has considered all potential component units in accordance with Section 2100: *Defining the Financial Reporting Entity* of the Governmental Accounting Standards Board (GASB) Codification. The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

b) Basis of Presentation – Government-Wide and Fund Financial Statements

Single purpose governmental entities are allowed to combine Government-wide Financial Statements and Fund Financial Statements. The District qualifies as a single purpose governmental entity and presents its basic financial statements combining Government-wide and Fund Financial Statements.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the District. Generally, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the District’s funds. The emphasis of fund financial statements are on major governmental funds, each displayed in a separate column. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The District uses funds to report results of operations and financial position, and demonstrate compliance with legal, contractual and regulatory requirements. Fund financial statements can be organized into three major categories as follows: Governmental, Fiduciary and Proprietary. The District has no fiduciary or proprietary activities, and all its funds are organized into the governmental category.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

b) *Basis of Presentation – Government-Wide and Fund Financial Statements - Continued*

A fund is considered major if it is the primary operating fund of the District or meets the following criteria: (A) Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund (if applicable) are at least 10 percent of the corresponding total for all funds of that category or type; and (B) Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund (if applicable) are at least 5 percent of the corresponding total for all governmental and enterprise funds combined. The funds of the District are described below:

The District reports the following major governmental funds:

- The *general fund* is the District’s primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.
- The *emergency preparation and recovery fund* is used for the preparation and recovery of man-made or natural disasters or emergencies.
- The *debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.
- The *capital projects fund* accounts for the acquisition or construction of the District’s major capital facilities.
- The *LIV project fund* accounts for resources restricted for the District’s Long Island Village renovations project.

The District did not report any nonmajor funds.

During operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end is reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

c) Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurements focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payments are due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under financing agreements are reported as other financing sources.

Property taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

d) Budgetary Information

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and debt service funds. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital projects funds.

The appropriated budget is prepared by fund and department. The District's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the General Manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the total expenditure level.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

d) Budgetary Information - Continued

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances represent commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

e) Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

f) Investments

The District's investing activity is governed by Texas Government Code Chapter 2256, The Public Funds Investment Act (the "Act"). The Act authorizes the District to invest in obligations of the United States or its agencies and instrumentalities, certificates of deposit, money market mutual funds, and State and local government investment pools. The Act requires the District to adopt and implement an investment policy on an annual basis that addresses (1) safety of principal and liquidity and (2) investment diversification, yield, and maturity and the quality and capability of investment management. The District's management believes it has substantially complied with the requirements of the Act and the District's investment policy.

g) Inventories and Prepaid Items

Inventories are valued at cost using the average cost method and consist of materials, meters and expendable supplies. The cost of such inventories is recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

h) Accounts Receivable

Unbilled receivables – An amount for unbilled revenue is recorded for services rendered, but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end.

Allowance for doubtful accounts – Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 120 days are subject to being considered as uncollectible.

LAGUNA MADRE WATER DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

i) Property Taxes

Property taxes are levied each October 1st on the basis of assessed values and are due upon receipt of the tax bill. Taxes become delinquent February 1st of the following year at which time penalties and interest are applicable. Discounts of 3%, 2%, and 1% are granted for payments received in October, November, and December, respectively. Liens for unpaid taxes go into effect on July 1st of the year taxes become delinquent.

j) Restricted Assets

Certain assets of the District are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Customer deposit accounts – Used to account for customer deposits which are refunded upon termination of service with the District and satisfaction of all obligations due.

Bond proceed and debt service accounts – Includes certain proceeds from issuance of general obligation and revenue bonds, as well as certain resources set aside for the repayment of general obligation and revenue bonds.

k) Capital Assets

Capital assets, which include property, plant, equipment, water rights, and infrastructure assets (e.g., sidewalks and similar items) are reported in the applicable governmental activities columns in the governmental-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donations.

Land, water rights, and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives.

ASSET CLASS	ESTIMATED USEFUL LIVES
Building	40
Improvements other than buildings	20
Furniture and fixtures	10
Equipment	10
Motor Vehicles	8
Water and Wastewater Plant in Service	50
Infrastructure	50
Equipment Under Lease	Term of Lease
SBITA	Term of Agreement

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

l) Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section I30: Interest Costs – Imputation, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

m) Leases

Lease contracts that provide the District with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a right-to-use lease asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible right-to-use lease asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Right-to-use lease assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

n) Subscription-Bases Information Technology Agreements

The District evaluated agreements for software and software subscriptions to determine whether they meet the definition of a SBITA as defined in GASB No. 96. There are currently no agreements which qualify as SBITA as of September 30, 2024.

o) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County & District Retirement System (TCDRS) and additions to/deductions from TCERS' Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in the accordance with the benefit terms. Investments are reported at fair value.

p) Compensated Absences

The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. Accumulated sick leave lapses when employees leave the employ of the District and, upon separation from service, no monetary obligation exists.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

q) Deferred Compensation Plan

The District offers a separate deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees permits them to defer a portion of their salary, until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Amendments to the laws governing Section 457 Deferred Compensation Plans substantially became effective January 1, 1997. The District approved plan amendments such that plan assets are held in trust, with Nationwide Retirement Solutions and ING Aetna Life Insurance and Annuity Company as trustees, for the exclusive benefit of the plan participants and their beneficiaries. The assets will not be diverted to any other purpose. The District does not have legal access to the resources of the deferred compensation plan; as such, the plan is not reported in the District's financial statements.

r) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. Deferred outflows related to pension reported in the government-wide statement of net position rise from amounts permitted to be recognized as part of pension expense over a period of years. These expenses are related to differences between expected and actual plan experience, changes in assumptions, differences between projected and actual investments earnings, and employer contributions made after the measurement date through the District's year end. The deferred outflow of resources related to pensions resulting from District contributions after the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. Deferred outflows of resources related to pensions resulting from differences between projected and actual investments earnings are recognized in pension expense over a period of five years. Other pension related deferred outflows are recognized in pension expense over the remaining service life for all active, inactive, and retired members. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. These separate financial statements element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The District has two items which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. One item is a deferred inflow related to a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Another item, unavailable tax revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is recognized as an inflow of resources in the period that the amount becomes available. Deferred inflows related to pensions reported in the government-wide statement of net position result from differences between expected and actual plan experience. The deferred inflows of resources related to pension are recognized in pension expense over the average remaining service life for all active, inactive, and retired members.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

s) Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

t) Fund Balance Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

u) Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The non-spendable fund balance classification includes amount that cannot be spent because they are either in non-spendable form or they are legally required to be maintained intact. Examples of non-spendable fund balances include inventory and prepaid items.

The restricted fund balance includes resources that can be spent only for specific purposes stipulated by constitution, external resource providers (creditors, grantors, contributors, etc.), laws and regulations of other governments, or through enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purpose determined by a formal action of the District’s highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

u) *Fund Balance Policies - Continued*

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board of Directors has, by resolution, authorized the General Manager and Director of Finance to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance is the residual classification for the General Fund.

v) *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts to assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

w) *Subsequent Events*

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 4, 2025. See Note 16 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

x) *Rounding Adjustments*

Throughout this report, various dollar amounts may be rounded, thereby creating differences between detail and total amounts.

y) *Recently Issued and Implemented Accounting Pronouncements*

In 2024, the District implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

y) *Recently Issued and Implemented Accounting Pronouncements - Continued*

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI).

Future accounting standards which may possibly be applicable to the District in future years that have been issued by the Governmental Accounting Standards Board are:

Statement No. 101, *Compensated Absences*, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The District is evaluating the requirements of GASB No. 101 and the impact on reporting for future years.

Statement No. 102, *Certain Risk Disclosures*, the objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The District is evaluating the requirements of GASB No. 102 and the impact on reporting for future years.

Statement No. 103, *Financial Reporting Model Improvements*, the objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The District is evaluating the requirements of GASB No. 103 and the impact on reporting for future years.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds.

Exhibit C-4 provides reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in net position.

The details of capital assets and long-term debt at the beginning of the year and current year activity were as follows:

Capital Assets:	Historical Cost	Accumulated Depreciation	Net Value, Beginning of Year	Adjustments to Change in Net Position (C-4)	Adjustment to Net Position (C-2)
Land	\$ 1,462,527	\$ -	\$ 1,462,527		
Water Rights	4,477,175	-	4,477,175		
Construction in Progress	15,846,284	-	15,846,284		
Buildings and Improvements	4,562,854	(1,905,722)	2,657,131		
Improvements Other Than Buildings	10,864,671	(4,323,761)	6,540,910		
Machinery and Equipment	4,216,798	(2,078,686)	2,138,112		
Infrastructure	114,441,226	(54,995,684)	59,445,541		
Change in Net Position					92,567,680
Capital Outlay:					
Construction in Progress			8,885,200		
Improvements Other Than Buildings			219,307		
Machinery & Equipment			286,115		
				9,390,622	9,390,622
Depreciation:					
Buildings & Improvements			125,753		
Improvements Other Than Buildings			535,899		
Machinery & Equipment			344,285		
Infrastructure			2,231,568		
				(3,237,505)	(3,237,505)
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at net position of governmental activities				6,153,117	98,720,797

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – Continued

	Payable, Beginning of Year	Adjustments to Change in Net Position (C-4)	Adjustment to Net Position (C-2)
<u>Long-Term Liabilities:</u>			
Bonds Payable	\$ 67,575,000		
Notes Payable	1,575,000		
Issuance Premiums (to be Amortized as Interest Expense)	2,889,921		
Compensated Absences	<u>122,400</u>		
Net Adjustment to Net Position			(72,162,321)
 Acquisition of Debt:			
Series 2023 Bond Issuance	(12,980,000)		
Lease Proceeds	(7,828)		
Net Change in Compensated Absences	(8,611)		
Deferred Charge on Refunding	7,715		7,715
Amortization of Bond Premium	186,910		
Debt Principal Payments:			
Bond Principal	2,195,000		
Note Principal	295,000		
Lease Principal	<u>5,893</u>		
		<u>(10,305,921)</u>	<u>(10,305,921)</u>
 Net adjustment to increase (decrease) net changes in fund balance - total governmental funds to arrive at net position of governmental activities		\$ (10,305,921)	\$ (82,460,527)

NOTE 3: LEGAL COMPLIANCE

a) Budget

- 1) As required by the Texas Water Code, the General Manager submits to the Board of Directors the proposed executive budgets for the fiscal year prior to the beginning of such fiscal year.
- 2) Budget Workshops are conducted to obtain rate payers' comments.
- 3) The original amount of appropriated budgets and any revisions of such budgets that affect the overall fund total expenditures are made through appropriate budget resolutions by the Board of Directors. The original annual appropriated budgets are adopted by resolution by the Board of Directors prior to the beginning of the fiscal year as required by state law. The final annual amended appropriated budgets are shown in this report. The overall fund total of actual expenditures cannot exceed the overall fund total of appropriated expenditures for such funds.
- 4) The General Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the overall total of appropriated expenditures of any fund must be approved by the Board of Directors.
- 5) Appropriations lapse at the end of each fiscal year.
- 6) Actual revenues exceeded budgeted amounts in the General Fund by \$462,957.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 4: DEPOSITS AND INVESTMENTS

Deposits and investments as of September 30, 2024, are classified in the accompanying financial statements as follows:

Description	Amount
Unrestricted - Cash and Cash Equivalents	\$ 3,336,586
Total Unrestricted Deposits and Investments	3,336,586

Restricted deposits and investments as of September 30, 2024, consist of the following:

Description	Amount
Restricted - Cash and Cash Equivalents	7,482,619
Restricted - Investments (Certificates of Deposit 0-3 Months)	16,878,285
Restricted - Investments (Certificates of Deposit 3+ Months)	32,554,961
Total Restricted Deposits and Investments	\$ 56,915,865

Investments Authorized by District Investment Policy – The table below identifies the investment types that are authorized for the District by its investment policy. The table also identifies certain provision of the District’s investment policy that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury and Agency Obligations	2 Years	None	None
Local Government Investment Pools	2 Years	None	None
Money Market Funds	2 Years	None	None
Time Certificates of Deposit	2 Years	None	None

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The investment policy of the District states that, to the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow requirement, the District will not invest in securities maturing more than two years from the date of purchase. In addition, the District will invest operating funds primarily in financial institution deposits, shorter-term securities, money market mutual funds, or local government investment pools functioning as money market mutual funds. The District will also diversify maturities and stagger maturity dates to minimize the impact of market movements over time.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. U.S. Treasury securities are not considered to have credit risk exposure.

Concentration of Credit Risk – The investment policy of the District contains no limitations on the amount that can be invested in any one issuer.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 4: DEPOSITS AND INVESTMENTS – Continued

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party. Bank balances are covered by Federal Depository Insurance Corporation (FDIC) insurance of \$250,000. Bank accounts and certificates of deposit in excess of FDIC insurance are covered with collateralized securities or letters of credit held by financial institutions in the District’s name. As of September 30, 2024, the District’s fair value of pledged securities was \$56,391,764 and the bank deposits requiring collateral were \$43,372,546. The bank balances as of September 30, 2024, were fully insured by FDIC coverage and collateral pledged by financial institutions.

Fair Value – GASB Codification Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 (L2): Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 4: DEPOSITS AND INVESTMENTS – Continued

The following table sets forth by level, within the fair value hierarchy, the District’s assets at fair value as of September 30, 2024:

Investments by Fair Value Level	Fair Value	Maturities			Level
		Less Than 1	1-5 Years	More than 5	
Money Market Accounts	\$ 6,845,538	\$ 6,845,538	\$ -	\$ -	L1
Money Market Mutual Funds	130,289	130,289	-	-	L1
Certificates of Deposit (0-3 Months)	16,878,285	16,878,285	-	-	L1
Certificates of Deposit (3+ Months)	32,554,961	28,960,545	3,594,416	-	L1
Total Investments Measured By Fair Value	\$ 56,409,073	\$ 52,814,657	\$ 3,594,416	\$ -	

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of September 30, 2024.

Mutual Funds – Mutual funds classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those investments. Mutual funds classified in Level 2 of the fair value hierarchy, while underlying securities have observable Level 1 pricing inputs or observable Level 2 significant other pricing inputs, are not publicly quoted and are based on market-corroborated data.

NOTE 5: RECEIVABLES

Receivables as of September 30, 2024, including the applicable allowance for uncollectible accounts are as follows:

Description	General	Debt Service	Capital Projects	LIV Project	Total
Taxes	\$ -	\$ 119,754	\$ -	\$ -	\$ 119,754
Accounts	1,153,345	-	-	-	1,153,345
Accrued Interest	-	42,779	24,919	41,839	109,537
Gross Receivables	1,153,345	162,533	24,919	41,839	1,382,636
Less: Allowance for Uncollectible	(8,364)	(3,282)	-	-	(11,647)
Receivables, Net	\$ 1,144,981	\$ 159,251	\$ 24,919	\$ 41,839	\$ 1,370,990

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2024, was as follows:

	Balance 9/30/2023	Additions	Retirements	Balance 9/30/2024
Capital assets not being depreciated				
Land, Easements, & Right-of-Ways	\$ 1,462,527	\$ -	\$ -	\$ 1,462,527
Water Rights	4,477,175	-	-	4,477,175
Construction in Progress	15,846,284	8,885,200	-	24,731,484
Total Capital Assets not being Depreciated	21,785,986	8,885,200	-	30,671,186
Capital assets being depreciated				
Buildings & Improvements	4,562,854	-	-	4,562,854
Improvements Other Than Buildings	10,864,671	219,307	-	11,083,978
Machinery & Equipment	4,216,798	286,115	(116,940)	4,385,973
Infrastructure	114,441,226	-	-	114,441,226
Total Capital Assets Being Depreciated	134,085,548	505,422	(116,940)	134,474,031
Total Capital Assets	155,871,534	9,390,622	(116,940)	165,145,217
Less accumulated depreciation:				
Buildings & Improvements	(1,905,722)	(125,753)	-	(2,031,476)
Improvements Other Than Buildings	(4,323,761)	(535,899)	-	(4,859,660)
Machinery & Equipment	(2,078,686)	(344,285)	116,940	(2,306,031)
Infrastructure	(54,995,684)	(2,231,568)	-	(57,227,253)
Total Accumulated Depreciation	(63,303,854)	(3,237,505)	116,940	(66,424,420)
Total Depreciable Assets, Net	70,781,694	(2,732,083)	-	68,049,611
Total Capital Assets, Net	\$ 92,567,680	\$ 6,153,117	\$ -	\$ 98,720,797

Depreciation expense for water/wastewater services for the fiscal year was \$3,237,505.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 7: LONG-TERM DEBT AND LIABILITIES

a. Bonds Payable

General Obligation Bonds

On March 2, 2016, the District issued \$2,580,000 Unlimited Tax Bonds, Series 2016 for the purpose of water distribution improvements, wastewater collection improvements, wastewater effluent reuse improvements, Cuate's pump station and pipeline improvements, and improvements to Water Plant No. 2.

