

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**

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

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2025**

# LASALLE MUNICIPAL UTILITY DISTRICT NO. 1

## TABLE OF CONTENTS

	<u>Page</u>
<i>Annual Filing Affidavit</i> .....	1
<i>Independent Auditor's Report</i> .....	2
<i>Management's Discussion and Analysis</i> .....	MDA-1
<b><i>Financial Statements</i></b>	
Statement of Net Position and Governmental Fund Balance Sheet .....	FS-1
Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance .....	FS-2
<i>Notes to the Financial Statements</i> .....	FS-3
<b><i>Required Supplementary Information (RSI)</i></b>	
Budgetary Comparison Schedule – General Fund .....	FS-12
<b><i>Texas Supplementary Information (TSI)</i></b>	
Services and Rates .....	TSI-1
General Fund Expenditures .....	TSI-2
Temporary Investments .....	TSI-3
Taxes Levied and Receivable .....	TSI-4
Long-Term Debt Service Requirements - By Years .....	TSI-5
Changes in Long-Term Bonded Debt .....	TSI-6
Comparative Schedule of Revenues and Expenditures	
General Fund - Five Years .....	TSI-7
Board Members, Key Personnel and Consultants .....	TSI-8
<b><i>Other Supplementary Information (OSI)</i></b>	
Principal Taxpayers .....	OSI-1
Assessed Value by Classification .....	OSI-2

**ANNUAL FILING AFFIDAVIT**

# ANNUAL FILING AFFIDAVIT

STATE OF TEXAS  
COUNTY OF HAYS

I, Kristi LaRue \_\_\_\_\_ of the  
(Name of Duly Authorized District Representative)

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
(Name of District)

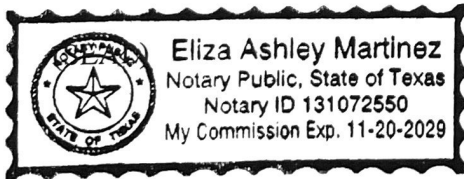
hereby swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the **13th day of January, 2026** its annual audit report for the fiscal year ended **September 30, 2025** and that copies of the annual audit report have been filed in the District's office, located at:

**600 W. 5th Street, Suite 900, Austin, TX 78701**  
(Address of District's Office)

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

Date: 1/13/2026, \_\_\_\_\_ By: [Signature]  
(Signature of District Representative)  
Kristi LaRue President  
(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this 13<sup>th</sup> day of January, 2026.



[Signature]  
(Signature of Notary)

My Commission Expires On: November 20, 2029.  
Notary Public in the State of Texas

**INDEPENDENT AUDITOR'S REPORT**

# *McCall Gibson Swedlund Barfoot Ellis PLLC*

*Certified Public Accountants*

*Chris Swedlund  
Noel W. Barfoot  
Joseph Ellis  
Ashlee Martin*

*Mike M. McCall  
(retired)  
Debbie Gibson  
(retired)*

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
LaSalle Municipal Utility District No. 1  
Hays County, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and major fund of LaSalle Municipal Utility District No. 1 (the "District") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Schedule - General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Supplementary Information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

### **Other Information**

Management is responsible for the Other Supplementary Information included in the annual report. The Other Supplementary Information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the Other Supplementary 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.

*McCall Gibson Swedlund Barfoot Ellis PLLC*

McCall Gibson Swedlund Barfoot Ellis PLLC  
Certified Public Accountants  
Houston, Texas

January 13, 2026

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**

# **LASALLE MUNICIPAL UTILITY DISTRICT NO. 1 MANAGEMENT’S DISCUSSION AND ANALYSIS YEAR ENDED SEPTEMBER 30, 2025**

---

In accordance with Governmental Accounting Standards Board Statement No. 34 (“GASB 34”), the management of LaSalle Municipal Utility District No. 1 (the “District”) offers the following discussion and analysis to provide an overview of the District’s financial activities for the year ended September 30, 2025. Since this information is designed to focus on the current year’s activities, resulting changes, and currently known facts, it should be read in conjunction with the District’s basic financial statements that follow.

## **FINANCIAL HIGHLIGHTS**

- *General Fund:* At the end of the current fiscal year, the unassigned fund balance was \$29,818, a decrease of \$5,979 from the previous fiscal year. General Fund revenues were \$242,733, other financing sources were \$81,966 and expenditures were \$330,678 for the fiscal year ending September 30, 2025.
- *Governmental Activities:* On a government-wide basis for governmental activities, the District had expenses net of revenues of \$87,136 in the current fiscal year. Net position decreased from a deficit balance of \$22,025 at September 30, 2024 to deficit balance of \$109,161 at September 30, 2025.

## **OVERVIEW OF THE DISTRICT**

The District, a political subdivision of the State of Texas, was created by Senate Bill No. 1899, Acts of the 83<sup>rd</sup> Legislature, effective June 2013, and confirmed at an election held on May 5, 2018. The District was created for the purpose of providing maintaining water, wastewater and drainage facilities and has road powers pursuant to Chapters 49 and 54 of the Texas Water Code, as amended, and Article XVI, Section 59 of the Texas Constitution. The District contains approximately 309 acres and is located in Hays County.

