

**LAKESIDE WATER CONTROL & IMPROVEMENT
DISTRICT NO. 2B**

**FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2022**

WEST, DAVIS & COMPANY, LLP
Certified Public Accountants
Austin, Texas

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B
Annual Financial Report
For the Year Ended September 30, 2022

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS }

COUNTY OF TRAVIS }

I, Marilyn Horndt, President of the Lakeside Water Control and Improvement District No. 2B hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of Directors of the District on the 9th day of January 2023, its annual audit report for the fiscal year ended September 30, 2022, and that copies of the annual report have been filed in the district office, located at 816 Congress, Suite 1900, Austin, Texas.

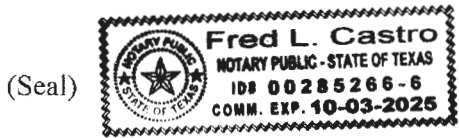
The annual filing affidavit and the attached copy of the annual audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code.

Date: January 9, 2023

By: Marilyn Horndt

Sworn to and subscribed to before me this 9th day of January 2023.

Notary: Fred L. Castro



My Commission expires on: _____, _____, Notary Public in and for the State of Texas.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B
Annual Financial Report
For the Year Ended September 30, 2022

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FINANCIAL SECTION

WEST, DAVIS & COMPANY

A LIMITED LIABILITY PARTNERSHIP

Independent Auditor's Report

Board of Directors
Lakeside Water Control & Improvement District No. 2B
Travis County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Lakeside Water Control & Improvement District No. 2B (the District) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District as of September 30, 2022, and the 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. 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 these 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 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, 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 and the budgetary comparison information be presented to supplement the basic financial statements. Such information is the 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 our inquiries, the basic financial statements, and other knowledge we obtained during our 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 us with sufficient evidence to express an opinion or provide any assurance.

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 Texas Commission on Environmental Quality required supplementary schedules 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 Texas Commission on Environmental Quality required supplementary schedules 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 property tax assessed value information 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.



Austin, Texas
December 31, 2022

LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT No. 2B

Management Discussion and Analysis For the Year Ended September 30, 2022

In accordance with Governmental Accounting Standards Board Statement 34 (“GASB 34”), the management of Lakeside Water Control & Improvement District No. 2B (the “District”) offers the following discussion and analysis to provide an overview of the District’s financial activities for the year ended September 30, 2022. Since this information is designed to focus on current year’s activities, resulting changes, and currently known facts, it should be read in conjunction with the District’s financial statements that follow.

FINANCIAL HIGHLIGHTS

- **General Fund:** The fund balance at the end of the year was approximately \$2.3 million which was an increase of \$457 thousand from the end of the previous year end. Revenue increased from \$1.3 million to \$1.4 million in the current fiscal year. The fund balance includes \$100 thousand assigned by the Board for maintenance.
- **Debt Service Fund:** The fund balance restricted for debt service decreased from \$487 thousand at the end of the previous fiscal year to \$458 thousand at the end of the current fiscal year. Revenue decreased from \$710 thousand to \$689 thousand due a reduction in the debt service property tax rate. This fund made bond principal payments of \$495 thousand and bond interest payments of \$222 thousand during the fiscal year.
- **Capital Projects Fund:** The fund balance increased by \$1 thousand solely due to interest earnings.
- **Governmental Activities:** On a Government-wide basis for governmental activities, the District had income in excess of expenses of approximately \$699 thousand. Net position increased from \$2.7 million to \$3.4 million.

OVERVIEW OF THE DISTRICT

Lakeside Water Control and Improvement District No. 2B (the District), a political subdivision of the State of Texas, was created by an election to approve the division of Lakeside Water Control and Improvement District No. 2 held on January 15, 2000. The District was created and organized for the purpose of constructing water, sewer, and drainage facilities and providing water and sewer services to customers within its boundaries and in the surrounding area. The District’s first Board of Directors meeting was held on June 28, 2000. The District is also authorized to provide recreational facilities.

LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT No. 2B

Management Discussion and Analysis For the Year Ended September 30, 2022

USING THIS ANNUAL REPORT

The District's reporting is comprised of five parts:

- Management's Discussion and Analysis (this section)
- Basic Financial Statements
 - Statement of Net Position and Reconciliation to Governmental Funds Balance Sheet
 - Statement of Activities and Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
- Notes to the Financial Statements
- Required Supplementary Information
- Texas Supplementary Information (required by the Texas Commission on Environmental Quality)

The Government-wide statements are reported using the flow of economic resources measurement focus and the full accrual basis of accounting. The Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

For purposes of GASB 34, the District is considered a special purpose government. This allows the District to present the newly required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the "Governmental Funds Total" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Statement of Net Position and Governmental Funds Balance Sheet includes a column (titled "Governmental Funds Total") that represents a balance sheet prepared using the modified accrual basis of accounting. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District's net assets will indicate financial health.

The Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances includes a column (titled "Governmental Funds Total") that derives the change in fund balances resulting from current year revenues, expenditures, and other financing sources or uses. These amounts are prepared using the modified accrual basis of accounting. The adjustments column converts those activities to full accrual, a basis that more closely represents the income statement of a private-sector business.

LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT No. 2B

**Management Discussion and Analysis
For the Year Ended September 30, 2022**

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the information presented in the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances*.

The Required Supplementary Information presents a comparison statement between the District's adopted budget and its actual results.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Summary Statement of Net Position

	Governmental Activities (in thousands)		Increase (Decrease)
	September 2022	September 2021	
Current and Other Assets	\$ 3,160	\$ 2,729	\$ 431
Capital and Non-Current Assets	8,541	8,830	(289)
Total Assets	11,701	11,559	142
Current Liabilities	603	590	13
Long-Term Liabilities	7,686	8,256	(570)
Total Liabilities	8,289	8,846	(557)
Net Investment in Capital Assets	526	263	263
Restricted for Debt Service	464	489	(25)
Unrestricted	2,422	1,961	461
Total Net Position	\$ 3,412	\$ 2,713	\$ 699

The District's total assets were approximately \$11.7 million at the end of the current fiscal year. Of this amount, approximately \$3.1 million is accounted for by cash and short-term investments. The District had outstanding liabilities of approximately \$8.3 million. The District's unrestricted net assets, which can be used to finance day to day operations, totaled approximately \$2.4 million.

LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT No. 2B

**Management Discussion and Analysis
For the Year Ended September 30, 2022**

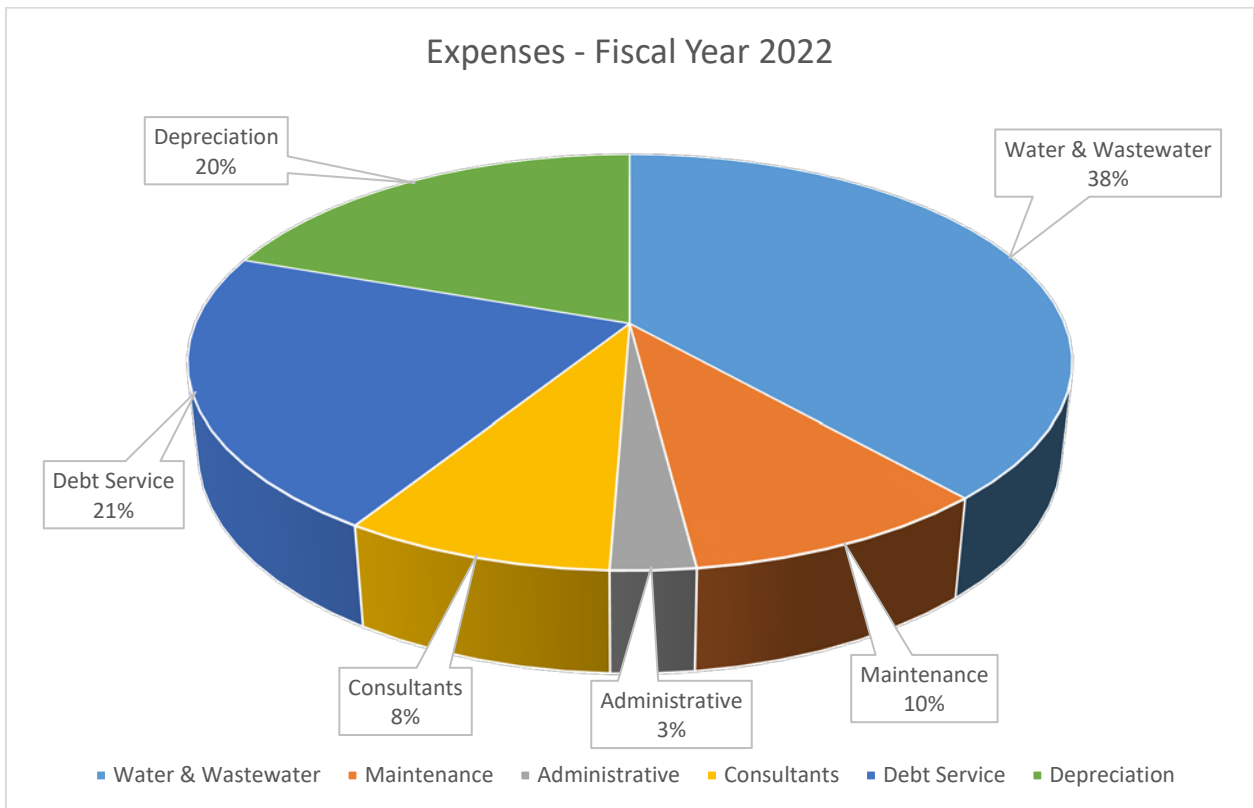
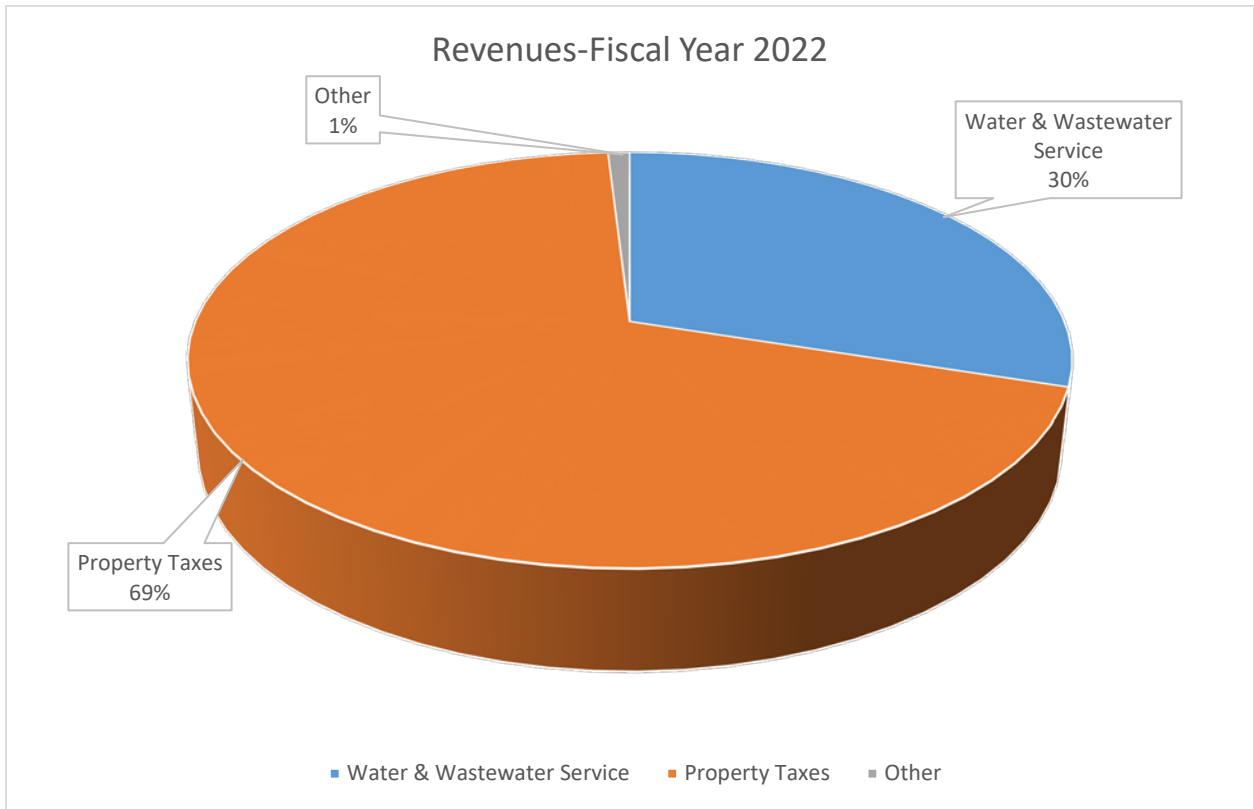
Summary Statement of Activities

	Governmental Activities (in thousands)		Increase (Decrease)
	2022	2021	
Water & Wastewater Service	\$ 634	\$ 597	\$ 37
Property Taxes	1,460	1,402	58
Other	20	12	8
Total Revenues	2,114	2,011	103
Water & Wastewater Maintenance	544	511	33
Administrative	135	119	16
Consultants	37	28	9
Debt Service	118	128	(10)
Depreciation	304	340	(36)
Total Expenses	1,415	1,403	12
Other Financing Uses	-	(89)	89
Change in Net Position	699	519	180
Beginning Net Position	2,713	2,194	519
Ending Net Position	\$ 3,412	\$ 2,713	\$ 699

Revenues were approximately \$2.1 million for the year. Expenses were approximately \$1.4 million for the year. Net position increased \$699 thousand from current year activities primarily due to growth in the District. The following charts summarize the sources of revenue and areas of expenses.

LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT No. 2B

**Management Discussion and Analysis
For the Year Ended September 30, 2022**



LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT No. 2B

**Management Discussion and Analysis
For the Year Ended September 30, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT’S FUND LEVEL STATEMENTS

In comparison to the Government-wide statements, the Fund-level statements focus on the key funds of the District. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The District reports the following types of Governmental funds: General Fund, Debt Service Fund and Capital Projects Fund. The focus of the District’s Governmental funds is to provide information on near-term inflows, outflows, and available resources. Such information is useful in assessing the District’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available at the end of the fiscal year.

Summary Balance Sheet

	Governmental Funds (in thousands)		
	September 2022	September 2021	Increase (Decrease)
Cash and Investments	\$ 3,114	\$ 2,708	\$ 406
Accounts Receivable	129	21	108
Prepaid Costs	2	2	-
Total Assets	3,245	2,731	514
Accounts Payable	106	29	77
Unrealized Revenue	12	4	8
Total Liabilities	118	33	85
Restricted for Debt Service	458	487	(29)
Restricted for Capital Projects	253	252	1
Assigned for Maintenance	100	100	-
Unassigned	2,316	1,859	457
Total Fund Balances	3,127	2,698	429
Total Liabilities and Fund Balances	\$ 3,245	\$ 2,731	\$ 514

The General Operating Fund, which pays for daily operating expenses, has a balance of \$2.4 million at the end of the current fiscal year. This is an increase of \$457 thousand over the prior fiscal year.

LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT No. 2B

Management Discussion and Analysis For the Year Ended September 30, 2022

The **Debt Service Fund** decreased by \$29 thousand during the current fiscal year. This fund remitted bond principal of \$495 thousand and bond interest of \$222 thousand during the year.

The **Capital Projects Fund** increased by \$1 thousand during the current fiscal year.

BUDGETARY HIGHLIGHTS

The Board of Directors adopted the fiscal year 2022 annual budget for the General Fund on September 13, 2021. The budget included revenues of \$1.3 million and expenditures of \$1.4 million. Actual revenue amounted to \$1.4 million and expenditures of \$973 thousand. More detailed information about the District's budgetary comparison is presented in the Required Supplementary Information section.

CAPITAL ASSETS

The District has invested \$11.6 million in infrastructure. A summary of these assets is listed below:

Summary of Capital Assets

	Governmental Activities (in thousands)		Increase (Decrease)
	September 2022	September 2021	
Water, Wastewater and Drainage	\$ 10,033	\$ 10,033	\$ -
Amenity Center-In Progress	25	37	(12)
Recreational Facilities	1,535	1,534	1
Accumulated Depreciation	(3,052)	(2,774)	(278)
Total Capital Assets (Net)	\$ 8,541	\$ 8,830	\$ (289)

LONG TERM DEBT

The District issued no new debt during the year. Bonded indebtedness and a capital lease obligation of the District at year end totaled \$8.2 million. More detailed information about the District's long-term debt is presented in the Notes to the Basic Financial Statements.

LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT No. 2B

Management Discussion and Analysis For the Year Ended September 30, 2022

ECONOMIC FACTORS

The taxable assessed value of property within the District as of January 1, 2022, has been fixed by the Travis Central Appraisal District at \$194 million. The tax rates adopted by the District on September 12, 2022, for the coming fiscal year are \$0.47 for maintenance and operations and \$0.36 for debt service. The District expects this to produce \$1.6 million in total property tax revenue for next year. The adopted budget for fiscal year 2023 projects a small decrease in the operating fund balance.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of Lloyd Gosselink Rochelle & Townsend, PC, 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

BASIC FINANCIAL STATEMENTS

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**STATEMENT OF NET POSITION
AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2022**

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>	<u>ADJUST- MENTS</u>	<u>STATEMENT OF NET POSITION</u>
ASSETS						
Cash	\$ 789,043	\$ 14,573	\$ 252,703	\$ 1,056,319	\$ -	\$ 1,056,319
Temporary Investments	1,530,905	527,197	-	2,058,102	-	2,058,102
Taxes Receivable	6,165	5,580	-	11,745	-	11,745
Water Revenue Receivable	17,516	-	-	17,516	-	17,516
Due From Affiliated Districts	13,892	-	-	13,892	-	13,892
Prepaid Expenses	200	-	2,000	2,200	-	2,200
Due From Other Funds	85,274	-	-	85,274	(85,274)	-
Utility & Recreational Facilities (Net)	-	-	-	-	8,541,227	8,541,227
Total Assets	\$ 2,442,995	\$ 547,350	\$ 254,703	\$ 3,245,048	\$ 8,455,953	\$ 11,701,001
LIABILITIES						
Accounts Payable	\$ 20,948	\$ -	\$ -	\$ 20,948	\$ 17,289	\$ 38,237
Due To Other Funds	-	83,274	2,000	85,274	(85,274)	-
Capital Lease Payable-less than one year	-	-	-	-	55,000	55,000
Bonds Payable-less than one year	-	-	-	-	510,000	510,000
Capital Lease Payable-more than one year	-	-	-	-	1,170,000	1,170,000
Bonds Payable-more than one year	-	-	-	-	6,516,088	6,516,088
Total Liabilities	20,948	83,274	2,000	106,222	8,183,103	8,289,325
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	6,165	5,580	-	11,745	(11,745)	-
Total Deferred Inflows	6,165	5,580	-	11,745	(11,745)	-
FUND EQUITY						
Nonspendable	200	-	-	200	(200)	-
Restricted for Debt Service	-	458,496	-	458,496	(458,496)	-
Restricted for Capital Improvements	-	-	252,703	252,703	(252,703)	-
Assigned for Maintenance	100,000	-	-	100,000	(100,000)	-
Unassigned	2,315,682	-	-	2,315,682	(2,315,682)	-
Total Fund Equity	2,415,882	458,496	252,703	3,127,081	(3,127,081)	-
Total Liabilities, Fund Equity & Deferred Inflows of Resources	\$ 2,442,995	\$ 547,350	\$ 254,703	\$ 3,245,048		
NET POSITION						
Net Investment in Capital Assets					525,553	525,553
Restricted for Debt Service					464,076	464,076
Unrestricted					2,422,047	2,422,047
Total Net Position					\$ 3,411,676	\$ 3,411,676

The notes to financial statements are an integral part of this statement.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

<u>REVENUES</u>	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>	<u>ADJUST- MENTS</u>	<u>STATEMENT OF ACTIVITIES</u>
Water Service	\$ 400,926	\$ -	\$ -	\$ 400,926	\$ -	\$ 400,926
Wastewater Service	233,359	-	-	233,359	-	233,359
Property Taxes	768,674	684,058	-	1,452,732	7,454	1,460,186
Interest	26,515	5,274	1,111	32,900	(13,078)	19,822
TOTAL REVENUES	1,429,474	689,332	1,111	2,119,917	(5,624)	2,114,293
 <u>EXPENDITURES</u>						
Current:						
Water Purchased	218,486	-	-	218,486	-	218,486
City Water Fees	92,254	-	-	92,254	-	92,254
Wastewater Service Purchased	233,359	-	-	233,359	-	233,359
Maintenance	135,251	-	-	135,251	-	135,251
Accounting Fees	22,715	-	-	22,715	-	22,715
Audit Fees	10,500	-	-	10,500	-	10,500
Engineering Fees	12,126	-	-	12,126	-	12,126
Legal Fees	72,357	-	-	72,357	-	72,357
Tax Assessor/Collector	6,859	-	-	6,859	-	6,859
Director Salaries and Payroll Taxes	11,303	-	-	11,303	-	11,303
Insurance	1,332	-	-	1,332	-	1,332
License and Fees	11,439	-	-	11,439	-	11,439
Printing and Office Supplies	5,742	-	-	5,742	-	5,742
Legal Notices	676	-	-	676	-	676
Depreciation	-	-	-	-	277,457	277,457
Debt Service:						
Fiscal Agent's Fees	-	1,200	-	1,200	-	1,200
Interest	86,062	221,841	-	307,903	(4,842)	303,061
Principal	50,000	495,000	-	545,000	(545,000)	-
Capital Expenditures	2,225	-	-	2,225	(2,225)	-
TOTAL EXPENDITURES	972,686	718,041	-	1,690,727	(274,610)	1,416,117
 Excess (Deficit) of Revenues						
Over Expenditures	456,788	(28,709)	1,111	429,190	(429,190)	-
Change in Net Position	-	-	-	-	698,176	698,176
Fund Balance/Net Position-Beginning	1,959,094	487,205	251,592	2,697,891	15,609	2,713,500
Fund Balance/Net Position-Ending	\$ 2,415,882	\$ 458,496	\$ 252,703	\$ 3,127,081	\$ 284,595	\$ 3,411,676

The notes to financial statements are an integral part of this statement.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

1. Summary of Significant Accounting Policies

The combined financial statements of Lakeside Water Control and Improvement District No. 2B (the District) have been prepared in conformity with accounting principles applicable to governmental units that are generally accepted in the United States of America. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Lakeside Water Control and Improvement District No. 2B (the District), a political subdivision of the State of Texas, was created by an election to approve the division of Lakeside Water Control and Improvement District No. 2 held on January 15, 2000. The District was created and organized for the purpose of constructing water, sewer, and drainage facilities and providing water and sewer services to customers within its boundaries and in the surrounding area. The District’s first Board of Directors meeting was held on June 28, 2000. The District is also authorized to provide recreational facilities.

The reporting entity of the District encompasses those activities and functions over which the District’s elected officials exercise significant oversight or control. The District is governed by a five member Board of Directors (the Board) that has been elected by District residents. The funds and account groups presented in this report are within the oversight responsibility of the Board, in accordance with Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting. There are no component units of the District, nor is the District a component unit of any other entity.

A. Basis of Presentation, Basis of Accounting

In accordance with GASB Statement No. 34, the District has elected to combine their Government-wide and Governmental Fund Financial Statements into one set of financial statements with a reconciliation of the individual line items in a separate column on the financial statements.

Government-wide Financial Statements:

The **Statement of Net Position** and the **Statement of Activities** include the financial activities of the overall government. Governmental activities are generally financed through property taxes.

The **Statement of Activities** presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

1. Summary of Significant Accounting Policies (continued)

Fund Financial Statements:

The governmental fund financial statement columns are labeled **Government Funds Balance Sheet** and **Governmental Funds Revenue, Expenditures and Changes in Fund Balance**. In the fund financial statements, the accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of financial resources for, and the payment of, general long term debt principal and interest.

Capital Projects Fund: The Capital Projects Fund is used to account for the acquisition or construction of major capital facilities. Principal sources of revenue are municipal long-term debt proceeds and interest income.