On April 19, 2022, the District issued \$26,335,000 for the purpose of Water Plant No. 1 Modifications to upgrade existing water treatment plant located in Port Isabel to improve water quality and restore 5 MGD treatment capacity, a new 600,000 Elevated Storage Tank, and water distribution system improvements.

On April 19, 2022, the District issued \$8,330,000 Unlimited Tax Refunding Bonds, Series 2022A for the purpose of water distribution improvements, wastewater collection improvements, wastewater effluent reuse improvements, Cuate's pump station and pipeline improvements, and improvements to Water Plant No. 2. The proceeds were used to advance refund \$9,300,000 of outstanding Unlimited Tax Bonds, Series 2012. The refunding was undertaken to reduce total debt service payments over the next 10 years by \$584,629 to obtain an economic gain (difference between the present value of the debt service payment of the refunded and refunding bonds) of \$511,673.

On April 27, 2023, the District issued \$20,800,000 Unlimited Tax Bonds, Series 2023 for the purpose of water distribution improvements, wastewater collection improvements, wastewater effluent reuse improvements, Cuate's pump station and pipeline improvements, and improvements to Water Plant No. 2.

Waterworks and Sewer System Revenue Bonds

On April 1, 2015, the District issued \$6,345,000 Waterworks and Sewer System Revenue Refunding Bonds, Series 2015. The proceeds were used to advance refund \$6,070,000 of outstanding 2007 Series Waterworks and Sewer System revenue bonds. The refunding was undertaken to reduce total debt service payments over the next 13 years by \$589,787 to obtain an economic gain (difference between the present value of the debt service payment of the refunded and refunding bonds) of \$378,940.

On October 16, 2016, the District issued \$5,815,000 Waterworks and Sewer System Revenue Bonds, Series 2016 for the purpose of making improvements to its existing Port Isabel Wastewater Treatment Plant, including installing a new blower, new return activated sludge/waste activated sludge (RAS/WAS) pump station and new headworks on the existing plant site. Improvements also include replacing the plant's aeration basin, digester diffusers, air piping, electrical system and controls.

LAGUNA MADRE WATER DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 7: LONG-TERM DEBT AND LIABILITIES – Continued

On June 26, 2019, the District issued \$5,425,000 Waterworks and Sewer System Revenue Bonds, Series 2019. The notes are issued to provide for the payment of costs associated with the issuance and for making improvements and extensions to the District’s Waterworks and Sewer system.

On October 11, 2023, the District issued \$12,980,000 Waterworks and Sewer System Revenue Bonds, Series 2023. The notes are issued to provide for the payment of costs associated with the issuance and for making improvements and extensions to the District’s Waterworks and Sewer system.

Advance Refunding

In prior years, the District defeased certain outstanding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the respective trust account assets and related liabilities for the defeased bonds are not included in the District’s financial statements. As of September 30, 2023, the following outstanding bonds are considered defeased:

Series	Ending Balance
2007	3,910,000
2012	9,300,000

b. Notes Payable

On November 28, 2018, the District issued \$2,875,000 Waterworks and Sewer System Revenue Notes, Series 2018. The notes are issued to provide for the payment of costs associated with the issuance, for making improvements to the District’s Waterworks and Sewer System and to deposit funds in the debt reserve account.

c. Leases Payable

In 2022, the District entered into a lease for 1 new copier totaling \$1,620, for 36 months. The future cash flows were discounted at a rate of 3% and are expected to complete in July 2025. The District also entered into a lease for an additional 8 new copiers totaling \$6,550 for 36 months. The future cash flows were also discounted at a rate of 3% and are expected to complete in May 2025. The assets are right to use assets for leased equipment.

d. Compensated Absences

It is the District’s policy to permit employees to accumulate earned but unused vacation and personal leave benefits. All leave is accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they are due, for example, because of employee resignations and retirements. As of September 30, 2024, the amount of compensated absences due within one year was \$25,000.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 7: LONG-TERM DEBT AND LIABILITIES – Continued

e. Changes in Long – Term Liabilities

The District’s long-term obligations include debt and other long-term liabilities. Changes in Long-Term Obligations, for the year ended September 30, 2024, are summarized by the following table:

Governmental Activities	Interest Rate	Original Issue Amount	Maturity Date	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<i>Bonds Payable</i>								
UT Bond, Series 2016	2.29%	2,580,000	6/1/2030	\$ 1,300,000	\$ -	\$ (175,000)	\$ 1,125,000	\$ 175,000
UT Bond, Series 2022	4-5%	26,335,000	3/1/2052	26,335,000	-	(450,000)	25,885,000	470,000
UT Refunding Bond, Series 2022A	5.00%	8,330,000	3/1/2032	7,820,000	-	(665,000)	7,155,000	700,000
UT Bond, Series 2023	5.00%	20,800,000	3/1/2053	20,800,000	-	-	20,800,000	-
Waterworks & Sewer System, Series 2015	2.64%	6,345,000	3/1/2027	2,310,000	-	(555,000)	1,755,000	570,000
Waterworks & Sewer System, Series 2016	0.01%-1.37%	5,815,000	3/1/2036	3,855,000	-	(280,000)	3,575,000	280,000
Waterworks & Sewer System, Series 2019	0.01%-0.82%	5,425,000	3/1/2034	5,155,000	-	(70,000)	5,085,000	75,000
Waterworks & Sewer System, Series 2023	0.01%-1.14%	12,980,000	3/1/2053	-	12,980,000	-	12,980,000	105,000
Plus: Unamortized Premium				2,891,714	-	(186,910)	2,704,804	-
Total Bonds Payable				70,466,714	12,980,000	(2,381,910)	81,064,804	2,375,000
<i>Notes Payable</i>								
Revenue Notes, Series 2018	3.25%	2,875,000	3/1/2028	1,575,000	-	(295,000)	1,280,000	305,000
Total Notes Payable				1,575,000	-	(295,000)	1,280,000	305,000
<i>Leases Payable</i>								
Xerox Financial	3.00%	7,828	6/26/2025	-	7,828	(5,893)	1,934	1,934
Total Leases Payable				-	7,828	(5,893)	1,934	1,934
Total Bonds, Notes, and Leases Payable				72,041,714	12,987,828	(2,682,803)	82,346,738	2,681,934
<i>Other Long-Term Obligations</i>								
Compensated Absences				122,400	-	(8,611)	113,789	25,000
Net Pension Liability (Asset)				1,795,830	-	(539,917)	1,255,913	-
Total Other Long-Term Obligations				1,918,230	-	(548,528)	1,369,702	25,000
Total Long-Term Obligations				\$ 73,959,944	\$ 12,987,828	\$ (3,231,331)	\$ 83,716,440	\$ 2,706,934

The District’s long-term obligations of Bonds, Notes, and Leases payable as of September 30, 2024, are summarized by the following table:

Year Ending September 30,	Bonds, Notes, and Leases Payable		
	Principal	Interest	Payments
2025	\$ 2,681,934	\$ 2,009,984	\$ 4,691,918
2026	2,785,000	1,915,542	4,700,542
2027	3,235,000	2,941,919	6,176,919
2028	3,345,000	2,826,269	6,171,269
2029	3,455,000	2,716,687	6,171,687
2030-2034	15,590,000	11,822,041	27,412,041
2035-2039	9,945,000	9,578,986	19,523,986
2040-2044	11,575,000	7,326,723	18,901,723
2045-2049	14,465,000	4,484,145	18,949,145
2050-2054	12,565,000	1,073,344	13,638,344
Total	\$ 79,641,934	\$ 46,695,640	\$ 126,337,575

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 7: LONG-TERM DEBT AND LIABILITIES – Continued

The District’s long-term obligations of Bonds payable as of September 30, 2024, are summarized by the following table:

Year Ending September 30,	Bonds Payable		
	Principal	Interest	Payments
2025	\$ 2,375,000	\$ 1,973,322	\$ 4,348,322
2026	2,470,000	1,888,974	4,358,974
2027	2,910,000	2,925,750	5,835,750
2028	3,010,000	2,820,825	5,830,825
2029	3,455,000	2,716,687	6,171,687
2030-2034	15,590,000	11,822,041	27,412,041
2035-2039	9,945,000	9,578,986	19,523,986
2040-2044	11,575,000	7,326,723	18,901,723
2045-2049	14,465,000	4,484,145	18,949,145
2050-2054	12,565,000	1,073,344	13,638,344
Total	\$ 78,360,000	\$ 46,610,797	\$ 124,970,797

The District’s long-term obligations of Notes payable as of September 30, 2024, are summarized by the following table:

Year Ending September 30,	Notes Payable		
	Principal	Interest	Payments
2025	\$ 305,000	\$ 36,644	\$ 341,644
2026	315,000	26,569	341,569
2027	325,000	16,169	341,169
2028	335,000	5,444	340,444
Total	\$ 1,280,000	\$ 84,825	\$ 1,364,825

The District’s long-term obligations of Leases payable as of September 30, 2024, are summarized by the following table:

Year Ending September 30,	Leases Payable		
	Principal	Interest	Payments
2025	\$ 1,934	\$ 18	\$ 1,953
Total	\$ 1,934	\$ 18	\$ 1,953

NOTE 8: EMERGENCY PREPARATION AND RECOVER FUND

In lieu of a written minimum fund balance policy, the District created an Emergency Preparation and Recovery Fund to minimize the effects of natural or man-made emergencies that may arise and affect the District’s operations. This policy, adopted by the Board, states that monies to be placed in this fund shall be in an amount to constitute no less than twenty percent of the District’s operating budget. Prior to the use of these monies, the Board must first declare an emergency exists and approve the use of the funds.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 9: EMPLOYEE RETIREMENT SYSTEM

Plan Description

The District provides retirement, disability, and death benefits for all its non-temporary full-time and part-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The TCDRS is an agent multiple-employer, statewide public employee pension plan established by the Texas Legislature in 1967 and administered by a nine member Board of Trustees. The retirement system consists of 602 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

Funding Policy

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

Under the TCDRS Act, the contributions rate of the employer is actuarially determined annually and approved by the TCDRS Board of Trustees. The actuarially determined contribution rate is 13.09% and 14.07% for 2024 and 2023, respectively. The District elected to contribute at a rate of 15% and 15% for 2024 and 2023, respectively. The contribution rate payable by the employee members for the calendar years 2024 and 2023 is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 9: EMPLOYEE RETIREMENT SYSTEM – Continued

Employees Covered by Benefit Terms

As of December 31, 2023, the following employees were covered by benefit terms:

Description	Number of Employees
Number of inactive employees entitled to but not receiving benefits:	39
Number of inactive employees receiving benefits:	58
Number of active employees:	89
Total	186

Actuarial Assumptions

The total pension liability in December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.
Measurement Date	December 31, 2023
Actuarial cost method	Entry Age (level percent of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	10.6 years (based on contribution rate calculated in 12/31/2023 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment rate of return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule. 2022: No changes in plan provisions were reflected in the Schedule. 2023: No changes in plan provisions were reflected in the Schedule.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 9: EMPLOYEE RETIREMENT SYSTEM – Continued

Discount Rate

The District's discount rate as of December 31, 2023, is summarized by the following table:

Description	December 31, 2022	December 31, 2023
Discount Rate	7.60%	7.60%
Long-term expected rate of return, net of investment expenses	7.60%	7.60%
Municipal bond rate	Does not apply	Does not apply

Depletion of Plan Assets/GASB Discount Rates

The discount rate is the single rate of return that, when applied to all projected benefit payments result in an actuarial present value of projected benefit payments that equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 9: EMPLOYEE RETIREMENT SYSTEM – Continued

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is expected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, a discount rate of 7.60% is used. This rate reflects the long-term assumed rate the long-term assumed rate of return on assets for purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2024 information for a 10-year time horizon.

The valuation assumption for long-term expected return is reassessed in detail at a minimum of every four years and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 9: EMPLOYEE RETIREMENT SYSTEM – Continued

The following table reflects the long-term expected real rate of return by asset class.

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.75%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) index	6.00%	4.75%
Investment Grade-Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.65%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index (3)	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	7.75%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	3.25%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.60%

(1) Target asset allocation adopted at the March 2024 TCDRS Board meeting.

(2) Geometric real rates of return equal expected return for the asset class minus the assumed inflation rate of 2.2%, per Cliffwater's 2024 capital market assumptions.

(3) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs

(4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

(5) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 9: EMPLOYEE RETIREMENT SYSTEM – Continued

Changes in the Net Pension Liability

The District’s net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date. The District’s changes in net pension liability were as follows:

Changes in Net Pension Liability/ (Asset)			
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2022	\$ 18,550,233	\$ 16,754,403	\$ 1,795,830
Changes Recognized for the Measurement Period:			
Service cost	542,903		542,903
Interest on total pension liability	1,406,271		1,406,271
Effect of plan changes (2)	-		-
Effect of economic/demographic gains or losses	256,705		256,705
Effect of assumptions changes or inputs	-		-
Refund of contributions	(8,477)	(8,477)	-
Benefit payments	(1,192,651)	(1,192,651)	-
Administrative expenses		(9,555)	9,555
Member contributions		293,976	(293,976)
Net investment income		1,838,584	(1,838,584)
Employer contributions		629,948	(629,948)
Other (3)		(7,157)	7,157
Net Changes	1,004,751	1,544,668	(539,917)
Balances as of December 31, 2023	\$ 19,554,984	\$ 18,299,072	\$ 1,255,913

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) No plan changes valued.

(3) Relates to allocation of system-wide items

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the District, calculated using the discount rate of 7.60%, as well as what the District’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$ 22,235,836	\$ 19,554,984	\$ 17,295,802
Fiduciary net position	18,299,072	18,299,072	18,299,072
Net pension liability / (asset)	\$ 3,936,764	\$ 1,255,913	\$ (1,003,270)

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 9: EMPLOYEE RETIREMENT SYSTEM – Continued

Pension Plan Fiduciary Net Position

Detailed information about the District’s pension plan fiduciary net position is available in the separately issued TCDRS financial reports.

Pension Expense

For the year ended September 30, 2024, the District’s Governmental Fund’s recognized pension expense of \$377,662. The breakdown of Government-Wide pension expense is as follows:

	December 31, 2023
Service Cost	\$ 542,903
Interest on total pension liability	1,406,271
Effect of plan changes	-
Administrative expenses	9,555
Member contributions	(293,976)
Expected investment return net of investment expenses	(1,262,370)
Recognition of deferred inflows/outflows of resources:	
Economic/demographic gains or losses	102,138
Assumptions changes or inputs	169,763
Investment gains or losses	(303,779)
Other	7,157
Pension Expense / (Income)	\$ 377,662

Deferred Inflow/Outflow of Resources

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

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected & actual experience	\$ -	\$ 320,392
Changes in assumptions	-	339,526
Net difference between projected & actual earnings	-	78,309
Contributions made subsequent to measurement date	-	495,710
	\$ -	\$ 1,233,937

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 9: EMPLOYEE RETIREMENT SYSTEM – Continued

Contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Amount
2024	\$ 158,500
2025	212,886
2026	430,741
2027	(63,900)
2028	-
Thereafter	\$ -

NOTE 10: RISK MANAGEMENT

The District is exposed to various risk of loss related to torts, theft or damage to, and destruction of assets, error and omissions, injuries to employees, and natural disasters. Significant losses are covered by commercial insurance for all major programs. There have been no significant reductions in insurance coverage.

During the year ended September 30, 2024, employees of the District were covered by a health, dental, and life insurance plan (the “Plan”). The District pays 100% of the premiums for District employees insured through the Plan and 50% of the premiums for employee dependents insured through the Plan. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, of the Texas Insurance Code and was documented by contractual agreement. The contract between the District and the licensed insurer is renewable annually, and terms of coverage and premium costs are included in the contractual provisions. The latest financial statements for United Healthcare are filed with the Texas State Board of Insurance, Austin, Texas and are public records.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund(s). The amount of any expenditures from current or prior years which may be disallowed by grantors cannot be determined at this time although the District expects such amounts not recorded, if any, to be immaterial.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 11: UNEARNED REVENUE

Unearned revenue at year-end consisted of the following:

LIV HOA	<u>LIV Fund</u> \$1,400,000
---------	--------------------------------

NOTE 12: INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of September 30, 2024, were as follows:

Description	Due To	Due From
General Fund:		
Capital Projects Fund	\$ 132,669	\$ -
Total General Fund	132,669	-
Capital Projects Fund:		
General Fund	-	132,669
Total Capital Projects Fund	-	132,669
Total Interfund Balances	\$ 132,669	\$ 132,669

The composition of interfund transfers as of September 30, 2024, were as follows:

Description	Transfers In	Transfers Out
General Fund:		
Debt Service Fund		1,819,108
Capital Projects Fund	\$ -	\$ 2,165,505
Total General Fund	-	3,984,613
Debt Service Fund:		
General Fund	1,819,108	-
Capital Projects Fund	702,469	
Total Debt Service Fund	2,521,578	-
Capital Projects Fund:		
General Fund	2,165,505	702,469
Total Capital Projects Fund	2,165,505	702,469
Total Interfund Transfers	\$ 4,687,082	\$ 4,687,082

The balances primarily result from the time lag between the dates the 1) transactions are recorded in the accounting system and 2) payments between funds are made.