# LASALLE MUNICIPAL UTILITY DISTRICT NO. 1 MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED SEPTEMBER 30, 2025

---

## USING THIS ANNUAL REPORT

This annual report consists of five parts:

1. *Management's Discussion and Analysis* (this section)
2. *Basic Financial Statements*
3. *Required Supplementary Information*
4. *Texas Supplementary Information* (required by the Texas Commission on Environmental Quality (the TSI section))
5. *Other Supplementary Information* (the OSI section)

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

## OVERVIEW OF THE FINANCIAL STATEMENTS

The *Statement of Net Position and Governmental Fund Balance Sheet* includes a column (titled "General Fund") that represents a balance sheet prepared using the modified accrual basis of accounting. This method measures cash and all other financial assets that can be readily converted to cash. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District's net position will indicate financial health.

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

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

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

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2025**

---

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Statement of Net Position:**

The following table reflects the condensed Statement of Net Position:

**Summary Statement of Net Position**

	Governmental Activities		Change Increase (Decrease)
	2025	2024	
Current and other assets	\$ 137,132	\$ 50,171	\$ 86,961
Total Assets	\$ 137,132	\$ 50,171	\$ 86,961
Current liabilities	\$ 106,505	\$ 14,374	\$ 92,131
Long-term liabilities	139,788	57,822	81,966
Total Liabilities	\$ 246,293	\$ 72,196	\$ 174,097
Unrestricted	\$ (109,161)	\$ (22,025)	\$ (87,136)
Total Net Position	\$ (109,161)	\$ (22,025)	\$ (87,136)

The District's net position decreased by \$87,136 during the 2025 fiscal year to a deficit balance of \$109,161 at September 30, 2025 from the previous year's deficit balance of \$22,025.

**Revenues and Expenses:**

**Summary Statement of Activities**

	Governmental Activities		Change Increase (Decrease)
	2025	2024	
Property taxes	\$ 241,763	\$ 60,702	\$ 181,061
Other	1,779	256	1,523
Total Revenues	\$ 243,542	\$ 60,958	\$ 182,584
District operations	\$ 179,356	\$ 33,979	\$ 145,377
Professional fees	151,322	9,906	141,416
Total Expenses	\$ 330,678	\$ 43,885	\$ 286,793
Change in Net Position	\$ (87,136)	\$ 17,073	\$ (104,209)
Beginning Net Position	(22,025)	(39,098)	17,073
Ending Net Position	\$ (109,161)	\$ (22,025)	\$ (87,136)

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2025**

---

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)**

Revenues were \$243,542 for the fiscal year ended September 30, 2025 while expenses were \$330,678. Net position decreased \$87,136 during the 2025 fiscal year.

For the fiscal year ended September 30, 2025, property tax revenues totaled \$241,763. Property tax revenue is derived from taxes being levied based upon the assessed value of real and personal property within the District. Property taxes levied for the 2024 tax year (September 30, 2025 fiscal year) were based upon a current assessed value of \$24,963,347 and a tax rate of \$0.95 per \$100 of assessed valuation

The tax rate levied is determined after the District’s Board of Directors reviews the General Fund budget requirements and the debt service obligations of the District, if any.

**ANALYSIS OF GOVERNMENTAL FUND**

	<u>Governmental Fund by Year</u>	
	2025	2024
Cash and cash equivalents	\$ 136,323	\$ 50,171
Receivables	809	-
Total Assets	\$ 137,132	\$ 50,171
Accounts payable and other	\$ 106,505	\$ 14,374
Total Liabilities	\$ 106,505	\$ 14,374
Deferred Inflows of Resources	\$ 809	\$ -
Unassigned	\$ 29,818	\$ 35,797
Total Fund Balance	\$ 29,818	\$ 35,797
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 137,132	\$ 50,171

As of September 30, 2025, the District’s governmental fund reflected a fund balance of \$29,818, a \$5,979 decrease compared to the previous year.

**BUDGETARY HIGHLIGHTS**

The General Fund pays for daily operating expenditures. The Board of Directors adopted the 2025 budget on September 10, 2024. The budget included revenues of \$234,654 and other financing sources of \$20,000 as compared to expenditures of \$136,550 for the 2025 fiscal year. When comparing actual figures to budgeted amounts, the District had a negative net variance of \$124,083. More detailed information about the District’s budgetary comparison is presented in the *Required Supplementary Information*.

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2025**

---

**CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS**

The property tax assessed value for the 2025 tax year is approximately \$84 million. The fiscal year 2026 tax rate (2025 tax year) is \$0.95 on each \$100 of taxable value. All of the property tax collected during fiscal year 2026 will fund general operating activities.

The adopted budget for fiscal year 2026, as adopted on September 9, 2025, projects an operating fund balance increase of \$578,990.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of Winstead PC, 600 W. 5<sup>th</sup> Street, Suite 900, Austin, TX 78701.

## **FINANCIAL STATEMENTS**

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUND BALANCE SHEET**  
**SEPTEMBER 30, 2025**

	<u>General Fund</u>	<u>Adjustments Note 2</u>	<u>Government - Wide Statement of Net Position</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents:			
Cash	\$ 14,465	\$ -	\$ 14,465
Cash equivalents	121,858	-	121,858
Receivables -			
Property taxes	809	-	809
<b>TOTAL ASSETS</b>	<u>137,132</u>	<u>-</u>	<u>137,132</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 72,385	-	72,385
Accrued expenditures	34,120	-	34,120
Long-term liabilities -			
Due to developers	-	139,788	139,788
<b>TOTAL LIABILITIES</b>	<u>106,505</u>	<u>139,788</u>	<u>246,293</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred revenue - property taxes	809	(809)	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>809</u>	<u>(809)</u>	<u>-</u>
<b><u>FUND BALANCE / NET POSITION</u></b>			
Fund balance -			
Unassigned	29,818	(29,818)	-
<b>TOTAL FUND BALANCE</b>	<u>29,818</u>	<u>(29,818)</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 137,132</u>		
Net position -			
Unrestricted		(109,161)	(109,161)
<b>TOTAL NET POSITION</b>		<u>\$ (109,161)</u>	<u>\$ (109,161)</u>

