



ANNUAL COMPREHENSIVE FINANCIAL REPORT



**For the Fiscal Year End
August 31, 2024**

Prepared by the SJRA Accounting Department

Montgomery County, Texas



San Jacinto River Authority
1577 Dam Site Road
Conroe, Texas 77304

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INTRODUCTORY SECTION



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January 23, 2025

Board of Directors
San Jacinto River Authority
Montgomery County, Texas

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the San Jacinto River Authority (SJRA) for the fiscal year ended August 31, 2024. The purpose of the ACFR is to provide reliable financial information about the SJRA to the SJRA's Board of Directors, customers, general public, and other interested parties. The SJRA's Accounting Department has prepared the ACFR in accordance with generally accepted accounting principles (GAAP). Management assumes full responsibility for the completeness and reliability of the information contained in the ACFR, based upon a comprehensive framework of internal controls that are established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective of such internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

An independent auditor, Knox Cox & Co., LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the SJRA's financial statements for the year ended August 31, 2024. The independent auditor's report is located at the front of the financial section of the ACFR.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profiles of the Government

The SJRA is a conservation and reclamation district, body politic and corporate, and a governmental agency of the State of Texas created by the Texas Legislature in 1937 (Article 8280-121, as amended), the SJRA is a government agency whose mission is to develop, conserve, and protect the water resources of the San Jacinto River basin. Covering all or part of seven counties, the organization's jurisdiction includes the entire San Jacinto River watershed, excluding Harris County. The SJRA is one of 10 major river authorities in the State of Texas, and like other river authorities, its primary purpose is to implement long-term, regional projects related to water supply and wastewater treatment.



The SJRA boundaries include the entire watershed of the San Jacinto River and its tributaries excluding Harris County. This includes all of Montgomery County and parts of Walker, Waller, San Jacinto, Grimes, Fort Bend, and Liberty Counties. SJRA serves many customers in the Houston area and is authorized to operate in East Harris County through an agreement with the City of Houston, which allows the SJRA to operate east of the San Jacinto River.

The SJRA is governed by a seven-member board of directors, appointed by the governor of the State of Texas, for four-year staggered terms. The SJRA accomplishes its mission through the following divisions (five operational and one general and administration).

The **General & Administration Division**, located in the general business office at Lake Conroe, consists of professional, technical, accounting, administrative, and support staff working under the direction of the General Manager. The General & Administration Division's primary function is to provide management and support services to SJRA's five operating divisions (listed below).

The **Highlands Division**, located in East Harris County, operates a pump station at Lake Houston, as well as an extensive 27-mile system of canals and a 1,400-acre reservoir for delivery of raw water to industrial, municipal, and agricultural customers. The Highlands Division also operates additional pump stations that transfer raw water from the Trinity River via the Coastal Water Authority ("CWA") to the Highlands Division's East Canal and South Canal systems.

The **Lake Conroe Division** is situated seven miles west of Interstate 45 at the Lake Conroe Dam. The SJRA supplies raw water from Lake Conroe to various customers, including a major industrial customer. Built as a water supply reservoir and completed in 1973, Lake Conroe is operated and maintained by the SJRA; however, the City of Houston owns two-thirds of the permitted water rights in the reservoir and participates in two-thirds of the Lake Conroe costs. In addition to operating and maintaining the dam, this Division handles the licensing, regulation, and enforcement functions related to onsite sewage facilities immediately around Lake Conroe, boat sanitation, piers, boat slips, boathouses, marinas, and other facilities operated or constructed around or on Lake Conroe. The Lake Conroe Division collects fees associated with these permits and licenses. In addition, the Lake Conroe Division has contracted with five Woodlands Municipal Utility Districts (MUDs) to maintain the Bear Branch Reservoir and drainage system. The participating MUDs make annual contributions to cover the budgeted expenses and any capital improvements based on a prorated share.

The **Woodlands Division** is located in southern Montgomery County and provides wholesale water supply and wastewater treatment services to the 121,514-person community of The Woodlands (*CensusReporter.org*). To provide these services, SJRA operates wastewater treatment plants, lift stations, water wells, water plants, water booster pump stations, elevated and ground storage tanks, and miles of wastewater collection and potable water distribution lines. The Woodlands Division purchases surface water from the Groundwater Reduction Plan (GRP) Division to blend with groundwater provided by the water wells.



The **Groundwater Reduction Plan (GRP) Division**, with its office located at the Lake Conroe Dam, is responsible for implementing an alternative water supply program that ensures reliable, long-term water supplies for its participants in Montgomery County. Originally constructed to meet the groundwater reduction requirements of the Lone Star Groundwater Conservation District (LSGCD), the GRP Division strategy has been the design, construction, operation, maintenance, and administration of a surface water treatment plant and transmission line system. The GRP Division withdraws raw surface water from Lake Conroe, treats it to meet or exceed federally mandated drinking water standards, and then transmits it to selected customer cities and water utilities within Montgomery County to reduce the area's reliance on groundwater (aquifer) sources.

The **Flood Management Division** was created in the spring of 2018 pursuant to a directive from Governor Greg Abbott. The purpose of the Flood Management Division is to develop short-term and long-term regional flood management strategies within the San Jacinto River Basin. The intent is to build partnerships with federal, state, and local governmental entities; identify funding options and/or revenue sources; and coordinate, collaborate, and partner with other flood management entities within the San Jacinto River Basin.

ECONOMIC CONDITION AND OUTLOOK

The Texas Economy. According to the Texas Comptroller of Public Accounts Key Economic Indicators as of August 2024: the unemployment rate change from previous year for Texas increased by 3.9% while the U.S. rate increased by 10.5%; the change in CPI from previous year for Texas increased 2.7% while the U.S. increased by 2.5%; and the change in Consumer Confidence Index from previous year for Texas increased by 8.0% while the U.S. decreased by 2.9%. The Comptroller issued the "The Gulf Coast Region: 2024 Regional Snapshot Report" and the "2024 Texas Regional Report" showing population growth to be 18.4% in the Region vs. 15.1% for Texas and 6.2% for the U.S. for 2012-2022. In addition, the Bureau of Economic Analysis data, showed the Per Capita Personal Income Growth to be 5.3% for Houston-The Woodlands-Sugar Land Metropolitan Statistical Area, 5.2% for Texas, and 5.4% for the U.S. for 2022-2023.

The Local Economy. The SJRA's boundaries include the entire watershed of the San Jacinto River and its tributaries excluding Harris County. The SJRA serves many customers in the greater Houston region and is authorized to operate in Harris County east of the San Jacinto River. The SJRA does not collect any type of taxes, so other than revenue received from customers, the SJRA's only other source of funds are from grants or bonds. Continued population growth within SJRA's service area will lead to an increasing demand for water. With SJRA's service area located between Houston and Dallas, two rapidly growing major metropolitan areas, the need for future water supplies and reliable planning is vital, and as a result, SJRA's Board of Directors and staff are working diligently to assess the need for future water supplies and plan accordingly.



FINANCIAL INFORMATION

SJRA Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the SJRA are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable assurance, but not absolute assurance that these objectives are met. 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 valuation of costs and benefits requires estimates and judgments by management.

As demonstrated by the statements and schedules included in the financial section of this report as well as the MD&A also included herein, the SJRA continues to meet its responsibility for sound financial management. The SJRA encourages readers to closely review each section of this report including the review provided by the MD&A in order to have a thorough understanding of the SJRA, its activities, financial position, and results of operations.

MAJOR INITIATIVES

For the Year. As of June 30, 2023, Jace Houston resigned from his position as General Manager. Ed Shackelford, P.E., Director of Operations, was named Interim General Manager by the Board of Director as they commissioned an executive search firm to source candidates for the General Manager position. Aubrey Spear, P.E. filled the General Manager position in January 2024.

During Fiscal Year 2024, the SJRA Board of Directors voted to issue \$12.0 million in rebates to the GRP Division customers and \$14.0 million in partial defeasance of two GRP Division bonds. The Board was able to do so due to an increased unrestricted cash balance resulting from drought conditions causing higher than budgeted groundwater pumpage revenue for the GRP Division and two nonpaying customers, Quadvest LP and Woodland Oaks Utilities Co., paying past due amounts and remaining current through Fiscal Year 2024. Additionally, construction was completed during Fiscal Year 2024 to improve the GRP Division's backwash pond foundation to rehabilitate two process water recovery basins, as well as to address a lack of grading within the basins to promote positive drainage when the basins are dewatered for maintenance. The two process water recovery basins were originally constructed in 2013 and included a soil cement liner. The soil cement liner deteriorated resulting in maintenance and treatment process issues. This project was funded by remaining bond proceeds.

The Highlands Division completed construction to replace Siphons 25 and 26 with rehabilitation of the levees between Siphons 24 and 27 and the addition of two access culverts. In addition, the Highlands Division began preliminary design of the Lake Houston Pump Station Pump and Motor Replacement. The Division also began final engineering design of Siphon 39



and South Canal Levee Improvements between Siphon 37 and one of SJRA's large industrial customers, which is mostly funded by customer contributions. The Division completed design of Siphons 16, 17, and 18 grade improvements and erosion repair, and North Reservoir Crossing and Middle Crossing culvert replacements and began construction with anticipated completion in Fiscal Year 2025. The Division also constructed most of the Emergency Operations Center, located at the Lake Houston Pump Station, during Fiscal Year 2024. Additionally, during Fiscal Year 2024, the canal levee embankment near Siphon 23 developed a leak and the Division contracted emergency repair services of the embankment.

During Fiscal Year 2024, SJRA continued planning for adequate, long-term water resources for the San Jacinto River Basin, including Montgomery County, along with the planning necessary for the development of additional water supplies. This initiative was evident in the work of SJRA staff related to raw water supply master planning, pursuit of additional water rights, and regional water planning.

The Flood Management Division was successfully awarded TWDB Flood Infrastructure Fund ("FIF") Grants at the end of Fiscal Year 2021 for four projects: Spring Creek Watershed Flood Control Dams Conceptual Engineering Feasibility, Lake Conroe - Lake Houston Joint Operations Study, Upper San Jacinto River Basin Regional Sedimentation Study, and the San Jacinto County Flood Early Warning System. Three of the four projects are in partnership with other entities and stakeholders in the basin to meet the local match for the grants. SJRA's portion of the local match for the projects are primarily being provided as in-kind services. The Flood Management Division continued performance of three of the four projects in Fiscal Year 2024. The fourth project, the Lake Conroe - Lake Houston Joint Operations Study, remained on hold pending City of Houston efforts to design new gates at the Lake Houston dam. The San Jacinto County Flood Early Warning System was completed during Fiscal Year 2024.

The Woodlands aging wastewater system is in need of renewal. The Woodlands issued \$42.9 million in bonds on November 7, 2017, to address major renewal needs. This is in addition to the continued annual renewal of the system that is paid for by the Woodlands Repair and Replacement Fund. During Fiscal Year 2023, the Woodlands Division completed the first phase of the Wastewater Strategic Plan to evaluate the Wastewater system needs as a whole and analyze alternatives to address the renewal of the wastewater treatment plants and conveyance in The Woodlands. Alternatives evaluated included rehabilitation of the current wastewater treatment plants, replacement of the current wastewater treatment plants, and consolidation Wastewater Treatment Plants Nos. 1 and 2. Wastewater Treatment Plant No. 3 is not being considered in this study as it is the newest in age. This Strategic Plan included significant engagement of project stakeholders including representatives from the MUDs served by the Woodlands Division, the Woodlands Water Agency, the Howard Hughes Corporation, the Woodlands Chamber of Commerce, and the Woodlands Township. The evaluation committee voted to move forward to phase two of the Wastewater Strategic Plan and limited the scope to replace Wastewater Treatment Plant No. 1, not consolidate Wastewater Treatment Plant Nos. 1 and 2. During Fiscal Year 2024, the second phase of the Wastewater Strategic Plan continued the project with master planning



efforts and evaluating capacity optimization of the Wastewater Treatment Plant No. 1. At the direction of the Woodlands Water Agency MUDs, additional cost evaluations were performed of single-phase replacement alternative versus partial rehabilitation alternative. This project is anticipated to continue into Fiscal Year 2025.

The Lake Conroe Division began electrical upgrades at the Lake Conroe Dam Service Outlet during Fiscal Year 2024 which it anticipates completing during Fiscal Year 2025. During Fiscal Year 2024, the Lake Conroe Division also began construction of improvements to the Lake Conroe maintenance facilities with anticipated completion during late Fiscal Year 2025.

For the Future. In November 2009, the LSGCD adopted final regulations that required certain groundwater users to prepare and submit a GRP by April 1, 2010, outlining how large volume groundwater users intended to meet a January 2016 deadline for the reduction of groundwater use and conversion to alternative water supplies. The SJRA met this regulatory requirement with the development of a long-term approach that provided a compliance solution for participants within the county who choose to join. The SJRA plan was designed so that any large volume groundwater user in the county could join the SJRA's Joint GRP by executing a GRP Contract and paying the required GRP Pumpage Fee and/or GRP Surface Water Fees monthly. For Fiscal Year 2024, the GRP Pumpage Fee was set at \$2.99 per thousand gallons of groundwater pumped by the participating entity and is billed monthly. The GRP Surface Water Fee was set at \$3.41 per thousand gallons of surface water received by the participating entity. These fees may change in the future as necessary to cover costs. During Fiscal Year 2024, the Board of Directors voted for a decrease in GRP rates for Fiscal Year 2025. The total cost of the entire surface water system that was constructed to meet the 2016 deadline was \$490 million. As of the end of the Fiscal Year 2023, 149 participants have joined the SJRA GRP. The GRP Division was responsible for implementing the surface water program and constructing, operating, and maintaining the necessary infrastructure that started delivering surface water in mid-September 2015, ahead of the January 1, 2016, deadline. On September 8, 2020, the LSGCD adopted new regulations which, in pertinent part, repealed its regulations requiring certain water users implement a GRP in order to reduce groundwater use and convert to alternative water supplies. Notwithstanding LSGCD's actions, the GRP Contracts remain in force and effect in accordance with their terms. Refer to MD&A and Note 12 in the Notes to Financial Statements for a discussion of the status of ongoing litigation related to the GRP, including the status of collection of amounts due and owing SJRA by certain GRP participants.

The Highlands Division's upcoming initiatives will include beginning construction of improvements to Siphon 39, which have been identified as needing replacement due to age, structural condition, and potential for failure, and the South Canal levee between Siphon 37 and one of SJRA's large industrial customers. Improvements will provide additional canal capacity by providing adequate freeboard for future customer demands and canal levee slope stability. The Division also anticipates completion of the Siphon 16, 17, and 18 grade improvements and erosion repair and beginning design of levee improvements between Siphons 7 and 9 and construction of



Main Canal levee improvements from Lake Houston Pump Station to Siphon 6, to increase conveyance capacity and reduce hydraulic constrictions in the Highlands System.

During early Fiscal Year 2025, the Lake Conroe Division plans to complete rehabilitation of the sluice gates, including the hydraulic power unit, gate actuators, and associated equipment for the Lake Conroe Dam service outlet. Improvements to the Lake Conroe campus pavement are anticipated to begin in Fiscal Year 2025 after completion of construction of the improvements to Lake Conroe’s maintenance facilities, are also planned for Fiscal Year 2025. These projects will address the existing failing maintenance building and will increase efficiency, safety, and maintenance capabilities of the Lake Conroe Division maintenance staff.

During late Fiscal Year 2021, the SJRA began a project to replace the current Enterprise Resource Planning (ERP) software. The SJRA had engaged an experienced ERP software selection consultant to provide guidance and aid in determining system requirements, developing a Request for Proposal (RFP), evaluating the RFP responses, developing software demonstration scripts, conducting software demonstrations, and aiding in contract negotiations with the selected vendor. At the end of Fiscal Year 2022, the ERP selection committee had shortlisted the responses down and seen demonstrations from all three vendors. SJRA selected a firm and began implementation of the selected software during Fiscal Year 2023. The Authority began transitioning from its previous ERP software to the new ERP software during late Fiscal Year 2024 with completion anticipated in Fiscal Year 2025.

Acknowledgements

Independent Audit. Section 49.191 of the Texas Water Code requires an annual audit of the SJRA’s accounting records by a certified public accountant or public accountant holding a permit from the Texas State Board of Public Accountancy and selected by the Board of Directors. The firm Knox Cox & Co., LLP was selected following SJRA’s protocol for selection of professional services to conduct the Fiscal Year 2024 financial audit. We appreciate their professionalism, timeliness, and assistance in completing this report. Copies of this report will be filed with the Texas Commission on Environmental Quality (“TCEQ”), State Comptroller, State Auditor, and Texas Water Development Board.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended August 31, 2023. This was the 15th consecutive year that SJRA has achieved this prestigious award. The Certificate of Achievement 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.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such an



ACFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate for Fiscal Year 2024.

Acknowledgements. We congratulate our employees for another successful year of operation. Without their dedication and professionalism, we could not have provided such a high level of service to the customers of the SJRA service area. The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated staff of the SJRA's Accounting Department.

Sincerely,

A handwritten signature in blue ink that reads "Aubrey A. Spear".

Aubrey A. Spear, P.E.
General Manager

A handwritten signature in black ink that reads "Pam J. Steiger".

Pam J. Steiger, CPA
Chief Financial Officer

A handwritten signature in black ink that reads "Jamye L. Lewis".

Jamye L. Lewis, CPA
Accounting Manager

SAN JACINTO RIVER AUTHORITY

Certificate of Achievement for Excellence in Financial Reporting

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**San Jacinto River Authority
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2023

Christopher P. Morill

Executive Director/CEO

SAN JACINTO RIVER AUTHORITY

Organizational Chart



SAN JACINTO RIVER AUTHORITY

Board of Directors

	<u>Term Expires</u>
Ronnie Anderson, President	2027
Charles "Ed" Boulware, Vice-President	2023
William "Wil" Faubel, Secretary	2025
Ricardo "Rick" Mora, Secretary-Pro Tem	2025
Mark Micheletti, Treasurer	2023
Stacey Buick, Member	2027
Stephanie Johnson, Member	2025

The San Jacinto River Authority is governed by seven directors, appointed by the Governor of the State of Texas. Each director serves a four-year term, and may continue to serve after such term until a successor is appointed.

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FINANCIAL SECTION



Independent Auditors' Report

Board of Directors
San Jacinto River Authority
Montgomery County, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the fiduciary activities of the San Jacinto River Authority (the "Authority"), as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority'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 business-type activities and fiduciary activities of the Authority, as of August 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year 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*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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 Authority'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.

Auditors' 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 auditors' 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 Authority'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 Authority'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 required supplementary information on pages 7-14 and 69-76 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 Authority's basic financial statements. The other supplementary information, as listed in the table of contents 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 relate 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

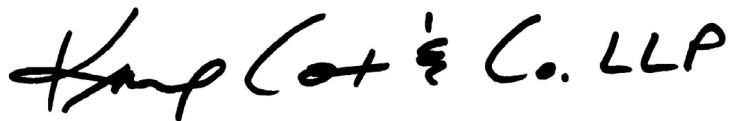
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections included in the annual report but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does 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 January 23, 2025, on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Karp Cot & Co. LLP". The signature is written in a cursive, slightly slanted style.

Sugar Land, Texas
January 23, 2025

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SAN JACINTO RIVER AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

The management of the San Jacinto River Authority (the "Authority") offers readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended August 31, 2024. We encourage readers to consider the information presented here in conjunction with the financial statements and the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's total assets and deferred outflows were \$838.4 million; of this amount, approximately \$560.3 million represents net capital assets and \$278.1 million represents cash and cash equivalents and other current, noncurrent and deferred outflow of resources. During May 2024, the SJRA began transition from its previous Enterprise Resource Planning (ERP) system to a new ERP system. Due to this transition the amount owed by the Divisions to the SJRA's General Fund was not cleared for the last four months of the fiscal year, causing unrestricted cash balances in the Divisions to be higher than usual.
- As part of the ERP Implementation, the SJRA transferred its General Operating Fund from the Highlands Division to the General & Administration (G&A) Division during Fiscal Year 2024.
- Liabilities for the Authority totaled \$514.4 million of which \$467.9 million accounts for obligations under long-term debt. During Fiscal Year 2024, the GRP Division early defeased two bonds for \$14.0 million.
- The Authority's total assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$321.2 million. This amount represents net position; of this amount, \$94.3 million is net investment in capital assets. An additional \$127.7 million is restricted net position and the remaining \$99.3 million represents unrestricted net position.
- Operating revenues, net of eliminations, for the Authority at year-end were \$125.1 million. The major revenue sources, net of eliminations, were wholesale water and wastewater treatment service fees to Woodlands' MUDs of \$48.1 million; Groundwater Reduction Plan fees of \$46.2 million; untreated water sales to industrial, municipal and agricultural customers of \$20.9 million; contractual revenues of \$3.5 million for City of Houston's cost sharing commitment of Lake Conroe; and capacity charges of \$3.3 million. During Fiscal Year 2024, the GRP Division issued rebates to customers in the amount of \$12.0 million.
- Operating expenses totaled \$85.4 million. Highlights within operating expenses were salaries, wages and employee benefits of \$21.1 million, operating supplies of \$16.6 million, maintenance, repairs and parts of \$11.7 million and depreciation and amortization of \$26.1 million.
- Non-operating expenses exceeded non-operating revenues by approximately \$7.3 million. This was primarily attributable to interest expense paid on bonds that totaled \$21.3 million as of year-end.
- Capital contributions totaled \$1.6 million, of which \$0.55 million was customer contributions for capacity improvements in the Highlands Division, \$0.90 million was due to contributions from the five Woodlands MUDs surrounding Bear Branch flowage easement and \$0.16 million due to contributions from local partners to Flood Management for the local funding match requirements related to the Flood Infrastructure Fund (FIF) Grant Projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management Discussion and Analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements include three components: 1) business-type and fiduciary fund financial statements, 2) notes to the financial statements, and 3) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements.

ENTERPRISE FUNDS

Enterprise Funds are used to report the same functions presented as business-type activities in the basic financial statements. The Authority's major Enterprise Funds are presented by division as follows:

- Raw Water Supply
- Highlands Division
- Lake Conroe Division
- Woodlands Division
- Groundwater Reduction Plan Division
- Flood Management
- General and Administration Division
- Bear Branch
- Region H

FIDUCIARY FUND

The fiduciary fund is used to report on the Authority's Pension Trust Fund.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

STATEMENT OF NET POSITION

The Statement of Net Position for the Authority is presented as one of the required basic financial statements. The Statement of Net Position includes all of the Authority's assets and liabilities. A major function of the Statement of Net Position is to measure the ability of the Authority to meet its current and long-term obligations. In the Statement of Net Position, the difference between total assets and total liabilities is titled as Net Position.