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 13: AUTHORIZED, ISSUED AND OUTSTANDING DEBT

On May 14, 2011, voters in the Laguna Madre Water District approved two propositions for issuing new bonds. As of September 30, 2024, only a portion of that debt had been issued. The projects are as follows:

Description	Authorized	Issued	Remaining Authorization
System Improvements	\$ 12,980,000	\$ 254,510	\$ 12,725,490
Seawater Desalination Plant	15,600,000	-	15,600,000
Long Island Village Improvements	20,800,000	20,800,000	-
Total Authorized, Issued, and Outstanding Debt	\$ 49,380,000	\$ 21,054,510	\$ 28,325,490

NOTE 14: MAJOR COMMITMENTS

As of September 30, 2024, the District has committed certain funds for major construction projects and capital acquisitions. The construction projects and capital acquisitions are as follows:

Description	Amount Committed
Water Plant 1 Improvements	\$ 19,923,233
Elevated Storage Tank Improvements	3,534,165
Water Distribution System Improvements	3,477,602
Non-Construction Costs	685,000
LIV Engineering Services	2,765,000
LIV Construction Contracts	15,540,000
LIV Special Contingency Fund	1,400,000
Total Commitments	\$ 47,325,000

NOTE 15: NET INVESTMENT IN CAPITAL ASSETS

The District's net investment in capital assets is as follows:

	Governmental Activities
Capital Assets, net of accumulated depreciation	\$ 98,720,797
Less outstanding Long-Term debt related to capital assets	(82,346,738)
Less capital related accounts and retainage payable	(955,283)
Less unamortized premium	(2,704,804)
Plus deferred charges on refunding	43,430
Plus unexpended bond proceeds	47,804,023
Total Net Investment in Capital Assets	\$ 60,561,425

LAGUNA MADRE WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2024

NOTE 16: ENCUMBRANCES

The District's significant encumbrances are as follows:

<u>Description</u>	<u>Amount</u>
Capital Projects Fund	\$ 2,355,947
LIV Project Fund	2,242,993
Total Encumbrances	<u>\$ 4,598,940</u>

NOTE 17: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after September 30, 2024, through March 4, 2025, the date the current year's financial statements were available to be issued. The following events occurred:

- a. The Seawater Desalination 2024 Tax Bond closed as of November 13, 2024, for 10 million dollars. The use of this bond is for Seawater Desalination Design, Pilot testing, and Permitting.
- b. The US Bureau of Reclamation has authorized an award of 17.5 million dollars to assist in the construction of a desalination plant.
- c. The District's board has authorized to go out to voters in May 2025 for a new tax supported bond of 59 million dollars for remaining funds needed to complete construction of the desalination plant.

**REQUIRED SUPPLEMENTARY
INFORMATION**

LAGUNA MADRE WATER DISTRICT
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

1. As required by the Texas Water Code, the General Manager submits to the Board of Directors the proposed executive budgets for the fiscal year prior to the beginning of such fiscal year.
2. Budget Workshops are conducted to obtain rate payers comments.
3. The original amount of appropriated budgets and any revisions of such budgets that affect the overall fund total expenditures are made through appropriate budget resolutions by the Board of Directors. The original annual appropriated budgets are adopted by resolution by the Board of Directors prior to the beginning of the fiscal year as required by state law. The final annual amended appropriated budgets are shown in this report. The overall fund total of actual expenditures cannot exceed the overall fund total of appropriated expenditures for such funds.
4. The General Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the overall total of appropriated expenditures of any fund must be approved by the Board of Directors.
5. Appropriations lapse at the end of each fiscal year.
6. Total actual expenditures were over budget by \$1,965,552. Variances between budgeted and actual amounts are not expected to have a significant effect on future services or liquidity of the District. The budget remains in effect the entire year and is revised only, if necessary, through a budget amendment.

Laguna Madre Water District
Schedules of Revenues, Expenditures, and Changes in Fund Balances
General Fund - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2024

Revenues:	Budgeted Amounts		Actual Amounts	Variance
	Original	Final	Budgetary Basis	
Water Services	\$ 6,443,156	\$ 7,115,800	\$ 6,842,243	\$ (273,557)
Wastewater Services	6,451,082	6,943,400	6,771,300	(172,100)
Other Water Sales	179,000	126,000	105,857	(20,143)
Late Fees	70,000	85,500	102,263	16,763
Intergovernmental	-	490,000	490,000	-
Tap Fees	190,000	190,000	283,184	93,184
Annexation Fees	427,898	444,498	444,109	(389)
Investment Earnings	202,265	253,870	291,615	37,745
Miscellaneous	148,640	196,869	212,822	15,953
Total Revenues	14,112,041	15,845,937	15,543,394	(302,543)
Expenditures:				
Service Operations:				
Administration	538,690	738,690	630,489	108,201
Contracted Services	133,300	133,300	106,743	26,558
Insurance	372,608	429,308	410,976	18,332
Professional Fees	125,000	205,750	184,353	21,397
Payroll and Benefits	6,591,999	6,591,999	6,482,051	109,948
Utilities	823,110	823,110	787,115	35,995
Materials and Supplies	1,728,323	1,930,973	1,761,864	169,109
Repairs and Maintenance	998,557	764,792	257,225	507,567
Capital Outlay:				
Capital Outlay	146,777	1,460,568	505,422	955,146
Financing Agreement Principal	13,000	13,000	-	13,000
Interest and Fiscal Charges	300	300	-	300
Total Expenditures	11,471,664	13,091,790	11,126,238	1,965,552
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,640,377	2,754,147	4,417,156	1,663,009
Other Financing Sources (Uses):				
Transfers - Internal Activities	(2,214,479)	(2,165,505)	(3,984,613)	(1,819,108)
Gain/(Loss) on Sale of Assets	2,000	2,000	-	(2,000)
Total Other Financing Sources (Uses)	(2,212,479)	(2,163,505)	(3,984,613)	(1,821,108)
Change in Fund Balance	427,898	590,642	432,543	(158,099)
Fund Balance - Beginning	6,390,443	6,390,443	6,390,443	-
Fund Balance - End	\$ 6,818,341	\$ 6,981,085	\$ 6,822,986	\$ (158,099)

LAGUNA MADRE WATER CONTROL & IMPROVEMENT DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Plan Year Ended December 31,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	\$ 542,903	\$ 508,804	\$ 482,583	\$ 424,235	\$ 389,487	\$ 341,103	\$ 355,712	\$ 351,190	\$ 369,415
Interest on total pension liability	1,406,271	1,335,498	1,250,782	1,177,285	1,105,393	1,045,191	994,321	934,915	909,356
Effect of plan changes	-	-	-	-	-	-	-	-	(86,128)
Effect of assump. changes or inputs	256,705	-	51,612	956,644	-	-	13,650	-	79,690
Effect of economic/demographic (gains) or Losses	-	77,769	123,193	43,249	28,059	(7,702)	(6,355)	(63,218)	(252,109)
Benefit payments/refunds	(1,201,128)	(855,067)	(785,630)	(688,331)	(652,635)	(713,652)	(715,704)	(631,962)	(763,280)
Net Change in Total Pension Liability	1,004,751	1,067,004	1,122,540	1,913,082	870,304	664,940	641,624	590,925	256,944
Total Pension Liability - Beginning	18,550,233	17,483,229	16,360,689	14,447,607	13,577,303	12,912,363	12,270,739	11,679,814	11,422,870
Total Pension Liability - Ending (a)	<u>\$ 19,554,984</u>	<u>\$ 18,550,233</u>	<u>\$ 17,483,229</u>	<u>\$ 16,360,689</u>	<u>\$ 14,447,607</u>	<u>\$ 13,577,303</u>	<u>\$ 12,912,363</u>	<u>\$ 12,270,739</u>	<u>\$ 11,679,814</u>
Plan Fiduciary Net Position									
Employer contributions	\$ 629,948	\$ 581,990	\$ 527,727	\$ 475,427	\$ 448,650	\$ 398,232	\$ 365,000	346,147	\$ 350,544
Members contributions	293,976	271,596	246,272	221,866	218,246	224,015	182,504	177,303	177,449
Investment income net of inv exp	1,838,584	(1,042,987)	3,206,651	1,367,545	1,866,302	(218,720)	1,508,763	725,930	(25,081)
Benefit payments/refunds	(1,201,128)	(855,067)	(785,630)	(688,331)	(652,635)	(713,652)	(715,704)	(631,962)	(763,280)
Administrative expense	(9,555)	(9,818)	(9,627)	(10,687)	(10,088)	(9,128)	(7,771)	(7,894)	(7,167)
Other	(7,157)	14,662	3,693	1,577	2,332	(1,550)	(2,244)	(73,059)	(25,499)
Net Change in Plan Fiduciary Net Position	1,544,668	(1,039,624)	3,189,086	1,367,397	1,872,807	(320,803)	1,330,548	536,465	(293,034)
Plan Fiduciary Net Position - Beginning	16,754,403	17,794,027	14,604,941	13,237,544	11,364,737	11,685,540	10,354,992	9,818,527	10,111,561
Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,299,071</u>	<u>\$ 16,754,403</u>	<u>\$ 17,794,027</u>	<u>\$ 14,604,941</u>	<u>\$ 13,237,544</u>	<u>\$ 11,364,737</u>	<u>\$ 11,685,540</u>	<u>\$ 10,354,992</u>	<u>\$ 9,818,527</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,255,913</u>	<u>\$ 1,795,830</u>	<u>\$ (310,798)</u>	<u>\$ 1,755,748</u>	<u>\$ 1,210,063</u>	<u>\$ 2,212,566</u>	<u>\$ 1,226,823</u>	<u>\$ 1,915,747</u>	<u>\$ 1,861,287</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.58%	90.32%	101.78%	89.27%	91.62%	83.70%	90.50%	84.39%	84.06%
Covered Payroll	\$ 4,199,660	\$ 3,879,944	\$ 3,518,174	\$ 3,169,508	\$ 3,117,803	\$ 2,790,690	\$ 2,607,198	\$ 2,532,895	\$ 2,534,988
Net Pension Liability as a Percentage of Covered Payroll	29.91%	46.28%	-8.83%	55.39%	38.81%	79.28%	47.06%	75.63%	73.42%

LAGUNA MADRE WATER CONTROL & IMPROVEMENT DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	For Fiscal Year Ended September 30,								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarilly Determined Contributions	602,782	573,917	552,731	473,951	472,568	435,873	399,387	360,462	344,556
Actual Employer Contributions	645,675	616,109	593,895	510,075	472,568	435,873	399,387	360,462	344,556
Contribution deficiency (excess)	<u>(42,893)</u>	<u>(42,192)</u>	<u>(41,164)</u>	<u>(36,124)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	4,305,586	4,107,395	3,959,300	3,440,194	3,187,944	3,035,711	2,707,139	2,590,525	2,518,460
Contributions as a percentage of covered payroll	15.0%	15.0%	15.0%	14.8%	14.8%	14.4%	14.8%	13.9%	13.7%

(This page intentionally left blank)

LAGUNA MADRE WATER CONTROL & IMPROVEMENT DISTRICT
NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Valuation Date: Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	10.6 years (based on contribution rate calculated in 12/31/2023 valuation)
Asset Valuation Method	5-yr smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions*
2015: New inflation, mortality and other assumptions were reflected.
2017: New mortality assumptions were reflected.
2019: New inflation, mortality and other assumptions were reflected.
2022: New investment return and inflation assumptions were reflected.

Changes in Plan Provisions Reflected in the Schedule of Employer Contributions
2015: No changes in plan provisions were reflected in the Schedule.
2016: No changes in plan provisions were reflected in the Schedule.
2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.
2018: No changes in plan provisions were reflected in the Schedule.
2019: No changes in plan provisions were reflected in the Schedule.
2020: No changes in plan provisions were reflected in the Schedule.
2021: No changes in plan provisions were reflected in the Schedule.
2022: No changes in plan provisions were reflected in the Schedule.
2023: No changes in plan provisions were reflected in the Schedule.

(This page intentionally left blank)

**OTHER SUPPLEMENTARY
INFORMATION**

(This page intentionally left blank)

Laguna Madre Water District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Debt Service Fund - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2024

Revenues:	<u>Budgeted Amounts</u>		Actual Amounts	Variance
	Original	Final	Budgetary Basis	
Property Taxes	\$ 3,962,985	\$ 3,962,985	\$ 4,215,922	\$ 252,937
Penalties and Interest	40,600	40,600	47,788	7,188
Investment Earnings	272,671	272,671	291,380	18,709
Total Revenues	4,276,256	4,276,256	4,555,091	278,835
Expenditures:				
Contracted Services	165,630	165,630	208,006	(42,376)
Debt Service:				
Principal	3,057,320	3,057,320	2,490,000	567,320
Interest	2,252,145	2,252,145	3,154,019	(901,874)
Bond Issuance Costs	-	-	4,978	(4,978)
Total Expenditures	5,475,095	5,475,095	5,857,004	(381,909)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,198,839)	(1,198,839)	(1,301,913)	(103,074)
Other Financing Sources (Uses):				
Transfers - Internal Activities	2,000,479	2,000,479	2,521,578	521,099
Total Other Financing Sources (Uses)	2,000,479	2,000,479	2,521,578	521,099
Change in Fund Balance	801,640	801,640	1,219,665	418,025
Fund Balance - Beginning	3,015,061	3,015,061	3,015,061	-
Fund Balance - End	\$ 3,816,701	\$ 3,816,701	\$ 4,234,726	\$ 418,025

(This page intentionally left blank)

**TEXAS SUPPLEMENTARY
INFORMATION**

Laguna Madre Water District
TSI - 1. Services and Rates

For the Year Ended September 30, 2024

1. Services provided by the District during the fiscal year.

- Retail Water
- Retail Wastewater

2. Retail Service Providers

a. Retail rates for a 5/8" meter

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over minimum	Usage levels
WATER	\$ 15.76	3,000	N	\$ 3.18	3,001 to 8,000
				\$ 5.01	8,001 to 16,000
				\$ 7.13	16,001 plus
WASTEWATER *	\$ 24.96	2,250		\$ 5.06	3,001 to 8,000
				\$ 7.84	8,001 to 16,000
				\$ 11.12	16,001 plus

Surcharge: \$ 0.005 -

District employs winter averaging for wastewater usage? No

Total water and wastewater charges per 10,000 gallons usage (including surcharge):	<u>Water</u> \$41.89	<u>Wastewater</u> \$56.37
--	-------------------------	------------------------------

Laguna Madre Water District
TSI - 1. Services and Rates (Continued)

For the Year Ended September 30, 2024

b. Water and Wastewater retail connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active Factor
5/8"	5,649	5,621	-	-
1"	1,340	1,334	-	-
2"	404	310	-	-
4"	90	72	-	-
6"	100	34	-	-
8"	7	2	-	-
10"	3	0	-	-
16"	1	0	-	-
<hr/>				
Total Water:	7,594	7,373	-	-
Total Wastewater:	6,792	6,195	-	-

3. Total water consumption during the fiscal year:

Gallons pumped into system: 1,327,696,000

Gallons billed to customers: 1,107,116,500

Water accountability ratio (gallons billed/gallons pumped); 83.39%

4. Location of the District:

County in which District is located: Cameron

Is the District located entirely within one county? Yes

Is the District located within a city? Yes

Cities in which the District is located: Port Isabel, South Padre Island, Town of Laguna Vista

Is the District located within a city's extra territorial jurisdiction (ETJ)? Yes - Partly

ETJ's in which the District is located: Port Isabel, South Padre Island, Town of Laguna Vista

Are board members appointed by an office outside the District? No

If yes, by whom? N/A

Laguna Madre Water District
TSI - 2. General Fund Expenditures
For the Year Ended September 30, 2024

Personnel (Including Benefits)	\$	6,482,051
Professional Fees:		
Legal		42,520
Engineering		900
Financial and Audit		140,933
Contracted Services		62,533
Utilities		787,115
Repairs and Maintenance		257,225
Administrative Expenditures		
Office Supplies		47,092
Insurance		410,976
Other Administrative Expenditures		583,397
Capital Outlay:		
Capitalized Assets		505,422
Expenditures not Capitalized		-
Solid Waste Disposal		44,210
Materials and Supplies		1,761,864
Total Expenditures		\$ 11,126,238

Number of persons employed by the District: 84 Full Time

Laguna Madre Water District
TSI - 3. Temporary Investments
For the Year Ended September 30, 2024