B. Measurement Focus, Basis of Accounting

The Government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting. Revenue is 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 revenue in the year for which they are levied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources management focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year end to be available in the current period. Revenues from local sources consist primarily of property taxes. Miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long term debt, which is recognized as an expenditure to the extent that it has matured. General capital asset acquisitions are reported as expenditures in major governmental funds. Proceeds of general long term debt are reported as other financing sources.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

1. Summary of Significant Accounting Policies (continued)

C. Fund Balances

The District has adopted GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

Nonspendable – Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned – For the General Fund, amounts that are appropriated by the Board or Board designee, if any, that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned – Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has not delegated the authority to assign fund balance.

D. Budget

The Board adopted an annual budget for the General Fund on the basis consistent with generally accepted accounting principles. The District does not prepare budgets for other funds. The District's Board of Directors utilizes the budget as a management tool for planning and cost control purposes. All annual appropriations lapse at fiscal year end.

E. Pensions

The District has not established a pension plan.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

1. Summary of Significant Accounting Policies (continued)

F. Cash and Cash Equivalents

These include cash on deposit as well as investments with maturities of three months or less at the time of purchase.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid assets in both the government-wide and fund financial statements. Prepaid assets are charged to expenditures when consumed.

H. Capital Assets

Capital assets, which include Administrative Facilities and Equipment, Common and Recreation Areas, Water Production and Distribution System, Wastewater Collection System, Water Quality Ponds and Organizational Costs are reported in the Government-wide column in the Statement of Net Assets. Public domain (“infrastructure”) capital assets including water, wastewater and drainage systems, are capitalized as acquired. Items purchased or acquired are reported at historical cost. Contributed fixed assets are recorded as capital assets at estimated fair market value at the time received.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Water/Wastewater/Drainage System	50 years
Recreational Facilities	20 years

I. Interfund Transactions

Transfers from one fund to another fund are reported as interfund receivable and payables if there is intent to repay that amount and if the debtor fund has the ability to repay the advance on a timely basis. Operating transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

J. Long-Term Debt

Unlimited tax bonds, which have been issued to acquire capital assets, are to be repaid from tax revenues of the District. In the Government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

1. Summary of Significant Accounting Policies (continued)

In the fund financial statement, 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 and discounts on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

K. Deferred Outflows and Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future period. GASB Statement No. 63 became effective for fiscal years beginning after December 15, 2011 and has been implemented in the financial statements.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 is effective for fiscal years beginning after December 15, 2012 and has been implemented in these financial statements.

L. Recently Issued Accounting Pronouncements

In March 2018, the GASB issued GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of GASB Statement No. 88 is to improve the consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This statement is effective for reporting periods beginning after June 15, 2018. GASB Statement No. 88 has been implemented in these financial statements.

In June 2018, the GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for fiscal years beginning after December 15, 2020. The objective of GASB Statement No. 89 is to enhance the relevance and comparability of information about capital assets and to simplify accounting for interest costs incurred before the end of a construction period. Under GASB Statement 89, interest costs will no longer be capitalized as part of the asset but will be shown as an expenditure in the fund financial statements and as an expense in the government-wide financial statements. GASB Statement No. 89 has been implemented in these financial statements.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

2. Cash and Investments

The investment policies of the District are governed by State statute and an adopted District Investment Policy that includes depository contract provisions and custodial contract provisions. Major provisions of the District's Investment Policy include: depositories must be FDIC-insured Texas banking institutions; depositories must fully insure or collateralize all demand and time deposits; securities collateralizing time deposits are held by independent third party trustees.

Cash – At year end, deposits were held by the District's depository bank in accounts that were secured at the balance sheet date by Federal Deposit Insurance Corporation (FDIC) coverage or by pledged collateral held by the District's agent bank in the District's name.

Investments - The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirement of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restriction, (1) obligations of the US Treasury, certain US Agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) banker's acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) commercial paper.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Not all assets meeting the definition of an investment are required to be reported at fair value. Including among excepted investments are certain investments held by 2a7-like external investment pools. As detailed below the District has invested funds in specific 2a7-like external investment pools that are valued at amortized cost and not subject to the fair value hierarchy levels.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

2. Cash and Investments (continued)

The District's investments at year end are shown below.

<u>Investment</u>	<u>Fair Value Level</u>	<u>Rating</u>	<u>Maturity</u>	<u>Fair Value</u>
TexPool	N/A	AAAm	1 day average	\$2,058,102

Analysis of Specific Cash and Investment Risks – GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and, if so, the reporting of certain related disclosures.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

Custodial Credit Risk – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterpart or the counterpart's trust department or agent but not in the District's name. At year end, the District was not exposed to custodial credit risk.

Concentration of Credit Risk – This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

Foreign Currency Risk – This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Investment Accounting Policy – The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

2. Cash and Investments (continued)

Public Funds Investment Pools – Public funds investment pools in Texas (“Pools”) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the “Act”), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the Pool and other person who do not have a business relationship with the Pool and are qualified to advise the Pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least on nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio with one half of one percent of the value of its shares.

The District’s investments in Pools are reported at an amount determined by the fair value per share of the Pool’s underling portfolio, unless the Pool is 2a7-like, in which case they are reported at share value. A 2a7-like Pool is one which is not registered with the Securities and Exchange Commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940.

TexPool – The District invests in the Texas Local Government Investment Pool (TexPool), which is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under a contract with the State Comptroller. In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advise in respect to TexPool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAM by Standard & Poor’s and operates in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost, which usually approximates the market value of the securities. The stated objective of TexPool is to maintain a stable average \$1.00 per unit net asset value; however, the \$1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at www.ttstc.org.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

3. Property Taxes

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll on January 1, 2020, upon which the levy for the 2021-22 fiscal year was based, was \$161,081,810. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus delinquent collection fees for attorney costs.

The tax rates assessed for the year ended September 30, 2022, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.48 and \$0.4275 per \$100 valuation, respectively, for a total of \$0.9075 per \$ 100 valuation.

Current tax collections for the year ended September 30, 2022, were 99.29% of the year end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. The District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of September 30, 2022, property taxes receivable, totaled \$6,165 and \$5,580 for the General and Debt Service Funds, respectively.

4. Capital Assets

During the year, the District acquired \$1,318 in new recreational facilities serving the District’s residents and was credited \$12,171 of past costs for planning for a future amenity center. All of the District’s utility facilities are being depreciated over their estimated useful life of 50 years. The District’s recreational facilities are being depreciated over 20 years. Depreciation in the amount of \$277,457 has been charged to system operations for the year and accumulated depreciation amounts to \$3,051,186 leaving a net book value of \$8,541,227. A summary of changes in capital assets follows:

	Balance			Balance
<u>Capital Assets:</u>	<u>9/30/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>9/30/2022</u>
Water WW & Drainage	\$ 10,032,397	-	-	\$ 10,032,397
Amenity Center-In Progress	37,323	(12,171)	-	25,152
Recreational Facilities	1,533,546	1,318	-	1,534,864
Total	<u>11,603,266</u>	<u>(10,853)</u>	<u>-</u>	<u>11,592,413</u>
<u>Accumulated Depreciation:</u>				
Water WW & Drainage	(2,475,268)	(200,648)	-	(2,675,916)
Amenity Center-In Progress	-	-	-	-
Recreational Facilities	(298,461)	(76,809)	-	(375,270)
Total	<u>(2,773,729)</u>	<u>(277,457)</u>	<u>-</u>	<u>(3,051,186)</u>
Total Capital Assets (Net)	<u>\$ 8,829,537</u>	<u>(288,310)</u>	<u>-</u>	<u>\$ 8,541,227</u>

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

5. Bonds

At an election held within the District on November 6, 2001, voters authorized a total of \$13,300,000 combination unlimited tax and revenue bonds for the purpose of purchasing, constructing, acquiring, owning, improving, extending, maintaining, repairing, or operating a waterworks system, a sanitary sewer system, and a drainage system for the District. The District's bonds are collateralized by the levy of an annual ad valorem tax against all taxable property within the District. The District has no direct borrowings or direct placement debt.