*The accompanying notes are an integral part of this statement.*

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT**  
**OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**SEPTEMBER 30, 2025**

	<u>General Fund</u>	<u>Adjustments Note 2</u>	<u>Government - Wide Statement of Activities</u>
<b><u>REVENUES:</u></b>			
Property taxes, including penalties	\$ 240,954	\$ 809	\$ 241,763
Interest and other	1,779	-	1,779
<b>TOTAL REVENUES</b>	<u>242,733</u>	<u>809</u>	<u>243,542</u>
<b><u>EXPENDITURES / EXPENSES:</u></b>			
Management/operation fees	21,000	-	21,000
Facility maintenance	28,672	-	28,672
Pond maintenance	15,871	-	15,871
Street light maintenance	237	-	237
Inspection fees	82,604	-	82,604
Legal fees	88,330	-	88,330
Engineering fees	38,591	-	38,591
Accounting fees	14,401	-	14,401
Audit fees	10,000	-	10,000
Tax appraisal/collection fees	6,014	-	6,014
Director fees, including payroll taxes	13,561	-	13,561
Insurance	5,018	-	5,018
Bank fees	4,690	-	4,690
Other	1,689	-	1,689
<b>TOTAL EXPENDITURES / EXPENSES</b>	<u>330,678</u>	<u>-</u>	<u>330,678</u>
Excess (deficit) of revenues over (under) expenditures/expenses	<u>(87,945)</u>	<u>809</u>	<u>(87,136)</u>
<b><u>OTHER FINANCING SOURCES -</u></b>			
Developer advances	<u>81,966</u>	<u>(81,966)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>81,966</u>	<u>(81,966)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(5,979)</u>	<u>5,979</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>		<u>(87,136)</u>	<u>(87,136)</u>
<b><u>FUND BALANCE / NET POSITION:</u></b>			
Beginning of the year	<u>35,797</u>	<u>(57,822)</u>	<u>(22,025)</u>
End of the year	<u>\$ 29,818</u>	<u>\$ (138,979)</u>	<u>\$ (109,161)</u>

*The accompanying notes are an integral part of this statement.*

**NOTES TO THE  
FINANCIAL STATEMENTS**

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

---

**1. SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of LaSalle Municipal Utility District No. 1 (the “District”) relating to the fund included in the accompanying financial statements conform to generally accepted accounting principles (“GAAP”) as applied to governmental entities. GAAP for local governments include those principles prescribed by the *Governmental Accounting Standards Board* (“GASB”), which constitutes the primary source of GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

**Reporting Entity** - The District, a political subdivision of the State of Texas, was created by Senate Bill No. 1899, Acts of the 83<sup>rd</sup> Legislature, effective June 2013, in accordance with Article XVI, Section 59 of the Constitution of the State of Texas and with Chapters 49 and 54 of the Texas Water Code, and confirmed at an election held on May 5, 2018. The reporting entity of the District encompasses those activities and functions over which the District’s elected officials exercise significant oversight or control. The District is governed by a five member Board of Directors (the “Board”) which has been elected by District residents or appointed by the Board. The District is not included in any other governmental “reporting entity” as defined by the GASB since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units included in the District’s reporting entity. The Board held its first meeting on February 13, 2018.

**Basis of Presentation - Government-wide and Fund Financial Statements** - These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

---

**1. SIGNIFICANT ACCOUNTING POLICIES (continued) –**

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

The basic financial statements are prepared in conformity with GASB Statement No. 34 and include a column for government-wide (based upon the District as a whole) and fund financial statement presentations. GASB Statement No. 34 also requires as supplementary information Management's Discussion and Analysis, which includes an analytical overview of the District's financial activities. In addition, a budgetary comparison statement is presented that compares the adopted General Fund budget with actual results.

- **Government-wide Statements:** The District's statement of net position includes both non-current assets and non-current liabilities of the District, which were previously recorded in the General Fixed Assets Account Group and the General Long-Term Debt Account Group. In addition, the government-wide statement of activities column reflects depreciation expense on the District's capital assets, including infrastructure, if any.

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from financial activities of the fiscal period. The focus of the fund financial statements is on the individual funds of the governmental categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

- **Fund Financial Statements:** Fund based financial statement columns are provided for governmental funds. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures of either fund category) for the determination of major funds. The District's one fund is reported as a major fund.

**Governmental Fund Types** - The accounts of the District are organized and operated on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. The various funds are grouped by category and type in the financial statements. The District maintains the following fund type:

- **General Fund** - The General Fund accounts for financial resources in use for general types of operations which are not encompassed within other funds. This fund is established to account for resources devoted to financing the general services that the District provides for its residents. Tax revenues and other sources of revenue used to finance the fundamental operations of the District are included in this fund.

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

---

**1. SIGNIFICANT ACCOUNTING POLICIES (continued) –**

*Non-current Governmental Assets and Liabilities* - GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the government-wide financial statement column in the Statement of Net Position.

***Basis of Accounting***

*Government-wide Statements* - The government-wide financial statement column is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

*Fund Financial Statements* - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the net fund balances. Governmental funds are accounted for on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e. both measurable and available).

"Measurable" means that the amount of the transaction can be determined and "available" means the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures, if measurable, are generally recognized on the accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include the unmatured principal and interest on general obligation long-term debt which is recognized when due. This exception is in conformity with generally accepted accounting principles.