DESCRIPTION	ACCOUNT NUMBER	INTEREST RATE	MATURITY DATE	CASH AND CASH EQUIVALENTS	INVESTMENTS WITH MATURITIES 3 MONTHS OR LESS	INVESTMENTS
General Fund - Unrestricted						
Petty Cash	N/A	N/A	N/A	\$ 1,600	\$ -	\$ -
Deposit Account	**2700	N/A	N/A	45	-	-
Deposit Account	**7600	N/A	N/A	586,962	-	-
Deposit Account	**5700	N/A	N/A	130,206	-	-
Deposit Account	**7800	N/A	N/A	43,299	-	-
Money Market Account	**2947	5.24%	N/A	2,574,473	-	-
Total General Fund - Unrestricted				3,336,586	-	-
General Fund - Restricted						
Deposit Account	**0300	N/A	N/A	14,321	-	-
Deposit Account	**1500	N/A	N/A	130,289	-	-
Deposit Account	**1501	N/A	N/A	6,070	-	-
Money Market Account	**2654	5.24%	N/A	278,885	-	-
Money Market Account	**2662	5.24%	N/A	92,962	-	-
Money Market Account	**8778	5.24%	N/A	160,074	-	-
Certificate of Deposit	**9951	5.40%	11/21/2024	-	1,000,000	-
Certificate of Deposit	**5410	5.55%	11/18/2024	-	447,778	-
Total General Fund -Restricted				682,601	1,447,778	-
Debt Service Fund - Restricted						
Deposit Account	**6000	N/A	N/A	175,018	-	-
Deposit Account	**3800	N/A	N/A	90,954	-	-
Certificate of Deposit	**9978	5.40%	11/21/2024	-	358,000	-
Certificate of Deposit	**9986	5.40%	11/21/2024	-	545,765	-
Certificate of Deposit	**6141	5.03%	2/20/2025	-	-	597,644
Certificate of Deposit	**7059	5.03%	2/26/2025	-	-	503,809
Certificate of Deposit	**5459	5.50%	12/12/2024	-	792,425	-
Certificate of Deposit	**4085	5.03%	2/20/2025	-	-	387,051
Certificate of Deposit	**1932	5.50%	11/13/2024	-	735,505	-
Total Debt Service Fund - Restricted				265,972	2,431,694	1,488,504
Capital Projects Fund - Restricted						
Investment Account	**3060	4.57%	N/A	198,314	-	-
Money Market Account	**6938	5.24%	N/A	3,055,592	-	-
Deposit Account	**0900	N/A	N/A	436	-	-
Deposit Account	**9800	N/A	N/A	610,952	-	-
Deposit Account	**0400	N/A	N/A	14,318	-	-
Money Market Account	**0287	5.24%	N/A	106,592	-	-
Money Market Account	**0279	5.24%	N/A	436,672	-	-
Deposit Account	**9600	N/A	N/A	290,752	-	-
Certificate of Deposit	**6236	5.23%	12/12/2024	-	5,398,327	-
Certificate of Deposit	**2823	5.23%	12/12/2024	-	1,058,161	-
Investment Account	**9144	Various	N/A	-	-	12,204,432
Investment Account	**JHU6	Various	4/14/2025	-	-	4,881,850
Total Capital Projects Fund				4,713,627	6,456,489	17,086,282
Emergency Fund - Restricted						
Deposit Account	**7000	N/A	N/A	278	-	-
Certificate of Deposit	**5460	5.64%	12/12/2024	-	2,354,213	-
Total Emergency Fund - Restricted				278	2,354,213	-
LIV Project Fund - Restricted						
Deposit Account	**8899	N/A	N/A	410,609	-	-
Certificate of Deposit	**0810	5.05%	8/5/2025	-	-	1,400,000
Certificate of Deposit	**0811	5.05%	8/5/2025	-	-	4,000,000
Money Market Account	**0303	5.00%	N/A	1,409,532	-	-
Certificate of Deposit	**1923	5.50%	11/23/2024	-	4,188,111	-
Certificate of Deposit	**3394	5.38%	2/18/2025	-	-	4,291,101
Certificate of Deposit	**0561	5.25%	5/16/2025	-	-	4,289,074
Total LIV Project Fund				1,820,142	4,188,111	13,980,175
Total All Funds				\$ 10,819,205	\$ 16,878,285	\$ 32,554,961

Laguna Madre Water District
TSI - 4. Taxes Levied and Receivable
September 30, 2024

	Debt Service Taxes
Taxes Receivable Beginning Year	78,897
2023 Original Tax Levy	3,040,545
Tax Roll Adjustments	(1,187)
Total to be accounted for	3,118,255

Tax Collections:	
Current Year	2,995,720
Prior Year	33,804
Total Collections	3,029,524
Taxes Receivable, End of Year	88,731

Taxes Receivable, By Years	
2013 and prior	18,849
2014	1,287
2015	1,452
2016	1,184
2017	1,345
2018	1,444
2019	1,636
2020	2,075
2021	3,160
2022	10,524
Current Year - 2023	45,775
Taxes Receivable, End of Year	88,731

September 30,	2023	2022	2021	2020
Property Valuations:				
Land	1,730,399,759	1,493,255,489	1,315,263,747	1,259,839,943
Improvements	4,143,033,147	2,842,240,666	2,365,178,339	2,223,446,961
Personal Property	127,265,223	122,352,294	93,469,285	120,491,346
Total Property Valuations	6,000,698,129	4,457,848,449	3,773,911,371	3,603,778,250

Tax Rates Per \$100 Valuation:				
Debt Service Tax Rate	0.056389	0.069300	0.038201	0.039918
Original Tax Levy	3,040,545	2,854,127	1,365,200	1,350,542
Percent of Taxes Collected				
To Taxes Levied	99.64%	98.41%	98.03%	103.49%

Laguna Madre Water District
TSI - 4. Taxes Levied and Receivable - Long Island Village
September 30, 2024

	Debt Service Taxes
Taxes Receivable Beginning Year	-
2023 Original Tax Levy	1,259,147
Tax Roll Adjustments	(3,675)
Total to be accounted for	1,255,472

Tax Collections:	
Current Year	1,224,449
Prior Year	-
Total Collections	1,224,449
Taxes Receivable, End of Year	31,023

Taxes Receivable, By Years	
Current Year - 2023	31,023
Taxes Receivable, End of Year	31,023

September 30,	2023
Property Valuations:	
Land	122,732,952
Improvements	121,333,527
Total Property Valuations	244,066,479

Tax Rates Per \$100 Valuation:	
Debt Service Tax Rate	0.563076
 Original Tax Levy	 1,259,147
 Percent of Taxes Collected To Taxes Levied	 97.24%

Laguna Madre Water District
 TSI - 5. Long Term Debt Requirements by Years - Bonds Payable
 For the Year Ended September 20, 2024

Due During Fiscal Year Ending	Unlimited Tax Bonds, Series 2016			Unlimited Tax Bonds, Series 2022			Unlimited Tax Refunding Bonds, Series 2022A			Unlimited Tax Bonds, Series 2023		
	Principal Due	Interest Due	Total	Principal Due	Interest Due	Total	Principal Due	Interest Due	Total	Principal Due	Interest Due	Total
2025	\$ 175,000	\$ 25,763	\$ 200,763	\$ 470,000	\$ 1,083,200	\$ 1,553,200	\$ 700,000	\$ 340,250	\$ 1,040,250	\$ -	\$ 1,134,640	\$ 1,134,640
2026	180,000	21,755	201,755	495,000	1,059,075	1,554,075	740,000	304,250	1,044,250	-	1,134,640	1,134,640
2027	185,000	17,633	202,633	520,000	1,033,700	1,553,700	780,000	266,250	1,046,250	340,000	1,125,367	1,465,367
2028	190,000	13,397	203,397	545,000	1,007,075	1,552,075	820,000	226,250	1,046,250	355,000	1,106,410	1,461,410
2029	195,000	9,046	204,046	575,000	979,075	1,554,075	855,000	184,375	1,039,375	380,000	1,086,363	1,466,363
2030	200,000	4,581	204,581	605,000	949,575	1,554,575	900,000	140,500	1,040,500	400,000	1,065,089	1,465,089
2031	-	-	-	635,000	918,575	1,553,575	1,155,000	89,125	1,244,125	425,000	1,042,587	1,467,587
2032	-	-	-	670,000	885,950	1,555,950	1,205,000	30,125	1,235,125	445,000	1,018,858	1,463,858
2033	-	-	-	700,000	851,700	1,551,700	-	-	-	475,000	993,765	1,468,765
2034	-	-	-	740,000	815,700	1,555,700	-	-	-	500,000	967,172	1,467,172
2035	-	-	-	770,000	781,800	1,551,800	-	-	-	530,000	939,078	1,469,078
2036	-	-	-	805,000	750,300	1,555,300	-	-	-	560,000	909,349	1,469,349
2037	-	-	-	835,000	717,500	1,552,500	-	-	-	590,000	877,982	1,467,982
2038	-	-	-	870,000	683,400	1,553,400	-	-	-	625,000	844,843	1,469,843
2039	-	-	-	905,000	647,900	1,552,900	-	-	-	665,000	809,658	1,474,658
2040	-	-	-	940,000	611,000	1,551,000	-	-	-	700,000	772,428	1,472,428
2041	-	-	-	980,000	572,600	1,552,600	-	-	-	740,000	733,152	1,473,152
2042	-	-	-	1,020,000	532,600	1,552,600	-	-	-	785,000	691,558	1,476,558
2043	-	-	-	1,060,000	491,000	1,551,000	-	-	-	830,000	647,509	1,477,509
2044	-	-	-	1,105,000	447,700	1,552,700	-	-	-	880,000	600,868	1,480,868
2045	-	-	-	1,150,000	402,600	1,552,600	-	-	-	930,000	551,501	1,481,501
2046	-	-	-	1,200,000	355,600	1,555,600	-	-	-	980,000	499,405	1,479,405
2047	-	-	-	1,245,000	306,700	1,551,700	-	-	-	1,040,000	444,310	1,484,310
2048	-	-	-	1,300,000	255,800	1,555,800	-	-	-	1,100,000	385,941	1,485,941
2049	-	-	-	1,350,000	202,800	1,552,800	-	-	-	1,165,000	324,163	1,489,163
2050	-	-	-	1,405,000	147,700	1,552,700	-	-	-	1,230,000	258,840	1,488,840
2051	-	-	-	1,465,000	90,300	1,555,300	-	-	-	1,300,000	189,834	1,489,834
2052	-	-	-	1,525,000	30,500	1,555,500	-	-	-	1,375,000	116,873	1,491,873
2053	-	-	-	-	-	-	-	-	-	1,455,000	39,685	1,494,685
Totals	\$ 1,125,000	\$ 92,175	\$ 1,217,175	\$ 25,885,000	\$ 17,611,425	\$ 43,496,425	\$ 7,155,000	\$ 1,581,125	\$ 8,736,125	\$ 20,800,000	\$ 21,311,868	\$ 42,111,868

Laguna Madre Water District
TSI - 5. Long Term Debt Requirements by Years - Bonds Payable
For the Year Ended September 30, 2024

Due During Fiscal Year Ending	Waterworks and Sewer System Revenue Refunding Bonds, Series 2015			Waterworks and Sewer System Revenue Refunding Bonds, Series 2016			Waterworks and Sewer System Revenue Bonds, Series 2019			Waterworks and Sewer System Revenue Bonds, Series 2023			Annual Requirement for All Bonds		
	Principal Due	Interest Due	Total	Principal Due	Interest Due	Total	Principal Due	Interest Due	Total	Principal Due	Interest Due	Total	Principal Due	Interest Due	Total
2025	\$ 570,000	\$ 38,808	\$ 608,808	\$ 280,000	\$ 37,912	\$ 317,912	\$ 75,000	\$ 28,714	\$ 103,714	\$ 105,000	\$ 418,676	\$ 523,676	\$ 2,375,000	\$ 3,107,963	\$ 5,482,963
2026	585,000	23,562	608,562	285,000	35,975	320,975	75,000	28,523	103,523	110,000	415,834	525,834	2,470,000	3,023,614	5,493,614
2027	600,000	7,913	607,913	285,000	33,710	318,710	80,000	28,298	108,298	120,000	412,874	532,874	2,910,000	2,925,745	5,835,745
2028	-	-	-	290,000	31,092	321,092	680,000	26,916	706,916	130,000	409,686	539,686	3,010,000	2,820,826	5,830,826
2029	-	-	-	290,000	28,207	318,207	1,020,000	23,414	1,043,414	140,000	406,209	546,209	3,455,000	2,716,689	6,171,689
2030	-	-	-	295,000	25,105	320,105	625,000	19,576	644,576	355,000	399,738	754,738	3,380,000	2,604,164	5,984,164
2031	-	-	-	300,000	21,773	321,773	625,000	16,138	641,138	365,000	390,270	755,270	3,505,000	2,478,468	5,983,468
2032	-	-	-	300,000	18,248	318,248	630,000	12,153	642,153	370,000	380,475	750,475	3,620,000	2,345,899	5,965,899
2033	-	-	-	305,000	14,541	319,541	635,000	7,629	642,629	385,000	370,320	755,320	2,500,000	2,237,955	4,737,955
2034	-	-	-	310,000	10,620	320,620	640,000	2,624	642,624	395,000	359,533	754,533	2,585,000	2,156,649	4,741,649
2035	-	-	-	315,000	6,495	321,495	-	-	-	405,000	347,950	752,950	2,020,000	2,075,323	4,095,323
2036	-	-	-	320,000	2,192	322,192	-	-	-	415,000	335,627	750,627	2,100,000	1,997,468	4,097,468
2037	-	-	-	-	-	-	-	-	-	430,000	322,505	752,505	1,855,000	1,917,987	3,772,987
2038	-	-	-	-	-	-	-	-	-	445,000	308,546	753,546	1,940,000	1,836,789	3,776,789
2039	-	-	-	-	-	-	-	-	-	460,000	293,861	753,861	2,030,000	1,751,419	3,781,419
2040	-	-	-	-	-	-	-	-	-	475,000	278,549	753,549	2,115,000	1,661,977	3,776,977
2041	-	-	-	-	-	-	-	-	-	490,000	262,602	752,602	2,210,000	1,568,354	3,778,354
2042	-	-	-	-	-	-	-	-	-	505,000	245,984	750,984	2,310,000	1,470,142	3,780,142
2043	-	-	-	-	-	-	-	-	-	525,000	228,627	753,627	2,415,000	1,367,136	3,782,136
2044	-	-	-	-	-	-	-	-	-	540,000	210,548	750,548	2,525,000	1,259,116	3,784,116
2045	-	-	-	-	-	-	-	-	-	560,000	191,765	751,765	2,640,000	1,145,866	3,785,866
2046	-	-	-	-	-	-	-	-	-	580,000	172,213	752,213	2,760,000	1,027,218	3,787,218
2047	-	-	-	-	-	-	-	-	-	600,000	151,857	751,857	2,885,000	902,867	3,787,867
2048	-	-	-	-	-	-	-	-	-	620,000	130,720	750,720	3,020,000	772,461	3,792,461
2049	-	-	-	-	-	-	-	-	-	645,000	108,772	753,772	3,160,000	635,735	3,795,735
2050	-	-	-	-	-	-	-	-	-	665,000	86,043	751,043	3,300,000	492,583	3,792,583
2051	-	-	-	-	-	-	-	-	-	690,000	62,534	752,534	3,455,000	342,668	3,797,668
2052	-	-	-	-	-	-	-	-	-	715,000	38,157	753,157	3,615,000	185,530	3,800,530
2053	-	-	-	-	-	-	-	-	-	740,000	12,876	752,876	2,195,000	52,561	2,247,561
Totals	\$ 1,755,000	\$ 70,283	\$ 1,825,283	\$ 3,575,000	\$ 265,870	\$ 3,840,870	\$ 5,085,000	\$ 193,985	\$ 5,278,985	\$ 12,980,000	\$ 7,753,346	\$ 20,733,346	\$ 78,360,000	\$ 48,880,077	\$ 127,240,077

Laguna Madre Water District
 TSI - 5. Long Term Debt Requirements by Years - Note Payable
 For the Year Ended September 30, 2024

Waterworks and Sewer System Revenue Notes, Series 2018

Due During Fiscal Year					
Ending	Principal Due		Interest Due		Total
2025	\$	305,000	\$	36,644	\$ 341,644
2026		315,000		26,569	341,569
2027		325,000		16,169	341,169
2028		335,000		5,443	340,443
Totals	\$	1,280,000	\$	84,825	\$ 1,364,825

Laguna Madre Water District
 TSI - 5. Long Term Debt Requirements by Years - Lease Payable
 For the Year Ended September 30, 2024

Xerox Financial					
Due During Fiscal Year Ending	Principal Due	Interest Due	Total		
2025	\$ 1,934	\$ 18	\$	1,952	
Totals	\$ 1,934	\$ 18	\$	1,952	

