

**FORT BEND COUNTY LEVEE
IMPROVEMENT DISTRICT NO. 20**

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

March 31, 2017

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Independent Auditors' Report

Board of Directors
Fort Bend County Levee Improvement District No. 20
Fort Bend County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Levee Improvement District No. 20, as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient to provide a basis for our audit opinions.

***Board of Directors
Fort Bend County Levee Improvement District No. 20
Fort Bend County, Texas***

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Fort Bend County Levee Improvement District No. 20, as of March 31, 2017, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other-Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it 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.

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

McGuire & Co, PC

Houston, Texas
September 14, 2017

Management's Discussion and Analysis

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***Fort Bend County Levee Improvement District No. 20
Management's Discussion and Analysis
March 31, 2017***

Using this Annual Report

Within this section of the financial report of Fort Bend County Levee Improvement District No. 20 (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended March 31, 2017. This analysis should be read in conjunction with the independent auditors' report and the basic financial statements that follow this section.

In addition to this discussion and analysis, this annual report consists of:

- The District's basic financial statements;
- Notes to the basic financial statements, which provide additional information essential to a full understanding of the data provided in the financial statements;
- Supplementary information required by the Governmental Accounting Standards Board (GASB) concerning the District's budget; and
- Other Texas supplementary information required by the District's state oversight agency, the Texas Commission on Environmental Quality (TCEQ).

Overview of the Financial Statements

The District prepares its basic financial statements using a format that combines fund financial statements and government-wide statements onto one financial statement. The combined statements are the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. Each statement contains an adjustments column which quantifies the differences between the government-wide and fund level statements. Additional details of the adjustments are provided in Note 2 to the basic financial statements.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District, both long-term and short-term. The District's government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the accrual basis of accounting. The *Statement of Net Position* includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, changes in net position may provide a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

Accounting standards establish three components of net position. The net investment in capital assets component represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restricted component of net position consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties. The unrestricted component of net position represents resources not included in the other components.

Fort Bend County Levee Improvement District No. 20
Management's Discussion and Analysis
March 31, 2017

The *Statement of Activities* reports how the District's net position has changed during the fiscal year. All revenues and expenses are included on this statement, regardless of whether cash has been received or paid.

Fund Financial Statements

The fund financial statements include the *Governmental Funds Balance Sheet* and the *Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. The focus of fund financial statements is on specific activities of the District rather than the District as a whole, reported using modified accrual accounting. These statements report on the District's use of available financial resources and the balances of available financial resources at the end of the year. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties, governmental statutes or regulations.

For further discussion on the government-wide and fund financial statements, please refer to Note 1 in the financial statements.

Financial Analysis of the District as a Whole

The District's net position at March 31, 2017, was negative \$481,373. A comparative summary of the District's overall financial position, as of March 31, 2017 and 2016, is as follows:

	2017	2016
Current and other assets	\$ 709,160	\$ 628,281
Capital assets	3,261,911	3,323,184
Total assets	<u>3,971,071</u>	<u>3,951,465</u>
Current liabilities	106,889	105,439
Long-term liabilities	4,345,555	4,427,901
Total liabilities	<u>4,452,444</u>	<u>4,533,340</u>
Net position		
Net investment in capital assets	(1,147,966)	(1,168,569)
Restricted	323,352	336,761
Unrestricted	343,241	249,933
Total net position	<u>\$ (481,373)</u>	<u>\$ (581,875)</u>

Fort Bend County Levee Improvement District No. 20
Management's Discussion and Analysis
March 31, 2017

The total net position of the District increased during the current fiscal year by \$100,502. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	2017	2016
Revenues		
Property taxes, penalties and interest	\$ 469,998	\$ 384,909
Other	2,096	737
Total revenues	<u>472,094</u>	<u>385,646</u>
Expenses		
Operating and administrative	192,613	178,641
Interest and fees	117,706	120,124
Depreciation	61,273	61,273
Total expenses	<u>371,592</u>	<u>360,038</u>
Change in net position	100,502	25,608
Net position, beginning of year	(581,875)	(607,483)
Net position, end of year	<u>\$ (481,373)</u>	<u>\$ (581,875)</u>

Financial Analysis of the District's Funds

The District's combined fund balances, as of March 31, 2017, were \$689,353, which consists of \$338,768 in the General Fund, \$329,907 in the Debt Service Fund and \$20,678 in the Capital Projects Fund.

General Fund

A comparative summary of the General Fund's financial position as of March 31, 2017 and 2016 is as follows:

	2017	2016
Total assets	<u>\$ 355,151</u>	<u>\$ 260,592</u>
Total liabilities	\$ 11,910	\$ 10,659
Total deferred inflows	4,473	4,355
Total fund balance	<u>338,768</u>	<u>245,578</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 355,151</u>	<u>\$ 260,592</u>

***Fort Bend County Levee Improvement District No. 20
Management's Discussion and Analysis
March 31, 2017***

A comparative summary of the General Fund's activities for the current and prior fiscal year is as follows:

	<u>2017</u>	<u>2016</u>
Total revenues	\$ 273,308	\$ 186,795
Total expenditures	<u>(180,118)</u>	<u>(167,150)</u>
Revenues over expenditures	<u>\$ 93,190</u>	<u>\$ 19,645</u>

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District's primary financial resources in the General Fund are from a property tax levy. Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. Property tax revenues increased from prior year because the District increased the maintenance and operations component of the levy and assessed values increased from prior year.