On December 4, 2014, the District issued \$4,030,000 of Unlimited Tax Refunding Bonds dated December 1, 2014. The bonds mature serially on September 1, in each year 2015 through 2032, in principal amounts set forth below. Bonds maturing on or after September 1, 2023, are subject to redemption, in whole or in part, on September 1, 2022, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption

On August 10, 2015, the District issued another \$1,405,000 of Unlimited Tax Bonds dated September 1, 2015. The bonds mature serially on September 1, in each year 2016 through 2035, in principal amounts set forth below. Bonds maturing on or after September 1, 2023, are subject to redemption, in whole or in part, on September 1, 2022, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption

On October 10, 2016, the District issued another \$1,650,000 of Unlimited Tax Bonds dated October 1, 2016. The bonds mature serially on September 1, in each year 2017 through 2036, in principal amounts set forth below. Bonds maturing on or after September 1, 2024, are subject to redemption, in whole or in part, on September 1, 2023, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

On April 8, 2020, the District issued \$1,260,000 of Unlimited Tax Refunding Bonds dated April 1, 2020. The bonds mature serially on September 1, in each year 2021 through 2033, in principal amounts set forth below. Bonds maturing on or after September 1, 2029, are subject to redemption, in whole or in part, on September 1, 2028, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

On August 17, 2021, the District issued \$1,330,000 of Unlimited Tax Refunding Bonds dated August 1, 2021. The bonds mature serially on September 1, in each year 2021 through 2033, in principal amounts set forth below. Bonds maturing on or after September 1, 2028, are subject to redemption, in whole or in part, on September 1, 2026, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

5. Bonds (continued)

These bonds are described as follows:

<u>Issue</u>	<u>Original Amount</u>	<u>Installments (in thousands)</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Balance Outstanding</u>
Series 2014A	4,030,000	115 to 345	2032	2.0 - 4.000%	2,230,000
Series 2015	1,405,000	50 to 105	2035	2.0 - 3.875%	1,055,000
Series 2016	1,650,000	50 to 300	2036	2.0 - 3.000%	1,300,000
Series 2020	1,260,000	85 to 195	2036	2.0 - 4.000%	1,095,000
Series 2021R	1,330,000	35 to 195	2034	2.0 - 3.000%	1,295,000

The change in the District's bonds during the year is as follows:

<u>Bonds:</u>	<u>Balance 9/30/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2022</u>
Unlimited Tax Bonds, Series 2014A	\$ 2,510,000	-	(280,000)	\$ 2,230,000
Unlimited Tax Bonds, Series 2015	1,105,000	-	(50,000)	1,055,000
Unlimited Tax Bonds, Series 2016	1,350,000	-	(50,000)	1,300,000
Unlimited Tax Bonds, Series 2020	1,175,000	-	(80,000)	1,095,000
Bond Premium, Series 2020	41,692	-	(3,474)	38,218
Unlimited Tax Bonds, Series 2021	1,330,000	-	(35,000)	1,295,000
Bond Premium, Series 2021	13,133	-	(263)	12,870
Total Bond Indebtedness	\$ 7,524,825	\$ -	\$ (498,737)	\$ 7,026,088

Redemption

Series 2005 Bonds maturing on or after September 1, 2015, are subject to redemption, in whole or in part, on September 1, 2014, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on in the year 2027 are subject to mandatory sinking fund redemption.

Series 2006 Bonds maturing on or after September 1, 2016, are subject to redemption, in whole or in part, on September 1, 2015, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on in the years 2021, 2024, 2030, and 2032 are subject to mandatory sinking fund redemption.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

5. Bonds (continued)

Series 2007 Bonds maturing on or after September 1, 2018, are subject to redemption, in whole or in part, on September 1, 2015, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on in the years 2018, 2021, 2026, 2029 and 2033 are subject to mandatory sinking fund redemption.

Series 2014 Bonds maturing on or after September 1, 2022, are subject to redemption, in whole or in part, on September 1, 2021, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on in the years 2029, 2031 and 2034 are subject to mandatory sinking fund redemption.

Series 2014A Bonds maturing on or after September 1, 2023, are subject to redemption, in whole or in part, on September 1, 2022, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on in the years 2028 and 2032 are subject to mandatory sinking fund redemption.

Series 2015 Bonds maturing on or after September 1, 2023, are subject to redemption, in whole or in part, on September 1, 2022, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on in the years 2035 are subject to mandatory sinking fund redemption.

Series 2016 Bonds maturing on or after September 1, 2024, are subject to redemption, in whole or in part, on September 1, 2023, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on in the years 2031-2034 are subject to mandatory sinking fund redemption.

Series 2020 Bonds maturing on or after September 1, 2029, are subject to redemption, in whole or in part, on September 1, 2028, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on in the years 2029, 2031 and 2033 are subject to mandatory sinking fund redemption.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

5. Bonds (continued)

Series 2021 Bonds maturing on or after September 1, 2028, are subject to redemption, in whole or in part, on September 1, 2026, or on any date thereafter at a price equal to the principal amount thereof plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, term bonds maturing on in the years 2028, 2030, 2032 and 2034 are subject to mandatory sinking fund redemption.

Debt Service Requirements

Debt service requirements on long-term bond debt as of the end of the year are as follows:

<u>Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2023	\$ 510,000	\$ 207,469	\$ 717,469
2024	525,000	192,964	717,964
2025	535,000	177,154	712,154
2026	550,000	160,269	710,269
2027	560,000	141,419	701,419
2028-2032	2,655,000	460,333	3,115,333
2033-2037	1,640,000	111,807	1,751,807
Totals	<u>\$ 6,975,000</u>	<u>\$ 1,451,415</u>	<u>\$ 8,426,415</u>

Advance Refunding of Debt

GASB Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt*, provides that refunded Debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of September 30, 2021, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows:

<u>Bond Issue</u>	<u>Amount</u>
Series 2005	\$2,230,000
Series 2006	\$1,475,000
Series 2007	\$1,300,000
Series 2014	\$1,250,000

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

6. Capital Lease

The District has entered into a lease purchase agreement during the year to facilitate the acquisition of certain capital assets. Although the payments required under the terms of this agreement is subject to annual appropriation by the Board, it is the District's stated intention to abide by the terms of the agreements in order to complete the acquisition of the subject capital assets. This agreement has a term of 19 years and requires that all payments are made in order for title to the assets to be conveyed to the District. Debt service requirements on long-term capital lease as of the end of the year are as follows:

<u>Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2023	\$ 55,000	\$ 82,688	\$ 137,688
2024	60,000	78,975	138,975
2025	65,000	74,925	139,925
2026	70,000	70,538	140,538
2027	70,000	65,812	135,812
2028-2032	435,000	251,101	686,101
2033-2037	470,000	82,013	552,013
Totals	\$ 1,225,000	\$ 706,052	\$ 1,931,052

7. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the year, the District obtained liability coverage.

8. Contingencies

The District anticipates construction of an amenity center to serve residents of the District. The ultimate cost of this facility cannot be determined at this time.

9. Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

10. Subsequent Events

The District has evaluated subsequent events as of December 31, 2022, the date the financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world. While the disruption is expected to be temporary, there is uncertainty around the severity and duration. Therefore, while this issue may negatively impact the District’s results of operations and financial position, the related financial impact cannot be reasonably estimated at the time. The District is actively managing its operations to maintain its cash flow and management believes that the District has adequate liquidity.