Property tax revenues are recognized when they become available. In this case, available means when due, or past due and receivable within the current period and collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Tax collections expected to be received subsequent to the 60-day availability period are reported as deferred inflows of resources. All other revenues of the District are recorded on the accrual basis in all funds.

The District may report unearned revenue on its combined balance sheet. Unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when revenue recognition criteria are met, the liability for the unearned revenue is removed from the combined balance sheet and revenue is recognized.

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

---

**1. SIGNIFICANT ACCOUNTING POLICIES (continued) –**

***Budgets and Budgetary Accounting*** - An unappropriated budget was adopted on September 10, 2024, for the General Fund on a basis consistent with generally accepted accounting principles. The District's Board utilizes the budget as a management tool for planning and cost control purposes. The budget was not amended during the fiscal year. The Budgetary Comparison Schedule – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

***Pensions*** - The District has not established a pension plan because the District does not have employees. The Internal Revenue Service has determined that Directors are considered to be “employees” for federal payroll tax purposes.

***Cash and Cash Equivalents*** - Cash and cash equivalents include cash on deposit as well as investments with maturities of three months or less. The investments, consisting of obligations in the State Comptroller’s Investment Pool and local government investment pool, are recorded at amortized cost.

***Fund Balance*** - Fund balances in governmental funds are classified using the following hierarchy:

- *Nonspendable*: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.
- *Restricted*: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. The District does not have any restricted fund balances.
- *Committed*: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.
- *Assigned*: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District does not have any assigned fund balances.
- *Unassigned*: all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

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

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

---

**2. RECONCILIATION OF THE GOVERNMENTAL FUND**

Adjustments to convert the Governmental Fund Balance Sheet to the Statement of Net Position are as follows:

Fund Balance - General Fund	\$	29,818
Revenue is recognized when earned in the government-wide statements, regardless of availability. Governmental funds report deferred inflows for revenues earned but not available.		809
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund - Due to developer		(139,788)
Net Position - Governmental Activities	\$	(109,161)

Adjustments to convert the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities are as follows:

Net Change in Fund Balance - General Fund	\$	(5,979)
Amounts reported for governmental activities in the Statement of Activities are different because - Governmental funds report: Tax revenue when collected		809
Developer advances in year received		(81,966)
Net Position - Governmental Activities	\$	(87,136)

**3. CASH AND CASH EQUIVALENT INVESTMENTS**

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

**Cash** - At September 30, 2025, the carrying amount of the District’s deposits was \$14,465 and the bank balance was \$15,985. The bank balance was covered by federal depository insurance.

**Cash Equivalent Investments -**

*Interest rate risk.* In accordance with its investment policy, the District manages its exposure to declines in fair values through investment diversification and limiting investments as follows:

- Money market mutual funds are required to have weighted average maturities of 90 days or fewer; and
- Other mutual fund investments are required to have weighted average maturities of less than two years.

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

---

**3. CASH AND CASH EQUIVALENT INVESTMENTS (continued) –**

**Cash Equivalent Investments (continued) -**

*Credit risk.* The District’s investment policy requires the application of the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, and considering the probable safety of their capital as well as the probable income to be derived. The District’s investment policy requires that District funds be invested in:

- Obligations of the United States government and/or its agencies and instrumentalities;
- Money market mutual funds with investment objectives of maintaining a stable net asset value of \$1 per share;
- Mutual funds rated in one of the three highest categories by a nationally recognized rating agency;
- Securities issued by a state or local government or any instrumentality or agency thereof, in the United States, and rated in one of the three highest categories by a nationally recognized rating agency; or
- Public funds investment pools rated AAA or AAAM by a nationally recognized rating agency.

At September 30, 2025, the District held the following investments:

		<u>Governmental Fund</u>	<u>Investment Rating</u>		
	Fair Value at 9/30/2025	General	Unrestricted	Rating	Rating Agency
TexPool	\$ 121,858	\$ 121,858		AAAM	Standard & Poors

The District invests in TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

---

**3. CASH AND CASH EQUIVALENT INVESTMENTS (continued) –**

*Concentration of credit risk.* In accordance with the District’s investment policy, investments in individual securities are to be limited to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. As of September 30, 2025, the District did not own any investments in individual securities.

*Custodial credit risk-deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The government’s investment policy requires that the District’s deposits be fully insured by FDIC insurance or collateralized with obligations of the United States or its agencies and instrumentalities. As of September 30, 2025, the District’s bank deposits were fully covered by FDIC insurance.

**4. PROPERTY TAXES**

Property taxes attach as an enforceable lien on January 1. Taxes are levied on or about October 1, are due on November 1, and are past due the following February 1. The Hays Central Appraisal District establishes appraisal values in accordance with requirements of the Texas Legislature. The District levies taxes based upon the appraised values. The Hays County Tax Assessor Collector bills and collects the District's property taxes. The Board of Directors set current tax rates on September 10, 2024.

The property tax rates, established in accordance with state law, were based on 100% of the net assessed valuation of real property within the District on the 2024 tax roll. The tax rate, based on total taxable assessed valuation of \$24,963,347, was \$0.95 on each \$100 valuation and was allocated solely to the General Fund. The maximum allowable maintenance tax of \$1.00 was established by the voters at an election held on May 5, 2018.

Property taxes of \$809 were uncollected and receivable at September 30, 2025.