Laguna Madre Water District
 TSI - 5. Long Term Debt Requirements by Years - All Requirements
 For the Year Ended September 30, 2024

Annual Requirements for All Series

Due During Fiscal Year Ending	Bond Principal Due	Bond Interest Due	Note Principal Due	Note Interest Due	Lease Principle Due	Lease Interest Due	Total Principal Due	Total Interest Due	Total
2025	\$ 2,375,000	\$ 3,107,963	\$ 305,000	\$ 36,644	\$ 1,934	\$ 18	\$ 2,681,934	\$ 3,144,625	\$ 5,826,559
2026	2,470,000	3,023,614	315,000	26,569	-	-	2,785,000	3,050,183	5,835,183
2027	2,910,000	2,925,745	325,000	16,169	-	-	3,235,000	2,941,914	6,176,914
2028	3,010,000	2,820,826	335,000	5,443	-	-	3,345,000	2,826,269	6,171,269
2029	3,455,000	2,716,689	-	-	-	-	3,455,000	2,716,689	6,171,689
2030	3,380,000	2,604,164	-	-	-	-	3,380,000	2,604,164	5,984,164
2031	3,505,000	2,478,468	-	-	-	-	3,505,000	2,478,468	5,983,468
2032	3,620,000	2,345,809	-	-	-	-	3,620,000	2,345,809	5,965,809
2033	2,500,000	2,237,955	-	-	-	-	2,500,000	2,237,955	4,737,955
2034	2,585,000	2,155,649	-	-	-	-	2,585,000	2,155,649	4,740,649
2035	2,020,000	2,075,323	-	-	-	-	2,020,000	2,075,323	4,095,323
2036	2,100,000	1,997,468	-	-	-	-	2,100,000	1,997,468	4,097,468
2037	1,855,000	1,917,987	-	-	-	-	1,855,000	1,917,987	3,772,987
2038	1,940,000	1,836,789	-	-	-	-	1,940,000	1,836,789	3,776,789
2039	2,030,000	1,751,419	-	-	-	-	2,030,000	1,751,419	3,781,419
2040	2,115,000	1,661,977	-	-	-	-	2,115,000	1,661,977	3,776,977
2041	2,210,000	1,568,354	-	-	-	-	2,210,000	1,568,354	3,778,354
2042	2,310,000	1,470,142	-	-	-	-	2,310,000	1,470,142	3,780,142
2043	2,415,000	1,367,136	-	-	-	-	2,415,000	1,367,136	3,782,136
2044	2,525,000	1,259,116	-	-	-	-	2,525,000	1,259,116	3,784,116
2045	2,640,000	1,145,866	-	-	-	-	2,640,000	1,145,866	3,785,866
2046	2,760,000	1,027,218	-	-	-	-	2,760,000	1,027,218	3,787,218
2047	2,885,000	902,867	-	-	-	-	2,885,000	902,867	3,787,867
2048	3,020,000	772,461	-	-	-	-	3,020,000	772,461	3,792,461
2049	3,160,000	635,735	-	-	-	-	3,160,000	635,735	3,795,735
2050	3,300,000	492,583	-	-	-	-	3,300,000	492,583	3,792,583
2051	3,455,000	342,668	-	-	-	-	3,455,000	342,668	3,797,668
2052	3,615,000	185,530	-	-	-	-	3,615,000	185,530	3,800,530
2053	2,195,000	52,561	-	-	-	-	2,195,000	52,561	2,247,561
Totals	\$ 78,360,000	\$ 48,880,077	\$ 1,280,000	\$ 84,825	\$ 1,934	\$ 18	\$ 79,641,934	\$ 48,964,920	\$ 128,606,854

Laguna Madre Water District
 TSI - 6. Changes in Long-Term Debt
 For the year ended September 30, 2024

	Bond Issues									
	Series 2015 Revenue	Series 2016 Tax	Series 2016 Revenue	Series 2018 Revenue	Series 2019 Revenue	Series 2022 Tax	Series 2022A Tax	Series 2023 Tax	Series 2023 Revenue	Series Total
Interest Rates	2.64%	2.29%	.01-1.37%	3.25%	.01-.82%	4-5%	5%	5%	.001-1.14%	
Dates Interest Payable	3/1, 9/1	6/1, 12/1	3/1, 9/1	3/1, 9/1	3/1, 9/1	3/1, 9/1	3/1, 9/1	3/1, 9/1	3/1, 9/1	
Maturity Dates	3/1/2027	6/1/2030	3/1/2036	3/1/2028	3/1/2034	3/1/2052	3/1/2032	3/1/2053	3/1/2053	
Bonds Outstanding at Beginning of Current Year	\$ 2,310,000	\$ 1,300,000	\$ 3,855,000	\$ 1,575,000	\$ 5,155,000	\$ 26,335,000	\$ 7,820,000	\$ 20,800,000	\$ -	\$ 69,150,000
Bonds Sold During Current Year	-	-	-	-	-	-	-	-	12,980,000	12,980,000
Bonds Refunded	-	-	-	-	-	-	-	-	-	-
Bonds Retired	555,000	175,000	280,000	295,000	70,000	450,000	665,000	-	-	2,490,000
Bonds Outstanding at end of Current Year	\$ 1,755,000	\$ 1,125,000	\$ 3,575,000	\$ 1,280,000	\$ 5,085,000	\$ 25,885,000	\$ 7,155,000	\$ 20,800,000	\$ 12,980,000	\$ 79,640,000
Interest Paid During the Fiscal Year	\$ 53,658	\$ 29,770	\$ 39,550	\$ 46,394	\$ 28,878	\$ 1,106,200	\$ 374,375	\$ 1,134,640	\$ 340,738	\$ 3,154,203

Paying Agent Name & City		
Series 2015: Regions Capital Advantage, Inc., Birmingham, Alabama	Debt Service Fund Cash and Temporary Investment Balances as of September 30, 2024:	\$ 4,186,170
Series 2016 Tax: BOKF, NA Dallas, Texas	Average Annual Debt Service payment for remaining term of all debt:	
Series 2016 Revenue: Bank of New York Mellon, Corporate Trust, New York, New York		Principal \$ 2,746,274
Series 2018 Revenue: Zions Bancorporation, NA Houston Texas		Interest 1,883,266
Series 2019 Revenue: Bank of New York Mellon, Corporate Trust, New York, New York		Total \$ 4,629,540
Series 2022 Tax: Bank of New York Mellon, Corporate Trust, New York, New York		
Series 2022A Tax: Bank of New York Mellon, Corporate Trust, New York, New York		
Series 2023 Tax: Bank of New York Mellon, Corporate Trust, New York, New York		
Series 2023 Revenue: Bank of New York Mellon, Corporate Trust, New York, New York		

Laguna Madre Water District
 TSI - 7. Comparative Schedule of Revenues and Expenditures
 General Fund and Debt Service Fund
 For the Year Ended September 30, 2024

For the year ended September 30,	2024	%	2023	%	2022	%	2021	%	2020	%
General Fund:										
Revenue:										
Water Service	\$ 6,842,243	44.0%	\$ 6,077,769	46.4%	\$ 5,802,367	47.5%	\$ 5,703,408	47.4%	\$ 5,511,444	49.2%
Wastewater Service	6,771,300	43.6%	6,081,173	46.4%	5,718,248	46.8%	5,483,671	45.6%	5,019,441	44.8%
Other Water Sales	105,857	0.7%	95,350	0.7%	68,278	0.6%	116,136	1.0%	161,896	1.4%
Late Fees	102,263	0.7%	81,919	0.6%	79,653	0.7%	49,804	0.4%	24,887	0.2%
Tap Connection Fees	283,184	1.8%	328,017	2.5%	309,889	2.5%	342,725	2.8%	224,969	2.0%
Interest on Investments	291,615	1.9%	179,658	1.4%	22,381	0.2%	39,182	0.3%	105,440	0.9%
Miscellaneous	1,146,931	7.4%	252,831	1.9%	227,273	1.9%	293,523	2.4%	158,362	1.4%
Total Revenues	15,543,394	100.0%	13,096,717	100.0%	12,228,089	100.0%	12,028,449	100.0%	11,206,439	100.0%
Expenditures:										
Professional Fees	184,353	1.2%	181,408	1.4%	262,519	2.1%	154,703	1.3%	309,808	2.8%
Payroll and Benefits	6,482,051	41.7%	5,980,178	45.7%	5,655,671	46.3%	5,185,789	55.1%	4,753,518	42.4%
Utilities	787,115	5.1%	842,050	6.4%	818,721	6.7%	692,632	7.4%	670,332	6.0%
Materials and Supplies	1,761,864	11.3%	1,783,127	13.6%	1,316,393	10.8%	1,252,773	13.3%	1,080,391	9.6%
Repairs and Maintenance	257,225	1.7%	345,055	2.6%	798,498	6.5%	602,646	6.4%	315,278	2.8%
Other Expenditures	1,148,208	7.4%	1,086,159	8.3%	958,474	7.8%	928,551	9.9%	948,701	8.5%
Capital Outlay	505,422	3.3%	839,930	6.4%	956,025	7.8%	580,869	6.2%	585,444	5.2%
Financing Agreement Principal	-	0.0%	13,754	0.1%	13,345	0.1%	12,565	0.1%	12,565	0.1%
Interest and Fiscal Charges	-	0.0%	421	0.0%	829	0.0%	1,609	0.0%	1,609	0.0%
Total Expenditures	11,126,238	71.6%	11,072,082	84.5%	10,780,475	88.2%	9,412,137	99.6%	8,677,646	77.4%
Excess Revenues Over (Under)	\$ 4,417,156	28.4%	\$ 2,024,635	15.5%	\$ 1,447,614	11.8%	\$ 2,616,312	0.4%	\$ 2,528,793	22.6%
Debt Service Fund:										
Revenues:										
Property Taxes	\$ 4,215,922	92.6%	\$ 2,828,703	94.2%	\$ 1,349,965	97.5%	\$ 1,412,588	96.8%	\$ 1,347,408	94.6%
Penalty and Interest	47,788	1.0%	30,049	1.0%	17,731	1.3%	25,002	1.7%	29,268	2.1%
Interest on Investments	291,380	6.4%	145,079	4.8%	16,362	1.2%	21,585	1.5%	48,013	3.4%
Miscellaneous	-	0.0%	-	0.0%	-	0.0%	27	0.0%	-	0.0%
Total Revenues	4,555,091	100.0%	3,003,831	100.0%	1,384,058	100.0%	1,459,202	100.0%	1,424,689	100.0%
Expenditures:										
Tax Collection Expense	208,006	4.6%	72,945	2.4%	35,282	2.5%	35,289	2.4%	35,212	2.5%
Appraisal Charge	-	0.0%	37,405	1.2%	17,148	1.2%	17,193	1.2%	16,922	1.2%
Debt Service, Interest and Fees	5,644,019	123.9%	4,561,670	151.9%	2,675,639	193.3%	2,709,306	185.7%	2,716,603	190.7%
Bond Issue Costs	4,978	0.1%	479,700	16.0%	210,202	15.2%	-	0.0%	-	0.0%
Other	-	0.0%	12,249	0.4%	12,249	0.9%	-	0.0%	-	0.0%
Total Expenditures	5,857,004	128.6%	5,163,969	171.9%	2,950,520	213.2%	2,761,788	189.3%	2,768,737	194.3%
Excess Revenues Over (Under)	(1,301,913)	-28.6%	(2,160,138)	-71.9%	(1,566,462)	-113.2%	(1,302,586)	-89.3%	(1,344,048)	-94.3%
Total Active Retail Water										
Connections	7,373		7,258		7,086		6,878		6,712	
Total Active Retail Waste Water										
Connections	6,195		6,108		5,964		5,801		5,726	

Laguna Madre Water District
TSI - 8. Board Members, Key Personnel and Consultants
For the Year Ended September 30, 2024

Complete District Mailing Address: 105 Port Road
Port Isabel, TX 78578
District Business Telephone: (956) 943-2626

Submission Date of the most recent District Registration Form (TWC Sections 36.054 and 49.054): January 31, 2022

Limit on Fees of Office that a Director may receive during a fiscal year
(Set by Board Resolution - TWC 49.0060): \$ - 0 - .

Name and Address	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid 9/30/2024	Expense Reimbursement 9/30/2024	Title at Year End
BOARD MEMBERS				
Scott D. Friedman PO Box 3897 South Padre Island, TX 78597	11/24 - 11/28	\$ -	\$ -	Chairman
Adam Lalonde 26 Whooping Crane Dr Laguna Vista, TX 78578	11/22 - 11/26	\$ -	\$ -	Vice-Chairman
Jason Starkey 4 Laguna Madre Dr. Laguna Vista, TX 78578	11/22 - 11/26	\$ -	\$ -	Secretary
William Donahue PO Box 3669 South Padre Island, TX 78597	11/24 - 11/28	\$ -	\$ -	Director
David Boughter PO Box 3026 South Padre Island, TX 78597	11/24-11/28	\$ -	\$ -	Director

Laguna Madre Water District
 TSI - 8. Board Members, Key Personnel and Consultants
 For the year ended September 30, 2024

Name and Address	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid 9/30/2024	Expense Reimbursement 9/30/2024	Title at Year End
KEY ADMINISTRATIVE PERSONNEL				
Carlos J. Galvan, Jr. 1636 Oklahoma Street Port Isabel, TX 78578	2001	\$ -	\$ 4,258	General Manager
Charles Ortiz 5587 Garden Breeze Ct. Brownsville, TX 78526	2013	\$ -	\$ 3,625	District Engineer
Eduardo Salazar 33097 Washington Ave. Port Isabel, TX 78578	2018	\$ -	\$ 167	Director of Finance
Robert Gomez 1425 Catherine Cir. Brownsville, TX 78520	2017	\$ -	\$ 4,733	Director of Operations
CONSULTANTS				
Fryer & Hansen 1352 West Pecan Blvd. McAllen, TX 78501	2019	\$ 57,080	\$ -	Attorney
BLX Group LLC 2711 North Haskell Ave, Ste 2600 Dallas, TX 75204	2019	\$ 7,000	\$ -	Arbitrage Consultant
Valley Risk Consulting, Inc. 1200 Fresno, Ste C McAllen, TX 78501	2020	\$ 5,000	\$ -	Insurance Consultant
Estrada Hinojosa & Co., Inc. 1717 Main Street Dallas, TX 75201	1999	\$ 10,000	\$ -	Financial Advisor
Valley View Consulting 2428 Carters Mill Road Hudleston, VA 24104	2017	\$ 33,757	\$ -	Investment Advisor

STATISTICAL SECTION

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Pages
Financial Trends	75-78
<i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	
Revenue Capacity	79-85
<i>These schedules contain information to help the reader assess the District's most significant local revenue source.</i>	
Debt Capacity	86-90
<i>These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	91-92
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</i>	
Operating Information	93-95
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the government provides and the activities it performs.</i>	

LAGUNA MADRE WATER DISTRICT

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

For the Year ended September 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net Position:										
Net investment in capital assets	\$ 60,561,425	\$ 59,755,053	\$ 58,062,795	\$ 55,971,387	\$ 56,270,841	\$ 55,075,512	\$ 55,806,128	\$ 56,218,039	\$ 56,700,141	\$ 57,274,656
Restricted	4,234,726	3,015,061	2,882,134	2,942,194	2,484,301	3,598,587	3,200,219	3,084,681	2,896,569	2,225,351
Unrestricted	10,148,318	8,050,119	8,993,598	11,336,450	10,523,890	9,804,225	9,492,416	8,791,545	7,775,770	7,146,538
Total Net Position	<u>\$ 74,944,469</u>	<u>\$ 70,820,233</u>	<u>\$ 69,938,527</u>	<u>\$ 70,250,031</u>	<u>\$ 69,279,032</u>	<u>\$ 68,478,324</u>	<u>\$ 68,498,763</u>	<u>\$ 68,094,265</u>	<u>\$ 67,372,480</u>	<u>\$ 66,646,545</u>