11. Reconciliation of Government-wide and Fund Financial Statements

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

Governmental Funds Total Fund Balances	\$ 3,127,081
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	8,541,227
Long-term liabilities (bonds payable) are not due and payable in the current period and, therefore, are not reported in the funds	(8,251,088)
Interest is accrued on outstanding debt in the government-wide statements, whereas in the governmental funds, an interest expenditure is reported when made and not accrued in the funds	(17,289)
Deferred tax revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds	<u>11,745</u>
Total Net Position	<u><u>\$ 3,411,676</u></u>

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

11. Reconciliation of Government-wide and Fund Financial Statements

Amounts reported for governmental activities in the statement of activities are different because:

Governmental Funds Excess of Revenues over Expenditures	\$ 429,190
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	
Change in Deferred Tax Revenue	7,454
Governmental funds report capital outlays as expenditures however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense	
Capital Outlay	(10,853)
Depreciation Expense	(277,457)
Governmental funds report principal payments as expenditures however, in the Statement of Activities, these payments are not reported as operating expenses	
Bond Principal	495,000
Capital Lease Principal	50,000
Bond Defeasance Costs	-
Governmental funds do not report the change in accrued interest as an expenditure, however, in the Statement of Activities, this change in the amount accrued is reported as an expense	
Accrued Interest	4,842
Change in Net Position	<u>\$ 698,176</u>

REQUIRED SUPPLEMENTARY INFORMATION

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE)</u>
REVENUES				
Water Service	\$ 350,000	\$ 375,000	\$ 400,926	\$ 25,926
Wastewater Service	235,000	235,000	233,359	(1,641)
Property Taxes	673,676	748,758	768,674	19,916
Interest	5,000	4,000	26,515	22,515
TOTAL REVENUES	<u>1,263,676</u>	<u>1,362,758</u>	<u>1,429,474</u>	<u>66,716</u>
EXPENDITURES				
Current:				
Water Purchased	190,000	230,000	218,486	11,514
City Water Fees	90,000	95,000	92,254	2,746
Wastewater Service Purchased	235,000	235,000	233,359	1,641
Maintenance	210,000	217,000	135,251	81,749
Accounting Fees	22,000	24,000	22,715	1,285
Audit Fees	10,500	10,500	10,500	-
Engineering Fees	25,000	25,000	12,126	12,874
Legal Fees	80,000	85,000	72,357	12,643
Tax Assessor/Collector	7,000	9,000	6,859	2,141
Director Salaries and Payroll Taxes	12,000	15,000	11,303	3,697
Insurance	4,000	4,000	1,332	2,668
License and Fees	15,000	17,500	11,439	6,061
Printing and Office Supplies	10,100	9,100	5,742	3,358
Legal Notices	2,000	2,000	676	1,324
Debt Service:				
Interest	89,438	86,063	86,062	1
Principal	50,000	50,000	50,000	-
Capital Expenditures	397,578	95,000	2,225	92,775
TOTAL EXPENDITURES	<u>1,449,616</u>	<u>1,209,163</u>	<u>972,686</u>	<u>236,477</u>
Excess (Deficit) of Revenues over Expenditures	(185,940)	153,595	456,788	303,193
Fund Balance - Beginning of Year	<u>1,959,094</u>	<u>1,959,094</u>	<u>1,959,094</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 1,773,154</u></u>	<u><u>\$ 2,112,689</u></u>	<u><u>\$ 2,415,882</u></u>	<u><u>\$ 303,193</u></u>

See accompanying independent auditor's report

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

SUPPLEMENTARY INFORMATION

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B
INDEX OF SUPPLEMENTAL SCHEDULES REQUIRED
BY THE TEXAS WATER COMMISSION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

(Schedules included are checked; explanatory notes are provided for omitted schedules).

- [√] Schedule of Services and Rates
- [√] Schedule of General Fund Expenditures
- [√] Temporary Investments
- [√] Analysis of Taxes Levied and Receivable
- [√] General Long Term Debt Service Requirements by Years
- [√] Analysis of Changes in General Long Term Debt
- [√] Comparative Schedule of Revenues and Expenditures - General Fund
- [√] Comparative Schedule of Revenues and Expenditures – Debt Service Fund
- [√] Board Members, Key Personnel, and Consultants

See accompanying independent auditor's report

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B
SERVICES AND RATES
SEPTEMBER 30, 2022**

1. Services Provided by the District:

Retail Water Drainage
Retail Wastewater Parks

2. Retail Rates Based on 5/8" Meter

	Minimum	Minimum	Flat	Rate per first	Rate per add'l
	Charge	Usage	Rate	1000 Gallons	1000 Gallons
			Y/N	Over Minimum	Over Minimum
Water:	\$ 16.00	1,000	N	\$ 4.65	\$ 4.65-5.55
Wastewater:	\$ 40.00	-0-	Y	\$ -0-	\$ -0-
Surcharge:	-0-				

Total water and wastewater charges per 10,000 gallons usage: \$ 103.10

3. Retail Service Provided: Number of retail water and/or wastewater connections.

	Active	Active	Inactive
	Connections	EFSC	Connections
			(EFSC)
Single Family & Total	489	489	0

4. Total Water Consumption During the Fiscal Year:

Gallons pumped into system: 62,424,500
Gallons billed to customers: 62,424,500

5. Standby Fees: The District does not assess standby fees.

6. Anticipated sources of funds to be used for debt service payments: Ad Valorem taxes

7. Location of District:

The District is located entirely within Travis County.
The District is not located within any city.
The District is located within the City of Pflugerville ETJ.
The general membership of the Board is not appointed by an office outside the District.

See accompanying independent auditor's report

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**SCHEDULE OF GENERAL FUND EXPENDITURES
YEAR ENDED SEPTEMBER 30, 2022**

Current:

Purchased Services for Resale

Water	\$ 218,486
City Fees	92,254
Wastewater	233,359
	544,099

Professional Fees

Audit	10,500
Engineering	12,126
Legal	72,357
	94,983

Contracted Services

Accounting	22,715
Tax Appraisal/Collection	6,859
	29,574

Administrative

Director Salaries and Payroll Taxes	11,303
Insurance	1,332
Printing and Office Supplies	5,742
Legal Notices	676
License and Fees	11,439
	30,492

Maintenance

Amenity Center	131,556
Channel	2,080
Pond	1,615
	135,251

Debt Service:

Interest	86,062
Principal	50,000
	136,062

Capital Expenditures:

Amenity Center	907
Recreational Facilities	1,318
	2,225

TOTAL EXPENDITURES	\$ 972,686
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Number of persons employed by the District: -0-

See accompanying independent auditor's report

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**TEMPORARY INVESTMENTS
SEPTEMBER 30, 2022**

FUNDS	IDENTIFICATION OR CERTIFICATE NUMBER	INTEREST RATE	MATURITY DATE	BALANCE AT END OF YEAR	ACCRUED INTEREST RECEIVABLE AT END OF YEAR
<u>GENERAL FUND</u>					
State Investment Pool	****0001	2.8000%	N/A	\$ 1,530,905	\$ -
Total				<u>1,530,905</u>	<u>-</u>
<u>DEBT SERVICE FUND</u>					
State Investment Pool	****0002	2.8000%	N/A	\$ 527,197	\$ -
Total				<u>527,197</u>	<u>-</u>
<u>CAPITAL PROJECTS FUND</u>					
None				\$ -	\$ -
Total				<u>-</u>	<u>-</u>
TOTALS - ALL FUNDS				<u>\$ 2,058,102</u>	<u>\$ -</u>

See accompanying independent auditor's report

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**ANALYSIS OF TAXES LEVIED AND RECEIVABLE
YEAR ENDED SEPTEMBER 30, 2022**

	<u>MAINTENANCE TAXES</u>	<u>DEBT SERVICE TAXES</u>
Taxes Receivable, Beginning of Year	\$ 2,119	\$ 2,172
2021 Original Levy	773,193	688,625
Adjustments	(2,025)	(2,593)
Add: Penalty & Interest	<u>1,552</u>	<u>1,434</u>
Total to be accounted for	<u>774,839</u>	<u>689,638</u>
Tax collections:		
Current year	766,482	682,648
Prior years	<u>2,192</u>	<u>1,410</u>
Total Collections	<u>768,674</u>	<u>684,058</u>
Taxes Receivable, End of Year	<u>\$ 6,165</u>	<u>\$ 5,580</u>

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Property Valuations:					
Land & Improvements	<u>161,081,810</u>	<u>145,432,541</u>	<u>144,353,401</u>	<u>136,770,246</u>	<u>130,523,409</u>
Tax Rates Per \$100 Valuation:					
Debt Service tax rates	\$ 0.4275	\$ 0.4900	\$ 0.5000	\$ 0.5400	\$ 0.5600
Maintenance tax rates	<u>0.4800</u>	<u>0.4800</u>	<u>0.4700</u>	<u>0.4300</u>	<u>0.4100</u>
Totals	<u>\$ 0.9075</u>	<u>\$ 0.9700</u>	<u>\$ 0.9700</u>	<u>\$ 0.9700</u>	<u>\$ 0.9700</u>
Original Tax Levy	<u>\$ 1,461,817</u>	<u>\$ 1,410,696</u>	<u>\$ 1,400,228</u>	<u>\$ 1,326,671</u>	<u>\$ 1,266,077</u>