State and local governments report the net value or "Net Position" in these major categories:

- Net Investment in Capital Assets
- Restricted
- Unrestricted

The Governmental Accounting Standards Board (GASB) believes the users of the Authority’s financial statements should know whether “Net Position” was invested in capital assets, are restricted for future use or their future use is unrestricted.

FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a financial statement position. In the case of the Authority, assets exceeded liabilities by \$321.2 million at the close of the most recent fiscal year.

As of August 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current assets	\$ 246,911,804	\$ 248,991,335
Noncurrent assets	25,876,750	21,029,790
Capital assets	<u>560,279,930</u>	<u>569,792,775</u>
Total Assets	<u>833,068,484</u>	<u>839,813,900</u>
Deferred Outflows of Resources	<u>5,320,121</u>	<u>5,408,772</u>
Liabilities		
Current liabilities	44,945,627	47,195,393
Noncurrent liabilities	<u>469,472,652</u>	<u>507,385,819</u>
Total Liabilities	<u>514,418,279</u>	<u>554,581,212</u>
Deferred Inflows of Resources	<u>2,731,632</u>	<u>3,454,654</u>
Net Position		
Net Investment in Capital Assets	94,282,605	90,488,246
Restricted:		
Debt service	69,366,323	65,668,477
Construction	52,827,197	20,496,360
Other	5,492,698	4,624,313
Unrestricted	<u>99,269,871</u>	<u>105,909,410</u>
Total Net Position	<u><u>\$ 321,238,694</u></u>	<u><u>\$ 287,186,806</u></u>

- Current assets decreased by \$2.1 million which represents a 1% decrease from prior year. Unrestricted cash and cash equivalents increased by \$2.0 million mainly due to the net effect of drought conditions, rebates issued to GRP Division customers, and early defeasance of two GRP Division bonds. Due to an increased unrestricted cash balance resulting from drought conditions causing higher than budgeted groundwater pumpage revenue for the GRP Division and two nonpaying customers, Quadvest LP and Woodland Oaks Utilities Co., paying past due amounts and remaining current through Fiscal Year 2024, the SJRA Board of Directors voted to issue \$12.0 million in rebates to the Divisions customers and \$14.0 million in partial defeasance of two GRP Division bonds. Noncurrent assets increased by \$4.8 million which represents a 23%

increase from the prior year. Long-Term Accounts Receivable increased \$4.8 million. Current and Noncurrent Assets, Accounts Receivable has two GRP customers that are not paying the full invoiced amount and are part of current lawsuits. Specific to fiscal year 2024, the short pay of fees, interest, and penalties totaled \$3,192,974 for the City of Conroe and \$436,821 for the City of Magnolia. The total balances for all fiscal years for the City of Conroe and City of Magnolia are listed below:

Balance Status	City of Conroe	City of Magnolia
Current	\$ 2,120,874	\$ 166,073
Past Due	14,726,273	1,075,301
Late Fees & Interest	6,636,659	379,663
Total at August 31, 2024	\$ 23,483,806	\$ 1,621,037

The Authority has commenced litigation against the City of Conroe, the City of Magnolia, Quadvest, LP, and Woodland Oaks Utility Co. in an effort to collect the past due amounts as well as late fees and interest thereon. In addition, the Authority had two GRP customers that ceased payments during fiscal year 2020 that agreed to pay current and past due fees, excluding late fees and interest, during fiscal year 2023. Specific to fiscal year 2024, the unpaid fees, interest, and penalties (not including invoices with a balance status of current) totaled \$60,054 for Quadvest, LP. The total balances for all fiscal years for Quadvest, LP and Woodlands Oaks Utility Co. are listed below:

Balance Status	Quadvest, LP	Woodland Oaks Utility Co.
Current	\$ 896,363	\$ (55,536)
Past Due	56,783	-
Late Fees & Interest	2,387,591	206,491
Total at August 31, 2024	\$ 3,340,737	\$ 150,955

- Total amount of GRP pumpage, penalties, and interest past due at August 31, 2024 was \$27.9 million.
- Capital assets decreased by \$9.5 million, primarily due to the net effect of increase in Water Systems, an increase in Construction in Progress from ongoing capital improvements projects, and an increase in accumulated depreciation.
- Current liabilities decreased by \$2.2 million, a 5% decrease primarily due to the net impact of an decrease in Accounts Payable, an decrease in Accrued Interest Payable related to bonds, decrease in Retainage Payable and a increase in the current portion of bonds.
- Noncurrent liabilities and Long-Term Debt decreased by \$37.9 million, a 7% decrease primarily due to making the scheduled payments on existing bonds, early defeasance of two GRP Division bonds in the amount of \$14.0 million, and an increase in net pension Liability of \$0.65 million.
- Total liabilities decreased by \$40.2 million, a 7% decrease from the prior year primarily due to an increase in accounts payable and accrued liabilities-unrestricted, a decrease in current portion of bonds, and a decrease in long-term debt.

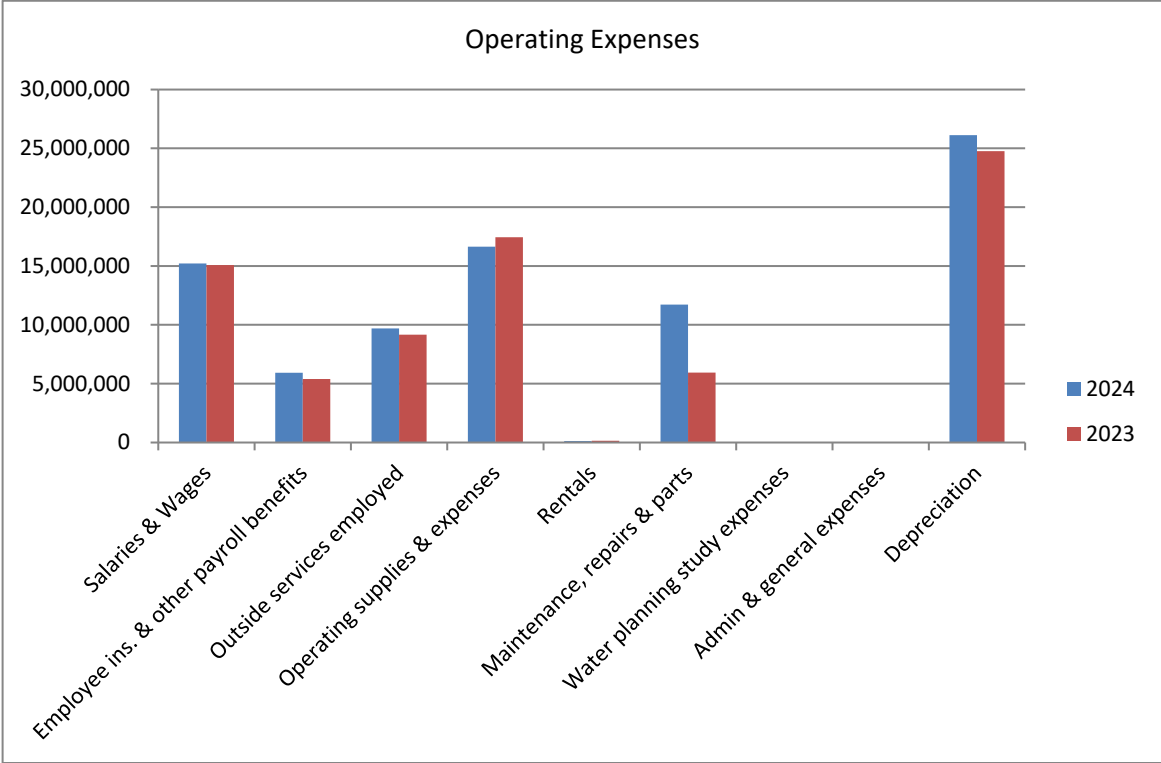
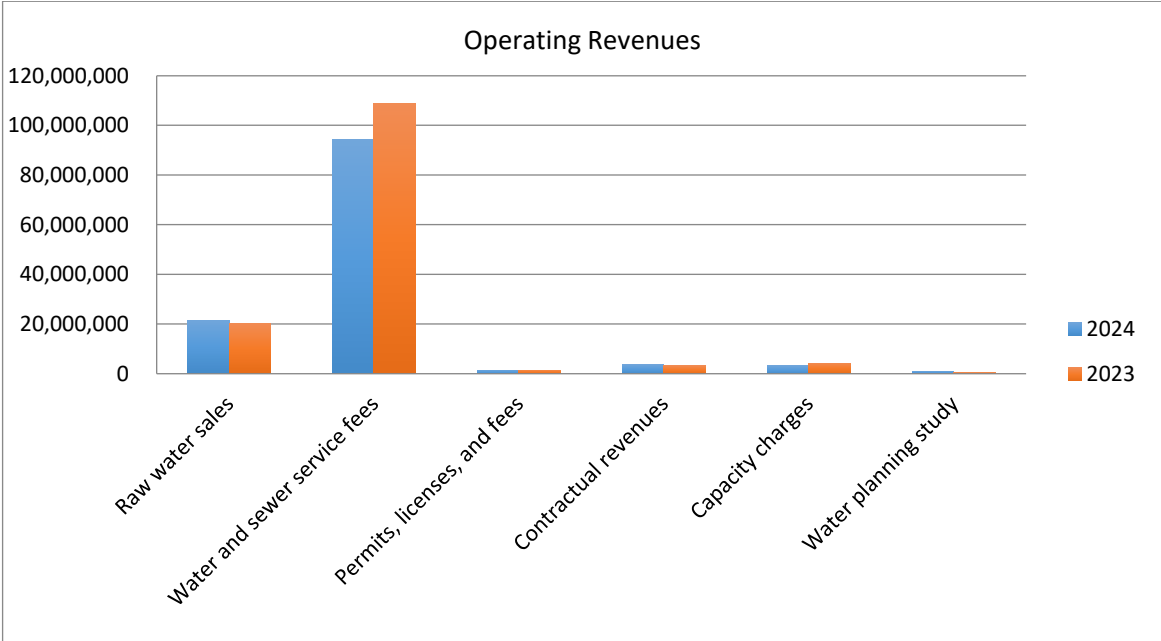
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses and Changes in Net Position is the basic statement of activities for all the Authority's Divisions. The Authority does not seek to earn a profit in the long term. However, the Authority must cover its operations, maintenance and other costs while providing sufficient reserves annually from fees and charges since the Authority does not levy or collect any tax revenue. The Statement of Revenues, Expenses and Changes in Net Position measures how well annual costs are covered by fees and charges.

For the Years Ended August 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues:		
Raw water sales	\$ 21,579,332	\$ 20,402,383
Water and sewer service fees	94,285,847	108,977,922
Permits, licenses and fees	1,483,354	1,412,211
Contractual revenues	3,526,911	3,185,002
Capacity charges	3,263,000	4,310,609
Water planning study (Region H)	984,321	377,532
Total Operating Revenues	<u>125,122,765</u>	<u>138,665,659</u>
Operating Expenses:		
Salaries and wages	15,212,672	15,083,717
Employee insurance and other payroll benefits	5,921,220	5,402,815
Outside services employed	9,689,245	9,169,685
Operating supplies & expenses	16,636,317	17,450,096
Rentals	116,464	152,015
Maintenance, repairs and parts	11,713,112	5,945,408
Water planning study expenses (Region H)		1,536
Depreciation and amortization	26,124,568	24,758,629
Total Operating Expenses	<u>85,413,598</u>	<u>77,963,901</u>
Operating Income	39,709,167	60,701,758
Nonoperating Revenues (Expenses)		
Investment earnings (loss)	10,968,051	7,108,331
Gain (Loss) on disposal of assets	95,745	199,566
Other revenues	2,524,086	2,974,663
Amortization of bond premium/discounts	432,525	643,714
Interest expense and bond issuance costs	(21,286,865)	(22,089,427)
Total Nonoperating Revenues (Expenses)	<u>(7,266,458)</u>	<u>(11,163,153)</u>
Contributed Capital	<u>1,609,179</u>	<u>1,622,277</u>
Net Income	34,051,888	51,160,882
Net position at beginning of year	<u>287,186,806</u>	<u>236,025,924</u>
Net Position at End of Year	<u>\$ 321,238,694</u>	<u>\$ 287,186,806</u>

The following charts illustrate the breakdown of the Authority’s Operating Revenues and Operating Expenses, respectively.



- Total Operating Revenue decreased \$13.5 million primarily due to a decrease in water and sewer fees of \$14.7 million. The decrease is attributed to a \$12.0 million rebate issued to GRP division customers.

- Maintenance, repairs and parts increased 97% primarily related to the Lift Stations 1, 6, and 11 rehabilitation and WWTF No. 2 Headworks rehabilitation.
- Operating Supplies & Expenses decreased by \$0.8 million, a decrease of 5% over the previous year. The decrease is primarily due to a decrease in Reservation Fees for the GRP division.

CAPITAL ASSETS AND LONG-TERM DEBT

CAPITAL ASSETS

The Authority’s net capital assets as of August 31, 2024 totaled \$560.3 million. This investment in capital assets includes land; water permits and rights; office furniture, fixtures and equipment; Intangible right-to- use assets, other machinery and equipment; automobiles and trucks; buildings; dams and appurtenances; water systems; wastewater utility systems; capital improvement plans; and construction in progress. The total decrease in the Authority’s capital assets, net for the current fiscal year was \$9.5 million, a 2% decrease.

Major capital asset events during the current fiscal year included the following:

- The Authority added \$5.2 million for Water Systems primarily related to the replacement of the Siphons 25 and 26 and the South Canal Bypass access culvert in the Highlands.
- The Authority increased \$9.5 Million for Construction in Progress for capital projects primarily related to the net effect of placing into service the Water Systems and the addition of in progress projects primarily related to the implementation of Enterprise Resource Planning software, improvements to Lake Conroe’s maintenance facility, improvements at Siphon 39 and South Canal Levee Improvements between Siphon 37 and Customer, Siphons 16, 17, and 18 grade improvements and erosion repair, North Reservoir Crossing and Middle Crossing culvert replacements and improvements at the Lake Houston Pump Station campus. In progress capital projects also includes Southshore Gravity Main rehabilitation, Wastewater Conveyance Optimization, and WWTF No. 1 Replacement in the Woodlands Division.

As of August 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Capital Assets - at cost		
Land	\$ 35,191,360	\$ 33,636,769
Water permits and rights	30,947,801	30,947,801
Office furniture, fixtures & equip	7,019,981	6,033,614
Other machinery and equipment	13,175,053	14,908,812
Intangible right-to-use assets	464,152	464,151
Automobiles and trucks	3,887,320	3,389,893
Buildings	27,230,094	27,185,222
Dams and appurtenances	10,115,636	10,102,603
Water systems	612,347,028	607,169,804
Wastewater utility systems	123,534,317	122,889,686
Capital improvement plans	3,283,942	3,611,319
Construction in progress	26,473,032	16,926,217
Less accumulated depreciation	<u>(333,389,786)</u>	<u>(307,473,116)</u>
Total Capital Assets	<u>\$ 560,279,930</u>	<u>\$ 569,792,775</u>

Additional information on the Authority’s capital assets is presented in Note 4 of the notes to the financial statements.

LONG-TERM DEBT

At the end of the current fiscal year, the Authority had long-term debt of \$467.9 million. The debt primarily represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

As of August 31, 2024 and 2023

Long-Term Debt	2024	2023
First Lien Bonds -		
less current maturities	\$ 464,440,001	\$ 501,975,000
Lease liabilities - less current	103,545	162,497
Unamortized bond premium	<u>3,353,778</u>	<u>3,786,302</u>
Total Long-Term Debt	<u>\$ 467,897,324</u>	<u>\$ 505,923,799</u>

Additional information on the Authority’s long-term debt is presented in Notes 5, 6 and 7 of the notes to the financial statements.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Accounting Manager of the San Jacinto River Authority; P.O. Box 329; Conroe, Texas 77305.

BASIC FINANCIAL STATEMENTS



SAN JACINTO RIVER AUTHORITY

STATEMENT OF NET POSITION

August 31, 2024

<u>Assets and Deferred Outflows</u>	<u>Total</u>	<u>Eliminations</u>	<u>Business Type Activities -</u>		
			<u>Raw Water Enterprise</u>		
			<u>Raw Water Supply</u>	<u>Highlands Division</u>	<u>Lake Conroe Division</u>
Current Assets					
Cash and cash equivalents					
Unrestricted	\$ 63,842,212	\$	\$	\$ 5,192,188	\$ 4,053,648
Restricted:					
Debt service	70,766,381				
Construction	54,955,918			13,700,485	5,280,836
Other	3,228,499				
Investments - restricted					
Restricted:					
Debt service	6,650,392				
Construction	23,700,237				
Other	2,723,486				
Accounts receivable, net	19,015,087	(8,893,710)	3,647,452	1,414,426	2,077,437
Other receivables	58,320				
Inventory	540,161				
Prepaid expenses	1,431,111		5,004	72,581	76,194
Total Current Assets	246,911,804	(8,893,710)	3,652,456	20,379,680	11,488,115
Noncurrent Assets					
Accounts receivable - long-term	25,876,750				
Total Noncurrent Assets	25,876,750				
Capital Assets- at cost					
Land	29,196,595			6,770,498	5,403,095
Land Improvements	5,994,765			1,731,384	649,575
Intangible right-to-use assets	464,152			394,547	
Water permits and rights	30,947,801		30,947,801		
Furniture, fixtures and equipment	7,019,981		2,443	467,223	339,210
Other machinery and equipment	13,175,053			2,947,926	288,450
Automobiles and trucks	3,887,320			624,710	133,146
Buildings	27,230,094			1,632,948	157,294
Dams and appurtenances	10,115,636				8,396,701
Water systems	612,347,028			83,542,614	8,823
Wastewater utility systems	123,534,317				
Capital improvement plans	3,283,942			3,076,459	
Construction in progress	26,473,032		487,990	12,006,528	311,511
Accumulated depreciation and amortization	(333,389,786)		(307)	(28,764,155)	(4,773,727)
Total Capital Assets	560,279,930		31,437,927	84,430,682	10,914,078
Deferred Outflows of Resources					
Deferred outflows related to pension and OPEB	5,320,121				
Total Deferred Outflows of Resources	5,320,121				
Total Assets and Deferred Outflow	\$ 838,388,60	\$ (8,893,710)	\$ 35,090,38	\$ 104,810,36	\$ 22,402,19

See Notes to Financial Statements.

Enterprise Funds					
Woodlands Division	Groundwater Reduction Plan Division	Flood Management Division	Bear Branch	Region H	General and Administration Division
\$ 14,973,367	\$ 32,149,054	\$	\$	\$	\$ 7,473,955
5,412,494	61,617,626				3,736,261
33,806,238			8,699		2,159,660
12,710		1,589,945	1,218,942	344,468	62,434
1,736,178					4,914,214
23,700,237					
2,723,486					
5,800,806	7,826,064		73,002	228,303	6,841,307
		58,320			
476,845	63,316				
575,668	408,285	4,249	2,185		286,945
<u>89,218,029</u>	<u>102,064,345</u>	<u>1,652,514</u>	<u>1,302,828</u>	<u>572,771</u>	<u>25,474,776</u>
	25,876,750				
	25,876,750				
1,832,159	14,306,156		884,687		
995,317	2,470,693		90,314		57,482
69,605					
2,045,385	2,503,682	6,037			1,656,001
8,967,278	882,914				88,485
1,414,971	591,569				1,122,924
2,925,883	15,640,286				6,873,683
			1,718,935		
107,124,161	421,486,525				184,905
123,534,317					
207,483					
7,003,615	3,384,864	339,136	142,793		2,796,595
(160,282,452)	(134,534,297)	(2,300)	(464,271)		(4,568,277)
<u>95,837,722</u>	<u>326,732,392</u>	<u>342,873</u>	<u>2,372,458</u>		<u>8,211,798</u>
					5,320,121
					5,320,121
<u>\$ 185,055,75</u>	<u>\$ 454,673,48</u>	<u>\$ 1,995,38</u>	<u>\$ 3,675,28</u>	<u>\$ 572,77</u>	<u>\$ 39,006,69</u>

SAN JACINTO RIVER AUTHORITY

STATEMENT OF NET POSITION

August 31, 2024

Liabilities	Total	Eliminations	Business - Type Activities -		
			Raw Water Enterprise		
			Raw Water Supply	Highlands Division	Lake Conroe Division
Current Liabilities					
Accounts payable and accrued liabilities - unrestricted	\$ 10,952,383	\$ (8,893,710)	\$ 138,119	\$ 1,318,492	\$ 899,366
OPEB liability - current	41,035			13,542	13,542
Restricted for Debt service:					
Current portion of bonds	23,655,000		1,135,000	2,070,000	
Current portion of lease liabilities	58,953			50,042	
Accrued interest payable	8,728,093		18,917	658,726	
Restricted for Construction:					
Retainage payable	242,411			141,700	20,987
Unearned revenue	1,267,752				
Total Current Liabilities	44,945,627	(8,893,710)	1,292,036	4,252,502	933,895
Noncurrent Liabilities					
Net Pension liability	982,319				
OPEB liability	593,009			38,899	227,012
Total Noncurrent Liabilities	1,575,328			38,899	227,012
Long-Term Debt					
First lien water revenue bonds - less current maturities	467,793,779		7,569	38,898,997	
Lease liabilities - less current	103,545			73,253	
Total Long-Term Debt	467,897,324		7,569	38,972,250	
Total Liabilities	514,418,279	(8,893,710)	1,299,605	43,263,651	1,160,907
Deferred Inflows of Resources					
Deferred inflows related to pension and OPEB	2,731,632				
Total Deferred Inflows of Resources	2,731,632				
Fund Equity					
Net Position					
Net investment in capital assets	94,282,605		30,295,358	43,196,690	10,893,091
Restricted:					
Debt service	69,366,323				
Construction	52,827,197			13,700,485	5,280,836
Other	5,492,698				
Unrestricted	99,269,871		3,495,420	4,649,536	5,067,359
Total Net Position	321,238,694		33,790,778	61,546,711	21,241,286
Total Liabilities, Deferred Inflows and Fund Equity	\$ 838,388,605	\$ (8,893,710)	\$ 35,090,383	\$ 104,810,362	\$ 22,402,193