**5. BONDED DEBT**

The District has not issued any debt as of September 30, 2025. Bonds authorized but not issued as of September 30, 2025, are as follows:

<u>Type</u>	<u>Amount</u>
Unlimited Tax Bonds	\$ 101,000,000
Road Bonds	\$ 55,000,000
Unlimited Tax Refunding Bonds	\$ 116,150,000
Unlimited Road Refunding Bonds	\$ 63,250,000

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

---

**6. COMMITMENTS AND CONTINGENCIES**

The developers of the land within the District have incurred costs for the construction of facilities, as well as costs pertaining to the creation and operation of the District. Claims for reimbursement of construction costs and operational advances will be evaluated upon receipt of adequate supporting documentation and proof of contractual obligation. Such costs may be reimbursable to the developers by the District from proceeds of future bond issues or from District operations, subject to approval by the Texas Commission on Environmental Quality. On May 5, 2018, a bond election held within the District approved authorization to issue \$101,000,000 of bonds to fund costs of proposed water, wastewater and drainage system facilities, and the costs of creation. Additionally, \$55,000,000 of bonds to fund costs of road improvements were approved by voters of the District. As of September 30, 2025, the District has not issued any bonds to repay the developers. As of September 30, 2025, the District owes the developers \$139,788 for advances used to fund operating activities.

**7. DEVELOPMENT AGREEMENT**

Pursuant to the Development Agreement (the “Agreement”) entered into by the developers and the City of San Marcos, Texas (“San Marcos”), effective October 6, 2014, as amended, assigned and subsequently joined into by the District, the developers and the District will design, finance and construct all utility and drainage facilities and roadways required to serve the District, including all necessary water and wastewater facilities designed and constructed in accordance with applicable requirements and design standards as outlined in the Agreement. The Agreement provides that the City of Kyle, Texas (“Kyle”) will provide retail water and wastewater service to the District. The term of the Agreement will continue for fifteen years from the effective date of the Agreement with possible renewal extensions for up to an additional thirty (30) years.

**8. RETAIL WATER AND WASTEWATER SERVICES AGREEMENT**

On December 16, 2014, the City of Kyle and the developers of the District entered into a Retail Water and Wastewater Services Agreement (the “Retail Service Agreement”), as subsequently assigned to the District. Under the terms of the Retail Service Agreement, Kyle agrees to provide retail water and wastewater services to the District. The Retail Service Agreement requires the developers, on behalf of the District, to design, finance, and construct all utility and drainage facilities required to serve the District, including all necessary water and wastewater facilities designed and constructed in accordance with applicable Kyle requirements and design standards. Upon completion and acceptance of utility facilities constructed by or on behalf of the District, the water and wastewater facilities will be conveyed to Kyle. In exchange for the conveyance of the water and wastewater facilities to serve the District, Kyle will operate and maintain all water and wastewater facilities conveyed and provide retail water and wastewater services to customers within the District at Kyle’s standard or out-of-district water and wastewater rates. The term of the Retail Service Agreement will continue for thirty (30) years from the effective date of the Retail Service Agreement and may be extended by mutual agreement of the parties involved.

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

---

**9. RISK MANAGEMENT**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained coverage from commercial insurance companies and the Texas Municipal League Intergovernmental Risk Pool (“TML Pool”) to effectively manage its risk. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

The TML Pool was established by various political subdivisions in Texas to provide self-insurance for its members and to obtain lower costs for insurance. TML Pool members pay annual contributions to obtain the insurance. Annual contribution rates are determined by the TML Pool Board. Rates are estimated to include all claims expected to occur during the policy including claims incurred but not reported. The TML Pool has established claims reserves for each of the types of insurance offered. Although the TML Pool is a self-insured risk pool, members are not contingently liable for claims filed above the amount of the fixed annual contributions. If losses incurred are significantly higher than actuarially estimated, the TML Pool adjusts the contribution rate for subsequent years. Members may receive returns of contributions if actual results are more favorable than estimated.

**10. SUBSEQUENT EVENT**

On December 11, 2025, the District issued \$9,200,000 of Unlimited Tax Bonds, Series 2025, with interest rates ranging from 4.125% to 6.625% and principal maturities through April 1, 2055. Proceeds of the bonds were used to reimburse a developer within the District for water, wastewater and drainage improvements and to fund bond issuance costs. In addition, a portion of the bond proceeds will be used to fund future interest payments on the bonds.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**SEPTEMBER 30, 2025**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Property taxes, including penalties	\$ 240,954	\$ 234,654	\$ 6,300
Interest and other	1,779	-	1,779
<b>TOTAL REVENUES</b>	<u>242,733</u>	<u>234,654</u>	<u>8,079</u>
<b>EXPENDITURES:</b>			
Management/operation fees	21,000	21,000	-
Facility maintenance	28,672	3,000	(25,672)
Pond maintenance	15,871	16,000	129
Street light maintenance	237	-	(237)
Inspection fees	82,604	-	(82,604)
Legal fees	88,330	36,000	(52,330)
Engineering fees	38,591	6,000	(32,591)
Accounting fees	14,401	18,200	3,799
Audit fees	10,000	8,000	(2,000)
Tax appraisal/collection fees	6,014	3,800	(2,214)
Director fees, including payroll taxes	13,561	11,900	(1,661)
Insurance	5,018	4,550	(468)
Bank fees	4,690	4,200	(490)
Other	1,689	3,900	2,211
<b>TOTAL EXPENDITURES</b>	<u>330,678</u>	<u>136,550</u>	<u>(194,128)</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(87,945)</u>	<u>98,104</u>	<u>(186,049)</u>
<b>OTHER FINANCING SOURCES -</b>			
Developer advances	<u>81,966</u>	<u>20,000</u>	<u>61,966</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>81,966</u>	<u>20,000</u>	<u>61,966</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(5,979)</u>	<u>\$ 118,104</u>	<u>\$ (124,083)</u>
<b>FUND BALANCE:</b>			
Beginning of the year	<u>35,797</u>		
End of the year	<u>\$ 29,818</u>		