See accompanying independent auditor's report

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
YEAR ENDED SEPTEMBER 30, 2022**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR SERIES 2014A		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2023	295,000	78,100	373,100
2024	310,000	69,545	379,545
2025	320,000	59,935	379,935
2026	335,000	49,375	384,375
2027	345,000	37,650	382,650
2028	115,000	24,713	139,713
2029	120,000	20,400	140,400
2030	125,000	15,600	140,600
2031	130,000	10,600	140,600
2032	135,000	5,400	140,400
2033	-	-	-
2034	-	-	-
2035	-	-	-
2036	-	-	-
	<u>\$ 2,230,000</u>	<u>\$ 371,318</u>	<u>\$ 2,601,318</u>

See accompanying independent auditor's report

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
YEAR ENDED SEPTEMBER 30, 2022**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR SERIES 2015		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2023	50,000	38,069	88,069
2024	50,000	36,569	86,569
2025	50,000	35,069	85,069
2026	50,000	33,444	83,444
2027	50,000	31,819	81,819
2028	100,000	30,069	130,069
2029	100,000	26,569	126,569
2030	100,000	22,944	122,944
2031	100,000	19,194	119,194
2032	100,000	15,444	115,444
2033	100,000	11,694	111,694
2034	100,000	7,944	107,944
2035	105,000	4,069	109,069
2036	-	-	-
	<u>\$ 1,055,000</u>	<u>\$ 312,897</u>	<u>\$ 1,367,897</u>

See accompanying independent auditor's report

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
YEAR ENDED SEPTEMBER 30, 2022**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR SERIES 2016		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2023	50,000	36,500	86,500
2024	50,000	35,500	85,500
2025	50,000	34,250	84,250
2026	50,000	33,000	83,000
2027	50,000	31,750	81,750
2028	50,000	30,500	80,500
2029	50,000	29,250	79,250
2030	50,000	28,000	78,000
2031	50,000	26,750	76,750
2032	50,000	25,500	75,500
2033	50,000	24,000	74,000
2034	150,000	22,500	172,500
2035	300,000	18,000	318,000
2036	300,000	9,000	309,000
	<u>\$ 1,300,000</u>	<u>\$ 384,500</u>	<u>\$ 1,684,500</u>

See accompanying independent auditor's report

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
YEAR ENDED SEPTEMBER 30, 2022**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR SERIES 2020R		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2023	80,000	27,500	107,500
2024	80,000	25,100	105,100
2025	80,000	22,700	102,700
2026	80,000	20,300	100,300
2027	80,000	17,100	97,100
2028	105,000	13,900	118,900
2029	100,000	11,800	111,800
2030	100,000	9,800	109,800
2031	100,000	7,800	107,800
2032	95,000	5,800	100,800
2033	195,000	3,900	198,900
2034	-	-	-
2035	-	-	-
2036	-	-	-
	<u>\$ 1,095,000</u>	<u>\$ 165,700</u>	<u>\$ 1,260,700</u>

See accompanying independent auditor's report

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
YEAR ENDED SEPTEMBER 30, 2022**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR SERIES 2021R		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2023	35,000	27,300	62,300
2024	35,000	26,250	61,250
2025	35,000	25,200	60,200
2026	35,000	24,150	59,150
2027	35,000	23,100	58,100
2028	160,000	22,400	182,400
2029	160,000	19,200	179,200
2030	155,000	16,000	171,000
2031	155,000	12,900	167,900
2032	150,000	9,800	159,800
2033	145,000	6,800	151,800
2034	195,000	3,900	198,900
2035	-	-	-
2036	-	-	-
	<u>\$ 1,295,000</u>	<u>\$ 217,000</u>	<u>\$ 1,512,000</u>

See accompanying independent auditor's report

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**GENERAL LONG TERM DEBT SERVICE REQUIREMENTS-BY YEARS
YEAR ENDED SEPTEMBER 30, 2022**

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR ALL SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2023	510,000	207,469	717,469
2024	525,000	192,964	717,964
2025	535,000	177,154	712,154
2026	550,000	160,269	710,269
2027	560,000	141,419	701,419
2028	530,000	121,582	651,582
2029	530,000	107,219	637,219
2030	530,000	92,344	622,344
2031	535,000	77,244	612,244
2032	530,000	61,944	591,944
2033	490,000	46,394	536,394
2034	445,000	34,344	479,344
2035	405,000	22,069	427,069
	300,000	9,000	309,000
	<u>\$ 6,975,000</u>	<u>\$ 1,451,415</u>	<u>\$ 8,426,415</u>

See accompanying independent auditor's report

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**ANALYSIS OF CHANGES IN GENERAL LONG TERM BOND DEBT
YEAR ENDED SEPTEMBER 30, 2022**

	<u>SERIES 2014A</u>	<u>SERIES 2015</u>	<u>SERIES 2016</u>	<u>SERIES 2020R</u>	<u>SERIES 2021R</u>	<u>TOTALS</u>
Interest Rate	2.0 - 4.0%	2.0 - 3.875%	2.0 - 3.875%	2.0 - 4.0%	2.0 - 4.0%	
Dates Interest Payable	3/1 : 9/1	3/1 : 9/1	3/1 : 9/1	3/1 : 9/1	3/1 : 9/1	
Maturity Dates	2015-32	2016-35	2017-36	2021-33	2021-33	
Bonds at Beginning of Year	\$ 2,510,000	\$ 1,105,000	\$ 1,350,000	\$ 1,175,000	\$ 1,330,000	\$ 7,470,000
Bonds Sold During the Year	-	-	-	-	-	-
Bonds Defeased During the Year	-	-	-	-	-	-
Retirements During the Year	<u>(280,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(80,000)</u>	<u>(35,000)</u>	<u>(495,000)</u>
Bonds at End of Year	<u>\$ 2,230,000</u>	<u>\$ 1,055,000</u>	<u>\$ 1,300,000</u>	<u>\$ 1,095,000</u>	<u>\$ 1,295,000</u>	<u>\$ 6,975,000</u>
Interest Paid During the Year	\$ 85,820	\$ 39,168	\$ 37,100	\$ 29,500	\$ 30,253	\$ 221,841
Amortization of Bond Premium				(3,474)	(263)	(3,737)
Change in Accrued Interest	<u>(677)</u>	<u>(125)</u>	<u>(83)</u>	<u>(133)</u>	<u>(87)</u>	<u>(1,105)</u>
Interest Expense	<u>\$ 85,143</u>	<u>\$ 39,043</u>	<u>\$ 37,017</u>	<u>\$ 25,893</u>	<u>\$ 29,903</u>	<u>\$ 216,999</u>
Paying Agent	Bank of Texas	Bank of Texas	Bank of Texas	Bank of Texas	Bank of Texas	
Bond Authority:	<u>Tax</u>	<u>Refunding</u>	<u>Other</u>			
Amount Authorized By Voters	\$ 13,300,000	\$ 13,300,000	-			
Amount Issued	\$ 11,685,000	\$ 405,000	-			
Remaining To Be Issued	\$ 1,615,000	\$ 12,895,000	-			
Debt Service Fund Cash and Temporary Investments balances as of September 30, 2022						<u>\$ 541,770</u>
Average annual debt service payment (principal & interest) for remaining term of all bond debt						<u>\$ 601,887</u>