Enterprise Funds					
Woodlands Division	Groundwater Reduction Plan Division	Flood Management Division	Bear Branch	Region H	General and Administration Division
\$ 11,692,951 9,027	\$ 3,461,456	\$ 434,407	\$ 190,006	\$ 416,346	\$ 1,294,950 4,924
3,930,000 8,911 597,453	16,520,000 7,452,997				
64,773		1,267,752			14,951
<u>16,303,115</u>	<u>27,434,453</u>	<u>1,702,159</u>	<u>190,006</u>	<u>416,346</u>	<u>1,314,825</u>
					982,319
309,230					17,868
<u>309,230</u>					<u>1,000,187</u>
53,234,846 30,292	375,652,367				
<u>53,265,138</u>	<u>375,652,367</u>				
<u>69,877,483</u>	<u>403,086,820</u>	<u>1,702,159</u>	<u>190,006</u>	<u>416,346</u>	<u>2,315,012</u>
					2,731,632
					<u>2,731,632</u>
64,425,263	(65,439,975)	342,873	2,372,458		8,196,847
6,551,219	54,164,629				8,650,475
31,692,468			8,699		2,144,709
2,736,196		1,589,945	1,104,123		62,434
9,773,122	62,862,013	(1,639,590)		156,425	14,905,586
<u>115,178,268</u>	<u>51,586,667</u>	<u>293,228</u>	<u>3,485,280</u>	<u>156,425</u>	<u>33,960,051</u>
<u>\$ 185,055,751</u>	<u>\$ 454,673,487</u>	<u>\$ 1,995,387</u>	<u>\$ 3,675,286</u>	<u>\$ 572,771</u>	<u>\$ 39,006,695</u>

SAN JACINTO RIVER AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended August 31, 2024

	<u>Total</u>	<u>Eliminations</u>	<u>Business - Type Activities -</u>		
			<u>Raw Water Enterprise</u>		
			<u>Raw Water Supply</u>	<u>Highlands Division</u>	<u>Lake Conroe Division</u>
Operating Revenues:					
Water sales:					
Industrial and Municipal	\$ 21,452,932	\$ (2,885,613)	\$ 23,770,125	\$	\$
Irrigation	126,400		126,400		
Water and sewer service fees	94,285,847	(14,522,177)			
Permits, licenses and fees	1,483,354				1,277,254
Contractual revenues	3,526,911				3,526,911
Capacity charges	3,263,000				
Water planning grants	984,321				
Total Operating Revenues	<u>125,122,765</u>	<u>(17,407,790)</u>	<u>23,896,525</u>		<u>4,804,165</u>
Operating Expenses:					
Salaries and wages	15,212,672		295,282	2,365,558	2,212,946
Employee insurance and other payroll benefits	5,921,220		115,031	778,553	868,865
Outside services employed	9,689,245	(14,522,177)	186,942	274,356	1,220,089
Operating supplies and expenses	16,636,317	(2,885,613)	103,898	790,408	437,670
Rentals	116,464	(30,605)		66,050	58,727
Maintenance, repairs & parts	11,713,112			1,039,858	323,752
Water planning grant expenses					
General and admin. expenses allocated			60,117	329,226	814,805
Depreciation and amortization	26,124,568		307	2,851,237	126,321
Total Operating Expenses	<u>85,413,598</u>	<u>(17,438,395)</u>	<u>761,577</u>	<u>8,495,246</u>	<u>6,063,175</u>
Operating Income (Loss)	<u>39,709,167</u>	<u>30,605</u>	<u>23,134,948</u>	<u>(8,495,246)</u>	<u>(1,259,010)</u>
Nonoperating Revenues (Expenses)					
Investment earnings (loss)	10,968,051		38	1,172,497	404,324
Gain (Loss) on disposal of assets	95,745			40,000	338
Other revenues	2,524,086	(30,605)	5,175	1,877	48,102
Amortization of bond premium/discounts	432,525		90,826	143,978	
Interest expense and bond issuance costs	(21,286,865)		(50,583)	(1,591,184)	
Total Nonoperating Revenues (Expenses)	<u>(7,266,458)</u>	<u>(30,605)</u>	<u>45,456</u>	<u>(232,832)</u>	<u>452,764</u>
Income (Loss) Before Contributions and Transfers					
	32,442,709		23,180,404	(8,728,078)	(806,246)
Transfers			(19,983,248)	7,867,054	(8,191,787)
Capital Contributions	<u>1,609,179</u>			<u>547,207</u>	
Change in Net Position	<u>34,051,888</u>		<u>3,197,156</u>	<u>(313,817)</u>	<u>(8,998,033)</u>
Net Position at Beginning of Year	<u>287,186,806</u>		<u>30,593,622</u>	<u>61,860,528</u>	<u>30,239,319</u>
Net Position at End of Year	<u>\$ 321,238,694</u>	<u>\$</u>	<u>\$ 33,790,778</u>	<u>\$ 61,546,711</u>	<u>\$ 21,241,286</u>

See Notes to Financial Statements.

Enterprise Funds

Woodlands Division	Groundwater Reduction Plan Division	Flood Management Division	Bear Branch	Region H	General and Administration Division
\$	\$ 568,420	\$	\$	\$	\$
48,122,348	60,685,676				
206,100					
3,263,000					
		165,459	81,695	737,167	
<u>51,591,448</u>	<u>61,254,096</u>	<u>165,459</u>	<u>81,695</u>	<u>737,167</u>	
5,273,063	3,029,050	385,465	131,018		1,520,290
2,157,214	1,282,474	155,816	59,022		504,245
17,036,940	3,889,761	346,316	27,525	719,890	509,603
5,071,944	12,127,471	31,256	788	292	958,203
7,221	1,714				13,357
8,430,007	1,649,869		119,810		149,816
841,151	308,253	61,337	31,962		(2,446,851)
8,171,823	14,629,842	936	20,184		323,918
<u>46,989,363</u>	<u>36,918,434</u>	<u>981,126</u>	<u>390,309</u>	<u>720,182</u>	<u>1,532,581</u>
<u>4,602,085</u>	<u>24,335,662</u>	<u>(815,667)</u>	<u>(308,614)</u>	<u>16,985</u>	<u>(1,532,581)</u>
3,837,900	4,740,661	27,744	61,247		723,640
17,407	9,000				29,000
78,204	2,370,467	122	57		50,687
190,709	7,012				
<u>(1,444,205)</u>	<u>(18,200,893)</u>				
<u>2,680,015</u>	<u>(11,073,753)</u>	<u>27,866</u>	<u>61,304</u>		<u>803,327</u>
7,282,100	13,261,909	(787,801)	(247,310)	16,985	(729,254)
(19,400)	(22,500)	667,279			19,682,602
		160,009	901,963		
<u>7,262,700</u>	<u>13,239,409</u>	<u>39,487</u>	<u>654,653</u>	<u>16,985</u>	<u>18,953,348</u>
107,915,568	38,347,258	253,741	2,830,627	139,440	15,006,703
<u>\$ 115,178,268</u>	<u>\$ 51,586,667</u>	<u>\$ 293,228</u>	<u>\$ 3,485,280</u>	<u>\$ 156,425</u>	<u>\$ 33,960,051</u>

SAN JACINTO RIVER AUTHORITY

STATEMENT OF CASH FLOWS

Year Ended August 31, 2024

	Business - Type Activities -				
	Total	Eliminations	Raw Water Enterprise		
			Raw Water Supply	Highlands Division	Lake Conroe Division
Cash Flows from Operating Activities					
Cash received from customers	\$ 132,408,350	\$ (17,407,790)	\$ 22,443,180	\$ (1,033,278)	\$ 14,785,631
Cash payments to suppliers for goods and services	(36,804,254)	17,438,395	(264,551)	(2,095,548)	(1,538,423)
Cash paid for employee services	(21,613,920)		(410,313)	(3,306,757)	(3,244,457)
Other revenues	2,524,086	(30,605)	5,175	1,877	48,102
Net Cash Provided (Used) by Operating Activities	<u>76,514,262</u>		<u>21,773,491</u>	<u>(6,433,706)</u>	<u>10,050,853</u>
Cash Flows from Noncapital Financing Activities					
Transfers			(19,983,248)	7,867,054	(8,191,787)
Net Cash Provided (Used) by Noncapital Finance Activities			<u>(19,983,248)</u>	<u>7,867,054</u>	<u>(8,191,787)</u>
Cash Flows from Capital and Related Financing Activities					
Principal paid on bonds	(37,200,000)		(1,555,000)	(2,000,000)	
Principal paid on notes					
Interest paid	(21,733,676)		(76,499)	(1,619,929)	
Proceeds from bond sales					
Bond issue expense					
Acquisition of facilities and equipment	(16,611,721)		(158,782)	(7,535,730)	(115,311)
Lease payments	(56,928)			(48,565)	
Proceeds from the sale of assets	95,745			40,000	338
Capital contributions/(distributions)	1,609,179			547,207	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(73,897,401)</u>		<u>(1,790,281)</u>	<u>(10,617,017)</u>	<u>(114,973)</u>

Enterprise Funds

Woodlands Division	Groundwater Reduction Plan Division	Flood Management Division	Bear Branch	Region H	General and Administration Division
\$ 52,733,702	\$ 64,047,915	\$ (268,770)	\$ (22,219)	\$ 448,293	\$ (3,318,314)
(25,036,873)	(23,594,122)	(97,676)	(40,969)	(358,985)	(1,215,502)
(7,538,709)	(4,311,524)	(541,281)	(190,040)		(2,070,839)
78,204	2,370,467	122	57		50,687
<u>20,236,324</u>	<u>38,512,736</u>	<u>(907,605)</u>	<u>(253,171)</u>	<u>89,308</u>	<u>(6,553,968)</u>
<u>(19,400)</u>	<u>(22,500)</u>	<u>667,279</u>			<u>19,682,602</u>
<u>(19,400)</u>	<u>(22,500)</u>	<u>667,279</u>			<u>19,682,602</u>
(3,845,000)	(29,800,000)				
(1,489,243)	(18,548,005)				
(3,749,813)	(2,856,765)	(56,873)	(108,928)		(2,029,519)
(8,363)					
17,407	9,000				29,000
		<u>160,009</u>	<u>901,963</u>		
<u>(9,075,012)</u>	<u>(51,195,770)</u>	<u>103,136</u>	<u>793,035</u>		<u>(2,000,519)</u>

SAN JACINTO RIVER AUTHORITY

STATEMENT OF CASH FLOWS

Year Ended August 31, 2024

	Business - Type Activities -				
	Total	Eliminations	Raw Water Enterprise		
			Raw Water Supply	Highlands Division	Lake Conroe Division
Cash Flows from Investing Activities					
Sale and maturity of investments	63,027,158			380,933	
Purchase of investments	(62,277,676)			9,120,250	
Transfer between funds				(4,818,495)	
Interest earned	10,968,051		38	1,172,497	404,324
Net Cash Provided by Investing Activities	<u>11,717,533</u>		<u>38</u>	<u>5,855,185</u>	<u>404,324</u>
Net Increase (Decrease) in Cash and Cash Equivalents	14,334,394			(3,328,484)	2,148,417
Cash and equivalents at beginning of year	<u>178,458,616</u>			<u>22,221,157</u>	<u>7,186,067</u>
Cash and Equivalents at End of Year	<u>\$ 192,793,010</u>	<u>\$</u>	<u>\$</u>	<u>\$ 18,892,673</u>	<u>\$ 9,334,484</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 39,709,167	\$ 30,605	\$ 23,134,948	\$ (8,495,246)	\$ (1,259,010)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Other revenues and expenses	2,524,086	(30,605)	5,175	1,877	48,102
Depreciation and amortization	26,124,568		307	2,851,237	126,321
(Increase) decrease in receivables	16,877,194	8,893,710	(1,391,276)	(704,052)	10,883,324
(increase) decrease in inventory	(92,770)				
(Increase) decrease in prepaid expenses and deposits	246,056		(4,053)	11,863	(2,710)
(Increase) decrease in net pension asset					
Increase (decrease) in net pension liability	647,211				
Increase (decrease) in accounts payable and accrued liabilities	(7,696,112)	(8,893,710)	30,342	63,261	504,525
Increase (decrease) in OPEB liability	(492,868)			(162,646)	(162,646)
Increase (decrease) in deferred outflows	88,651				
Increase (decrease) in deferred inflows	(723,022)				
Increase (decrease) in unearned revenue	(469,596)		(1,952)		(87,053)
Total Adjustments	<u>37,033,398</u>	<u>(30,605)</u>	<u>(1,361,457)</u>	<u>2,061,540</u>	<u>11,309,863</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 76,742,565</u>	<u>\$</u>	<u>\$ 21,773,491</u>	<u>\$ (6,433,706)</u>	<u>\$ 10,050,853</u>

See Notes to Financial Statements.

Enterprise Funds

Woodlands Division	Groundwater Reduction Plan Division	Flood Management Division	Bear Branch	Region H	General and Administration Division
60,710,759 (59,729,751)					1,935,466 (11,668,175)
3,837,900	4,740,661	27,744	61,247		4,818,495 723,640
4,818,908	4,740,661	27,744	61,247		(4,190,574)
15,960,820	(7,964,873)	(109,446)	601,111	89,308	6,937,541
38,243,989	101,731,553	1,699,391	626,530	255,160	6,494,769
<u>\$ 54,204,809</u>	<u>\$ 93,766,680</u>	<u>\$ 1,589,945</u>	<u>\$ 1,227,641</u>	<u>\$ 344,468</u>	<u>\$ 13,432,310</u>
\$ 4,602,085	\$ 24,335,662	\$ (815,667)	\$ (308,614)	\$ 16,985	\$ (1,532,581)
78,204	2,370,467	122	57		50,687
8,171,823	14,629,842	936	20,184		323,918
1,983,405	3,102,072	(52,872)	(71,952)		(5,765,165)
(98,292)	5,522				
(53,726)	(23,732)	(173)	7		318,580
					647,211
5,661,257	(5,907,097)	280,069	107,147	361,197	96,897
(108,432)					(59,144)
					88,651
					(723,022)
		(320,020)		(60,571)	
<u>15,634,239</u>	<u>14,177,074</u>	<u>(91,938)</u>	<u>55,443</u>	<u>300,626</u>	<u>(5,021,387)</u>
<u>\$ 20,236,324</u>	<u>\$ 38,512,736</u>	<u>\$ (907,605)</u>	<u>\$ (253,171)</u>	<u>\$ 317,611</u>	<u>\$ (6,553,968)</u>

San Jacinto River Authority

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PENSION TRUST FIDUCIARY FUND

Year Ended August 31, 2024

Additions

Employer contributions	\$	940,259
Investment Income (Loss)		827,594

Total Additions 1,767,853

Deductions

Service Benefits		<u>831,840</u>
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Total Deductions 831,840

Change in Net Position Restricted for Pension 936,013

Net Position at Beginning of Year 21,814,140

Net Position at End of Year \$ 22,750,153

See Notes to Financial Statements.

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SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the San Jacinto River Authority (the "Authority"), a governmental agency and political subdivision of the State of Texas, conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board ("GASB"). The following is a summary of the more significant policies consistently applied in the preparation of the accompanying financial statements:

A. Reporting Entity

The reporting entity refers to the scope of activities, organizations and functions included in the financial statements. The Authority is a separate, self-supporting governmental unit and is administered by a Board of seven members who are appointed by the Governor of the State of Texas. There are no dependent functions or agencies that meet any of the criteria for inclusion in the reporting entity in accordance with the requirements of the GASB.

B. Business-Type Activities

The business-type activities and the related accounts of the Authority are organized on the basis of Enterprise Funds, each of which is considered a separate accounting entity. The operations of each Enterprise Fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses, as appropriate. These Enterprise Funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the cost of providing services to customers on a continuing basis (expenses, including depreciation) be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, debt service or other purposes.

The Enterprise Funds maintained by the Authority are described below:

General and Administration Fund ("General and Administration Division")

The General and Administration Division, located in the general business office at Lake Conroe, consists of professional, technical, accounting, administrative and support staff working under the direction of the General Manager. The General and Administration Division provides management and support services to the SJRA's five operating divisions, time, salary, and benefit costs are allocated to each division based on time worked and full-time equivalents (FTEs). The majority of the growth occurring during and after 2014 (see Number of Employees by Division, pages 100-101) was directly related to the planning and implementation of a groundwater reduction program in response to regulations adopted by the Lone Star Groundwater Conservation District.

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Raw Water Fund (“Raw Water Enterprise”)

This Enterprise consists of the Highlands and Lake Conroe Divisions plus revenue and expenses associated with the Authority’s overall raw water supply system that are not otherwise divisible between the Highlands Division and the Lake Conroe Division (Raw Water Supply). The Enterprise accounts for the long-term water sale contracts to industrial, agricultural and municipal customers from its raw water supplies. Most of the sales contracts contain provisions for the quantities of water, take or pay whether or not the water is used by the customers. Some of the sales contracts contain options and reservations for the additional purchases of near-term future water supplies by customers. In all such contracts, the Authority has reserved the right from time to time to adjust its rates for the sale and for reservation of raw water.

Highlands Fund (“Highlands Division”)

This fund accounts for the long-term water sale commitments to several industrial, agricultural and municipal customers from its water resources in the Reservoir and Canal System located in Highlands, Texas.

Lake Conroe Dam and Reservoir Fund (“Lake Conroe Division”)

The Authority contracted with the City of Houston for the joint construction of Lake Conroe. Under the terms of the contract, the City of Houston advanced two-thirds of the financing of such construction and owns two-thirds of permitted water rights of Lake Conroe. The Authority, in whom the legal title to the physical properties is vested, owns the remaining one-third of the permitted water rights. The Authority operates Lake Conroe for the benefit of itself and the City of Houston pursuant to the terms and conditions of a 2023 contract between the Authority and the City of Houston. The operating costs of Lake Conroe are generally borne one-third by the Authority and two-thirds by the City of Houston. The accompanying financial statements include only the costs of the Authority’s ownership interest in Lake Conroe; therefore, the costs of the City of Houston’s two-thirds interest of \$27,132,995 in Lake Conroe are excluded from the capital asset totals presented.

For operating Lake Conroe, the Authority is reimbursed for two-thirds of the net annual costs and expenses (after credits for revenues received from recreational facilities and other Lake Conroe sources except the sale of water) incurred by the Authority for maintenance, operation and capital outlays of Lake Conroe. Due to the joint ownership interests in capital assets, the accompanying financial statements present only the Authority’s share in capital assets of Lake Conroe.

Woodlands Division Fund (“Woodlands Division”)

This fund accounts for the wholesale water and wastewater treatment plants (Central Plants) and major water production, storage and distribution facilities and wastewater collection and conveyance equipment (Central Lines) located in The Woodlands, Texas. As described below, the Central Plants and Central Lines (collectively, the Central Facilities) are provided to this fund through purchases at actual costs of reserve capacity rights in such Central Facilities by the eleven municipal utility districts located in The Woodlands, Texas. Some of the costs of reserve capacity were reduced by federal grants received by the Authority for the initial cost of construction and expansion of wastewater treatment

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

facilities comprising a part of the Central Facilities. The Woodlands Division participates in the groundwater reduction program administered by the Authority's GRP Division. The GRP pumpage fee and surface water fee income and related payments are reflected in the eliminations column of the financial statements.

All activities necessary to provide wholesale water and sewer services from such assets are accounted for in this fund, including operations, maintenance, financing and related debt service, and billings to and collections from the participating municipal utility districts. The basic agreement with the municipal utility districts provides for wholesale water and wastewater service billings based upon the recovery of the actual expenses incurred for the operations, maintenance and contingency reserves for the Central Facilities, exclusive of depreciation of such assets, as well as capacity charges for the purchase of reserved capacity rights. As of August 31, 2024, the following municipal utility districts have purchased reserve capacity in such Central Facilities: Montgomery County Municipal Utility District Nos. 6, 7, 36, 39, 46, 47, 60 and 67, The Woodlands Municipal Utility District No. 1, The Woodlands Metro Center Municipal Utility District, and Harris-Montgomery Counties Municipal Utility District No. 386 (Montgomery County side only).

In the initial 1975 agreement and supplemental agreements thereto between the Authority and The Woodlands Development Company (Company) including its successors, the Company agreed to advance monies to the Woodlands Division, to the extent that funds were not otherwise available to finance the costs of the expansions to the Central Facilities. Such agreements also stipulate that sums advanced to the Woodlands Division by the Company shall be reimbursed to the Company from capacity charges received from the participating municipal utility districts. Since 1989, the Company has not been called upon to make any advances for such purposes, and substantially all prior advances by the Company have been fully reimbursed. The participating municipal utility districts make payment of capacity charges for purchased reserved capacity rights by contributing their respective pro rata shares of costs, in cash by contributing additional facilities in kind, or by payment of their pro rata shares of the debt services costs on contract revenue bonds issued by the Authority to finance the costs of Central Facilities.

Flood Management Fund ("Flood Management Division")

The Flood Management Division was created in the spring of 2018 to develop short-term and long-term regional flood management strategies within the San Jacinto River Basin. The intent is to build partnerships with federal, state, and local governmental entities; identify funding options and/or revenue sources; and coordinate, and partner with other flood management entities within the San Jacinto River Basin.

Groundwater Reduction Plan Fund ("Groundwater Reduction Plan Division")

As authorized by the Board of Directors, the Authority developed a Groundwater Reduction Plan (GRP) on behalf of all large volume groundwater users (LVGU's) within Montgomery County who choose to join. Individual LVGU's in Montgomery County will be able to comply with the Lone Star Groundwater Conservation District (LSGCD) regulatory requirements adopted by LSGCD in 2009. The projected water demand of all participating LVGUs is included in the planning for the Authority's regionalized surface water treatment and

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

transmission system. The specific requirements for this planning are set forth in the LSGCD's District Regulatory Plan. In order to join the Authority's GRP, individual LVGUs had to execute a GRP contract with the Authority obligating them to pay groundwater pumpage fees and/or surface water fees. The revenues from participant fees cover all costs associated with implementing the GRP program. On September 8, 2020, the LSGCD adopted new regulations which, in pertinent part, repealed its 2009 regulations. Notwithstanding the foregoing, the GRP Contracts remain in force and effect in accordance with their terms. See Note 12 for discussion of the status of ongoing litigation related to the GRP, including collection of amounts due and owing from certain GRP participants.

On October 16, 2009, a Water Supply Contract with City of Houston was fully executed by the Mayor of the City of Houston. The agreement allows the Authority to purchase surface water from the City's two-thirds share in Lake Conroe. The Authority will pay a reservation fee for water that is reserved from the City but not actually used in a given year. The reservation fee will be a prorated amount based on one-half of the City's share of the annual O&M and capital expenses for the Lake Conroe Division. The term of the agreement is for 80 years, with a continuation of service upon expiration under similar terms.