LAGUNA MADRE WATER DISTRICT

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
For the Year ended September 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Water services	\$ 6,842,243	\$ 6,077,769	\$ 5,802,367	\$ 5,703,408	\$ 5,511,444	\$ 5,524,968	\$ 5,321,051	\$ 5,481,245	\$ 5,060,601	\$ 4,596,999
Wastewater services	6,771,300	6,081,173	5,718,248	5,483,671	5,019,441	4,359,557	3,650,725	3,713,416	3,496,971	3,063,040
Other water sales	105,857	95,350	68,278	116,136	161,896	160,970	119,597	134,503	124,459	-
Late fees	102,263	81,919	79,653	49,804	24,887	76,454	62,631	58,683	76,976	63,063
Tap fees	283,184	328,017	309,889	342,725	224,969	185,998	237,154	162,892	134,898	167,919
Annexation fees	444,109	7,000	-	-	-	-	-	-	-	-
Property taxes	4,277,754	2,840,384	1,347,054	1,366,090	1,340,118	1,347,756	1,450,485	1,455,660	1,445,866	1,215,960
Penalties and interest	47,788	30,049	17,731	25,002	29,268	28,176	25,284	30,409	35,959	51,639
Intergovernmental	490,000	28,989	-	-	-	-	-	-	-	-
Investment earnings	3,154,288	1,769,548	219,094	75,084	234,039	307,300	213,196	132,361	51,789	18,778
Net Pension income	268,013	135,244	-	-	-	-	-	-	-	-
Other	166,089	299,731	235,003	293,550	158,362	274,146	104,843	154,452	363,972	237,347
Total revenues	22,952,889	17,775,173	14,382,631	13,455,470	12,704,424	12,265,325	11,184,966	11,323,621	10,791,491	9,414,745
Expenditures:										
Service operations:										
Administration	632,424	412,345	392,591	350,968	422,305	300,634	282,962	215,018	-	-
Contracted services	106,743	364,498	305,572	313,095	272,440	258,395	240,125	285,614	-	-
Insurance	410,976	340,626	243,004	240,746	236,942	224,854	200,962	161,757	-	-
Professional fees	184,353	181,408	262,519	154,703	309,808	380,732	206,570	337,497	388,806	346,321
Payroll and benefits	6,490,662	5,994,423	5,663,495	4,655,862	4,313,407	4,042,832	3,505,859	3,303,534	3,350,031	3,078,640
Net pension expense	-	-	-	309,543	432,880	510,526	394,957	585,269	413,754	278,380
Utilities	787,115	842,050	818,721	692,632	670,332	779,470	690,553	738,882	815,276	804,031
Materials and supplies	1,761,864	1,783,127	1,316,393	1,252,773	1,080,391	1,182,774	936,154	955,147	1,162,026	986,917
Repairs and maintenance	257,225	345,055	482,473	416,713	315,278	376,224	292,266	275,616	341,278	280,086
Other	1,354,620	171,223	226,325	75,839	69,149	68,338	75,808	95,396	196,849	385,014
Capital outlay	-	-	-	-	31,217	15,942	363,570	17,293	8,340	88,644
Debt service:										
Interest and fiscal charges	2,890,173	2,504,546	639,336	673,757	721,054	729,493	684,673	717,242	683,693	669,070
Bond issuance costs	506,988	704,180	865,462	-	-	339,479	-	228,145	68,668	140,385
Contracted services	208,006	-	-	-	-	-	54,014	54,432	58,239	62,178
Depreciation	3,237,505	3,308,924	3,196,162	3,247,091	3,028,514	2,872,819	2,705,723	2,630,994	2,578,596	2,305,309
Total expenditures	18,828,654	16,952,405	14,412,053	12,383,722	11,903,717	12,082,512	10,634,196	10,601,836	10,065,556	9,424,975
Operating Income (Loss)	4,124,236	822,768	(29,422)	1,071,748	800,707	182,813	550,770	721,785	725,935	(10,230)
Other financing sources/(uses):										
Gain (loss) on sale of assets	-	58,553	(4,206,086)	-	-	-	(146,274)	-	-	4,500
Total other financing sources/(uses)	-	58,553	(4,206,086)	-	-	-	(146,274)	-	-	4,500
Change in net position	4,124,236	881,321	(4,235,508)	1,071,748	800,707	182,813	404,496	721,785	725,935	(5,730)
Fund balance / net position:										
Beginning of the year	70,820,233	69,938,912	70,250,031	69,279,031	68,478,324	68,498,763	68,094,267	67,372,480	66,646,545	67,597,592
Prior period adjustment	-	-	3,924,389	(100,748)	-	(203,252)	-	-	-	(945,317)
End of the year	\$ 74,944,469	\$ 70,820,233	\$ 69,938,912	\$ 70,250,031	\$ 69,279,031	\$ 68,478,324	\$ 68,498,763	\$ 68,094,265	\$ 67,372,480	\$ 66,646,545

LAGUNA MADRE WATER DISTRICT

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(accrual basis of accounting)

For the Year ended September 30,

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:										
Unassigned	\$ 5,710,455	\$ 5,395,586	\$ 5,551,101	\$ 7,459,902	\$ 7,549,114	\$ 6,622,817	\$ 5,599,329	\$ 5,000,420	\$ 4,346,708	\$ 3,469,216
Nonspendable	1,112,532	901,432	811,442	639,886	594,364	769,226	593,554	577,957	481,524	1,017,867
Restricted	-	-	-	-	-	9,199,436	4,138,220	9,699,404	8,595,985	8,443,099
Committed	-	93,425	345,778	262,651	175,651	2,236,664	2,138,543	2,341,101	3,098,310	3,291,352
Assigned	-	-	-	-	-	866,104	906,027	1,335,432	1,447,051	350,861
Total Fund Balance	<u>6,822,987</u>	<u>6,390,443</u>	<u>6,708,321</u>	<u>8,362,439</u>	<u>8,319,129</u>	<u>19,694,247</u>	<u>13,375,673</u>	<u>18,954,314</u>	<u>17,969,578</u>	<u>16,572,395</u>
Other Fund Balance:										
Nonspendable	-	-	-	118,104	240,806	-	-	-	-	-
Restricted	49,632,654	42,313,262	28,404,541	6,481,466	8,716,551	3,684,342	9,270,048	8,240,928	8,443,099	11,001,517
Committed	2,354,491	2,228,452	2,138,342	2,160,797	2,116,270	2,066,588	2,031,469	2,013,787	2,007,108	2,004,903
Assigned	-	-	1,030,488	1,991,415	866,104	580,538	1,335,432	1,447,051	350,861	-
Total Fund Balance	<u>51,987,144</u>	<u>44,541,714</u>	<u>31,573,371</u>	<u>10,751,782</u>	<u>11,939,731</u>	<u>6,331,468</u>	<u>12,636,949</u>	<u>11,701,766</u>	<u>10,801,068</u>	<u>13,006,420</u>
Total Fund Balances	<u>\$ 58,810,131</u>	<u>\$ 50,932,157</u>	<u>\$ 38,281,692</u>	<u>\$ 19,114,221</u>	<u>\$ 20,258,860</u>	<u>\$ 26,025,715</u>	<u>\$ 26,012,622</u>	<u>\$ 30,656,080</u>	<u>\$ 28,770,646</u>	<u>\$ 29,578,815</u>

LAGUNA MADRE WATER DISTRICT

Changes in Fund Balance

Last Ten Fiscal Years

(accrual basis of accounting)

For the Year ended September 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Water services	\$ 6,842,243	\$ 6,077,769	\$ 5,802,367	\$ 5,703,408	\$ 5,511,444	\$ 5,524,968	\$ 5,321,051	\$ 5,481,245	\$ 5,060,601	\$ 4,596,999
Wastewater services	6,771,300	6,081,173	5,718,248	5,483,671	5,019,441	4,359,557	3,650,725	3,713,416	3,496,971	3,063,040
Other water sales	105,857	95,350	68,278	116,136	161,896	160,970	119,597	134,503	124,459	-
Late fees	102,263	81,919	79,653	49,804	24,887	76,454	62,631	58,683	76,976	63,063
Tap fees	283,184	328,017	309,889	342,725	224,969	185,998	237,154	162,892	134,898	167,919
Annexation fees	444,109	7,000	-	-	-	-	-	-	-	-
Property taxes	4,215,922	2,828,704	1,349,965	1,412,588	1,347,408	1,352,436	1,454,793	1,473,558	1,480,550	1,348,644
Penalties and interest	47,788	30,049	17,731	25,002	29,268	28,176	25,284	30,409	35,959	51,639
Intergovernmental	490,000	28,989	-	-	-	-	-	-	-	-
Investment earnings	3,154,288	1,769,548	219,094	75,084	234,039	307,300	213,196	132,361	51,789	18,778
Other	166,089	299,731	235,003	293,550	158,362	274,146	104,843	154,452	363,972	237,347
Total revenues	22,623,045	17,628,249	13,800,228	13,501,968	12,711,714	12,270,005	11,189,274	11,341,519	10,826,175	9,547,429
Expenditures:										
Service operations:										
Administration	630,489	412,345	392,591	350,968	422,304	300,634	282,962	215,018	-	-
Contracted services	314,749	364,498	305,572	313,095	272,440	258,395	294,139	340,046	58,239	62,178
Insurance	410,976	340,626	243,004	240,746	236,942	224,854	200,962	161,757	-	-
Professional fees	184,353	181,408	262,519	154,703	309,808	380,732	206,570	337,497	388,806	346,321
Payroll and benefits	6,482,051	5,980,177	5,655,671	5,185,789	4,753,518	4,448,060	3,908,057	3,657,751	3,687,855	3,668,463
Utilities	787,115	842,050	818,721	692,632	670,332	779,470	690,553	738,882	815,276	804,031
Materials and supplies	1,761,864	1,783,127	1,316,393	1,252,773	1,080,391	1,182,774	936,154	955,147	1,162,026	986,917
Repairs and maintenance	257,225	345,055	482,473	602,646	315,278	376,224	292,266	275,616	341,278	280,086
Other	1,354,620	170,838	226,710	75,839	69,149	68,338	75,808	59,745	196,849	381,609
Capital outlay	9,390,623	10,136,188	9,861,716	1,745,131	2,551,031	3,100,951	7,588,006	6,908,421	3,438,162	2,432,339
Debt service:										
Principal	2,490,000	1,855,000	2,085,000	2,030,000	1,990,000	1,850,000	1,590,000	1,565,000	1,280,000	1,660,000
Lease principal	-	13,754	13,345	12,950	12,565	12,192	11,831	11,480	13,329	-
Interest and fiscal charges	3,154,019	2,707,091	591,468	680,915	728,212	726,076	690,609	717,242	659,949	727,230
Bond issuance costs	506,988	704,180	865,462	-	-	339,479	-	228,145	68,668	140,385
Advance refunding escrow	-	-	-	-	-	-	-	-	-	117,701
Total expenses	27,725,071	25,836,337	23,120,645	13,338,187	13,411,970	14,048,179	16,767,917	16,171,747	12,110,437	11,607,260
Operating Income (Loss)	(5,102,026)	(8,208,088)	(9,320,417)	163,781	(700,256)	(1,778,174)	(5,578,643)	(4,830,228)	(1,284,262)	(2,059,831)
Other financing sources/(uses):										
Refunding bonds issues	-	-	8,330,000	-	-	-	-	-	-	6,345,000
Payment to refunded bond escrow	-	-	(9,339,722)	-	-	-	-	-	-	(6,211,115)
Gain (loss) on sale of assets	-	58,553	-	-	-	-	-	-	-	4,500
Issuance of debt	12,980,000	20,800,000	26,335,000	-	-	8,300,000	-	5,815,000	2,580,000	-
Premium on bonds issued	-	-	3,162,610	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-	101,445	-
Transfers in	4,687,082	3,308,116	12,057,894	3,117,205	1,964,180	1,559,344	1,871,276	2,794,664	1,840,889	1,083,565
Transfers out	(4,687,082)	(3,308,116)	(12,057,894)	(3,117,205)	(1,964,180)	(1,559,344)	(1,871,276)	(2,794,664)	(1,840,889)	(1,083,565)
Net other financing sources/(uses)	12,980,000	20,858,553	28,487,888	-	-	8,300,000	-	5,815,000	2,681,445	138,385
Change in net position	\$ 7,877,974	\$ 12,650,465	\$ 19,167,471	\$ 163,781	\$ (700,256)	\$ 6,521,826	\$ (5,578,643)	\$ 984,772	\$ 1,397,183	\$ (1,921,446)
 Debt Service as a Percentage of Non-Capital Expenditures	30.78%	29.15%	20.29%	23.50%	25.14%	23.64%	24.97%	24.76%	22.52%	26.02%

LAGUNA MADRE WATER DISTRICT
AVERAGE MONTHLY REVENUE / CUSTOMER
Last Ten Fiscal Years

Fiscal Year	Water	Wastewater
2015	61.44	47.76
2016	65.06	53.84
2017	63.11	47.28
2018	68.79	54.75
2019	70.05	64.31
2020	68.43	73.05
2021	69.11	83.95
2022	68.24	79.90
2023	69.79	82.97
2024	77.33	91.09

LAGUNA MADRE WATER DISTRICT
WATER, WASTEWATER, & RAW WATER RATES
 Last Ten Fiscal Years

	9/30/2015		9/30/2016		9/30/2017		9/30/2018		9/30/2019	
	<u>Water</u>	<u>Sewer*</u>	<u>Water</u>	<u>Sewer*</u>	<u>Water</u>	<u>Sewer*</u>	<u>Water</u>	<u>Sewer*</u>	<u>Water</u>	<u>Sewer*</u>
<u>5/8" Meters</u>										
Base Charge up to 4,000 gallons	\$ 11.90	\$ 12.35	\$ 12.26	\$ 13.46	\$ 12.26	\$ 13.46	\$ 12.26	\$ 13.46	\$ 13.12	\$ 16.15
4,001 to 10,000 gallons**	2.40	2.50	2.47	2.73	2.47	2.73	2.47	2.73	2.64	3.28
10,001 to 20,000 gallons**	3.78	3.88	3.89	4.23	3.89	4.23	3.89	4.23	4.16	5.08
20,001+ gallons**	5.39	5.50	5.55	6.00	5.55	6.00	5.55	6.00	5.94	7.20
<u>1" Meters</u>										
Base Charge up to 6,000 gallons	\$ 16.48	\$ 15.59	\$ 23.07	\$ 21.83	\$ 23.07	\$ 21.83	\$ 23.07	\$ 21.83	\$ 24.68	\$ 26.20
6,001 to 20,000 gallons**	2.52	2.73	2.52	2.73	2.52	2.73	2.52	2.73	2.70	3.28
20,001 to 40,000 gallons**	3.78	4.10	3.78	4.10	3.78	4.10	3.78	4.10	4.04	4.92
40,001+ gallons**	5.32	6.12	5.32	6.12	5.32	6.12	5.32	6.12	5.69	7.34
<u>2" Meters</u>										
Base Charge up to 26,000 gallons	\$ 79.33	\$ 106.04	\$ 111.06	\$ 148.46	\$ 111.06	\$ 148.46	\$ 111.06	\$ 148.46	\$ 118.83	\$ 178.15
26,001 to 100,000 gallons**	2.63	2.97	2.63	2.97	2.63	2.97	2.63	2.97	2.81	3.56
100,001 to 200,000 gallons**	3.95	4.46	3.95	4.46	3.95	4.46	3.95	4.46	4.23	5.35
200,001+ gallons**	5.90	6.18	5.90	6.18	5.90	6.18	5.90	6.18	6.31	7.42
<u>4" Meters</u>										
Base Charge up to 101,000	\$ 299.03	\$ 243.26	\$ 418.64	\$ 340.56	\$ 418.64	\$ 340.56	\$ 418.64	\$ 340.56	\$ 447.94	\$ 408.67
101,001 to 500,000 gallons**	2.76	3.09	2.76	3.09	2.76	3.09	2.76	3.09	2.95	3.71
500,001 to 1,000,000 gallons**	4.14	4.63	4.14	4.63	4.14	4.63	4.14	4.63	4.43	5.56
100,000,001+ gallons**	5.69	6.30	5.69	6.30	5.69	6.30	5.69	6.30	6.09	7.56
<u>6" Meters</u>										
Base Charge up to 101,000	\$ 560.00	\$ 400.00	\$ 784.00	\$ 560.00	\$ 784.00	\$ 560.00	\$ 784.00	\$ 560.00	\$ 838.88	\$ 672.00
101,001 to 500,000 gallons**	2.60	2.70	2.60	2.70	2.60	2.70	2.60	2.70	2.78	3.24
500,001 to 1,000,000 gallons**	3.90	4.05	3.90	4.05	3.90	4.05	3.90	4.05	4.17	4.86
100,000,001+ gallons**	5.25	5.40	5.25	5.40	5.25	5.40	5.25	5.40	5.62	6.48
<u>8" & 10" Meters</u>										
Base Charge up to 50,000			\$ 840.00	\$ 896.00	\$ 840.00	\$ 896.00	\$ 840.00	\$ 896.00	\$ 898.80	\$ 1,075.20
50,001 to 500,000 gallons**			2.84	2.93	2.84	2.93	2.84	2.93	3.04	3.52
500,001 to 1,000,000 gallons**			4.20	4.42	4.20	4.42	4.20	4.42	4.49	5.30
100,000,001+ gallons**			5.69	5.89	5.69	5.89	5.69	5.89	6.09	7.07

* 75% of water consumption

** Charge per 1,000 gallons

LAGUNA MADRE WATER DISTRICT
WATER, WASTEWATER, & RAW WATER RATES
 Last Ten Fiscal Years