**TEXAS**  
**SUPPLEMENTARY INFORMATION**

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**TSI-1. SERVICES AND RATES**  
**SEPTEMBER 30, 2025**

**1. Services Provided by the District during the Fiscal Year:**

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Retail Water   | <input type="checkbox"/> Wholesale Water      | <input checked="" type="checkbox"/> Drainage |
| <input type="checkbox"/> Retail Wastewater  | <input type="checkbox"/> Wholesale Wastewater | <input type="checkbox"/> Irrigation          |
| <input type="checkbox"/> Parks/Recreation   | <input type="checkbox"/> Fire Protection      | <input type="checkbox"/> Security            |
| <input type="checkbox"/> Solid Waste/Garbage  | <input type="checkbox"/> Flood Control        | <input type="checkbox"/> Roads               |
| <input type="checkbox"/> Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect) |   |  |
| <input type="checkbox"/> Other (specify): _____   |   |  |

**2. Retail Service Providers**

**a. Retail Rates Based on 5/8" Meter (or equivalent):**

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1000 Gallons Over Minimum	Usage Levels
WATER:	(1)	(1)	(1)	(1)	(1)
WASTEWATER:	(1)	(1)	(1)	(1)	(1)
SURCHARGE:	(1)	(1)	(1)	(1)	(1)

District employs winter averaging for wastewater usage?      Yes       No

Total charges per 10,000 gallons usage:    Water      (1)      Wastewater      (1)

**b. Water and Wastewater Retail Connections:**

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC's
Unmetered			1.0	
< 3/4"			1.0	
1"			2.5	
1 1/2"			5.0	
2"			8.0	
3"			15.0	
4"			25.0	
6"			50.0	
8"			80.0	
10"			115.0	
Total Water	(1)	(1)		(1)
Total Wastewater	(1)	(1)	1.0	(1)

<sup>(1)</sup> Retail water and wastewater service is provided to District residents by City of Kyle, Texas.

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**TSI-1. SERVICES AND RATES (continued)**  
**SEPTEMBER 30, 2025**

**3. Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):**

Gallons pumped into system: \_\_\_\_\_ (1)  
Gallons billed to customers: \_\_\_\_\_ (1)

<b>Water Accountability Ratio</b> (Gallons billed / Gallons Pumped) N/A
---

**4. Standby Fees** (authorized only under TWC Section 49.231):

Does the District assess standby fees?                      Yes     No

If yes, Date of the most recent Commission Order: \_\_\_\_\_

Does the District have Operation and Maintenance standby fees?                      Yes     No

If yes, Date of the most recent Commission Order: \_\_\_\_\_

**5. Location of District**

County(ies) in which district is located: \_\_\_\_\_ Hays County, Texas

Is the District located entirely within one county?                      Yes     No

Is the District located within a city?                      Entirely     Partly     Not at all

City(ies) in which district is located: \_\_\_\_\_

Is the District located within a city's extraterritorial jurisdiction (ETJ)?

Entirely     Partly     Not at all

ETJ's in which district is located: \_\_\_\_\_

Are Board members appointed by an office outside the district?

Yes     No

If Yes, by whom? \_\_\_\_\_  
\_\_\_\_\_

(1) Retail water and wastewater service is provided to District residents by City of Kyle, Texas.

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**TSI-2. GENERAL FUND EXPENDITURES**  
**SEPTEMBER 30, 2025**

Personnel Expenditures (including benefits)	\$	-
Professional Fees:		
Auditing		10,000
Legal		88,330
Engineering		38,591
Financial Advisor		-
Purchased Services For Resale:		
Bulk Water and Wastewater Purchases		-
Contracted Services:		
Bookkeeping		14,401
General Manager		21,000
Appraisal District/Tax Collector		6,014
Other Contracted Services		-
Utilities		-
Repairs and Maintenance		44,780
Chemicals		-
Administrative Expenditures:		
Directors' Fees		13,561
Office Supplies		-
Insurance		5,018
Election Costs		-
Other Administrative Expenditures		6,379
Capital Outlay:		
Capitalized Assets		-
Expenditures not Capitalized		-
Bad Debt		-
Parks and Recreation		-
Other Expenditures		82,604
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b><u>330,678</u></b>

Number of persons employed by the District:

Full-Time

Part-Time

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**TSI-3. TEMPORARY INVESTMENTS**  
**SEPTEMBER 30, 2025**

<b>Funds</b>	<b>Identification or Certificate Number</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Balance at End of Year</b>	<b>Accrued Interest Receivable at End of Year</b>
<b>General Fund -</b>					
TexPool	XXX0001	Varies	Daily	\$ 121,858	\$ -
Total				<u>\$ 121,858</u>	<u>\$ -</u>