Bear Branch Fund ("Bear Branch")

The Authority owns and maintains the Bear Branch Reservoir System (Bear Branch) which provides elements of a storm water management system within a portion of The Woodlands, Texas service area. The Authority purchased the assets of Bear Branch from the Woodlands Land Development Company, LP in April 2000. All activities necessary to maintain and improve Bear Branch assets are accounted for in this fund. As of August 31, 2024, contracts have been signed with Montgomery County Municipal Utility Districts Nos. 7, 46, 47, 60 and 67 to purchase their agreed to proportionate share of reserve capacity rights for storm water detention resulting from the construction and maintenance of Bear Branch System.

Region H Fund ("Region H")

Under an agreement with the Texas Water Development Board, the Authority is the designated contracting agency and group-appointed administrator of the Region H Water Planning Group.

C. Fiduciary Activity

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the Authority's business-type activities because the resources of those funds are not available to the Authority. The Authority has fiduciary responsibility for the defined benefit pension plan. Accordingly, the Authority's Pension Trust Fund is included in the accompanying basic financial statement as a pension trust fund in the fiduciary fund statements. The fiduciary funds are reported using the economic resources measurement focus and accrual basis of accounting.

D. Measurement Focus and Basis of Accounting

The Enterprise Funds have a net income or economic resources measurement focus and are accounted for using the accrual basis of accounting, under which revenues are

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

recognized when they are earned including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred. With this measurement focus, all assets and liabilities associated with the operation of these funds are included in the Statement of Net Position.

The Authority distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The Authority applies all GASB pronouncements as well as Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

E. Cash and Cash Equivalents, and Investments

Cash and cash equivalents include amounts in checking, savings, money market accounts and Public Funds Investment Pools and securities per the Authority's Investment Policy.

Restricted funds consist of construction and debt service funds derived from bond and debt issuances, operational revenues designated for specific purposes by the SJRA Board and other funds with contractual or legal constraints.

Investments are reported at fair value. Any changes in the fair value of financial investments are recorded as income.

F. Accounts Receivable

The allowance for doubtful accounts is established to provide an estimate of bad debts charged to revenues. Losses are charged against the allowance when Management believes the collectability of a receivable is unlikely. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by Management and is based on historical experience and specifically identified questionable receivables. The evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. As of August 31, 2024, the Authority has recorded \$195,919 in bad debts.

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

G. Depreciation

Depreciation is provided for in amounts sufficient to relate the cost of the depreciable property to operations on a straight-line basis over their estimated useful lives in the Enterprise Funds. The depreciation for the Lake Conroe Division is based only on the one-third ownership interest of the Authority in such assets. The Authority's policy is to capitalize assets with an initial installed cost exceeding \$5,000 and useful life of five years or greater. The useful lives by the type of assets are as follows:

<u>Asset Class</u>	<u>Useful Life</u>
Office furniture, fixtures and equipment	5 years
Other machinery and equipment	5-10 years
Automobiles and trucks	5-10 years
Buildings	50 years
Dams and appurtenances	100 years
Water systems	30 years
Wastewater utility systems	30 years
Capital improvement plans	20 years

The Authority's Management considers its water permits and rights permanent in nature and since these intangible assets have no evident limited life, no amortization is being recognized.

H. Leases

The Authority is a lessee because it leases capital assets from other entities. As a lessee, the Authority reports lease liabilities and intangible right-to-use capital assets (also referred to as lease assets). The Authority recognizes lease proceeds and capital outlay at initiation of the lease, and the outflow of resources for the lease liability. At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. For additional information on intangible right-to-use assets and lease liabilities, see Note 5.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Authority uses the interest rate charged by the lessor as the discount rate when explicit. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease and any options to renew that the Authority is reasonably certain to exercise. Lease payments included in the

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise. The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported as intangible right-to-use asset along with other capital assets and lease liabilities are reported with current liabilities and long-term debt on the statement of net position.

I. Unamortized Bond Premium or Discount

Included within long-term debt is unamortized bond premium or discount. The bond premiums or discounts are being amortized over the life of the related obligation on the straight-line method.

J. Date of Management's Review

Subsequent events have been evaluated through January 23, 2025, which is the date the financial statements were available to be issued.

K. Net Position

Net position represents the difference between assets and liabilities. Investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent bond proceeds.

Net positions are reported as restricted when there are limitations imposed on their use by the SJRA Board or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Unrestricted net position represents the remaining portion of net position.

When both restricted and unrestricted resources are available for use, it is generally the Authority's policy to use restricted resources first.

L. Reclassifications

Certain reclassifications to prior year balances have been made to conform to current year presentation. Such reclassifications have no effect on the change in net position.

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

A summary of **net investment in capital assets** as of August 31, 2024 follows:

	Capital Assets -			
	Net of Depreciation & Amortization	Bonds Payable and Other	Unspent Proceeds and Other	Total
General and Administration Division	\$ 8,211,798	\$ (14,951)	\$	\$ 8,196,847
Raw Water Supply	31,437,927	(1,142,569)		30,295,358
Highlands Division	84,430,682	(41,233,992)		43,196,690
Lake Conroe Division	10,914,078	(20,987)		10,893,091
Woodlands Division	95,837,722	(57,226,466)	25,814,007	64,425,263
Groundwater Reduction Plan Division	326,732,392	(392,172,367)		(65,439,975)
Flood Management	342,873			342,873
Bear Branch	2,372,458			2,372,458
Total	<u>\$ 560,279,930</u>	<u>\$ (491,811,332)</u>	<u>\$ 25,814,007</u>	<u>\$ 94,282,605</u>

A summary of net position restricted for **debt service** as of August 31, 2024 follows:

	Restricted Cash for Debt Service	Liabilities Payable from Restricted Cash for Debt Service	Total
General and Administration Division	\$ 8,650,475	\$	\$ 8,650,475
Woodlands Division	7,148,672	(597,453)	6,551,219
Groundwater Reduction Plan Division	61,617,626	(7,452,997)	54,164,629
Total	<u>\$ 77,416,773</u>	<u>\$ (8,050,450)</u>	<u>\$ 69,366,323</u>

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

A summary of net position restricted for **construction** as of August 31, 2024 follows:

	Restricted Cash for Construction	Bonds Payable	Liabilities Payable from Restricted Cash for Construction	Total
General and Administration Division	\$ 2,159,660	\$	\$ (14,951)	\$ 2,144,709
Highlands Division	13,700,485			13,700,485
Lake Conroe Division	5,280,836			5,280,836
Woodlands Division	57,506,475	(25,814,007)		31,692,468
Bear Branch	8,699			8,699
Total	\$ 78,656,155	\$ (25,814,007)	\$ (14,951)	\$ 52,827,197

A summary of net position restricted for **other** as of August 31, 2024 follows:

	Emergency Reserve	Grants and other	Total
General and Administration Division	\$	\$ 62,434	\$ 62,434
Woodlands Division	2,736,196		2,736,196
Flood Management		1,589,945	1,589,945
Bear Branch		1,104,123	1,104,123
Total	\$ 2,736,196	\$ 2,756,502	\$ 5,492,698

A summary of net position – **unrestricted** as of August 31, 2024 follows:

	Designated			
	Operating Reserve	Emergency	Undesignated	Total
General & Administration Div.	\$ 1,794,264	\$ 558,016	\$ 12,553,306	\$ 14,905,586
Raw Water Supply			3,495,420	3,495,420
Highlands Division	2,985,191	2,206,997	(542,652)	4,649,536
Lake Conroe Division	1,263,571	2,790,077	1,013,711	5,067,359
Woodlands Division			9,773,122	9,773,122
Flood Management			(1,639,590)	(1,639,590)
Groundwater Reduct. Plan Div.			62,862,013	62,862,013
Region H			156,425	156,425
Total	\$ 6,043,026	\$ 5,555,090	\$ 87,671,755	\$ 99,269,871

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

All cash, savings, money market accounts and Public Funds Investment Pools are in various financial institutions and are carried at cost. Marketable securities are held at U.S. Bank and are carried at fair value.

	Book Balance	Bank Balance	Insurance & Fair Value of Collateral
Collateral held by pledging banks in the Authority's name	\$ 47,167,287	\$ 47,909,841	\$ 58,263,750
Cash equivalents, not requiring pledging by banks, money funds & Pools	<u>178,699,838</u>	<u>178,699,838</u>	N/A
Total Cash and Cash Equivalents	<u>\$ 225,867,125</u>	<u>\$ 226,609,679</u>	

The aforementioned cash equivalents are secured by U.S. Government obligations and investment pools do not require collateral to be held by the financial institution.

Investment Policy

The Authority has adopted a written Public Funds Investment Act policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. The investments of the Authority are in compliance with its investment policy.

Investments

River authorities in Texas are authorized to make investments as follows:

- Obligations of the U.S. or its agencies
- Obligations of the state of Texas or its agencies
- Obligations guaranteed by the U.S. or the state of Texas
- Certificates of deposit of federally insured banks and savings and loans domiciled in Texas
- Various others meeting specific requirements

The Authority invested in obligations of the U.S. or its agencies as of August 31, 2024.

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

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 persons 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 AAAM or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the fair value of its underlying investment portfolio within one half of one percent of the value of its shares. The Authority has been authorized by the Board of Directors to invest in the Pools. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 79, investment pools use amortized cost (which excludes unrealized gains and losses) to compute share price without any limitation or restrictions on withdrawals. An external investment pool qualifies for amortized cost reporting if it transacts with its participants at a stable net asset value per share and meets various portfolio maturity, quality, diversification liquidity and pricing requirements. Investments in pools are deemed to have a weighted average maturity of one day. At August 31, 2024, the Authority participated in TexPool (\$94,294,944), TexStar (\$4,924,681) and Texas CLASS (\$42,641,293).

Interest Rate Risk

In accordance with its investment policy, the Authority manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than two years, in order to meet cash requirements for ongoing operation. The Authority's investments in the state investment pools via TexPool, TexStar and Texas CLASS were rated AAAM by Standard and Poor's.

Credit Risk – Investments

In accordance with its investment policy, the Authority minimized credit risk losses due to default of a security issuer or backer, by limiting investments to the safest types of securities.

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Investments – Fair Value

The Authority's investments are stated at fair value which is the amount that would be received in an asset sale or paid in an orderly transaction between unaffiliated market participants. The Authority categorizes the fair value measurement of its investments based on the hierarchy established by generally accepted accounting principles. The categorization of financial instruments within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The hierarchy is prioritized into three levels (with Level 3 being the lowest) defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.

Level 2: Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

The fair value measurement of investments and the level within the fair value hierarchy at which the investments are measured at August 31, 2024 are as follows:

	<u>08/31/24</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
Money Market Funds	\$ 87,317	\$ 87,317	\$	
U.S. Treasury Notes	32,986,798		32,986,798	
Total Investments	<u>\$ 33,074,115</u>	<u>\$ 87,317</u>	<u>\$ 32,986,798</u>	<u>\$</u>

The Authority has no Level 3 inputs at August 31, 2024.

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The individual interfund receivables/payables as of August 31, 2024 follow:

	<u>Receivables</u>	<u>Payables</u>
Enterprise Funds:		
Raw Water Supply	\$	\$ 599,547
General and Administration Division	6,265	6,826,833
Highlands Division	66,697	1,379,296
Woodlands Division	7,265,281	1,056
Lake Conroe Division	15	34,802
Groundwater Reduction Plan Division	1,354,167	
Bear Branch	141,876	
Region H	519	
Flood Management Division	58,890	52,176
	<u>\$ 8,893,710</u>	<u>\$ 8,893,710</u>

Interfund balances and transfers primarily result from payroll transactions with related employee benefits, and GRP pumpage fees and GRP surface water fees. Payroll transactions and related employee benefits become the basis for expenses of the divisions and departments which use the services. Beginning in fiscal year 2010, interfund transactions record the monthly groundwater pumpage and surface water fees which is sources of revenue to the GRP Division and expenses of the Woodlands Division.

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – CAPITAL ASSETS

The following table summarizes the changes in the components of capital assets:

	* Balance at September 01, 2023	Additions	Deletions	Balance at August 31, 2024
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 29,196,595	\$	\$	\$ 29,196,595
Water permits and rights	30,947,801			30,947,801
Construction in progress	16,926,217	15,421,558	(5,874,743)	26,473,032
Total Capital Assets Not Being Depreciated	77,070,613	15,421,558	(5,874,743)	86,617,428
Capital Assets Being Depreciated:				
Land improvements	4,481,712	1,513,053		5,994,765
Furniture, fixtures and equipment	6,769,999	249,982		7,019,981
Other machinery and equipment	12,957,076	314,544	(96,567)	13,175,053
Automobiles and trucks	3,668,335	337,041	(118,056)	3,887,320
Intangible right-to-use assets	464,152			464,152
Buildings	27,181,094	49,000		27,230,094
Dams and appurtenances	10,115,636			10,115,636
Water systems	607,768,755	4,578,273		612,347,028
Wastewater utility systems	123,511,267	23,050		123,534,317
Capital improvement plans	3,283,942			3,283,942
Total Capital Assets Being Depreciated	800,201,968	7,064,943	(214,623)	807,052,288
Less Accumulated Depreciation for:				
Land improvements	2,771,222	211,045		2,982,267
Furniture, fixtures and equipment	5,966,142	258,491		6,224,633
Other machinery and equipment	9,605,568	439,407	(96,532)	9,948,443
Automobiles and trucks	2,909,260	323,671	(118,056)	3,114,875
Intangible right-to-use assets	164,443	93,016		257,459
Buildings	6,501,090	546,874		7,047,964
Dams and appurtenances	3,653,893	205,393		3,859,286
Water systems	201,650,592	19,234,043		220,884,635
Wastewater utility systems	73,765,197	4,757,895		78,523,092
Capital improvement plans	492,399	54,733		547,132
Total Accumulated Depreciation	307,479,806	26,124,568	(214,588)	333,389,786
Total Capital Assets Being Depreciated, Net	492,722,162	(19,059,625)	(35)	473,662,502
Business-Type Activities				
Capital Assets, Net	\$ 569,792,775	\$ (3,638,067)	\$ (5,874,778)	\$ 560,279,930

* Reclassifications of beginning balances were made during implementation of the Authority's new Enterprise Resource Planning system.

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – LEASES

The Authority has leasing arrangements, summarized below:

The Authority entered into a lease agreement to lease tower space to affix a SCADA antenna for the Woodlands Division for 60 months beginning October 1, 2013, with five optional 60-month renewal periods. The Authority has exercised two of the renewal options extending the contract expiration to September 30, 2028. Currently, the Authority is not reasonably certain to exercise future renewal options. As of August 31, 2024, there were 48 payments remaining of the term reasonably certain to be exercised. Under the terms of the lease, the Authority pays a monthly fee that is adjusted 3% each year and in Fiscal Year 2024 the monthly payments were \$806.

The Authority entered into a lease agreement to lease fiber optic lines serving the Highlands Division SCADA system for 60 months beginning August 20, 2021, with unlimited 12-month renewal options. After the initial term of the lease, the lease would be considered a short-term lease since it becomes cancelable on a year-to-year basis. August 31, 2024, there were 24 payments remaining of the contract term before becoming a short-term lease on August 19, 2026. Under the terms of the lease, the Authority pays a monthly fee of \$2,660.

The Authority entered into a lease agreement to lease fiber optic lines serving the Highlands Division IT system for 60 months beginning October 4, 2022, with unlimited 12-month renewal options. After the initial term of the lease, the lease would be considered a short-term lease since it becomes cancelable on a year-to-year basis as of October 3, 2027. Under the terms of the lease, the Authority pays a monthly fee of \$1,761.

Lease liabilities as of August 31, 2024, are detailed as follows:

Lease Description	Contract End Date	Discount Rate	Balance at September 1, 2023	Retirements (Additions)	Balance at August 31, 2024	Amounts Due Within One Year
SCADA Tower Lease	9/30/28	3%	\$ 47,566	\$ 8,364	\$ 39,202	\$ 8,911
SCADA Fiber Lease	8/19/26	3%	90,577	29,608	60,969	30,508
IT Fiber Optic Lease	10/3/27	3%	81,283	18,956	62,327	19,534
Total Lease Liabilities			<u>\$ 219,426</u>	<u>\$ 56,928</u>	<u>\$ 162,498</u>	<u>\$ 58,953</u>

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Schedule of future lease payments as of August 31, 2024:

Fiscal Year	Principal	Interest	Total
2025	\$ 58,953	\$ 4,069	\$ 63,022
2026	60,076	2,271	62,347
2027	30,828	882	31,710
2028	12,641	184	12,825
Total	\$ 162,498	\$ 7,406	\$ 169,904

The Authority amortized the intangible right-to-use assets as of August 31, 2024:

Lease Activities	Balance at September 1, 2023	Additions	Deletions	Balance at August 31, 2024
Intangible right-to-use assets, net of accumulated amortization				
SCADA Antenna Tower Lease	\$ 43,503	\$	\$ (13,949)	\$ 29,554
SCADA Fiber Optic Lease	175,834		(59,379)	116,455
IT Fiber Optic Lease	80,372		(19,688)	60,684
Total	\$ 299,709	\$	\$ (93,016)	\$ 206,693

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – UNAMORTIZED BOND PREMIUM OR DISCOUNT

A summary of changes in the unamortized bond premium or discount follows:

	Original Bond Premium or (Discount)	Balance at Sept. 1, 2023	Current Year Amortization	Balance at Aug. 31, 2024
Raw Water Supply				
Water Revenue Refunding Bonds:				
Series 2019R-A	\$ 537,386	\$ 98,394	\$ 90,825	\$ 7,569
Total Raw Water Supply	<u>537,386</u>	<u>98,394</u>	<u>90,825</u>	<u>7,569</u>
Highlands Division				
Water Revenue Bonds:				
Series 2013	265,830			
Series 2014	(1,348)	(1,051)	60	(1,111)
Series 2019R-B	2,434,636	1,739,027	143,919	1,595,108
Total Highlands Division	<u>2,699,118</u>	<u>1,737,976</u>	<u>143,979</u>	<u>1,593,997</u>
Total Raw Water Enterprise	<u>3,236,504</u>	<u>1,836,370</u>	<u>234,804</u>	<u>1,601,566</u>
Woodlands Division				
Special Project Revenue Refunding Bonds:				
Series 2014	1,183,116	537,308	129,247	408,061
Series 2014	2,488,017	1,303,246	61,461	1,241,785
Total Woodlands Division	<u>3,671,133</u>	<u>1,840,554</u>	<u>190,708</u>	<u>1,649,846</u>
GRP Division				
Special Project Revenue Bonds:				
Series 2011	114,995	61,306	4,352	56,954
Series 2016	69,788	48,072	2,659	45,413
Total GRP Division	<u>184,783</u>	<u>109,378</u>	<u>7,011</u>	<u>102,367</u>
Totals	<u>\$ 7,092,420</u>	<u>\$ 3,786,302</u>	<u>\$ 432,523</u>	<u>\$ 3,353,779</u>

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – LONG-TERM DEBT

A summary of changes in bonds payable follows:

	<u>Interest Rates</u>	<u>Original Issuance</u>	<u>Balance at Sept. 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at Aug. 31, 2024</u>	<u>Due Within One Year</u>
Raw Water Supply							
Water Revenue Refunding Bonds:							
Series 2019A	3.00-4.00%	6,680,000	\$ 2,690,000	\$	\$ 1,555,000	\$ 1,135,000	\$ 1,135,000
Total Raw Water Supply			<u>2,690,000</u>		<u>1,555,000</u>	<u>1,135,000</u>	<u>1,135,000</u>
Highlands Division							
Water Revenue Bonds:							
Series 2014	2.00-3.50%	5,360,000	4,190,000		185,000	4,005,000	190,000
Series 2015	0.89-4.28%	29,000,000	22,810,000		975,000	21,835,000	1,005,000
Series 2019A	2.00-5.00%	16,715,000	14,375,000		840,000	13,535,000	875,000
Total Highlands Division			<u>41,375,000</u>		<u>2,000,000</u>	<u>39,375,000</u>	<u>2,070,000</u>
Total Raw Water Enterprise			<u>44,065,000</u>		<u>3,555,000</u>	<u>40,510,000</u>	<u>3,205,000</u>
Woodlands Division							
Special Project Revenue Refunding Bonds:							
Series 2014	2.00-5.00%	11,355,000	6,350,000		675,000	5,675,000	700,000
Series 2014	3.00-5.00%	26,700,000	16,675,000		1,530,000	15,145,000	1,580,000
Series 2017	0.00-1.710%	42,895,000	36,335,000		1,640,000	34,695,000	1,650,000
Total Woodlands Division			<u>59,360,000</u>		<u>3,845,000</u>	<u>55,515,000</u>	<u>3,930,000</u>
Groundwater Reduction Plan Division							
Special Project Revenue Bonds:							
Series 2009	0.85-2.66%	21,500,000	11,395,000		1,790,000	9,605,000	1,830,000
Series 2011	3.00-5.25%	83,155,000	61,870,000		2,860,000	59,010,000	3,000,000
Series 2011A	1.47-4.97%	67,470,000	44,980,000		2,640,000	42,340,000	2,745,000
Series 2012	1.47-4.62%	175,000,000	122,690,000		6,070,000	116,620,000	6,290,000
Series 2012A	1.67-4.62%	165,000,000	148,255,000		12,745,000	135,510,000	1,395,000
Series 2013	0.53-4.76%	39,850,000	30,840,000		3,625,000	27,215,000	1,190,000
Series 2016	2.00-4.00%	2,305,000	1,840,000		70,000	1,770,000	70,000
Total Groundwater Reduction Plan Division			<u>421,870,000</u>		<u>29,800,000</u>	<u>392,070,000</u>	<u>16,520,000</u>
Total Bonds Payable			<u>\$ 525,295,000</u>	<u>\$</u>	<u>\$ 37,200,000</u>	<u>\$ 488,095,000</u>	<u>\$ 23,655,000</u>

Of the \$488,095,000 of bonds payable, \$464,440,000 is considered long-term and \$23,655,000 is considered current.

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

The Water Revenue Bonds within Raw Water Enterprise resolution requires that the gross revenues of the Authority, after deducting maintenance and operating expenses, shall be transferred in the following order:

- Debt Service Fund – No later than the fifth day preceding each maturity date, an amount sufficient to pay principal and interest on the outstanding Water Revenue Bonds.
- Debt Service Reserve Fund – On or before the fifth day of each month, such amounts in equal monthly installments, not less than one-sixtieth of the average annual sum payable in respect of the principal and interest scheduled to become due on the outstanding Water Revenue Bonds at the time of such computation.