	9/30/2020		9/30/2021		9/30/2022		9/30/2023		9/30/2024	
	<u>Water</u>	<u>Sewer*</u>	<u>Water</u>	<u>Sewer*</u>	<u>Water</u>	<u>Sewer*</u>	<u>Water</u>	<u>Sewer*</u>	<u>Water</u>	<u>Sewer*</u>
<u>5/8" Meters</u>										
Base Charge up to 4,000 gallons	\$ 13.38	\$ 19.06	\$ 13.65	\$ 20.58	\$ 13.65	\$ 21.61	\$ 14.74	\$ 23.34	\$ 15.76	\$ 24.96
4,001 to 10,000 gallons**	2.70	3.87	2.75	4.17	2.75	4.38	2.97	4.73	3.18	5.06
10,001 to 20,000 gallons**	4.25	5.99	4.33	6.47	4.33	6.79	4.68	7.33	5.01	7.84
20,001+ gallons**	6.06	8.50	6.18	9.18	6.18	9.63	6.67	10.40	7.13	11.12
<u>1" Meters</u>										
Base Charge up to 4,000 gallons	\$ 25.18	\$ 30.91	\$ 25.68	\$ 33.38	\$ 25.68	\$ 35.05	\$ 27.73	\$ 37.85	\$ 29.66	\$ 40.48
4,001 to 20,000 gallons**	2.75	3.87	2.81	4.17	2.81	4.38	3.03	4.73	3.24	5.06
20,001 to 40,000 gallons**	4.13	5.81	4.21	6.27	4.21	6.58	4.55	7.11	4.87	7.60
40,001+ gallons**	5.81	8.67	5.92	9.36	5.92	9.83	6.39	10.62	6.83	11.36
<u>2" Meters</u>										
Base Charge up to 15,000 gallons	\$ 121.21	\$ 210.22	\$ 123.64	\$ 227.04	\$ 123.64	\$ 238.39	\$ 133.53	\$ 257.46	\$ 142.81	\$ 275.35
15,001 to 100,000 gallons**	2.87	4.21	2.93	4.54	2.93	4.77	3.16	5.15	3.38	5.51
100,001 to 200,000 gallons**	4.31	6.32	4.40	6.82	4.40	7.16	4.75	7.74	5.08	8.28
200,001+ gallons**	6.44	8.75	6.57	9.45	6.57	9.92	7.10	10.71	7.59	11.45
<u>4" Meters</u>										
Base Charge up to 50,000	\$ 456.90	\$ 482.23	\$ 466.04	\$ 520.81	\$ 466.04	\$ 546.85	\$ 503.32	\$ 590.60	\$ 538.30	\$ 631.65
50,001 to 500,000 gallons**	3.01	4.38	3.07	4.73	3.07	4.96	3.32	5.36	3.55	5.73
500,001 to 1,000,000 gallons**	4.52	6.56	4.61	7.08	4.61	7.43	4.98	8.02	5.33	8.58
100,000,001+ gallons**	6.21	8.92	6.33	9.63	6.33	10.12	6.84	10.93	7.32	11.69
<u>6" Meters</u>										
Base Charge up to 50,000	\$ 855.66	\$ 792.96	\$ 872.77	\$ 856.40	\$ 872.77	\$ 899.22	\$ 942.59	\$ 971.16	\$ 1,008.10	\$ 1,038.66
50,001 to 500,000 gallons**	2.84	3.82	2.89	4.13	2.89	4.34	3.12	4.69	3.34	5.02
500,001 to 1,000,000 gallons**	4.26	5.73	4.34	6.19	4.34	6.50	4.69	7.02	5.02	7.51
100,000,001+ gallons**	5.73	7.65	5.84	8.26	5.84	8.67	6.31	9.36	6.75	10.01
<u>8" & 10" Meters</u>										
Base Charge up to 50,000	\$ 916.78	\$ 1,268.74	\$ 935.11	\$ 1,370.23	\$ 935.11	\$ 1,438.75	\$ 1,009.92	\$ 1,553.85	\$ 1,080.11	\$ 1,661.84
50,001 to 500,000 gallons**	3.10	4.15	3.16	4.48	3.16	4.70	3.41	5.08	3.65	5.43
500,001 to 1,000,000 gallons**	4.58	6.26	4.68	6.76	4.68	7.10	5.05	7.67	5.40	8.20
100,000,001+ gallons**	6.21	8.34	6.33	9.01	6.33	9.46	6.84	10.22	7.32	10.93

* 75% of water consumption

** Charge per 1,000 gallons

LAGUNA MADRE WATER DISTRICT
TOP TEN RATE PAYERS
 Last Ten Years

FISCAL YEAR 2015			
<u>Customer</u>	<u>Address</u>	<u>City</u>	<u>Amount</u>
Long Island Village	900 South Garcia	Port Isabel	\$ 331,387
Texas Pack, Inc.	508 Port Road	Port Isabel	232,306
Schlitterbahn South Padre	200 Padre Boulevard	South Padre Island	197,447
SSPIBR, LTD dba Pearl South Padre	310 Padre Boulevard	South Padre Island	166,132
Cameron County Parks System	33174 State Park Road 100	South Padre Island	138,373
Saida Royale	400 Padre Boulevard	South Padre Island	124,642
Bridgepoint Condos	334 Padre Boulevard	South Padre Island	63,760
Affiliated Hospitality LLC	7010 Padre Boulevard	South Padre Island	50,744
Springlodge LP	6200 Padre boulevard	South Padre Island	45,798
SPI Management Co	500 Padre Boulevard	South Padre Island	43,860

FISCAL YEAR 2016			
<u>Customer</u>	<u>Address</u>	<u>City</u>	<u>Amount</u>
Long Island Village	900 South Garcia	Port Isabel	\$ 395,771
SSPIBR, LTD dba Pearl South Padre	310 Padre Boulevard	South Padre Island	360,031
Schlitterbahn South Padre	200 Padre Boulevard	South Padre Island	341,889
Texas Pack, Inc.	508 Port Road	Port Isabel	254,921
Cameron County Parks System	33174 State Park Road 100	South Padre Island	166,237
Sapphire Condos	310 Padre Boulevard	South Padre Island	85,636
Touchstone Golf	1 Golf House	Laguna Vista	75,587
Long Island Village	33772 S Garcia	Port Isabel	75,083
Bridgepoint Condos	334 Padre Boulevard	South Padre Island	71,731
Affiliated Hospitality LLC	7010 Padre Boulevard	South Padre Island	59,621

FISCAL YEAR 2017			
<u>Customer</u>	<u>Address</u>	<u>City</u>	<u>Amount</u>
Long Island Village	900 South Garcia	Port Isabel	\$ 224,478
Cameron County Parks System	33174 State Park Road 100	South Padre Island	180,091
Texas Pack, Inc.	508 Port Road	Port Isabel	172,611
Schlitterbahn South Padre	200 Padre Boulevard	South Padre Island	167,242
Long Island Village	900 South Garcia	Port Isabel	152,772
Long Island Village	900 South Garcia	Port Isabel	137,228
SSPIBR, LTD dba Pearl South Padre	310 Padre Boulevard	South Padre Island	136,777
Schlitterbahn South Padre	Isla Blanca Park Irr	South Padre Island	108,935
Saida Towers II	400 Padre Boulevard	South Padre Island	88,036
Bridgepoint Condos	334 Padre Boulevard	South Padre Island	81,537

FISCAL YEAR 2018			
<u>Customer</u>	<u>Address</u>	<u>City</u>	<u>Amount</u>
Long Island Village	900 South Garcia	Port Isabel	328,025
Schlitterbahn South Padre	200 Padre Boulevard	South Padre Island	310,846
Texas Pack, Inc.	508 Port Road	Port Isabel	218,225

LAGUNA MADRE WATER DISTRICT

TOP TEN RATE PAYERS

Last Ten Years

Cameron County Parks System	1 Padre Boulevard	South Padre Island	169,748
SSPIBR, LTD dba Pearl South Padre	310 Padre Boulevard	South Padre Island	155,163
Walmart Stores	1401 Highway 100	Port Isabel	85,235
Sapphire Condos	310-A Padre Boulevard	South Padre Island	77,596
Saida Towers II	400 Padre Boulevard	South Padre Island	76,658
Bridgepoint Condos	334 Padre Boulevard	South Padre Island	76,444
South Padre Island Golf Course	1 Golf House	Laguna Vista	68,085

FISCAL YEAR 2019

<u>Customer</u>	<u>Address</u>	<u>City</u>	<u>Amount</u>
Long Island Village	900 South Garcia	Port Isabel	470,621
Texas Pack, Inc.	508 Port Road	Port Isabel	259,752
Cameron County Parks System	1 Padre Boulevard	South Padre Island	182,212
SSPIBR, LTD dba Pearl South Padre	310 Padre Boulevard	South Padre Island	176,177
Schlitterbahn South Padre	200 Padre Boulevard	South Padre Island	173,129
South Padre Island Golf Course	1 Golf House	Laguna Vista	120,979
Sapphire Condos	310-A Padre Boulevard	South Padre Island	93,340
Saida Royale	400 Padre Boulevard	South Padre Island	78,549
Bridgepoint Condos	334 Padre Boulevard	South Padre Island	72,618
Saida Towers II	400 Padre Boulevard	South Padre Island	70,427

FISCAL YEAR 2020

<u>Customer</u>	<u>Address</u>	<u>City</u>	<u>Amount</u>
Long Island Village	900 South Garcia	Port Isabel	420,827
Cameron County Parks System	1 Padre Boulevard	South Padre Island	285,617
Texas Pack, Inc.	508 Port Road	Port Isabel	240,825
SSPIBR, LTD dba Pearl South Padre	310 Padre Boulevard	South Padre Island	161,138
South Padre Island Golf Course	1 Golf House	Laguna Vista	125,629
Sapphire Condos	310-A Padre Boulevard	South Padre Island	113,351
Bridgepoint Condos	334 Padre Boulevard	South Padre Island	101,939
Saida Royale	400 Padre Boulevard	South Padre Island	78,549
Saida Towers II	401 Padre Boulevard	South Padre Island	74,241
Beacon Bay Townhomes	306 Beacon Bay Drive	Port Isabel	72,904

FISCAL YEAR 2021

<u>Customer</u>	<u>Address</u>	<u>City</u>	<u>Amount</u>
Long Island Village	900 South Garcia	Port Isabel	416,054
Cameron County Parks System	1 Padre Boulevard	South Padre Island	287,884
Sapphire Condos	310-A Padre Boulevard	South Padre Island	174,522
Texas Pack, Inc.	508 Port Road	Port Isabel	158,186
Modern Resort Lodging LLC	6700 Padre Boulevard	South Padre Island	126,680
Innjoy Hospitality LLC	6700 Padre Boulevard	South Padre Island	113,754
Bridgepoint Condos	334 Padre Boulevard	South Padre Island	97,208
Saida Towers II	400 Padre Boulevard	South Padre Island	96,394
Saida Royale	400 Padre Boulevard	South Padre Island	86,384
La Copa Inn	350 Padre Boulevard	South Padre Island	76,716

LAGUNA MADRE WATER DISTRICT
TOP TEN RATE PAYERS
 Last Ten Years

FISCAL YEAR 2022			
<u>Customer</u>	<u>Address</u>	<u>City</u>	<u>Amount</u>
Long Island Village	900 South Garcia	Port Isabel	445,099
Cameron County Parks System	1 Padre Boulevard	South Padre Island	281,540
Sapphire Condos	310-A Padre Boulevard	South Padre Island	152,144
Texas Pack, Inc.	508 Port Road	Port Isabel	138,281
Hosp Soutx Marg, LLC	310 Padre Boulevard	South Padre Island	137,824
Innjoy Hospitality LLC	6700 Padre Boulevard	South Padre Island	130,325
Bridgepoint Condos	334 Padre Boulevard	South Padre Island	108,828
Modern Resort Lodging LLC	6700 Padre Boulevard	South Padre Island	98,976
Saida Towers II	400 Padre Boulevard	South Padre Island	96,615
Saida Royale	400 Padre Boulevard	South Padre Island	87,883
FISCAL YEAR 2023			
<u>Customer</u>	<u>Address</u>	<u>City</u>	<u>Amount</u>
Long Island Village	900 South Garcia	Port Isabel	494,522
Cameron County Parks System	1 Padre Boulevard	South Padre Island	259,028
Sapphire Condos	310-A Padre Boulevard	South Padre Island	140,565
Saida Towers II	400 Padre Boulevard	South Padre Island	128,106
Bridgepoint Condos	334 Padre Boulevard	South Padre Island	122,323
Hosp Soutx Marg, LLC	310 Padre Boulevard	South Padre Island	114,670
Texas Pack, Inc.	508 Port Road	Port Isabel	103,259
Innjoy Hospitality LLC	6700 Padre Boulevard	South Padre Island	100,151
Modern Resort Lodging LLC	6700 Padre Boulevard	South Padre Island	94,434
Beacon Bay OTM Harmony LP	306 Beacon Bay Drive	Port Isabel	92,510
FISCAL YEAR 2024			
<u>Customer</u>	<u>Address</u>	<u>City</u>	<u>Amount</u>
Long Island Village	900 South Garcia	Port Isabel	514,914
Cameron County Parks System	1 Padre Boulevard	South Padre Island	359,899
Hosp Soutx Marg, LLC	310 Padre Boulevard	South Padre Island	209,534
Sapphire Condos	310-A Padre Boulevard	South Padre Island	198,896
Innjoy Hospitality LLC	6700 Padre Boulevard	South Padre Island	145,389
Texas Pack, Inc.	508 Port Road	Port Isabel	130,721
Saida Towers II	400 Padre Boulevard	South Padre Island	128,772
Modern Resort Lodging LLC	6700 Padre Boulevard	South Padre Island	104,387
Saida Royale	400 Padre Boulevard	South Padre Island	95,124
City of South Padre Island	400 Padre Boulevard	South Padre Island	93,489

LAGUNA MADRE WATER DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Market Value	Taxable Value	Approximate Tax Levy	Adopted Tax Rate	Property Tax Levy	Tax Collections Current Year	Tax Collections		Total Tax Collections	Percentage Collected
							Prior Year			
2015	\$ 3,443,890,797	\$ 3,236,134,537	\$ 2,615,444	0.039260	\$ 1,271,531	\$ 1,251,219	\$ 72,697	\$ 1,323,916	98.40%	
2016	3,425,727,657	3,211,199,238	1,260,717	0.044643	1,445,200	1,424,719	43,966	1,468,685	98.58%	
2017	3,438,658,773	3,224,088,223	1,439,330	0.045020	1,451,488	1,437,588	35,970	1,473,558	99.04%	
2018	3,523,806,359	3,312,253,813	1,491,177	0.043860	1,452,755	1,428,212	24,721	1,452,933	98.31%	
2019	3,578,561,747	3,355,564,865	1,471,751	0.040101	1,345,615	1,319,261	26,732	1,345,993	98.04%	
2020	3,712,841,011	3,478,891,242	1,395,070	0.038821	1,350,542	1,317,351	28,517	1,345,868	97.54%	
2021	3,603,778,250	3,356,158,885	1,302,894	0.039918	1,339,712	1,370,214	32,599	1,402,813	102.28%	
2022	3,773,911,371	3,517,424,459	1,404,086	0.038201	1,365,200	1,346,440	23,744	1,370,184	98.63%	
2023	4,457,848,449	4,097,983,089	2,844,377	0.069300	2,854,127	2,749,989	26,928	2,776,917	96.35%	
2024	5,699,263,359	5,099,455,466	3,736,718	0.056380	3,040,545	2,932,878	32,849	2,965,727	96.46%	
2024 - LIV	\$ 227,018,494	\$ 206,886,335	\$ 1,164,927	0.563076	\$ 1,259,147	\$ 1,224,449	\$ -	\$ 1,224,449	97.24%	

Source: Cameron County Tax Assessor's Office
<http://www.cameroncad.org/certified-totals.html>

LAGUNA MADRE WATER DISTRICT
RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Revenue Bonds	Revenue Notes	Financing Agreements	Premium	Total Outstanding Debt	Population	Debt Per Capita
2015	\$14,255,000	\$6,280,000	-	-	282,940	\$20,817,940	11,132	\$1,870
2016	\$16,010,000	\$5,825,000	-	88,116	266,296	\$22,189,412	11,098	\$1,999
2017	\$15,190,000	\$10,895,000	-	76,636	249,653	\$26,411,289	11,094	\$2,381
2018	\$14,355,000	\$10,140,000	-	64,805	233,009	\$24,792,814	11,067	\$2,240
2019	\$13,495,000	\$14,795,000	2,655,000	52,613	216,366	\$31,213,979	12,267	\$2,545
2020	\$12,610,000	\$13,945,000	2,400,000	40,048	199,722	\$29,194,770	13,467	\$2,168
2021*	\$11,705,000	\$13,085,000	2,135,000	27,098	183,079	\$27,135,177	13,467 *	\$2,015
2022	\$36,135,000	\$12,210,000	1,860,000	13,753	3,078,627	\$53,297,380	12,373	\$4,308
2023	\$56,255,000	\$11,320,000	1,575,000	-	2,891,714	\$72,041,714	12,560	\$5,736
2024	\$54,965,000	\$23,395,000	1,280,000	1,934	2,704,804	\$82,346,738	12,324	\$6,682

Population Source: U.S. Census Bureau

** - Data for the 2021 year not available*

LAGUNA MADRE WATER DISTRICT

General Bond Debt Ratio

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Population	Debt Per Capita
2015	\$14,255,000	11,132	\$1,281
2016	\$16,010,000	11,098	\$1,443
2017	\$15,190,000	11,094	\$1,369
2018	\$14,355,000	11,067	\$1,297
2019	\$13,495,000	12,267	\$1,100
2020	\$12,610,000	13,467	\$936
2021	\$11,705,000	13,467	\$869
2022	\$36,300,000	12,373	\$2,934
2023	\$56,255,000	12,560	\$4,479
2024	\$54,965,000	12,324	\$4,460

LAGUNA MADRE WATER DISTRICT

Direct and Overlapping Debt

As of September 30, 2024

	<u>Debt Amount</u>	<u>Percentage Overlapping</u>	<u>Overlapping Amount</u>
Taxing Body:			
Brownsville Navigation District	\$ -	0.00%	\$ -
Brownsville, City of	\$196,593,000	0.05%	\$98,297
Cameron County	\$125,017,069	16.14%	\$20,177,755
Laguna Vista, Town of	\$660,000	99.80%	\$658,680
Los Fresnos CISD	\$67,636,556	0.22%	\$148,800
Point Isabel ISD	\$39,543,905	80.91%	\$31,994,974
Port Isabel, City of	\$10,571,643	99.80%	\$10,550,500
South Padre Island, City of	\$11,635,000	98.47%	\$11,456,985
Texas Southmost College	\$17,805,000	23.91%	\$4,257,176
Total Overlapping Debt			<u>\$79,343,165</u>
Laguna Madre Water District			<u>\$63,239,939</u>
Total Direct and Overlapping Debt			\$142,583,104
Total Direct and Overlapping Debt % of A.V.:			2.57%
Total Direct and Overlapping Debt per Capita:			\$11,352

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another government unit's assessed value that is within the District's boundaries and dividing by each unit's total assessed value.