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**TSI-4. TAXES LEVIED AND RECEIVABLE**  
**SEPTEMBER 30, 2025**

	<b>Maintenance Taxes</b>	<b>Debt Service Taxes</b>	
<b>Taxes Receivable, Beginning of Year</b>	\$ -	\$ -	
2024 Original Tax Levy, as adjusted	237,490	-	
Total to be accounted for	237,490	-	
Tax collections:			
Current year	236,681	-	
Prior years	-	-	
Total collections	236,681	-	
<b>Taxes Receivable, End of Year</b>	\$ 809	\$ -	
<b>Taxes Receivable, By Tax Years</b>			
2023	\$ -	\$ -	
2024	809	-	
<b>Taxes Receivable, End of Year</b>	\$ 809	\$ -	
<b>Property Valuations:</b>	<b>2024</b>	2023	2022 *
Land and improvements	\$ 24,963,347 (a)	\$ 5,971,680 (a)	\$ 2,219,010 (a)
<b>Total Property Valuations</b>	<b>\$ 24,963,347</b>	<b>\$ 5,971,680</b>	<b>\$ 2,219,010</b>
<b>Tax Rates per \$100 Valuation:</b>			
Debt Service tax rates	\$ -	\$ -	\$ -
Maintenance tax rates	0.95	0.95	0.95
<b>Total Tax Rates per \$100 Valuation:</b>	<b>\$ 0.95</b>	<b>\$ 0.95</b>	<b>\$ 0.95</b>
<b>Original Tax Levy</b>	<b>\$ 237,490</b>	<b>\$ 56,731</b>	<b>\$ 21,081</b>
<b>Percent of Taxes Collected to Taxes Levied **</b>	<b>99.7%</b>	100.0%	100.0%
<b>Maximum Maintenance Tax Approved by Voters:</b>	<b>\$ 1.00</b> on	<b>5/5/2018</b>	

\* Unaudited.

\*\*Calculated as taxes collected in current and previous years divided by tax levy.

(a) Valuations are provided by the appropriate Appraisal District. Due to various factors including tax protests and disputes, such valuations change over time; therefore, they may vary slightly from those disclosed to the District's bond offering documents or the District's annual bond disclosure filings.

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1  
TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS  
SEPTEMBER 30, 2025**

---

The District has not issued any long-term debt at September 30, 2025.

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1  
TSI-6. CHANGES IN LONG-TERM BONDED DEBT  
SEPTEMBER 30, 2025**

	<b>Total</b>
Interest Rate	
Dates Interest Payable	
Maturity Dates	
Bonds Outstanding at Beginning of Current Fiscal Year	\$ -
Bonds Sold During the Current Fiscal Year	-
Retirements During the Current Fiscal Year:	
Principal	-
Refunded	-
Bonds Outstanding at End of Current Fiscal Year	\$ -
Interest Paid During the Current Fiscal Year	\$ -

Paying Agent's Name & Address:

	Unlimited Tax Bonds*	Road Bonds*	Refunding Unlimited Tax Bonds*	Refunding Road Bonds*
Bond Authority:				
Amount Authorized by Voters	\$ 101,000,000	\$ 55,000,000	\$ 116,150,000	\$ 63,250,000
Amount Issued	-	-	-	-
Remaining To Be Issued	\$ 101,000,000	\$ 55,000,000	\$ 116,150,000	\$ 63,250,000

\* Includes all bonds secured with tax revenues. Bonds in this category may also be with other revenues in combination with taxes.

Debt Service Fund Cash and Temporary Investments balances as of September 30, 2025: \$ -

Average Annual Debt Service Payment (Principal and Interest) for the remaining term of all debt: \$ -

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**TSI-7. COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND - FIVE YEARS**  
**SEPTEMBER 30, 2025**

	Amounts					Percent of Fund Total Revenues				
	2025	2024	2023*	2022*	2021*	2025	2024	2023*	2022*	2021*
<b>GENERAL FUND REVENUES:</b>										
Property taxes, including penalties	\$ 240,954	\$ 60,702	\$ 22,962	\$ -	\$ -	74.2%	99.6%	66.6%	-	-
Other income	1,779	256	-	800	1	0.6%	0.4%	-	5.1%	-
Developer advances	81,966	-	11,500	15,000	14,420	25.2%	-	33.4%	94.9%	100.0%
<b>TOTAL GENERAL FUND REVENUES</b>	<b>324,699</b>	<b>60,958</b>	<b>34,462</b>	<b>15,800</b>	<b>14,421</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>GENERAL FUND EXPENDITURES:</b>										
Management/operation fees	21,000	3,500	-	-	-	6.5%	5.7%	-	-	-
Facility maintenance	28,672	1,258	-	-	-	8.8%	2.1%	-	-	-
Pond maintenance	15,871	5,953	-	-	-	4.9%	9.8%	-	-	-
Street light maintenance	237	-	-	-	-	0.1%	-	-	-	-
Inspection fees	82,604	-	-	-	-	25.4%	-	-	-	-
Legal fees	88,330	4,055	-	-	-	27.2%	6.6%	-	-	-
Engineering fees	38,591	-	-	-	-	11.9%	-	-	-	-
Accounting fees	14,401	5,851	6,200	4,800	2,350	4.4%	9.6%	18.0%	30.4%	16.3%
Audit fees	10,000	-	-	-	-	3.1%	-	-	-	-
Tax appraisal/collection fees	6,014	1,109	134	-	-	1.9%	1.8%	0.4%	-	-
Director fees, including payroll taxes	13,561	12,660	7,266	5,006	807	4.2%	20.8%	21.1%	31.7%	5.6%
Insurance	5,018	3,974	50	-	1,795	1.5%	6.5%	0.1%	-	12.4%
Bank fees	4,690	4,222	3,295	2,269	1	1.4%	6.9%	9.6%	14.4%	-
Other	1,689	1,303	383	5	169	0.5%	2.1%	1.1%	-	1.2%
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>330,678</b>	<b>43,885</b>	<b>17,328</b>	<b>12,080</b>	<b>5,122</b>	<b>101.8%</b>	<b>71.9%</b>	<b>50.3%</b>	<b>76.5%</b>	<b>35.5%</b>
<b>EXCESS (DEFICIENCY) OF GENERAL FUND REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (5,979)</b>	<b>\$ 17,073</b>	<b>\$ 17,134</b>	<b>\$ 3,720</b>	<b>\$ 9,299</b>	<b>-1.8%</b>	<b>28.1%</b>	<b>49.7%</b>	<b>23.5%</b>	<b>64.5%</b>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>					
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>					

(1) City of Kyle, Texas to provide water and wastewater service.