The GRP Division Special Project Revenue Bond resolutions require that the gross revenues of the GRP, after deducting maintenance and operating expenses, shall be transferred in the following order:

- Debt Service Fund – No later than the fifth day preceding each maturity date, an amount sufficient to pay principal and interest on the outstanding Special Project Revenue Bonds in such fiscal year.
- Debt Service Reserve Fund – On a monthly basis, in equal monthly installments, an amount not less than one-sixtieth of the average annual sum payable in respect of the principal and interest scheduled to become due on the outstanding Special Project Revenue Bonds at the time of such computation.

The Woodlands Division Special Project Revenue Bond resolutions require that capacity charges be assessed, levied and made to and collected from the customers pursuant to the agreement on a monthly basis in an amount not less than one-twelfth of the scheduled amount of principal and interest to become due on the outstanding Special Project Revenue Bonds in such fiscal year.

The Woodlands Division 2017 Special Project Revenue Bond resolutions require that the gross revenues of the Woodlands, after deducting maintenance and operating expenses, shall be transferred in the following order:

- Debt Service Fund – No later than the fifth day preceding each maturity date, an amount sufficient to pay principal and interest on the outstanding Special Project Revenue Bonds in such fiscal year.
- Debt Service Reserve Fund – On a monthly basis, in equal monthly installments, an amount not less than one-sixtieth of the average annual sum payable in respect of the principal and interest scheduled to become due on the outstanding Special Project Revenue Bonds at the time of such computation.

Management believes the Authority is in compliance with the covenants of all bond issues.

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Maturities of bonds payable for the next five fiscal years and thereafter follow:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Raw Water Enterprise			
2025	\$ 3,205,000	\$ 1,567,414	\$ 4,772,414
2026	2,155,000	1,465,242	3,620,242
2027	2,240,000	1,376,112	3,616,112
2028	2,340,000	1,281,183	3,621,183
2029	2,440,000	1,179,810	3,619,810
2030-2034	13,730,000	4,364,367	18,094,367
2035-2039	12,245,000	1,608,230	13,853,230
2040-2044	2,155,000	45,662	2,200,662
	<u>\$ 40,510,000</u>	<u>\$ 12,888,020</u>	<u>\$ 53,398,020</u>
Woodlands Division			
2025	\$ 3,930,000	\$ 1,390,172	\$ 5,320,172
2026	4,035,000	1,281,746	5,316,746
2027	4,170,000	1,148,020	5,318,020
2028	4,305,000	1,005,925	5,310,925
2029	4,450,000	855,507	5,305,507
2030-2034	17,085,000	2,319,005	19,404,005
2035-2039	9,430,000	1,050,072	10,480,072
2040-2044	8,110,000	277,035	8,387,035
	<u>\$ 55,515,000</u>	<u>\$ 9,327,482</u>	<u>\$ 64,842,482</u>
Groundwater Reduction Plan Division			
2025	\$ 16,520,000	\$ 17,190,479	\$ 33,710,479
2026	17,185,000	16,531,535	33,716,535
2027	17,870,000	15,840,993	33,710,993
2028	18,595,000	15,117,416	33,712,416
2029	19,380,000	14,337,182	33,717,182
2030-2034	110,880,000	57,697,879	168,577,879
2035-2039	139,745,000	28,837,907	168,582,907
2040-2044	51,895,000	2,133,976	54,028,976
	<u>\$ 392,070,000</u>	<u>\$ 167,687,367</u>	<u>\$ 559,757,367</u>

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – GENERAL AND ADMINISTRATIVE EXPENSES

The general and administrative expenses represent the direct and related expenses incurred by and paid for the services of the administrative personnel and the expenses of the usage of the administrative plant and equipment of the Authority. Since the Authority is involved in different types of activities, and some of such activities are governed by contractual agreements, these types of expenses are accounted for separately from the different types of activities accounted for in the funds maintained by the Authority so that the Authority may comply with the contractual allocation of such expenses to the different activities of the funds maintained by the Authority for the year ended August 31, 2024.

NOTE 9 – RETIREMENT PLANS

Defined Contribution Plan

In August 2016, the Authority adopted the San Jacinto River Authority 401(a) Plan with Mission Square and also the existing 457(B) Deferred Compensation Plan from the Standard to Mission Square.

Mission Square is the trustee of the 401(a), 401(a) Executive Plan and 457(b) Plans.

Eligibility. Employees hired prior to August 1, 2016 are covered under the Defined Benefit Pension Plan and are not eligible for the new 401(a) Plan. Employees hired on or after August 1, 2016 are eligible to receive employer contributions under the new 401(a) Plan. All employees are eligible to make elective deferrals to the existing 457(b) Plan.

Benefits Provided. The Authority provides a Fixed Employer Contribution of 8% earnings on behalf of each participant for the Plan year and provides Variable Employer Match of 100% up to 4% of employee elective deferrals made to the 457(b) Plan as a matching contribution to the 401(a) Plan.

Vesting. Participants are vested 25% after three years, 50% after four years, and 100% after five years of service in the 401(a) Plan. Participants are always 100% vested in the 457(b) Plan.

Contributions to each employee's 401(a) and 457(b) plans are invested in accordance with employee's instructions. Individual accounts are maintained for each participant.

In October 2023, the Authority adopted the San Jacinto River authority 401(a) Executive Plan.

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Method used to value investments. Investments are reported at fair value.

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 San Jacinto River Authority Pension Plan and additions to/deductions from the San Jacinto River Authority Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the San Jacinto River Authority. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description (Pension Plan)

Plan Administration. The Authority's defined benefit pension plan, the San Jacinto River Authority Pension Plan (the "Plan"), provides retirement benefits to plan members and beneficiaries. The Plan is a single employer, noncontributory defined benefit plan. The Plan's benefit provisions were established and may be amended by the Authority's Board. The Plan is administered by a trustee for the benefit of the Authority's employees. The Authority does not have access to, nor can it utilize the assets of the Plan. The Trustee is responsible for making payments to the Authority's retired employees.

In January 2024, the Authority revised the existing San Jacinto River Authority Plan with The Standard to allow in-service withdrawals. Any participant that elects in-service withdrawal will then be placed into the Authority's 401(a) Plan.

In January 2024, the Authority revised the existing San Jacinto River Authority Plan with the Standard adopting the Rule of 85 Retirement Date, which means the first day of the month coinciding with or next following the date that the sum of a Participant's Age and Years of Service equals to 85 or greater. A Participant shall become fully vested in his Normal Retirement Benefit upon attaining his Rule of 85 Retirement Date.

Standard Insurance Co. is the trustee of the Plan. There is no stand alone pension plan report available, but a copy of the actuarial report, prepared by Milliman, is available upon request from the Authority. The Authority has contracted with Alliant Services to evaluate the Authority's pension plan and make recommendations regarding modernization, cost-control measures, and long-term strategies for retirement offerings.

Benefits Provided. The Plan is available to all active employees hired before August 1, 2016, who have completed one year of service and attained age 21. Normal retirement age is 65. The Plan also provides benefits for early and late retirement. The retirement benefit at normal retirement is equal to 1.00% of average monthly compensation up to a participant's covered compensation level plus 0.55% of average monthly compensation in excess of the covered compensation level multiplied by the number of years of credited service not to exceed 40 years. The retirement benefit is payable monthly during the life

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

of the retired participant. The Plan also provides death and disability benefits. A member is 100% vested in the accrued benefit upon completion of 5 years of service.

Plan Membership. At November 1, 2022, there were 125 plan members including 78 active members, 16 terminated vested members, 31 retired members and beneficiaries.

Contributions. Employees of the Authority do not contribute to the Plan. The Authority makes annual contributions to the Plan equal to the total of normal cost and the amount needed to fund the unfunded actuarial accrued liability over a ten year amortization period as determined from the actuarial valuation report.

Investments

Pension Plan Investment policy. It is the policy of the Authority's Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy as of December 9, 2021.

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	8%
US Bonds	20%
Global Bonds	7%
Domestic Equities	46%
Foreign Equities	10%
Real Estate	<u>9%</u>
Total	100%

Rate of return. For the plan year ended October 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.75%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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NOTES TO FINANCIAL STATEMENTS

Calculation of Money-Weighted Rate of Return

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

<u>Interest</u>	<u>Net External Cash Flows</u>	<u>Periods Invested</u>	<u>Period Weight</u>	<u>Net External Cash Flows With Interest</u>
Beginning Value - November 1, 2023	\$ 21,814,140	12.00	1.00	\$ 22,628,833
Monthly Net External Cash Flows:				
November	(53,312)	12.00	1.00	(55,303)
December	(53,312)	11.00	0.92	(55,141)
January	886,537	10.00	0.83	913,932
February	(53,312)	9.00	0.75	(54,798)
March	(84,256)	8.00	0.67	(86,351)
April	(140,643)	7.00	0.58	(143,666)
May	(66,926)	6.00	0.50	(68,164)
June	(53,312)	5.00	0.42	(54,139)
July	(53,312)	4.00	0.33	(53,961)
August	(53,312)	3.00	0.25	(53,803)
September	(113,110)	2.00	0.17	(113,817)
October	(53,312)	1.00	0.08	<u>(53,469)</u>
Ending Value - October 31, 2023	\$ 22,750,153			<u>\$ 22,750,153</u>
Money-Weighted Rate of Return			3.73%	

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NOTES TO FINANCIAL STATEMENTS

Return on assets. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2023.

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
US Core Fixed Income	Bloomberg Barclays Aggregate	8.00%	2.07%
US Interm Bonds	BBgBarc US Govt/Credit Interm TR	15.00%	1.67%
US High Yield Bonds	ICEE BofA US High Yield TR	5.00%	3.98%
Global Bonds	FTSE WGBI	7.00%	0.79%
US Large Cap Equity	S&P 500 TR	25.00%	5.16%
US Small & Mid Cap Equit	Russell 2500 TR	21.00%	6.23%
Global Equity	MSCI ACWI NR	10.00%	6.02%
US REITs	FTSE NAREIT Equity REIT	9.00%	6.79%
Assumed Inflation - Mean			2.33%
Assumed Inflation - Standard Deviation			1.42%
Portfolio Real Mean Return			4.48%
Portfolio Nominal Mean Deviation			6.81%
Portfolio Standard Deviation			12.41%
Long-Term Expected Rate of Return			5.75%

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NOTES TO FINANCIAL STATEMENTS

Net Pension Liability

	<u>October 31, 2022</u>	<u>October 31, 2023</u>
Total pension liability	\$ 22,149,248	\$ 23,732,472
Fiduciary net position	21,814,140	22,750,153
Net Pension Liability (Asset)	\$ 335,108	\$ 982,319
Fiduciary net position as a % of total pension liability	98.49%	95.86%
Covered payroll	\$ 7,729,356	\$ 7,241,008
Net pension liability as a % of covered payroll	4.34%	13.57%

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date taking into account any significant changes between the valuation date and the fiscal year end as prescribed by GASB 67 and 68.

Discount Rate

	<u>October 31, 2022</u>	<u>October 31, 2023</u>
Discount rate	5.75%	5.75%
Long-term expected rate of return, net of investment expense	5.75%	5.75%
Municipal bond rate	N/A	N/A

Other Key Actuarial Assumptions

	<u>October 31, 2022</u>	<u>October 31, 2023</u>
Valuation date	November 1, 2021	November 1, 2022
Measurement date	October 31, 2022	October 31, 2023
Inflation	2.40%	2.33%
Salary increases including inflation	5.00%	5.00%
Mortality	PubG-2010 Public Retirement Plans Amount-Weighted projected with Scale MP-2021	PubG-2010 Public Retirement Plans Amount-Weighted projected with Scale MP-2021
Actuarial cost method	Entry Age Normal	Entry Age Normal

Discount rate. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the Authority, calculated using the discount rate of 5.75%, as well as what the Authority's net pension liability would be if it were calculated

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NOTES TO FINANCIAL STATEMENTS

using a discount rate that is 1-percentage-point lower (4.75%) or 1-percentage-point higher (6.75%) than the current rate:

	1% Decrease 4.75%	Current Discount Rate 5.75%	1% Increase 6.75%
Total pension liability	\$ 27,291,730	\$ 23,732,472	\$ 20,785,627
Fiduciary net position	22,750,153	22,750,153	22,750,153
Net Pension Liability (Asset)	\$ 4,541,577	\$ 982,319	\$ (1,964,526)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of August 31, 2023	\$ 22,149,248	\$ 21,814,140	\$ 335,108
Changes for the year:			
Service cost	829,830		829,830
Interest on total pension liability	1,297,716		1,297,716
Effect of plan changes	102,456		102,456
Effect of economic/demographic gains or losses	181,355		181,355
Effect of assumptions changes or inputs	3,707		3,707
Benefit payments	(831,840)	(831,840)	
Administrative expenses			
Net investment income		827,594	(827,594)
Employer contributions		940,259	(940,259)
Balances as of August 31, 2024	\$ 23,732,472	\$ 22,750,153	\$ 982,319

Pension plan fiduciary net position. The pension plan does not issue standalone financial reports. However, additional information about the pension plan is available in separately issued reports prepared by the plan's actuary (San Jacinto River Authority Pension Plan: GASB 67 and 68 Disclosure Report and San Jacinto River Authority Pension Plan Actuarial Valuation Report).

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NOTES TO FINANCIAL STATEMENTS

Pension Expense

Pension Expense	September 01, 2023 to August 31, 2024
Service cost	\$ 829,830
Interest on total pension liability	1,297,716
Administrative expenses	102,456
Expected investment return net of investment expenses	(1,258,906)
Recognition of economic/demographic gains and losses	(540,646)
Recognition of assumption changes or inputs	203,516
Recognition of investment gains and losses	429,389
	\$ 1,063,355

As of August 31, 2024, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Contributions made subsequent to measurement date	\$	\$ 1,054,281
Difference between expected and actual experience	(2,623,408)	554,238
Changes in assumptions	(108,224)	971,665
Net difference between projected and actual earnings		2,739,937
Total	\$ (2,731,632)	\$ 5,320,121

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31:		
2025	\$	274,635
2026		217,374
2027		1,234,781
2028		(165,446)
2029		(27,136)
Thereafter*		

* Note that additional future deferred inflows and outflows of resources may impact these numbers.

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NOTES TO FINANCIAL STATEMENTS

Depletion Date Projection

GASB 67 and 68 generally require that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 and 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 and 68 (paragraph 29) do allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the Authority.

- The Authority has a least a 5-year history of paying at least 100% of the Actuarially Determined Contribution (previously termed the Annual Required Contribution).
- The Actuarially Determined Contribution is based on a closed amortization period, which means that payment of the Actuarially Determined Contribution each year will bring the plan to a 100% funded position by the end of the amortization period.
- GASB 67 and 68 specify that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is Milliman's professional opinion that the detailed depletion date projects outlined in GASB 67 and 68 will show that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

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NOTES TO FINANCIAL STATEMENTS

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The Authority provides other post-employment benefits (OPEB) for supplemental medical insurance coverage for certain retired employees and their dependents and grandfathered active employees. The OPEB plan is a single-employer defined benefit supplemental healthcare plan administered by the Authority. Section 49.069 of the Texas Water Code assigns the responsibility to establish and amend OPEB plan provisions to the Authority's Board of Directors. The Authority's Board of Directors also has the option to adopt the provisions of Subtitle F, Title 10, of the Texas Government Code, Chapter 2264 which allows modified reporting of the OPEB plan liability for the Authority's unfunded actuarial accrued liability. The OPEB plan was adopted by the Board of Directors on October 28, 1986. The policy was amended on October 25, 1989 to exclude employees hired after November 1, 1989.

As of September 1, 2023 actuarial valuation, eight former employees, dependents, and surviving spouses are receiving OPEB healthcare benefits. One active employees and their dependents will receive this benefit if the employees continue working for the Authority until reaching the normal retirement age of 65.

The Authority issues this publicly available financial report that includes financial statements and required supplementary information for the OPEB plan.

Funding Policy

The contribution required from OPEB plan members may be amended by the Authority's Board of Directors. As of the date of this report, the OPEB healthcare plan is 100% funded by the Authority on a pay-as-you-go-basis and has no trust for accumulating assets. The Authority paid an estimated \$55,405 for OPEB medical insurance coverage for retired employees covered under the OPEB plan during the fiscal year ending August 31, 2024. After review, the Authority deems no reserve necessary for OPEB healthcare plan.

Benefits Provided

The Authority provides healthcare benefits for retirees and their dependents. Employees hired prior to 1990 and who are continuously employed by the Authority through age 65 are eligible for retiree health benefits. Spouses of eligible retirees are also eligible for coverage. Eligible retirees and spouses may choose to enroll in the fully insured Medicare Supplement medical plan. The benefit terms provide for payment of 100% of the total premium of the fully insured Medicare Supplement plan for eligible retirees and spouses.

Employees Covered by Benefit Terms

As of August 31, 2024, eight former employees, dependents, and surviving spouses are receiving OPEB healthcare benefits. One active employees and their dependents will receive this benefit if the employees continue working for the Authority until reaching the normal retirement age of 65.

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NOTES TO FINANCIAL STATEMENTS

Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions, and was then projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 75.

OPEB Liability

	<u>August 31, 2023</u>	<u>August 31, 2024</u>
Total OPEB liability	\$ 1,126,912	\$ 634,044
Covered employee payroll	\$ 288,581	\$ 94,768
Total OPEB liability as a % of covered employee payroll	390.50%	669.05%

Discount Rate

The discount rate was based on the Bond Buyer General Obligation 20-bond municipal index.

Discount Rate

	<u>August 31, 2023</u>	<u>August 31, 2024</u>
Discount rate	3.81%	3.87%
20 Year Tax-Exempt Municipal Bond Yield	3.81%	3.87%

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NOTES TO FINANCIAL STATEMENTS

Other Key Actuarial Assumptions

The actuarial assumptions that determined the total OPEB liability as of August 31, 2024 are as follows:

	<u>August 31, 2023</u>	<u>August 31, 2024</u>
Valuation date	September 1, 2021	September 1, 2023
Measurement date	August 31, 2023	August 31, 2024
Inflation	2.40%	2.30%
Salary increases including inflation	5.00%	5.00%
Mortality	Pub-2010 Mortality (headcount weighted) for Employees, Healthy and Contingent Annuitants projected forward (fully generational) with MP-2021	Pub-2010 Mortality (headcount weighted) for Employees, Healthy and Contingent Annuitants projected forward (fully generational) with MP-2021
Actuarial cost method	Entry Age Normal	Entry Age Normal

Changes in OPEB Liability

	Total OPEB Liability
Balances as of September 1, 2023	\$ 1,126,912
Changes for the year:	
Service cost	-
Interest on total OPEB liability	42,163
Effect on economic/demographic gains or loss	(490,329)
Effect of assumptions changes inputs	(3,792)
Benefit payments	(40,910)
Balances as of August 31, 2024	\$ 634,044

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NOTES TO FINANCIAL STATEMENTS

Sensitivity Analysis

The following presents the total OPEB liability of the Authority, calculated using the discount rate of 3.81 percent, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	2.87%	3.87%	4.87%
Total OPEB Liability	\$ 702,574	\$ 634,044	\$ 576,008

The following presents the total OPEB liability of the Authority, calculated using the current trend rates, as well as what the Authority's total OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates:

	1% Decrease	Current Trend Date	1% Increase
Total OPEB Liability	\$ 573,224	\$ 634,044	\$ 704,591

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended August 31, 2024, the Authority recognized OPEB expense of \$(142,028) and \$(448,192) for fiscal year 2023 and fiscal year 2024 respectively.

OPEB Expense

	Year Ended August 31	
	2023	2024
OPEB Expense		
Service cost	\$ 10,405	\$ 42,163
Interest on total OPEB liability	39,364	42,163
Effect of plan changes		
Recognition of economic/demographic gains and losses	(78,097)	(475,605)
Recognition of assumption changes or inputs	(113,700)	(14,750)
	\$ (142,028)	\$ (448,192)

At August 31, 2024, the Authority reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

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NOTES TO FINANCIAL STATEMENTS

NOTE 11 – MAJOR CUSTOMERS

Industrial and municipal water sales totaling \$21,186,947 were invoiced to the Authority's three largest customers of the Raw Water Supply Division. This accounts for 89% of the Raw Water Supply Division water sales revenues for the year ended August 31, 2024.

Revenues totaling \$3,526,911 accrued from the Authority's primary contractual partner (City of Houston) in the Lake Conroe reservoir project. This accounts for 73% of the Lake Conroe Division's operating revenues for the year ended August 31, 2024.

Water pumpage and surface water fees totaling \$24,750,206 were invoiced to the Authority's two largest customers of the Groundwater Reduction Plan Division. This includes a rebate of \$5,778,268 that was issued to GRP customers during Fiscal Year 2024. This accounts for 41% of Groundwater Reduction Plan Division's operating revenues for the year ended August 31, 2024.

Water and sewer service fees totaling \$32,329,589 were invoiced to the Authority's five largest customers of the Woodlands Division. This accounts for approximately 67% of The Woodlands Division's Water and sewer fees for the year ended August 31, 2024.

NOTE 12 – CONTINGENCIES

Hurricane Harvey Litigation

There are nine active lawsuits that have been filed against the Authority in Harris County, Texas, on behalf of numerous property owners that allege, among other claims, that the release of water from the Lake Conroe Dam following the landfall of Hurricane Harvey caused flooding on their properties in violation of the Takings Clause of the Texas Constitution and/or violation of the Texas Private Real Property Rights Preservation Act. Many other lawsuits that were previously pending in the Harris County District Courts have been consolidated with these remaining suits. There were ten additional lawsuits originally filed in Harris County that were transferred to counties in which the allegedly damaged properties are located. These include Orange, Montgomery, Liberty, Jefferson, Brazoria, San Jacinto, and Wharton Counties. All of these lawsuits have been dismissed other than the Wharton County lawsuit, in which the Authority is awaiting the Court's decision on the Authority's motion to dismiss.

The Authority is contesting all of these lawsuits vigorously and intends to continue to do so. Two of the nine active lawsuits filed in Harris County are on appeal before the Court of Appeals for the Fourteenth District of Houston, Texas.

After the fiscal year, the Court of Appeals for the First District of Houston, Texas rendered a decision in favor of the Authority, which may be reviewed by the Texas Supreme Court. Similarly, also after the fiscal year, another lawsuit, originally filed in Harris County but was subsequently transferred to Montgomery County, was on appeal before the Court of

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NOTES TO FINANCIAL STATEMENTS

Appeals for the Court of Appeals for the Ninth District of Beaumont, Texas. The Ninth District Court of Appeals also rendered a decision in favor of the Authority that also may be reviewed by the Texas Supreme Court

GRP Litigation

On June 20, 2016, the Authority adopted a Rate Order setting revised rates applicable to its GRP Participants. The rate revisions were to become effective on September 1, 2016. On August 16, 2016, the City of Conroe, Texas, the second-largest rate payer in the Authority's GRP, adopted an ordinance that, among other things, directed City staff not to pay the revised rates adopted by the Authority. Litigation ensued as described below.