LAGUNA MADRE WATER DISTRICT
TOTAL INDEBTEDNESS PER CUSTOMER
 Last Ten Fiscal Years

Fiscal Year Ended	Bonds Payable	Revenue Notes Payable	Financing Agreement Payable	Compensated Absences	Net Pension Liabilities	Unamortized Premium	Total Indebtedness	Total Water Connections	Debt Per Customer
9/30/2015	20,535,000	-	-	62,319	1,311,309	282,938	22,191,566	6,235	3,559
9/30/2016	21,835,000	-	88,116	69,051	1,861,286	266,294	24,119,747	6,278	3,842
9/30/2017	26,085,000	-	76,636	74,915	1,915,746	249,650	28,401,947	6,369	4,459
9/30/2018	24,495,000	-	64,805	72,104	1,226,822	233,006	26,091,737	6,446	4,048
9/30/2019	28,290,000	2,655,000	52,613	87,725	2,212,566	216,365	33,514,269	6,573	5,099
9/30/2020	26,555,000	2,400,000	40,048	120,181	1,210,063	199,721	30,525,013	6,712	4,548
9/30/2021	24,790,000	2,135,000	27,098	100,330	1,755,748	183,074	28,991,250	6,878	4,215
9/30/2022	48,345,000	1,860,000	13,753	108,154	-	3,078,624	53,405,531	7,240	7,376
9/30/2023	56,255,000	12,895,000	-	122,400	1,795,830	2,891,714	73,959,944	7,258	10,190
9/30/2024	54,965,000	24,675,000	1,934	113,789	1,255,913	2,704,804	83,716,440	7,373	11,354

LAGUNA MADRE WATER DISTRICT
REVENUE BOND COVERAGE
 Last Ten Fiscal Years

Fiscal Year Ended	Total Revenues	Total Expenses	Net Revenues Available for Debt Service	Revenue Bond Debt Service Requirements for Subsequent Year	Coverage
9/30/2014	\$ 10,223,056	\$ 7,552,958	\$ 2,670,098	\$ 409,013	6.53
9/30/2015	9,414,745	7,119,666	2,295,079	614,786	3.73
9/30/2016	10,791,491	7,486,960	3,304,531	612,642	5.39
9/30/2017	11,323,621	7,970,842	3,352,779	932,150	3.60
9/30/2018	11,184,966	7,928,473	3,256,493	934,412	3.49
9/30/2019	12,265,325	9,209,693	3,055,632	1,367,672	2.23
9/30/2020	12,704,424	8,875,202	3,829,222	1,365,787	2.80
9/30/2021	13,455,470	9,136,631	4,318,839	1,367,854	3.16
9/30/2022	14,382,631	11,216,276	3,166,355	1,368,737	2.31
9/30/2023	17,576,090	13,512,459	4,063,631	1,368,479	2.97
9/30/2024	\$ 15,543,110	\$ 11,106,224	\$ 4,436,886	\$ 1,895,753	2.34

Depreciation not included in Total Expenses.

LAGUNA MADRE WATER DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Fiscal Year Ended	Estimated Population Laguna Vista	Median Household Income Laguna Vista	Per Capita Income Laguna Vista	Unemployment Rate Laguna Vista
09/30/14	3,197	61,250	33,802	6.6%
09/30/15	3,211	54,531	30,759	7.5%
09/30/16	3,195	56,311	31,093	8.8%
09/30/17	3,189	59,091	30,243	5.4%
09/30/18	3,171	58,438	29,113	4.1%
09/30/19	3,157	52,813	30,153	3.9%
09/30/20	3,143	47,188	31,193	3.7%
09/30/22	3,506	51,823	33,398	2.5%
09/30/23	3,555	60,833	44,018	2.0%
09/30/24	3,605	83,724	46,366	3.2%

Fiscal Year Ended	Estimated Population Port Isabel	Median Household Income Port Isabel	Per Capita Income Port Isabel	Unemployment Rate Port Isabel
09/30/14	5,033	32,415	16,890	7.1%
09/30/15	5,033	31,765	18,080	6.1%
09/30/16	5,015	32,566	20,037	4.6%
09/30/17	5,049	34,389	20,496	4.7%
09/30/18	5,057	30,313	17,804	3.4%
09/30/19	6,292	32,598	18,194	1.0%
09/30/20	7,527	34,883	18,584	-1.4%
09/30/22	6,729	36,649	19,190	1.8%
09/30/23	6,619	42,601	24,100	2.0%
09/30/24	5,867	55,180	24,871	5.9%

Fiscal Year Ended	Estimated Population South Padre Island	Median Household Income South Padre Island	Per Capita Income South Padre Island	Unemployment Rate South Padre Island
09/30/14	2,886	41,714	37,415	1.5%
09/30/15	2,888	39,301	33,119	2.0%
09/30/16	2,888	42,825	42,695	1.8%
09/30/17	2,856	45,060	49,054	0.0%
09/30/18	2,839	41,894	52,048	0.0%
09/30/19	2,818	45,221	58,235	1.1%
09/30/20	2,797	48,548	64,422	2.2%
09/30/22	2,138	60,688	52,275	3.5%
09/30/23	2,386	62,557	52,745	3.4%
09/30/24	2,852	87,541	67,367	6.5%

Data for the 2021 year not available.

LAGUNA MADRE WATER DISTRICT
TEN PRINCIPAL EMPLOYERS
FISCAL YEARS 2023 AND 2014

Employer	Type of Activity	Fiscal Year 2023			Fiscal Year 2014		
		No. of Employees	Rank	Percent of Cameron County Employment ¹	No. of Employees	Rank	Percent of Cameron County Employment ²
Brownsville ISD	Education	5,813	1	3.74%	7,708	1	5.77%
Harlingen CISD	Education	3,314	2	2.13%	3,321	2	2.49%
HEB Grocery	Retail	2,349	3	1.51%			
Wal-Mart Stores, Inc.	Retail	*	4	*	1,392	9	1.04%
Cameron County	Government	1,881	5	1.21%	2,040	5	1.53%
SpaceX	Aerospace	2,100	6	1.35%			
San Benito CISD	Education	1,833	7	1.18%	1,400	8	1.05%
Los Fresnos CISD	Education	1,820	8	1.17%			
Valley Baptist Medical Center	Medical	*	9	*	3,234	3	2.42%
City of Brownsville	Government	1,161	10	0.75%	1,200	10	0.90%
University of Texas Rio Grande Valley	Education	1,162	0	0.75%	1,625	6	1.22%
Keppel Anfels	Manufacturing	1,450	0	0.93%	1,400	7	1.05%
Caring For You Home Health	Medical	1,300	0	0.84%	2,635	4	1.97%
Total		24,183			25,955		

Notes:

Fiscal Year 2024 data unavailable as of date of this report.

*Data was not provided.

LAGUNA MADRE WATER DISTRICT
FULL TIME EMPLOYEES BY DEPARTMENT
As of September 30,

Department	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Water Plant	13	14	14	14	10	13	13	10	11	11	12
Lift Stations	5	5	4	4	3	0	0	0	0	0	0
Distribution	9	9	7	8	7	9	9	9	9	9	10
Collections	6	6	6	7	6	6	6	5	7	7	7
Maintenance	2	3	3	3	3	3	3	3	3	3	4
Lab	4	4	3	3	3	4	4	4	4	4	4
Administration	11	11	11	9	9	7	7	7	7	6	5
Wastewater	12	12	12	11	11	14	13	13	14	15	16
Finance	13	15	15	15	15	13	13	12	10	11	11
Electrical	3	4	4	4	3	4	3	2	3	2	4
Construction	7	7	5	7	5	7	6	7	6	5	4
Total Employees	85	90	84	85	75	80	77	72	74	73	77

LAGUNA MADRE WATER DISTRICT
TOTAL ACTIVE CONNECTIONS
 Last Ten Fiscal Years

Meter Size	09/30/24	09/30/23	09/30/22	09/30/21	09/30/20	09/30/19	09/30/18	09/30/17	09/30/16	09/30/15
5/8"	5,621	5,544	5,418	5,239	5,096	4,979	4,871	4,792	4,731	4,697
1"	1,334	1,287	1,258	1,229	1,208	1,186	1,165	1,153	1,116	1,097
2"	310	317	301	300	299	298	302	282	281	294
4"	72	74	73	74	73	74	73	83	82	113
6"	34	35	35	35	33	34	33	49	66	32
8"	2	1	1	1	1	1	1	9	1	1
10"	-	-	-	-	1	-	-	-	-	-
16"	-	-	-	-	1	1	1	-	-	-
18"	-	-	-	-	-	-	-	1	1	1
Total water connections	7,373	7,258	7,086	6,878	6,712	6,573	6,446	6,369	6,278	6,235
Total wastewater connections	6,195	6,108	5,984	5,801	5,726	5,649	5,557	5,519	5,466	5,344
Gallons pumped into system:	1,327,696,000	1,330,864,000	1,326,022,000	1,296,284,000	1,277,156,000	1,286,386,000	1,443,198,000	1,441,755,000	1,312,625,000	1,202,924,000
Gallons billed to customers:	1,107,116,500	1,136,384,900	1,163,766,800	1,175,694,207	1,144,586,579	1,270,283,287	1,329,802,462	1,348,053,900	1,234,821,500	1,157,087,500
Water accountability ratio:	83.39%	85.39%	87.76%	90.70%	89.62%	98.75%	92.14%	93.50%	94.07%	96.19%

(This page intentionally left blank)

LAGUNA MADRE WATER DISTRICT
Capital Assets Statistics
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
WATER										
Vehicles	4	4	4	4	4	4	4	4	4	4
Water Treatment Plants	1	1	1	1	1	1	1	1	1	2
Miles of water mains	142	142	140	140	140	140	140	140	140	140
Meters	7,373	7,258	7,240	6,878	6,712	6,573	6,446	7,238	6,482	6,235
Water Towers	4	4	4	5	5	5	5	5	5	5
Ground Storage	2	2	2	1	1	1	1	1	1	3
Booster Stations	0	0	0	0	0	0	0	0	0	0
WASTEWATER										
Vehicles	3	3	3	3	4	4	4	4	4	4
Wastewater Treatment Plants	4	4	4	4	4	4	4	4	4	4
Lift Stations	33	33	33	33	32	32	32	32	32	33
Miles of wastewater main	110	110	105	105	105	105	105	105	105	105
ADMINISTRATION										
Vehicles	2	2	1	1	1	1	1	1	1	1

(This page intentionally left blank)

**INTERNAL CONTROL AND
COMPLIANCE SECTION**

ADRIAN WEBB, CPA

Certified Public Accountant

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

To the Board of Directors of
Laguna Madre Water District
Port Isabel, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the District as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated F March 4, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

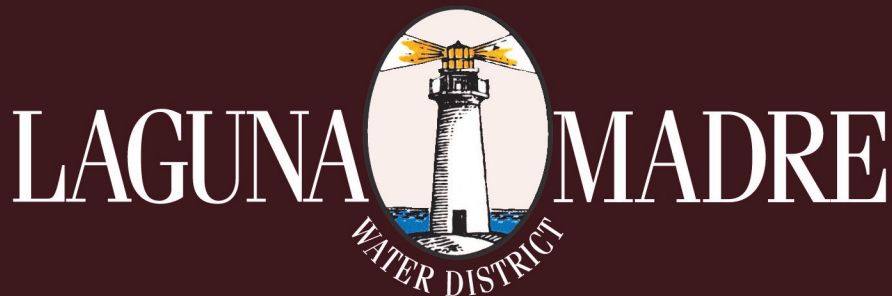
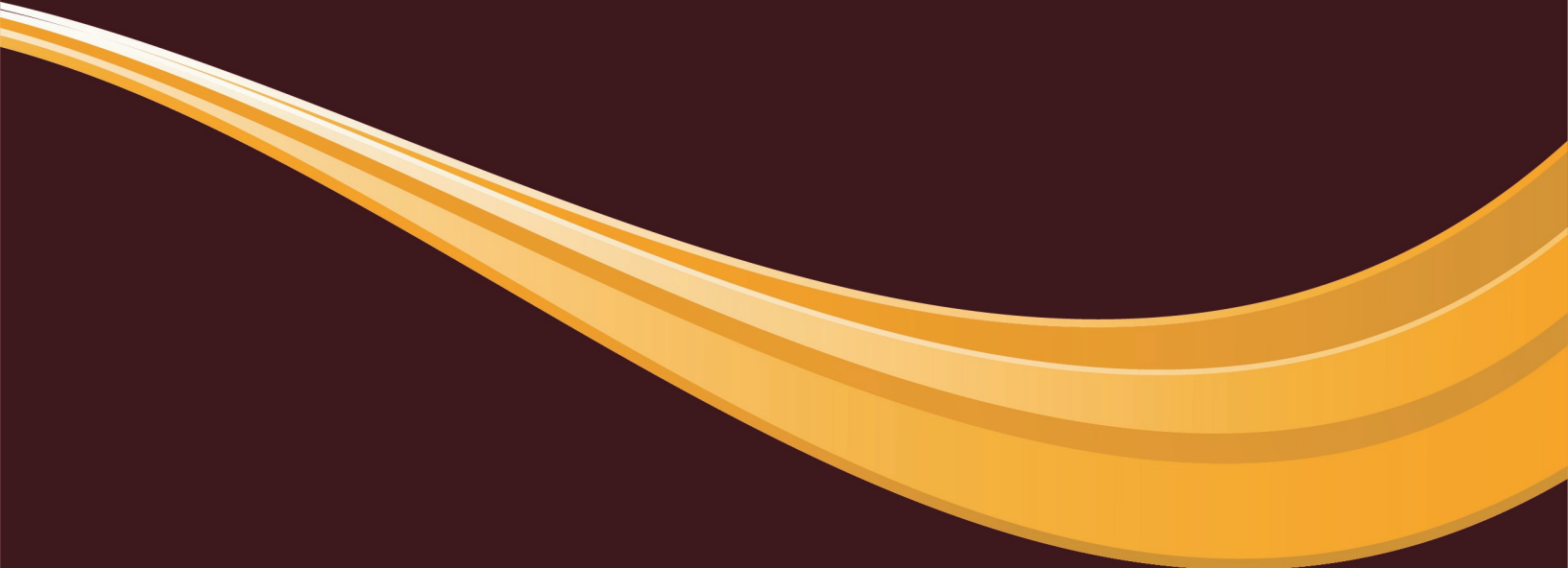
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Adrian Webb, CPA

ADRIAN WEBB, CPA

Edinburg, Texas

March 4, 2025



105 Port Road • Port Isabel, Texas 78578