\* Unaudited

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**TSI-8. BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**SEPTEMBER 30, 2025**

<b>Complete District Mailing Address:</b>	<u>600 W. 5th Street, Suite 900</u> <u>Austin, TX 78701</u>
<b>District Business Telephone Number:</b>	<u>(512) 370-2923</u>
<b>Submission Date of the most recent District Registration Form TWC Sections 36.054 and 49.054):</b>	<u>June 4, 2025</u>
<b>Limits on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution TWC Section 49.060)</b>	<u>\$7,200</u>

Name and Address:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimbursements	9/30/2025	9/30/2025	Title at Year End
<i>Board Members:</i>						
<b>KRISTI LARUE</b>	(Elected) 5/7/2022 - 5/2/2026	\$	2,652	\$	76	President
<b>ERIC WILLIS</b>	(Elected) 5/4/2024 - 5/6/2028	\$	2,431	\$	76	Vice President
<b>CHUCK KAUFMAN</b>	(Elected) 5/7/2022 - 5/2/2026	\$	2,652	\$	153	Secretary
<b>DOUGLAS J. GOSS</b>	(Elected) 5/4/2024 - 5/6/2028	\$	2,873	\$	76	Treasurer/Asst. Sec.
<b>JOHN C. GEE</b>	(Elected) 5/7/2022 - 5/2/2026	\$	1,989	\$	125	Assistant Secretary
<i>Consultants:</i>						
<b>Barrett &amp; Associates, PLLC</b>	2/13/2018	\$	8,300	\$	-	Attorney
<b>Winstead PC</b>	2/13/2018	\$	49,794	\$	-	Attorney
<b>Si Environmental LLC</b>	2/8/2024	\$	57,274	\$	-	Operator
<b>Doucet &amp; Associates</b>	2/13/2018	\$	100,234	\$	-	Engineer
<b>Bott &amp; Douthitt, PLLC</b>	3/13/2019	\$	13,066	\$	-	Accountant
<b>McCall Gibson Swedlund Barfoot Ellis PLLC</b>	3/11/2025	\$	10,000	\$	-	Auditor
<b>The GMS Group, L.L.C.</b>	2/13/2018	\$	-	\$	-	Financial Advisor
<b>Assessments of the Southwest</b>	7/13/2023	\$	5,163	\$	-	Tax Consultant
<b>Hays County Tax Collector</b>	4/8/2025	\$	-	\$	-	Tax Collector

\*Fees of Office are the amounts actually paid to a director during the District's fiscal year.

**OTHER  
SUPPLEMENTARY INFORMATION**

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1**  
**OSI-1. PRINCIPAL TAXPAYERS**  
**SEPTEMBER 30, 2025**

Taxpayer	Type of Property	Tax Roll Year		
		2025	2024	2023
Millrose Properties Texas LLC	N/A	\$ 4,815,990	\$ -	\$ -
Millrose Properties Texas LLC	N/A	4,492,260	-	-
Waterstone San Marcos Owner LLC	N/A	2,513,920	-	-
Homeowner	N/A	434,190	53,100	-
Homeowner	N/A	431,210	53,100	-
Homeowner	N/A	422,190	53,100	-
Homeowner	N/A	415,990	53,100	-
MRA Trust	N/A	388,560	-	-
Homeowner	N/A	388,560	53,100	-
Homeowner	N/A	388,560	53,100	-
Lennar Homes of Texas Land & Construction Ltd.	N/A	-	13,275,000	-
DRP TX 3 LLP	N/A	-	10,240,630	5,971,510
Homeowner	N/A	-	53,100	-
Homeowner	N/A	-	53,100	-
Tack Development Ltd.	N/A	-	-	170
<b>Total</b>		<b>\$ 14,691,430</b>	<b>\$ 23,940,430</b>	<b>\$ 5,971,680</b>
Percent of Assessed Valuation		<b>17.4%</b>	<b>95.9%</b>	<b>100.0%</b>

**LASALLE MUNICIPAL UTILITY DISTRICT NO. 1  
OSI-2. ASSESSED VALUE BY CLASSIFICATION  
SEPTEMBER 30, 2025**

Type of Property	Tax Roll Year					
	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
Residential Single Family	\$ 64,959,621	77.0%	\$ 53,100	0.2%	\$ -	-
Vacant Platted Lots	2,557,550	3.0%	92,950	0.4%	-	-
Real Acreage	247,510	0.3%	65,080	0.3%	20,560	0.3%
Farm and Ranch	4,980,790	5.9%	4,995,730	20.0%	5,971,510	100.0%
Real Inventory	12,866,218	15.2%	19,807,550	79.3%	-	-
Exempt	1,080	-	1,200	-	-	-
Adjustments & Exemptions	(1,227,560)	-1.4%	(52,263)	-0.2%	(20,390)	-0.3%
<b>Total</b>	<b>\$ 84,385,209</b>	<b>100.0%</b>	<b>\$ 24,963,347</b>	<b>100.0%</b>	<b>\$ 5,971,680</b>	<b>100.0%</b>