Quadvest, L.P. et al. v. San Jacinto River Authority, No. 19-09-12611, in the 284th Judicial District Court for Montgomery County, Texas. Quadvest, L.P., Woodland Oaks Utility, L.P., Everett Square, Inc., E.S. Water Consolidators, Inc., Utilities Investments Co., Inc., and T&W Water Service Company filed a lawsuit against the Authority in Montgomery County, Texas, for breach of the parties GRP Contracts. Plaintiffs allege that that the Authority has improperly set the rates it charges for groundwater pumpage and surface water usage under the GRP Contracts. The Authority filed cross-claims against the Cities of Conroe and Magnolia for breach of contract for their failure to pay the prevailing GRP rates since September 2016.

Conroe and Magnolia challenged the trial court's jurisdiction on the basis of governmental immunity, specifically that the GRP Contracts lack the essential terms of price and quantity necessary for the statutory waiver of immunity to apply and because the parties did not first mediate their dispute. The trial court granted the Cities' plea to the jurisdiction, and the Authority took an interlocutory appeal. That appeal was styled *San Jacinto River Authority v. City of Conroe, Texas and City of Magnolia, Texas*, No. 09-20-00180-CV, in the Court of Appeals for the Ninth District of Texas, Beaumont, Texas. On April 21, 2022, the court of appeals affirmed the grant of the Cities' plea to the jurisdiction because the parties did not first mediate their dispute. The court held mediation was a jurisdictional prerequisite to the waiver of immunity.

The Authority filed a Petition for Review asking the Supreme Court of Texas to review the decision of the Ninth Court. On September 1, 2023, the Supreme Court granted the Petition for Review and scheduled oral argument for January 9, 2024. On April 12, 2024, the Supreme Court reversed the Court of Appeals and held that the Cities of Conroe and Magnolia had waived their sovereign immunity by entering into the GRP Contracts. The case is now back in the trial court and discovery has commenced. The above summary is based on the status of litigation through August 31, 2024.

San Jacinto River Authority v. Quadvest, L.P. et al. v., No. 20-08-10189, in the 284th Judicial District Court for Montgomery County, Texas. After the Montgomery County District Court granted the plea to the jurisdiction in the lawsuit discussed in the preceding paragraph, Quadvest, L.P. and Woodland Oaks Utility, L.P. announced that they would no longer pay the fees owed under the GRP Contracts. Once these two private

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NOTES TO FINANCIAL STATEMENTS

utilities became delinquent, the Authority filed this lawsuit for breach of the GRP Contracts for failure to pay. The trial court issued orders on December 16, 2022, denying defendants' motion for partial summary judgment and granting the Authority's motion for partial summary judgment, holding that the GRP Contracts are incontestable, valid, and enforceable according to their terms.

Rather than proceed with discovery and trial, the utilities wanted to file an interlocutory appeal on the issue of the incontestability of the GRP Contracts. SJRA was agreeable to an interlocutory appeal on the condition that Quadvest and Woodland Oaks paid the amount in dispute and agreed to pay going forward until some final court order relieves them of the obligation. Quadvest and Woodland Oaks paid the amounts owing and remain current and filed an interlocutory appeal in the Ninth Court of Appeals, No. 09-23-00167. On May 9, 2024, the Ninth Court of Appeals affirmed the trial court and held that the GRP Contracts are incontestable, valid, and enforceable according to their terms. After the close of the Authority's fiscal year, on September 13, 2024, the utilities filed a Petition for Review in the Supreme Court of Texas. The Supreme Court called for a response from SJRA, which was filed December 23, 2024.

Quadvest, L.P. et al. v. San Jacinto River Authority, No. 4:19-CV-4508, in the U.S. District Court for the Southern District of Texas. Quadvest, L.P. and Woodland Oaks Utility, L.P. have filed a lawsuit against the Authority in federal court for violation of the federal antitrust laws in connection with Authority's GRP Contracts. Plaintiffs allege that the GRP Contracts are illegal because they "unreasonably restrain trade." Plaintiffs have now amended their Complaint to add a claim for attempted monopoly. The parties concluded discovery in August 2023. The case was tried to the bench over three weeks in January 2024. After the close of the Authority's fiscal year, on October 18, 2024, the Court entered Final Judgment in SJRA's favor on all of Quadvest's claims.

The Authority is contesting all of the above lawsuits vigorously and intends to continue to do so. The Authority cannot express a judgment as to the potential outcome of the lawsuits, estimate the amount or range of potential collections and/or losses related to the lawsuits, or estimate legal expenses that may be incurred in contesting the lawsuits. No inference should be drawn from the foregoing.

Please refer to the Management Discussion and Analysis (pages 9-10) for past due balances due and owed under GRP Contract and are subject to the above-referenced litigation and, in certain cases, other collections litigation brought by the Authority.

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NOTES TO FINANCIAL STATEMENTS

NOTE 13 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance. Commercial insurance coverage exceeded settlement amounts in each of the past three years.

NOTE 14 – FUNDING FOR REGION H WATER PLANNING GRANT

Under an agreement with the Texas Water Development Board ("TWDB"), the Authority is the contracting agency and designated representative of the Region H Water Planning Group. Under the contract, the TWDB provides financial assistance to develop a regional water plan for Region H, a 15 county area, which includes most of the San Jacinto River watershed. The TWDB, fulfilling the requirements set forth in Senate Bills 1, 2 and 3, defines the scope of work to be included in the plan and the time frame for completion of the various tasks in the plan. Senate Bill 1 was enacted by the 75th Texas Legislature in 1997, Senate Bill 2 was enacted by the 77th Texas Legislature in 2001 and Senate Bill 3 was enacted by the 80th Texas Legislature in 2007. The TWDB rules provide that State funds will be used to pay 100% of the direct regional water plan costs. The Authority has received contributions from governments and other parties interested in the development of the plan that partially fund miscellaneous other Region H costs.

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 15 – COMPENSATED ABSENCES

Vacation

As of August 31, 2024, employees of the Authority accrue vacation quarterly based on their hire date. Vacation is accrued as follows:

- 0-2.99 years of employment 6.67 monthly hours
- 3-4.99 years of employment 8.34 monthly hours
- 5-9.99 years of employment 10 monthly hours
- 10-14.99 years of employment 11.67 monthly hours
- 15+ years of employment 13.34 monthly hours

Employees will be allowed to accrue up to eight (8) quarters of vacation time. Balances exceeding 8 quarters at the employee's current accrual rate will automatically be donated to the Sick Leave Pool, and employees will not be paid for unused vacation time unless otherwise authorized by the General Manager due to a declared Minor or Major Emergency Closing that prevents a previously scheduled vacation.

Upon separation of employment, employees will be paid for up to eight quarters of unused vacation time. Unused vacation time over eight quarters will be automatically donated to the Sick Leave Pool. The liability and annual expense for accrued vacation was calculated based on the employee's pay rate times the accrued vacation hours plus applicable employee benefits as of the end of the fiscal year.

Sick Leave

The Authority provides paid sick leave benefits to all eligible, Regular Full-time employees for periods of temporary absence due to illness, injuries, or scheduled medical appointments.

Accrual: Sick leave will accrue at the rate of eight hours per month. No more than 36 eight-hour days (288 hours) of accrued sick leave may be carried forward from one fiscal year to the next. Balances in excess of 36 days (288 hours) will be donated to the Sick Leave Pool on August 31 of each year.

Retirement/Termination: There is no payment for unused sick leave when an employee terminates employment for any reason other than normal retirement. When an employee is retiring and meets all the eligibility requirements under the Authority's Pension Plan to retire at their normal retirement date, that employee will be eligible for payment of their unused sick leave balance up to 36 days (288 hours).

Compensatory Time

Non-exempt employees may accrue compensatory time (comp time) in lieu of being paid overtime compensation at the discretion of the Authority. Compensatory time is accrued at the rate of one and one-half times the number of hours worked in excess of 40 hours in the work week.

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Accrued Compensatory time is limited based on the operational needs of the division. The actual overtime worked must be banked in a minimum of 1/2 hour increments. The maximum accrual per division is listed below:

Maximum Accruals:

General and Administration Employees – 20 actual hours = 30 compensatory time hours

Woodlands Employees – 20 actual hours = 30 compensatory time hours

Lake Conroe Employees – 40 actual hours = 60 compensatory time hours

Highlands Employees – 80 actual hours = 120 compensatory time hours

GRP Employees – 20 actual hours = 30 compensatory time hours

Compensatory time may be used for personal leave of absences that regular sick and/or vacation would not cover. Requests for use of compensatory time will be granted provided that operational needs are not compromised.

Payment of Compensatory Time

All employees who are reclassified from a non-exempt position to an exempt position will be paid all accrued compensatory time upon approval of the reclassification and will cease to be eligible for any additional overtime and/or compensatory time. Upon leaving employment with the Authority, a non-exempt employee will be paid for unused compensatory time at the employee's current hourly rate.

SAN JACINTO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

The following table shows the beginning liability balances, current year's expense and ending liability balance for each category of compensated absences:

	Sept. 1, 2023	Additions	Reductions	Aug. 31, 2024
Lake Conroe Vacation	\$ 48,554	\$ 6,305	\$	\$ 54,859
Highlands Vacation	19,337	5,588		24,925
Flood Management	20,001		394	19,607
General & Admin Vacation	323,661	97,589		421,250
Woodlands Vacation	140,714	31,950		172,664
GRP Vacation	81,077		711	80,366
Vacation Total	<u>633,344</u>	<u>141,432</u>	<u>1,105</u>	<u>773,671</u>
Lake Conroe Sick Leave				
Highlands Sick Leave	8,719		1,357	7,362
Flood Management				
General & Admin Sick Leave	46,450	12,386		58,836
Woodlands Sick Leave		9,177		9,177
GRP, Sick Leave	2,693	15,881		18,574
Sick Leave Total	<u>57,862</u>	<u>37,444</u>	<u>1,357</u>	<u>93,949</u>
Lake Conroe Comp Time	2,577	431		3,008
Highlands Comp Time	4,113	2,708		6,821
Flood Management				
General & Admin Comp Time	1,597	943		2,540
Woodlands Comp Time	336	21		357
GRP Comp Time	507		507	
Compensatory Time Total	<u>9,130</u>	<u>4,103</u>	<u>507</u>	<u>12,726</u>
Total	<u>\$ 700,336</u>	<u>\$ 182,979</u>	<u>\$ 2,969</u>	<u>\$ 880,346</u>

The current year expense and ending fiscal year 2024 liability for compensatory time is calculated based on the total employee hours accrued times the end of fiscal year 2024 pay rate.

REQUIRED SUPPLEMENTARY INFORMATION



SAN JACINTO RIVER AUTHORITY

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 67 & 68, DEFINED BENEFIT PENSION PLAN, SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Year Ended August 31, 2024

Fiscal Year Ending August 31	2024	2023	2022	2021
<u>Total Pension Liability</u>				
Service cost	\$ 829,830	\$ 853,797	\$ 963,869	\$ 1,130,300
Interest on total pension liability	1,297,716	1,314,697	1,359,279	1,277,394
Effect of plan changes	102,456			
Effect of assumption changes or inputs	181,355	(856,896)	(1,408,134)	158,155
Effect of economic/demographic gains or (losses)	3,707	600,578	(102,265)	(136,299)
Benefit payments	(831,840)	(1,617,934)	(1,278,434)	(529,185)
Net change in total pension liability	1,583,224	294,242	(465,685)	1,900,365
Total pension liability, beginning	22,149,248	21,855,006	22,320,691	20,420,326
Total Pension Liability, Ending (a)	\$ 23,732,472	\$ 22,149,248	\$ 21,855,006	\$ 22,320,691
<u>Fiduciary Net Position</u>				
Employer contributions	\$ 940,259	\$ 876,461	\$ 988,629	\$ 1,174,817
Member contributions				
Investment income net of investment expenses	827,594	(5,404,127)	6,093,927	915,003
Benefit payments	(831,840)	(1,617,934)	(1,278,434)	(529,185)
Administrative expenses		(2,706)	(5,573)	(6,212)
Net Change in Plan Fiduciary Net Position	936,013	(6,148,306)	5,798,549	1,554,423
Fiduciary net position, beginning	21,814,140	27,962,446	22,163,897	20,609,474
Fiduciary Net Position, Ending (b)	\$ 22,750,153	\$ 21,814,140	\$ 27,962,446	\$ 22,163,897
Net Pension Liability/(Asset), Ending (a)-(b)	\$ 982,319	\$ 335,108	\$ (6,107,440)	\$ 156,794
Fiduciary Net Position as a % of total pension liability	95.86%	98.49%	127.95%	99.30%
Covered Payroll	\$ 6,896,198	\$ 7,718,706	\$ 7,361,291	\$ 8,333,286
Net Pension Liability as a % of Covered Payroll	14.24%	4.34%	-82.97%	1.88%

This schedule is presented to illustrate the requirement to show information for 10 years.

2020	2019	2018	2017	2016	2015
\$ 1,111,238	\$ 1,243,286	\$ 1,200,814	\$ 1,045,193	\$ 1,000,263	\$ 904,125
1,288,568	1,119,847	1,057,429	938,603	882,137	805,717
692,910		535,907	(258,264)		
(1,910,767)	1,007,771	(376,723)	(467,654)	(336,786)	
(526,971)	(551,303)	(667,764)	(359,464)	(306,775)	(280,659)
654,978	2,819,601	1,749,663	898,414	1,238,839	1,429,183
19,765,348	16,945,747	15,196,084	14,297,670	13,058,831	11,629,648
<u>\$ 20,420,326</u>	<u>\$ 19,765,348</u>	<u>\$ 16,945,747</u>	<u>\$ 15,196,084</u>	<u>\$ 14,297,670</u>	<u>\$ 13,058,831</u>
\$ 1,318,812	\$ 1,281,550	\$ 1,446,275	\$ 1,225,120	\$ 1,222,436	\$ 1,200,435
2,047,106	110,522	2,338,816	488,949	265,496	754,693
(526,971)	(551,303)	(667,764)	(359,464)	(306,775)	(280,659)
(6,087)	(6,936)	(7,226)	(6,875)	(7,379)	(11,471)
2,832,860	833,833	3,110,101	1,347,730	1,173,778	1,662,998
17,776,614	16,942,781	13,832,680	12,484,950	11,311,172	9,648,174
<u>\$ 20,609,474</u>	<u>\$ 17,776,614</u>	<u>\$ 16,942,781</u>	<u>\$ 13,832,680</u>	<u>\$ 12,484,950</u>	<u>\$ 11,311,172</u>
<u>\$ (189,148)</u>	<u>\$ 1,988,734</u>	<u>\$ 2,966</u>	<u>\$ 1,363,404</u>	<u>\$ 1,812,720</u>	<u>\$ 1,747,659</u>
100.93%	89.94%	99.98%	91.03%	87.32%	86.62%
\$ 9,564,583	\$ 9,946,465	\$ 10,524,840	\$ 10,081,467	\$ 9,002,044	\$ 8,355,491
-1.98%	19.99%	0.03%	13.52%	20.14%	20.92%

SAN JACINTO RIVER AUTHORITY

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 67 & 68, DEFINED BENEFIT PENSION PLAN, SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended August 31, 2024

Fiscal Year Ended August 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2015	\$ 1,090,455	\$ 1,200,435	\$ (109,980)	\$ 8,773,266	13.68%
2016	1,091,804	1,222,436	(130,632)	9,452,146	12.93%
2017	1,172,614	1,225,120	(52,506)	10,585,540	11.57%
2018	1,281,074	1,446,275	(165,201)	11,051,082	13.09%
2019	1,159,682	1,281,550	(121,868)	10,443,788	12.27%
2020	1,289,760	1,318,812	(29,052)	10,042,812	13.13%
2021	999,597	1,174,817	(175,220)	8,680,506	13.53%
2022		988,629	(988,629)	8,104,641	12.20%
2023		876,461	(876,461)	7,729,356	11.34%
2024	906,217	940,259	(34,042)	7,241,008	12.99%

Actuarial Methods and Assumptions Used for Funding Policy

The following actuarial methods and assumptions were used in the November 1, 2022 funding valuation. Each assumption is individually reasonable and, in combination, offer our best estimate of anticipated experience under the plan at the time. Please see the valuation report dated January 9, 2023 for further details.

Valuation Timing

The valuation is performed as of November 1 and the actuarially determined contribution is determined as of midyear (i.e. April 1).

Actuarial Cost Method

Entry Age Normal

Amortization Method

Level percent or level dollar

Level percent

Closed, open, or layered periods

Closed

Amortization Period at 11/1/2022

25 years for UAAL, 5 years for subsequent gains/losses, expected future service for plan amendments, 10 years for assumption changes

Amortization Growth Rate

N/A

Asset Valuation Method

Smoothing period

N/A

Recognition method

Market Value

Corridor

None

Inflation

2.33%

Salary Increases

5.00%

Investment Rate of Return

5.75%, based on the Plan's investment policy, including target asset allocation, and Milliman's capital market expectations.

Cost of Living Adjustment

None

Retirement Age

Annual rates of retirement are shown below

Age 55-61-Rate 5%

Age 62-64-Rate 15%

Age 65- Rate 100%

Turnover

50% of the 2003 SOA Pension Plan Turnover Study Small (1000 lives or less) Plan Age Table

Mortality

PubG-2010 Public Retirement Plans Amount-Weighted Mortality Tables projected with Scale MP-2021

SAN JACINTO RIVER AUTHORITY

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 67 & 68, *DEFINED BENEFIT PENSION PLAN*, SCHEDULE OF INVESTMENT RETURNS

Year Ended August 31, 2024

Fiscal Year Ended August 31	Net Money- Weighted Rate of Return
2015	7.42%
2016	2.20%
2017	3.73%
2018	15.95%
2019	0.62%
2020	11.08%
2021	4.30%
2022	27.29%
2023	-19.35%
2024	3.73%

SAN JACINTO RIVER AUTHORITY

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 74 & 75, POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS

Year Ended August 31, 2024

Fiscal Year Ending August 31	2024	2023	2022	2021
<u>Total OPEB Liability</u>				
Service cost	\$	\$ 10,405	\$ 24,486	\$ 29,934
Interest on total OPEB liability	42,163	39,364	36,127	37,146
Changes of benefit terms				
Effect of economic/demographic gains or (losses)	(490,329)	44,171	(322,631)	
Effect of assumption changes or inputs	(3,792)	(32,875)	(274,349)	(18,216)
Benefit payments	(40,911)	(40,117)	(40,523)	(46,737)
Change in total OPEB liability	(492,869)	20,948	(576,890)	2,127
Total OPEB liability, beginning	1,127,913	1,106,965	1,683,855	1,681,728
Total OPEB Liability, Ending	\$ 635,044	\$ 1,127,913	\$ 1,106,965	\$ 1,683,855
Covered-Employee Payroll	\$ 94,768	\$ 288,581	\$ 274,839	\$ 263,108
Total OPEB Liability as a % of Covered Employee Payroll	670.10%	390.85%	402.77%	639.99%

There are no assets accumulated in a trust that meets the criteria of GASB Statement 75 to pay related benefits of the OPEB plan.

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

2020	2019	2018	2017	2016	2015
\$ 23,037	\$ 20,070	\$ 22,695	\$ 28,903	\$	\$
60,194	72,789	68,240	61,195		
(455,879)	(181,457)				
74,419	321,952	(144,021)	(242,418)		
(47,103)	(48,166)	(52,564)	(51,636)		
(345,332)	185,188	(105,650)	(203,956)		
2,027,060	1,841,872	1,947,522	2,151,478		
<u>\$ 1,681,728</u>	<u>\$ 2,027,060</u>	<u>\$ 1,841,872</u>	<u>\$ 1,947,522</u>	<u>\$</u>	<u>\$</u>
\$ 263,108	\$ 322,813	\$ 322,115	\$ 393,447	\$ 352,848	\$ 347,971
639.18%	627.94%	571.81%	494.99%		

SAN JACINTO RIVER AUTHORITY

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 74 & 75, POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended August 31, 2024

<u>Fiscal Year Ended August 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contribution as a % of Covered Employee Payroll</u>
2015	\$ 51,223	\$ 51,223	\$	\$ 347,971	14.72%
2016	52,301	52,301		352,848	14.82%
2017	51,636	51,636		393,447	13.12%
2018	52,564	52,564		322,115	16.32%
2019	48,166	48,166		322,813	14.92%
2020	47,103	47,103		263,108	17.90%
2021	46,737	46,737		263,108	17.76%
2022	40,523	40,523		274,839	14.74%
2023	40,117	40,117		288,581	13.90%
2024	40,910	40,910		94,768	43.17%

Actuarial Methods and Assumptions Used for Funding Policy

The Authority does not pre-fund benefits. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis and there is not a trust for accumulating plan assets. The following actuarial methods and assumptions were used in the September 1, 2023 accounting valuation.

Valuation Timing

Actuarial valuations are performed biennially as of September 1 for accounting purposes only. The most recent valuation was performed as of September 1, 2023.

Actuarial Cost Method

Entry Age Normal

Amortization Method

Level percent or level dollar

N/A

Closed, open, or layered periods

N/A

Amortization Period at September 1, 2018

N/A

Amortization Growth Rate

N/A

Inflation

2.30%

Salary Increases

5.00%

Discount Rate

August 31, 2023: 3.81%

August 31, 2024: 3.87%

Healthcare Cost Trend Rates

6.20 for 2023-2025 and ultimately grading down to 3.7% per year in 2072 and beyond.