See accompanying independent auditor's report

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022**

	AMOUNTS				
	2022	2021	2020	2019	2018
REVENUES					
Water Service	\$ 400,926	\$ 363,507	\$ 377,321	\$ 362,057	\$ 341,457
Wastewater Service	233,359	233,378	233,445	232,815	230,202
Tap Connection Fees	-	-	-	-	7,200
Property Taxes	768,674	693,258	678,290	590,221	537,858
Interest	26,515	8,261	19,141	10,274	4,121
TOTAL REVENUES	1,429,474	1,298,404	1,308,197	1,195,367	1,120,838
EXPENDITURES					
Current:					
Water Purchased	218,486	193,590	203,067	183,415	197,510
City Water Fees	92,254	83,723	86,732	81,529	82,061
Wastewater Service Purchased	233,359	233,378	233,445	232,815	230,202
Repairs and Maintenance	135,251	119,279	136,431	147,508	124,891
Accounting Fees	22,715	20,071	20,210	19,965	18,030
Audit Fees	10,500	10,500	10,500	10,500	10,500
Engineering Fees	12,126	13,149	10,815	9,840	14,313
Legal Fees	72,357	83,747	74,064	62,247	56,741
Capital Lease Costs	-	-	-	14,550	23,406
Tax Assessor/Collector	6,859	6,527	7,010	6,712	6,776
Director Salaries and Tax	11,303	10,657	11,949	10,496	10,173
Insurance	1,332	1,066	1,062	1,091	1,071
Licenses & Fees	11,439	5,420	12,317	4,518	5,738
Printing & Office Supplies	5,742	3,978	1,797	3,824	3,089
Legal Notices	676	-	846	846	423
Fiscal Agent Fees	-	-	-	500	1,000
Interest	86,062	89,437	92,475	95,512	29,191
Principal	50,000	50,000	45,000	45,000	40,000
Capital Expenditures	2,225	59,658	18,729	13,769	23,715
TOTAL EXPENDITURES	972,686	984,180	966,449	944,637	878,830
Excess (Deficit) of					
Revenues over Expenditures	<u>\$ 456,788</u>	<u>\$ 314,224</u>	<u>\$ 341,748</u>	<u>\$ 250,730</u>	<u>\$ 242,008</u>
TOTAL ACTIVE					
RETAIL CONNECTIONS	<u>489</u>	<u>491</u>	<u>488</u>	<u>488</u>	<u>487</u>

See accompanying independent auditor's report

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022**

PERCENT OF REVENUES

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
REVENUES					
Water Service	28%	28%	29%	30%	30%
Wastewater Service	16%	18%	18%	19%	21%
Tap Connection Fees	0%	0%	0%	0%	1%
Property Taxes	54%	53%	52%	49%	48%
Interest	2%	1%	1%	1%	0%
TOTAL REVENUES	100%	100%	100%	100%	100%
EXPENDITURES					
Current:					
Water Purchased	15%	15%	16%	15%	18%
City Water Fees	6%	6%	7%	7%	7%
Wastewater Service Purchased	16%	18%	18%	19%	21%
Repairs and Maintenance	9%	9%	10%	12%	11%
Accounting Fees	2%	2%	2%	2%	2%
Audit Fees	1%	1%	1%	1%	1%
Engineering Fees	1%	1%	1%	1%	1%
Legal Fees	5%	6%	6%	5%	5%
Capital Lease Costs	0%	0%	0%	1%	2%
Tax Assessor/Collector	0%	1%	1%	1%	1%
Director Salaries and Tax	1%	1%	1%	1%	1%
Insurance	0%	0%	0%	0%	0%
Licenses & Fees	1%	0%	1%	0%	1%
Printing & Office Supplies	0%	0%	0%	0%	0%
Legal Notices	0%	0%	0%	0%	0%
Fiscal Agent Fees	0%	0%	0%	0%	0%
Interest	6%	7%	7%	8%	3%
Principal	3%	4%	3%	4%	4%
Capital Expenditures	0%	5%	1%	1%	2%
TOTAL EXPENDITURES	68%	76%	74%	79%	78%
Excess (Deficit) of					
Revenues over Expenditures	32%	24%	26%	21%	22%
TOTAL ACTIVE					
RETAIL CONNECTIONS	489	491	488	488	487

See accompanying independent auditor's report

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - DEBT SERVICE FUND
YEAR ENDED SEPTEMBER 30, 2022**

	AMOUNTS				
	2022	2021	2020	2019	2018
REVENUES					
Property Taxes	\$ 684,058	\$ 706,803	\$ 720,675	\$ 740,420	\$ 734,079
Interest	5,274	2,916	9,235	7,512	3,665
TOTAL REVENUES	689,332	709,719	729,910	747,932	737,744
EXPENDITURES					
Debt Service					
Fiscal Agent Fees	1,200	2,500	2,300	1,600	1,600
Interest	221,841	255,068	272,913	299,329	311,666
Principal	495,000	480,000	390,000	460,000	450,000
TOTAL EXPENDITURES	718,041	737,568	665,213	760,929	763,266
OTHER FINANCING SOURCES					
Bond Proceeds (Net)	-	4,202	(84,604)	-	-
Excess (Deficit) of Revenues over Expenditures	<u>\$ (28,709)</u>	<u>\$ (23,647)</u>	<u>\$ (19,907)</u>	<u>\$ (12,997)</u>	<u>\$ (25,522)</u>

See accompanying independent auditor's report

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - DEBT SERVICE FUND
YEAR ENDED SEPTEMBER 30, 2022**

	PERCENT OF REVENUES				
	2022	2021	2020	2019	2018
REVENUES					
Property Taxes	99%	100%	99%	99%	100%
Interest	1%	0%	1%	1%	0%
TOTAL REVENUES	100%	100%	100%	100%	100%
EXPENDITURES					
Debt Service					
Fiscal Agent Fees	0%	0%	0%	0%	0%
Interest	32%	36%	37%	40%	42%
Principal	72%	68%	53%	62%	61%
TOTAL EXPENDITURES	104%	104%	91%	102%	103%
OTHER FINANCING SOURCES					
Bond Proceeds (Net)	0%	1%	-12%	0%	0%
Excess (Deficit) of Revenues over Expenditures	<u>-4%</u>	<u>-3%</u>	<u>-3%</u>	<u>-2%</u>	<u>-3%</u>

See accompanying independent auditor's report

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

**BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS
YEAR ENDED SEPTEMBER 30, 2022**

DISTRICT MAILING ADDRESS: c/o Lloyd Gosselink Rochelle & Townsend 816 Congress Av #1900 Austin TX 78701

DISTRICT BUSINESS TELEPHONE NUMBER: (512) 322-5800

LIMITS ON FEES OF OFFICE THAT A DIRECTOR MAY RECEIVE DURING A FISCAL YEAR: \$7,200

<u>NAMES</u>	<u>TERM OF OFFICE</u>	<u>SALARY FYE 9/30/22</u>	<u>REIMBURSEMENTS FYE 9/30/22</u>	<u>TITLE AT YEAR END</u>
<u>DIRECTORS</u>				
Marilyn Horndt	Elected 5/20-5/24	\$ 1,650	\$ -	President
Eddie Garcia	Elected 5/22-5/26	2,700	-	Vice-President
Kenneth Whittier	Elected 5/20-5/24	2,700	-	Secretary/Treasurer
Jim Walker	Elected 5/20-5/24	1,650	-	Asst Sec
Terry Tuttle	Elected 5/22-5/26	1,800	-	Asst Sec
Payments to Retiring Directors		-	-	
		<u>\$ 10,500</u>	<u>\$ -</u>	

CONSULTANTS

Lloyd Gosselink Rochelle & Townsend	\$ 72,357	\$ -	Attorney
Randall Jones Engineering	\$ 120,422	\$ -	Engineer
Jones-Heroy & Associates	\$ 804	\$ -	Engineer
Montoya & Monzingo	\$ 22,715	\$ -	Accountant
West, Davis & Company	\$ 10,500	\$ -	Auditor

See accompanying independent auditor's report

OTHER INFORMATION

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT No. 2B

PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2022

Taxpayer	Taxable Assessed Value	% of 2022 Certified Taxable Assessed Value
Individual	\$ 912,508	0.47%
Individual	859,895	0.44%
Individual	850,833	0.44%
Individual	809,351	0.42%
Individual	775,463	0.40%
Individual	763,827	0.39%
Individual	760,790	0.39%
Individual	752,500	0.39%
Individual	734,219	0.38%
Individual	731,196	0.38%
Total	\$ 7,950,582	4.09%

ASSESSED VALUE BY CLASSIFICATION
SEPTEMBER 30, 2022

Type of Property	2022 Taxable Assessed Value
Land	\$ 24,594,702
Improvements	243,382,078
Personal Property	786,563
Total Assessed Valuation	268,763,343
Exemptions	74,521,990
Total Taxable Appraised Valuation	\$ 194,241,353

See accompanying independent auditor's report