Retirement

100% at age 65

Mortality

RP-2010 Mortality (headcount weighted) for Employees, Healthy Annuitants, and Contingent Annuitants projected forward (fully generational) with MP-2021

OTHER SUPPLEMENTARY INFORMATION



SAN JACINTO RIVER AUTHORITY

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL - RAW WATER ENTERPRISE

Year Ended August 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Operating Revenues</u>				
Water revenues	\$ 29,006,521	\$ 29,006,521	\$ 27,423,436	\$ (1,583,085)
Permits, licenses and fees	1,212,470	1,212,470	1,277,254	64,784
Total Revenues	<u>30,218,991</u>	<u>30,218,991</u>	<u>28,700,690</u>	<u>(1,518,301)</u>
<u>Operating Expenses</u>				
Current:				
Salaries and wages	5,206,438	5,206,438	4,873,786	(332,652)
Employee insurance and other payroll benefits	2,263,334	2,263,334	1,762,449	(500,885)
Outside services employed	3,213,918	3,213,918	1,681,387	(1,532,531)
Operating supplies and expenses	1,825,763	1,825,763	1,331,976	(493,787)
Rentals	201,242	201,242	124,777	(76,465)
Maintenance, repairs and parts	8,443,900	8,443,900	1,363,610	(7,080,290)
General and administrative	2,007,676	2,007,676	1,204,148	(803,528)
Depreciation and amortization			2,977,865	2,977,865
Total Expenditures	<u>23,162,271</u>	<u>23,162,271</u>	<u>15,319,998</u>	<u>(7,842,273)</u>
Operating Net Income	7,056,720	7,056,720	13,380,692	6,323,972
<u>Nonoperating Revenues (Expenses)</u>				
Interest income	288,000	288,000	1,576,859	1,288,859
Interest expense on bonds	(1,641,767)	(1,641,767)	(1,641,767)	
Other	5,890	5,890	330,296	324,406
Total Nonoperating Revenues (Expenses)	<u>(1,347,877)</u>	<u>(1,347,877)</u>	<u>265,388</u>	<u>1,613,265</u>
Income (Loss) Before Contributions and Transfers	<u>\$ 5,708,843</u>	<u>\$ 5,708,843</u>	<u>\$ 13,646,080</u>	<u>\$ 7,937,237</u>

SAN JACINTO RIVER AUTHORITY

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (BUDGETARY BASIS) WOODLANDS DIVISION

Year Ended August 31, 2024

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Over (Under)
	Original	Final		
<u>Operating Revenues</u>				
Water and sewer service fees	\$ 47,436,380	\$ 47,436,380	\$ 48,122,348	\$ 685,968
Permits, licenses and fees	207,100	207,100	206,100	(1,000)
Capacity charges	3,263,000	3,263,000	3,263,000	
Total Revenues	50,906,480	50,906,480	51,591,448	684,968
<u>Operating Expenses</u>				
Current:				
Salaries and wages	5,960,211	5,960,211	5,273,063	(687,148)
Employee insurance and other payroll benefits	2,500,093	2,500,093	2,157,214	(342,879)
Outside services employed	19,868,903	21,468,903	17,036,940	(4,431,963)
Operating supplies and expenses	7,280,321	7,280,321	5,071,944	(2,208,377)
Rentals	17,300	17,300	7,221	(10,079)
Maintenance, repairs and parts	6,125,585	7,664,297	8,430,007	765,710
General and administrative	927,262	927,262	841,151	(86,111)
Depreciation and amortization			8,171,823	8,171,823
Total Expenditures	42,679,675	45,818,387	46,989,363	1,170,976
Operating Net Income (Loss)	8,226,805	5,088,093	4,602,085	(486,008)
<u>Nonoperating Revenues (Expenses)</u>				
Interest income	260,400	260,400	3,837,900	3,577,500
Interest expense	(1,444,205)	(1,444,205)	(1,444,205)	
Other			286,320	286,320
Total Nonoperating Revenues Income (Loss) Before Contributions and Transfers	(1,183,805)	(1,183,805)	2,680,015	3,863,820
	\$ 7,043,000	\$ 3,904,288	\$ 7,282,100	\$ 3,377,812

NOTES TO OTHER SUPPLEMENTARY INFORMATION

The Woodlands Division budget is prepared using a modified cash basis by the Woodlands Division management. The basic goal is to establish water/sewer rates for customers at a level that will provide funds to cover projected annual maintenance and operations expenses plus relatively minor capital asset purchases such as vehicles and office equipment. Since major infrastructure assets are acquired from other capital funds within the Woodlands Division, depreciation is excluded from the Woodlands Division rate calculation and budget.

SAN JACINTO RIVER AUTHORITY
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL
GROUNDWATER REDUCTION PLAN DIVISION

Year Ended August 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Operating Revenues</u>				
Industrial and Municipal water sales	\$ 836,604.00	\$ 836,604	\$ 568,420	\$ (268,184)
Water revenues *	61,515,174	49,515,174	60,685,676	11,170,502
Total Revenues	<u>62,351,778</u>	<u>50,351,778</u>	<u>61,254,096</u>	<u>10,902,318</u>
<u>Operating Expenses</u>				
Current:				
Salaries and wages	3,551,865	3,551,865	3,029,050	(522,815)
Employee insurance and other payroll benefits	1,428,413	1,428,413	1,282,474	(145,939)
Outside services employed	2,965,069	4,265,069	3,889,761	(375,308)
Operating supplies and expenses	15,065,025	15,065,025	12,127,471	(2,937,554)
Rentals	4,000	4,000	1,714	(2,286)
Maintenance, repairs and parts	2,020,020	2,020,020	1,649,869	(370,151)
General and administrative	539,801	539,801	308,253	(231,548)
Depreciation			14,629,842	14,629,842
Total Expenditures	<u>25,574,193</u>	<u>26,874,193</u>	<u>36,918,434</u>	<u>10,044,241</u>
Operating Net Income	36,777,585	23,477,585	24,335,662	858,077
<u>Nonoperating Revenues (Expenses)</u>				
Interest income	93,600	93,600	4,740,661	4,647,061
Interest expense	(18,200,893)	(18,200,893)	(18,200,893)	
Other **	31,608	31,608	2,386,479	2,354,871
Total Nonoperating Revenues (Expenses)	<u>(18,075,685)</u>	<u>(18,075,685)</u>	<u>(11,073,753)</u>	<u>7,001,932</u>
Income (Loss) Before Contributions and Transfers	<u>\$ 18,701,900</u>	<u>\$ 5,401,900</u>	<u>\$ 13,261,909</u>	<u>\$ 7,860,009</u>

The Authority's water revenue budget for its Groundwater Reduction Plan is based on rates and estimated water demand established to cover operating expenses, debt service requirements and to fund reserves based on projections of water demand and funding needs.

* Water revenues net of the customer rebate in the amount of \$60,685,676 includes short pays of fees for City of Conroe (\$1,265,568) and City of Magnolia (\$311,171).

** Other nonoperating revenues of \$2,386,479 includes nonpayment of interest and penalties for City of Conroe (\$1,927,406), City of Magnolia (\$125,650), Quadvest, LP. (\$66,054).

SAN JACINTO RIVER AUTHORITY

SCHEDULE OF NET POSITION **GROUNDWATER REDUCTION PLAN DIVISION**

August 31, 2024

Assets

Current Assets

Cash and cash equivalents	
Unrestricted	\$ 32,149,054
Restricted for debt service	61,617,626
Accounts receivable, inventory and prepaids	8,297,665
Total Current Assets	102,064,345

Noncurrent Assets

25,876,750

Capital Assets - at cost

Land	14,306,156
Land improvements	2,470,693
Furniture and fixtures	2,503,682
Other machinery and equipment	882,914
Automobiles and trucks	591,569
Buildings	15,640,286
Water systems	421,486,525
Construction in progress	3,384,864
Accumulated depreciation	(134,534,297)
Total Capital Assets	326,732,392
Total Noncurrent and Capital Assets	352,609,142
Total Assets	\$ 454,673,487

Liabilities

Current Liabilities

Accounts payable and accrued liabilities - unrestricted	\$ 3,461,456
Restricted for debt services - current portion of bonds	16,520,000
Restricted for debt services - accrued interest payable	7,452,997
Total Current Liabilities	27,434,453

Noncurrent Liabilities

First lien water revenue bonds - less current maturities	375,550,000
Unamortized bond premium or discount	102,367
Total Noncurrent Liabilities	375,652,367
Total Liabilities	403,086,820

Net Position

Net Position

Net investment in capital assets	(65,439,975)
Restricted for debt service	54,164,629
Unrestricted	62,862,013
Total Net Position	\$ 51,586,667

SAN JACINTO RIVER AUTHORITY
SCHEDULE OF REVENUES AND EXPENSES
GROUNDWATER REDUCTION PLAN DIVISION

Year Ended August 31, 2024

Operating Revenues

Industrial and Municipal water sales	\$ 568,420
Water revenues (GRP Pumpage and Surface Water Fees)	60,685,676
Total Revenues	61,254,096

Operating Expenses

Current:

Salaries and wages	3,029,050
Employee insurance and other payroll benefits	1,282,474
Outside services employed	3,889,761
Operating supplies and expenses	12,127,471
Rentals	1,714
Maintenance, repairs and parts	1,649,869
General and administrative expenses	308,253
Depreciation	14,629,842
Total Expenditures	36,918,434

Operating Net Income 24,335,662

Nonoperating Revenues (Expenses)

Interest income	4,740,661
Gain (Loss) on disposal of assets	9,000
Amortization of debt issuance costs	7,012
Interest expense on bonds	(18,200,893)
Other	2,370,467
Total Nonoperating Revenues (Expenses)	(11,073,753)

Income Before Transfers and Contributions 13,261,909

Transfers (22,500)

Change in Net Position 13,239,409

Net Position at Beginning of Year 38,347,258

Net Position at End of Year **\$ 51,586,667**

SAN JACINTO RIVER AUTHORITY

SCHEDULE OF CASH FLOWS **GROUNDWATER REDUCTION PLAN DIVISION**

Year Ended August 31, 2024

Cash Flows from Operating Activities

Cash received from customers	\$ 64,047,915
Cash payments to suppliers for goods and services	(23,594,122)
Cash paid for employee services	(4,311,524)
Other revenues and expenses	2,370,467
Net Cash Provided by Operating Activities	<u>38,512,736</u>

Cash Flows from Noncapital Financing Activities

Transfers	(22,500)
Net Cash Provided by Noncapital Financing Activities	<u>(22,500)</u>

Cash Flows from Capital and Related Financing Activities

Principal paid on bonds	(29,800,000)
Interest paid on bonds	(18,548,005)
Acquisition of capital assets	(2,856,765)
Proceeds from the sale of assets	9,000
Net Cash (Used) by Capital and Related Financing Activities	<u>(51,195,770)</u>

Cash Flows from Investing Activities

Interest earned	4,740,661
Net Cash Flows Provided by Investing Activities	<u>4,740,661</u>

Net (Decrease) in Cash and Cash Equivalents (7,964,873)

Cash and equivalents at beginning of year 101,731,553

Cash and Equivalents at End of Year \$ 93,766,680

Reconciliation of Operating Income (Loss) to Net

Cash Provided by Operating Activities

Operating Income (Loss)	\$ 24,335,662
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Other revenues and expenses	2,370,467
Depreciation	14,629,842
(Increase) decrease in receivables	3,102,072
(Increase) decrease in inventory	5,522
(Increase) decrease in prepaids	(23,732)
Increase (decrease) in accounts payable and accrued liabilities	(5,907,097)
Total Adjustments	<u>14,177,074</u>
Net Cash Provided by Operating Activities	<u>\$ 38,512,736</u>

SAN JACINTO RIVER AUTHORITY

SCHEDULE OF CAPITAL ASSETS **LAKE CONROE DAM, RESERVOIR AND RELATED EQUIPMENT**

Year Ended August 31, 2024

Dam and Appurtenances:	
Dam and appurtenances - joint	\$ 24,940,159
Dam and appurtenances - San Jacinto River Authority	
Total Dam and Appurtenances	<u>24,940,159</u>
Buildings and Residences:	
Office building - joint	182,869
Warehouse building - joint	76,392
Residences - joint	165,813
Boat house - joint	
Storage building - San Jacinto River Authority	
Total Buildings and Residences	<u>425,074</u>
Equipment:	
Construction and maintenance equipment - joint	784,210
Streets and roads - joint	
Transportation equipment - joint	458,465
Office furniture and fixtures - joint	19,273
Computer software - joint	802,422
Computer hardware - joint	192,937
Telephone system - joint	3,000
Miscellaneous equipment - joint	
Construction and maintenance equipment - San Jacinto River Authority	7,371
Total Equipment	<u>2,267,678</u>
Land:	
Land easements and improvements - joint	7,574,579
Land acquisition and administration - joint	5,870,687
Ayer Island improvements - joint	49,508
Land easements - Newton Park	312,928
Land improvements - joint	247,836
Water supply well rehabilitation - joint	26,471
Lake Conroe land - site prep - SJRA	28,379
Land acquisition and administration - San Jacinto River Authority	580,032
Lake Conroe park land improvements - San Jacinto River Authority	388,833
Lake Conroe park roads improvements - San Jacinto River Authority	108,635
Total Land	<u>15,187,888</u>
Total Lake Conroe Dam, Reservoir and Related Equipment	42,820,799
Less City of Houston Contribution	<u>(27,132,995)</u>
San Jacinto River Authority's Interest in Lake Conroe Dam, Reservoir and Related Equipment	15,687,804
Less Accumulated Depreciation on San Jacinto River Authority's Interest in Assets	<u>(4,773,728)</u>
Net Interest in Lake Conroe Dam, Reservoir and Related Equipment	<u>\$ 10,914,076</u>

SAN JACINTO RIVER AUTHORITY

INSURANCE COVERAGES

August 31, 2024

<u>Types of Coverages</u>	<u>Amount of Coverage</u>	<u>Insurer</u>	<u>Coverage to</u>
Property Coverages			
Buildings	\$ 316,346,226	TWCA Risk Management Fund	7/1/2025
Contents	15,387,674	TWCA Risk Management Fund	7/1/2025
EDP Equipment	2,088,346	TWCA Risk Management Fund	7/1/2025
Equipment/Contractors Equip	2,699,944	TWCA Risk Management Fund	7/1/2025
Miscellaneous Property & Equipment	5,750,837	TWCA Risk Management Fund	7/1/2025
Rented Equipment	200,000	TWCA Risk Management Fund	7/1/2025
Boiler and Machinery	245,355,681	TWCA Risk Management Fund	7/1/2025
Total Property Coverages	<u>\$587,828,708</u>		
Automobile:			
Bodily injury and property damage	Combined limit \$1,000,000	TWCA Risk Management Fund	7/1/2025
Excess auto liability	\$9,000,000	TWCA Risk Management Fund	7/1/2025
Physical damage	Actual cash value	TWCA Risk Management Fund	
General Liability	\$1,000,000 per occurrence	TWCA Risk Management Fund	7/1/2025
Excess General Liability	\$9,000,000	TWCA Risk Management Fund	7/1/2025
Public Officials:			
Errors and omissions	\$1,000,000	TWCA Risk Management Fund	7/1/2025
Excess errors and omissions	\$9,000,000	TWCA Risk Management Fund	7/1/2025
GRP Review Committee	\$1,000,000	JI Special Risk Insurance Agency	6/3/2025
Workers' Compensation	Statutory	TWCA Risk Management Fund	7/1/2025

The Authority has reviewed the current limits for its Automobile, General Liability, and Errors and Omissions coverages and determined that the current limits are within the range recommended by the Authority's underwriter and the amounts typically carried by other river authorities and water districts.

SAN JACINTO RIVER AUTHORITY

PRINCIPAL OFFICIALS

August 31, 2024

Directors

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William "Wil" Faubel, Secretary
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Ricardo "Rick" Mora, Secretary-Pro Tem
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STATISTICAL SECTION



This section of the San Jacinto River Authority'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 Authority's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	88-91
These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.	
Revenue Capacity	92-94
These schedules contain information to help the reader assess the Authority's most significant local revenue source, the water and sewer service.	
Debt Capacity	95-97
These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.	
Demographic and Economic Information	98-101
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.	
Operating Information	102-105
These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

SAN JACINTO RIVER AUTHORITY

NET POSITION BY COMPONENT

Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Business-type activities				
Net Investment in capital assets	\$ 81,417,800	\$ 76,461,833	\$ 54,705,951	\$ 51,689,036
Restricted	52,279,716	54,932,005	56,121,250	60,520,121
Unrestricted	33,386,039	38,519,086	41,920,578	48,534,255
Total business-type activities net position	<u>\$ 167,083,555</u>	<u>\$ 169,912,924</u>	<u>\$ 152,747,779</u>	<u>\$ 160,743,412</u>

Notes: The Authority can be involved in governmental activities and business-type activities which would be reported separately in this schedule. The Authority does not currently have any governmental activities.

Fiscal Year

2019	2020	2021	2022	2023	2024
\$ 57,974,629	\$ 61,352,744	\$ 65,681,398	\$ 73,940,671	\$ 90,488,246	\$ 94,282,605
80,940,146	75,754,603	86,581,802	87,193,278	90,789,150	127,686,218
33,786,246	52,446,023	50,750,710	74,891,975	105,909,410	99,269,871
<u>\$ 172,701,021</u>	<u>\$ 189,553,370</u>	<u>\$ 203,013,910</u>	<u>\$ 236,025,924</u>	<u>\$ 287,186,806</u>	<u>\$ 321,238,694</u>

SAN JACINTO RIVER AUTHORITY

CHANGES IN NET POSITION

Last Ten Fiscal Years

	2015	2016	2017	2018
Operating Revenues:				
Business-type activities				
Water sales:				
Industrial	\$ 10,550,443	\$ 12,622,941	\$ 13,553,382	\$ 14,571,525
Irrigation	141,375	139,677	204,387	120,487
Water and sewer service fees	60,607,860	67,391,878	73,727,688	77,933,431
Permits, licenses, and fees	1,131,372	1,125,274	1,351,718	1,334,353
Contractual revenues	1,716,011	1,486,056	2,065,619	2,617,142
Capacity charges	5,022,163	3,834,462	3,856,538	3,846,463
Water planning study	759,984	359,554	112,377	667,766
Total business-type activities revenues	79,929,208	86,959,842	94,871,709	101,091,167
Total primary government revenues	\$ 79,929,208	\$ 86,959,842	\$ 94,871,709	\$ 101,091,167
Operating Expenses				
Business-type activities:				
Salaries and wages	\$ 10,720,810	\$ 11,724,348	\$ 12,182,806	\$ 12,255,875
Employee insurance and other payroll benefits	4,255,143	4,715,723	4,924,773	5,179,617
Outside services employed	3,759,083	5,042,298	6,283,542	6,367,524
Operating supplies and expenses	6,754,835	11,252,100	11,732,077	11,849,544
Rentals	69,320	85,327	75,774	80,229
Maintenance, repairs and parts	4,113,761	5,279,400	6,080,155	7,792,350
Water planning study expenses	802,042	17,877	1,943	1,479
General and administrative expenses				
Depreciation	8,753,185	23,527,194	24,446,476	24,381,708
Total business-type activities expenses	39,228,179	61,644,267	65,727,546	67,908,326
Total primary government expenses	\$ 39,228,179	\$ 61,644,267	\$ 65,727,546	\$ 67,908,326
Nonoperating (Expenses) Revenue				
Business-type activities				
Interest income	\$ 238,633	\$ 396,775	\$ 527,927	\$ 1,408,665
Gain (Loss) on disposal of capital assets	(33,748)	452,827	588,168	557,773
Other revenues	40,825	39,697	675,300	574,180
Other expenses	(799,966)	(108,133)		(4,015,162)
Amortization of bond premium or discounts	278,431	278,666	273,179	314,621
Interest expense on bonds	(25,183,782)	(24,954,257)	(25,644,260)	(25,517,682)
Total business-type activities	(25,459,607)	(23,894,425)	(23,579,686)	(26,677,605)
Total primary government	\$ (25,459,607)	\$ (23,894,425)	\$ (23,579,686)	\$ (26,677,605)
General Revenues and Other Change in Net Position				
Business-type activities:				
Capital Contributions/(Distributions)	\$ 4,030,000	\$ 1,408,219	\$ (21,992,683)	\$ 1,490,397
Total business-type activities	4,030,000	1,408,219	(21,992,683)	1,490,397
Total primary government	\$ 4,030,000	\$ 1,408,219	\$ (21,992,683)	\$ 1,490,397
Change in Net Position				
Business-type activities	19,271,422	2,829,369	(16,428,206)	7,995,633
Total primary government	\$ 19,271,422	\$ 2,829,369	\$ (16,428,206)	\$ 7,995,633

Notes: The Authority can be involved in governmental activities and business-type activities which would be reported separately in this schedule. The Authority does not currently have any governmental activities.

Fiscal Year

2019	2020	2021	2022	2023	2024
\$ 16,532,985	\$ 17,287,532	\$ 18,195,773	\$ 18,979,086	\$ 20,273,700	\$ 21,452,932
118,548	110,041	123,746	120,141	128,683	126,400
69,595,114	80,590,320	78,733,012	96,231,415	108,977,922	94,285,847
1,424,817	1,293,958	1,450,549	1,418,004	1,412,211	1,483,354
3,314,511	4,641,065	3,398,148	3,911,945	3,185,002	3,526,911
9,646,449	3,918,310	3,293,800	3,300,650	4,310,609	3,263,000
470,686	744,516	198,998	320,023	377,532	984,321
101,103,110	108,585,742	105,394,026	124,281,264	138,665,659	125,122,765
<u>\$ 101,103,110</u>	<u>\$ 108,585,742</u>	<u>\$ 105,394,026</u>	<u>\$ 124,281,264</u>	<u>\$ 138,665,659</u>	<u>\$ 125,122,765</u>
\$ 12,511,453	\$ 12,666,436	\$ 13,157,947	\$ 13,418,772	\$ 15,083,717	\$ 15,212,672
5,493,433	4,904,352	5,165,348	3,743,106	5,402,815	5,921,220
8,366,993	10,905,653	7,120,511	8,440,887	9,169,685	9,689,245
11,958,973	12,667,800	13,955,163	14,859,879	17,450,096	16,636,317
67,175	68,850	70,452	84,370	152,015	116,464
7,891,447	6,674,429	6,505,053	6,885,976	5,945,408	11,713,112
1,732	1,965	1,446	6,847	1,536	
24,170,719	24,868,561	24,677,108	25,316,731	24,758,629	26,124,568
70,461,925	72,758,046	70,653,028	72,756,568	77,963,901	85,413,598
<u>\$ 70,461,925</u>	<u>\$ 72,758,046</u>	<u>\$ 70,653,028</u>	<u>\$ 72,756,568</u>	<u>\$ 77,963,901</u>	<u>\$ 85,413,598</u>
\$ 1,856,573	\$ 2,353,932	\$ 86,504	\$ 80,292	\$ 7,108,331	\$ 10,968,051
1,854,993	388,847	128,101	179,206	199,566	95,745
861,342	2,296,497	1,623,571	2,658,030	2,974,663	2,524,086
281,686	461,056	458,854	625,190	643,714	432,525
(25,087,078)	(24,754,703)	(23,754,415)	(22,853,363)	(22,089,427)	(21,286,865)
(20,232,484)	(19,254,371)	(21,457,385)	(19,310,645)	(11,163,153)	(7,266,458)
<u>\$ (20,232,484)</u>	<u>\$ (19,254,371)</u>	<u>\$ (21,457,385)</u>	<u>\$ (19,310,645)</u>	<u>\$ (11,163,153)</u>	<u>\$ (7,266,458)</u>
\$ 1,548,908	\$ 279,024	\$ 176,927	\$ 652,646	\$ 1,622,277	\$ 1,609,179
1,548,908	279,024	176,927	652,646	1,622,277	1,609,179
<u>\$ 1,548,908</u>	<u>\$ 279,024</u>	<u>\$ 176,927</u>	<u>\$ 652,646</u>	<u>\$ 1,622,277</u>	<u>\$ 1,609,179</u>
11,957,609	16,852,349	13,460,540	32,866,697	51,160,882	34,051,888
<u>\$ 11,957,609</u>	<u>\$ 16,852,349</u>	<u>\$ 13,460,540</u>	<u>\$ 32,866,697</u>	<u>\$ 51,160,882</u>	<u>\$ 34,051,888</u>

SAN JACINTO RIVER AUTHORITY

WOODLANDS DIVISION WATER AND SEWER SERVICE FEES BY SOURCE

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Water and Sewer Fees</u>			<u>Total Water Direct Rate</u>	<u>Total WasteWater Direct Rate (1)</u>
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>		
2015	\$ 10,291,031	\$ 11,609,244	\$ 21,900,275	\$ 1.99	\$ 3.95
2016	\$ 10,863,349	\$ 12,105,737	\$ 22,969,086	\$ 2.03	\$ 4.15
2017	\$ 11,604,919	\$ 13,289,956	\$ 24,894,875	\$ 2.10	\$ 4.30
2018	\$ 11,279,001	\$ 13,286,432	\$ 24,565,433	\$ 2.10	\$ 4.30
2019	\$ 9,534,666	\$ 12,135,765	\$ 21,670,431	\$ 2.10	\$ 4.30
2020	\$ 10,894,954	\$ 13,117,346	\$ 24,012,300	\$ 2.19	\$ 4.49
2021	\$ 11,006,957	\$ 12,666,410	\$ 23,673,367	\$ 2.26	\$ 4.62
2022	\$ 13,338,892	\$ 13,943,119	\$ 27,282,011	\$ 2.37	\$ 4.85
2023	\$ 15,869,857	\$ 15,893,670	\$ 31,763,528	\$ 2.73	\$ 5.53
2024	\$ 14,875,688	\$ 15,636,623	\$ 30,512,311	\$ 2.78	\$ 5.65

(1) Direct Rate based on per thousand gallons

SAN JACINTO RIVER AUTHORITY

PRINCIPAL WOODLANDS DIVISION WATER AND SEWER FEES PAYERS

August 31, 2024

<u>Customer</u>	<u>2024</u>			<u>2015</u>		
	<u>Revenue Base Attributable</u>	<u>Rank</u>	<u>% Base of The total Revenue Base</u>	<u>Revenue Base Attributable</u>	<u>Rank</u>	<u>% Base of The total Revenue Base</u>
MUD 6	\$ 2,824,633	8	6%	\$ 1,316,964	8	6%
MUD 7	\$ 3,517,295	6	7%	\$ 1,629,307	6	8%
MUD 36	\$ 1,868,506	9	4%	\$ 904,649	9	4%
MUD 39	\$ 1,703,705	10	3%	\$ 858,647	10	4%
MUD 1*	\$ 3,445,000	7	7%	\$ 1,359,385	7	6%
MUD 46	\$ 11,590,589	1	23%	\$ 4,707,375	1	22%
MUD 47	\$ 8,573,872	2	17%	\$ 3,671,296	2	17%
MUD 60	\$ 5,520,968	4	11%	\$ 2,289,838	4	11%
MUD 67	\$ 4,981,352	5	10%	\$ 1,707,494	5	8%
Metro MUD	\$ 5,886,630	3	12%	\$ 2,653,525	3	13%

Note: The requirement for statistical data is ten years.

*Previously reported as MUD 2 & MUD 40

SAN JACINTO RIVER AUTHORITY

LIST OF PRINCIPAL CUSTOMERS

August 31, 2024

Raw Water Enterprise

Chevron Phillips Chemical Company
Crosby Municipal Utility District
ECO Services Operations, LLC
Entergy
ExxonMobil
Harris County MUD No. 50
LCY Elastomers, LP
Montgomery County MUD 100
Newport MUD
SJRA - GRP Division

Woodlands Division

Municipal Utility District 1
Municipal Utility District 6
Municipal Utility District 7
Municipal Utility District 36
Municipal Utility District 39
Municipal Utility District 46
Municipal Utility District 47
Municipal Utility District 60
Municipal Utility District 67
Metro Municipal Utility District

Lake Conroe Division

ABN Alliance LLC
APMTS LLC
Bentwater Yacht & Country Club, Ltd.
GPW LLC Waterpoint Shopping Center

Lakeside Resort JV, LLC/Margaritaville
Pier 105 Marina, LLC
Seven Coves Association Inc
SHM Walden Marina
Stow-A-Way Marina
The Palms Marina On Lake Conroe

Groundwater Reduction Plan Division

Aqua Texas, Inc.
City of Conroe
City of Magnolia
Montgomery Co. MUD 99, MUD 115 & MUD 127
MSEC Enterprises Montgomery Trace/Crown
Oaks/Highland Ranch/Lake Forest/Shoreline
New Caney MUD
Quadvest, LP Benders Landing
Rayford Road MUD
SJRA - Woodlands Division
Southern Mont. Co. Municipal Utility District

Note: The above customers represent SJRA's principal customers. Because of the long term of SJRA's contracts, the majority of these customers have been customers of SJRA for ten years or more.

SAN JACINTO RIVER AUTHORITY

RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Business-Type Activities

Fiscal Year	Special Project and Water Revenue Bonds	Amortization	Loans	Leases	Total Primary Government	Percentage of Revenue (1)	Percentage of Personal Income (2)	Debt per Population (2)
2015 (3)	\$ 650,740,000	\$ 4,360,409	\$ 2,870,882		\$ 657,971,291	1068.09%	N/A	N/A
2016	\$ 634,690,000	\$ 4,151,534	\$ 2,597,001		\$ 641,438,535	732.85%	N/A	N/A
2017	\$ 620,218,355	\$ 3,878,355	\$ 2,310,895		\$ 626,407,605	652.09%	N/A	N/A
2018 (4)	\$ 640,390,000	\$ 3,563,734	\$ 2,010,855		\$ 645,964,589	677.13%	N/A	N/A
2019	\$ 621,065,875	\$ 3,282,047	\$ 1,697,860		\$ 626,045,782	613.52%	N/A	N/A
2020	\$ 597,105,000	\$ 5,514,059	\$ 1,371,156		\$ 603,990,215	551.16%	N/A	N/A
2021 (5)	\$ 575,145,000	\$ 5,055,206		\$ 209,940	\$ 580,410,146	490.32%	N/A	N/A
2022	\$ 547,865,000	\$ 4,430,016		\$ 174,716	\$ 552,469,732	398.17%	N/A	N/A
2023 (5)	\$ 525,295,000	\$ 3,786,302		\$ 219,426	\$ 529,300,728	340.60%	N/A	N/A
2024	\$ 488,095,000	\$ 3,353,778		\$ 219,426	\$ 491,668,204	361.61%	N/A	N/A

(1) Based on operating revenues.

(2) The Authority has no taxation authority, therefore relating the Authority's debt to personal income or population is not applicable. Further, certain of the Authority's customers are industrial or other non-municipal users such that relating the Authority's debt to personal income or population is not applicable.

(3) Increases are reflective of the Highlands bond issuances.

(4) Increases are reflective of the Woodlands bond issuances.

(5) Increases are reflective of additional leases as disclosed in Note 5.

Note: Details regarding the Authority's outstanding debt can be found in the notes to the financial statements.

SAN JACINTO RIVER AUTHORITY

PLEDGE - REVENUE COVERAGE

Last Ten Fiscal Years

Water Revenue Bonds

Fiscal Year	Less		Net Available for Debt Service	Debt Service		Cover Ratio
	Revenue	Operating Expenses		Principal	Interest	
<u>All Divisions Except the GRP Division</u>						
2015	\$ 12,456,148	\$ 4,208,932	\$ 8,247,216	\$ 2,035,000	\$ 1,677,115	2.22
2016	\$ 15,253,673	\$ 5,122,763	\$ 10,130,910	\$ 2,100,000	\$ 2,796,584	2.07
2017	\$ 16,679,811	\$ 4,600,229	\$ 12,079,582	\$ 3,160,000	\$ 2,757,433	2.04
2018	\$ 17,198,144	\$ 5,025,528	\$ 12,172,616	\$ 3,260,000	\$ 2,625,692	2.07
2019	\$ 18,882,546	\$ 5,960,724	\$ 12,921,822	\$ 3,365,000	\$ 2,567,879	2.18
2020	\$ 19,843,757	\$ 5,362,557	\$ 14,481,200	\$ 3,470,000	\$ 1,955,500	2.67
2021	\$ 20,585,108	\$ 5,230,541	\$ 15,354,567	\$ 3,400,000	\$ 2,266,921	2.71
2022	\$ 21,236,192	\$ 4,796,688	\$ 16,439,504	\$ 3,305,000	* \$ 2,050,930	3.07
2023	\$ 22,795,509	\$ 7,017,490	\$ 15,778,019	\$ 3,440,000	\$ 1,820,156	3.00
2024	\$ 23,896,525	\$ 6,405,586	\$ 17,490,939	\$ 3,555,000	\$ 1,757,528	3.29
<u>GRP Division</u>						
2015	\$	\$	\$	\$	\$	
2016	\$	\$	\$	\$	\$	
2017	\$	\$	\$	\$	\$	
2018	\$	\$	\$	\$	\$	
2019	\$	\$	\$	\$	\$	
2020	\$	\$	\$	\$	\$	
2021	\$	\$	\$	\$	\$	
2022	\$	\$	\$	\$	\$	
2023	\$	\$	\$	\$	\$	
2024	\$	\$	\$	\$	\$	

* Excludes early defeasement of Bonds

** Revenue includes \$12 million in rebate to customers

Special Project Revenue Bonds

Revenue	Less Operating Expenses	Net Available for Debt Service	Debt Service		Cover Ratio
			Principal	Interest	
\$ 5,022,163	\$ 13,450	\$ 5,008,713	\$ 3,525,000	\$ 1,450,666	1.01
\$ 3,834,462	\$ 3,750	\$ 3,830,712	\$ 3,245,000	\$ 725,139	0.96
\$ 3,856,538	\$ 7,776	\$ 3,848,762	\$ 2,095,000	\$ 1,628,000	1.03
\$ 3,846,463	\$ 2,250	\$ 3,844,213	\$ 2,270,000	\$ 1,517,719	1.01
\$ 37,992,337	\$ 31,903,081	\$ 6,089,256	\$ 2,335,000	\$ 1,933,731	1.43
\$ 42,277,226	\$ 33,887,393	\$ 8,389,833	\$ 4,770,719	\$ 1,835,368	1.27
\$ 40,978,859	\$ 32,133,419	\$ 8,845,440	\$ 4,130,000	\$ 1,756,675	1.50
\$ 47,637,356	\$ 37,140,091	\$ 10,497,265	\$ 3,675,000	\$ 1,679,506	1.96
\$ 54,702,886	\$ 38,818,253	\$ 15,884,633	\$ 3,755,000	\$ 1,592,454	2.97
\$ 51,385,348	\$ 38,817,540	\$ 12,567,808	\$ 3,845,000	\$ 1,541,977	2.33
\$ 38,529,534	\$ 7,122,884	\$ 31,406,650	\$ 12,890,000	\$ 21,341,076	0.92
\$ 45,655,158	\$ 15,577,960	\$ 30,077,198	\$ 13,010,000	\$ 21,316,968	0.88
\$ 50,469,701	\$ 19,627,649	\$ 30,842,052	\$ 13,025,000	\$ 21,337,138	0.90
\$ 55,177,487	\$ 17,690,439	\$ 37,487,048	\$ 13,315,000	\$ 20,914,988	1.10
\$ 49,628,068	\$ 17,049,953	\$ 32,578,115	\$ 13,650,000	\$ 20,713,575	0.95
\$ 58,796,228	\$ 18,732,651	\$ 40,063,577	\$ 14,020,000	\$ 20,340,104	1.17
\$ 56,809,491	\$ 19,297,001	\$ 37,512,490	\$ 14,430,000	\$ 19,930,199	1.09
\$ 69,877,975	\$ 18,232,325	\$ 51,645,650	\$ 14,875,000	\$ 19,482,237	1.50
\$ 77,904,783	\$ 22,157,958	\$ 55,746,825	\$ 15,375,000	\$ 18,983,208	1.62
\$ 60,685,676	** \$ 22,288,592	\$ 38,397,084	\$ 15,920,000	\$ 18,720,261	* 1.11

SAN JACINTO RIVER AUTHORITY

AUTHORITY DEMOGRAPHICS

The SJRA's area comprises all of the territory within the watershed of the San Jacinto River and its tributaries, except the portion of the watershed that lies within the boundaries of Harris County. Such geographical areas consist of all of Montgomery County and parts of Waller, Grimes, Walker, San Jacinto, Liberty and Fort Bend Counties. The SJRA's service area includes all of six counties and part of four counties and more than 30 cities and communities. This geographic diversity in turn provides economic diversity with a combination of agriculture, oil and gas and industry.

The SJRA provides a variety of services to municipal utility districts, industries, and individuals within this service area. The array of services includes water sales and distribution, water treatment, wastewater treatment, laboratory analysis, and recreational opportunities. This diversity allows the local economy to be among the State's growth leaders, outpace the national economy, and create opportunities to foster employment for the population growth in each county. The graphs below and on the following page portray the population and economic base within SJRA's service area.

<u>County/City</u>	<u>Population</u>
Barrett	2,938
Baytown	84,538
Crosby	3,038
Grimes County	30,385
Highlands	7,339
Liberty County	108,272
Montgomery County	711,354
San Jacinto County	27,983
Walker County	81,268
Waller County	59,455

CensusReporter.org

The SJRA serves parts of Walker County, but for the demographic and statistical section above, reports as a whole county.

Educational Attainment

<u>County/City</u>	<u>High School</u>	<u>College</u>
Barrett	87%	17%
Baytown	79%	15%
Crosby	85%	11%
Grimes County	82%	20%
Highlands	82%	13%
Liberty County	80%	11%
Montgomery County	90%	39%
San Jacinto County	84%	16%
Walker County	86%	27%
Waller County	84%	27%

Source CensusReporter.org

The SJRA serves parts of Walker County, but for the demographic and statistical section above, reports as a whole county.

<u>County/City</u>	<u>Median Age</u>	<u>Largest Employers</u>
Barrett	28	Alight Solutions
Baytown	34	Chevron Phillips Chemical Company
Crosby	37	Conroe Independent School District
Grimes County	40	Houston Methodist The Woodlands Hospital
Highlands	37	Lone Star College
Liberty County	33	Memorial Hermann The Woodlands Medical Center
Montgomery County	37	Occidental Petroleum Corporation
San Jacinto County	45	St. Luke's Health
Walker County	37	Texas Children's
Waller County	30	Woodforest National Bank

Source CensusReporter.org; The Woodlands Area Economic Development Partnership

The SJRA serves parts of Walker County, but for the demographic and statistical section above, reports as a whole county.

<u>County/City</u>	<u>Median Household Income (\$)</u>
Barrett	70,594
Baytown	61,699
Crosby	43,795
Grimes County	67,080
Highlands	54,524
Liberty County	77,535
Montgomery County	91,841
San Jacinto County	59,526
Waller County	55,134
Walker County	76,135

CensusReporter.org

The SJRA serves parts of Walker County, but for the demographic and statistical section above, reports as a whole county.

<u>County/City</u>	<u>Unemployment Rate</u>
Barrett	4.7%
Baytown	10.0%
Crosby	4.7%
Grimes County	5.2%
Highlands	4.7%
Liberty County	6.7%
Montgomery County	4.1%
San Jacinto County	5.5%
Walker County	5.1%
Waller County	4.6%

Source Homefacts.com

The SJRA serves parts of Walker County, but for the demographic and statistical section above, reports as a whole county.

SAN JACINTO RIVER AUTHORITY

NUMBER OF EMPLOYEES BY DIVISION

Last Ten Fiscal Years

<u>Division</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Highlands	7	6	10	11	9
Lake Conroe	14	14	13	14	14
Woodlands	38	42	39	39	37
General & Administration	83	86	80	74	77
Groundwater Reduction Plan	23	29	27	29	26
Flood Management					1
Total	165	177	169	167	164

Note: This table reports the number of filled, full-time employee positions based on the division in which they are employed. Table does not include budgeted, unfilled positions. Employees in the General & Administration Division provide centralized services to all five operating divisions, and their time and salary costs are allocated to each division based on time worked.

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
10	10	11	13	13
14	13	13	12	13
42	34	35	36	33
76	75	74	78	78
26	25	24	25	22
1	2	2	2	1
<hr/>				
169	159	159	166	160
<hr/> <hr/>				

SAN JACINTO RIVER AUTHORITY

OPERATING STATISTICS

Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Raw Water Enterprise (Lake Conroe and Highlands Division)</u>					
Water Delivered (Thousand Gallons)	23,611,611	24,583,145	32,205,585	30,979,017	31,520,814
Water Rights (See detail below)	7	7	7	7	8

Woodlands Division

Water Average Pumpage (Thousand Gallons)	5,529,976	6,015,090	6,132,615	5,927,160	5,068,824
Wastewater Average Flow (Thousand Gallons per Day)	7,746	7,960	7,864	7,689	7,760
Water Permits	1	1	1	1	1
Wastewater Permits	3	3	3	3	3
Storm Water Permits	2	2	2	2	2

Water Rights Permitted at End of Year

<u>Source</u>	<u>Water Right Permit Number</u>	<u>Permitted Amount (afpy)</u>	<u>Date Granted</u>
Lake Conroe	COA 10-4963A	33,333	1987
Lake Houston and Highlands Reservoir	COA 10-4964	55,000	1987
Lake Houston - Effluent Woodlands WWTPs	Permit 5809A	14,944	2004
Lake Houston - Additional Storage	Permit 5807	14,100	2008
Lake Houston - Additional Run of River	Permit 5808	40,000	2009
Lake Houston - Effluent Conroe WWTPs	Permit 13183	11,200	2019
Trinity River - Devers	Permit 5271C	56,000	1995
Trinity River - CLCND	COA 08-4279A	30,000	2005

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
30,359,231	31,896,926	36,845,113	34,976,767	35,139,450
8	8	8	8	8
5,680,388	5,248,377	5,829,617	6,052,934	5,605,505
7,364	7,387	6,972	7,023	7,278
1	1	1	1	1
3	3	3	3	3
2	2	2	2	2

SAN JACINTO RIVER AUTHORITY

SCHEDULE OF CAPITAL ASSET ADDITIONS

Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Raw Water Enterprise, Highlands, Flood Management and General & Administration				
Land	\$ 58,876	\$ 462,528	\$ 31,328	\$ 3,811,415
Land improvements				
Construction in progress	7,427,025	12,317,956	9,439,000	7,808,330
Furniture, fixtures and equipment	134,167	52,201	70,175	171,677
Intangible right-to-use assets				
Other machinery and equipment	70,271	178,617	11,732	189,732
Automobiles and trucks	65,171	86,271	66,379	16,066
Buildings	774	147,491	12,628	
Water systems	8,574,076	1,378,675	19,779,516	6,434,762
Lake Conroe Division				
Land	2,596	1,833	2,541	
Construction in progress	642,080	64,925	609,074	60,182
Furniture, fixtures and equipment	39,036	56,850	2,912	907
Other machinery and equipment	43,014		16,624	76,639
Automobiles and trucks	12,854	10,400	11,373	9,172
Buildings		87		72,154
Dams and appurtenances	1,132,947			489,081
Water systems				
Woodlands and Bear Branch Divisions				
Land	23,194			
Construction in progress	5,020,431	7,941,930	2,318,762	5,850,096
Furniture, fixtures and equipment	386,203	14,261	66,713	26,764
Intangible right-to-use assets				
Other machinery and equipment	49,496	337,314	46,714	53,589
Automobiles and trucks	7,410	129,939	57,982	73,207
Buildings				
Dams and appurtenances				
Water systems	3,296,024	1,758,450	3,297,838	
Wastewater utility systems	1,801,043	1,660,236	7,610,604	146,497
Capital Improvement Plans				
Groundwater Reduction Plan Division				
Land	500,536		12,583,964	586,852
Construction in Progress	111,689,168	25,045,377	3,239,805	416,023
Furniture, fixtures and equipment	534,634	1,088,875	10,543	19,455
Other machinery and equipment		342,658	168,058	107,072
Automobiles and trucks	206,776	113,450		25,808
Buildings	43,153	13,186,309	34,680	1,870
Water systems		417,692,912	1,023,991	2,480,945
Total Capital Asset Additions	<u>\$ 141,760,955</u>	<u>\$ 484,069,545</u>	<u>\$ 60,512,936</u>	<u>\$ 28,928,295</u>

2019	2020	2021	2022	2023	2024
\$ 1,206	\$ 172,742	\$ 1,255,966	\$ 25,176	\$	\$ 1,513,052
5,522,593	1,394,463	4,401,510	2,356,335	9,549,961	9,185,117
84,988	82,097	48,105	282,444		103,201
		296,302		98,244	
34,019	826,825	145,324	165,260	144,463	220,200
148,789	198,841	269,458	156,019	126,096	241,304
5,696	592,304	263,355			24,850
569,257	5,059,490	3,202,734		2,964,543	4,367,921
95,327	70,690	355,307	636,465	61,063	104,872
1,301	3,345	123,013			8,393
3,905	6,150	2,237	10,397	20,994	
16,096	13,502		13,229		
			2,500		
				674,583	
					2,077
	84,949	73,100	63,571	18,650	
5,990,530	11,496,920	7,763,035	643,144	1,335,619	3,553,136
27,108	68,688	90,980	60,324		83,206
		69,605			
91,656	1,450,429	261,906	42,351	299,536	87,790
97,004	92,707	220,203	19,185	111,228	55,761
	14,297		15,260	37,399	
674,106	709,306	3,095,645	52,828	55,193	55,805
35,966	13,447,243	10,672,870	2,327,385	148,915	23,050
58,489	61,097		52,346	754,085	2,578,432
13,536	55,519	78,563	8,450		55,183
86,105	7,102	42,497	27,782	100,137	6,555
43,363		70,165	57,557	46,907	39,975
			14,447		24,150
			23,871		152,470
5,229	71,588			27,842	
<u>\$ 13,606,269</u>	<u>\$ 35,980,294</u>	<u>\$ 32,801,880</u>	<u>\$ 7,056,326</u>	<u>\$ 16,575,459</u>	<u>\$ 22,486,500</u>