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of March 31, 2017 and 2016 is as follows:

	<u>2017</u>	<u>2016</u>
Total assets	<u>\$ 333,132</u>	<u>\$ 346,541</u>
Total deferred inflows	\$ 3,225	\$ 4,517
Total fund balance	<u>329,907</u>	<u>342,024</u>
Total deferred inflows and fund balance	<u>\$ 333,132</u>	<u>\$ 346,541</u>

A comparative summary of the Debt Service Fund's activities for the current and prior fiscal year is as follows:

	<u>2017</u>	<u>2016</u>
Total revenues	\$ 199,882	\$ 197,733
Total expenditures	<u>(211,999)</u>	<u>(208,745)</u>
Revenues under expenditures	<u>\$ (12,117)</u>	<u>\$ (11,012)</u>

The District's financial resources in the Debt Service Fund in both the current year and prior year are from property tax revenues. The difference between these financial resources and debt service requirements resulted in an decrease in fund balance each year. It is important to note that the District sets its annual debt service tax rate as recommended by its financial advisor, who monitors projected cash flows in the Debt Service Fund to ensure that the District will be able to meet its future debt service requirements.

**Fort Bend County Levee Improvement District No. 20
Management's Discussion and Analysis
March 31, 2017**

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of March 31, 2017 and 2016 is as follows:

	2017	2016
Total assets	<u>\$ 20,877</u>	<u>\$ 21,148</u>
Total liabilities	\$ 199	\$ -
Total fund balance	<u>20,678</u>	<u>21,148</u>
Total liabilities and fund balance	<u>\$ 20,877</u>	<u>\$ 21,148</u>

A comparative summary of activities in the Capital Projects Fund for the current and prior fiscal year is as follows:

	2017	2016
Total revenues	\$ 77	\$ 30
Total expenditures	<u>(547)</u>	<u>(216)</u>
Revenues under expenditures	<u>\$ (470)</u>	<u>\$ (186)</u>

The District has not had any significant capital asset activity in the last two years.

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board did not amend the budget during the fiscal year.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was \$37,951 greater than budgeted. The *Budgetary Comparison Schedule* on page 28 of this report provides variance information per financial statement line item.

Capital Assets

The District has entered into financing agreements with its developer for the financing of the construction of capital assets within the District. The developer will be reimbursed from proceeds of future bond issues or other lawfully available funds. These developer funded capital assets are recorded on the District's financial statements upon completion of construction.

Fort Bend County Levee Improvement District No. 20
Management's Discussion and Analysis
March 31, 2017

Capital assets held by the District at March 31, 2017 and 2016 are summarized as follows:

	<u>2017</u>	<u>2016</u>
Capital assets not being depreciated		
Land and improvements	\$ 1,386,491	\$ 1,386,491
Capital assets being depreciated		
Infrastructure	2,293,811	2,293,811
Less accumulated depreciation	<u>(418,391)</u>	<u>(357,118)</u>
Depreciable capital assets, net	<u>1,875,420</u>	<u>1,936,693</u>
Capital assets, net	<u>\$ 3,261,911</u>	<u>\$ 3,323,184</u>

Long-Term Debt and Related Liabilities

As of March 31, 2017, the District owes the developer \$1,961,631 for completed projects. The District intends to reimburse the developer from proceeds of future bond issues.

At March 31, 2017 and 2016, the District had total bonded debt outstanding as shown below:

<u>Series</u>	<u>2017</u>	<u>2016</u>
2011	\$ 1,375,000	\$ 1,410,000
2014	<u>1,150,000</u>	<u>1,200,000</u>
	<u>\$ 2,525,000</u>	<u>\$ 2,610,000</u>

At March 31, 2017, the District had \$47,250,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving flood control and drainage facilities within the District.

Next Year's Budget

In establishing the budget for the next fiscal year, the Board considered various economic factors that may affect the District, most notably projected revenues from property taxes and the projected cost of operating the District. A comparison of next year's budget to current year actual amounts for the General Fund is as follows:

	<u>2017 Actual</u>	<u>2018 Budget</u>
Total revenues	\$ 273,308	\$ 267,752
Total expenditures	<u>(180,118)</u>	<u>(177,070)</u>
Revenues over expenditures	93,190	90,682
Beginning fund balance	245,578	338,768
Ending fund balance	<u>\$ 338,768</u>	<u>\$ 429,450</u>

Basic Financial Statements

Fort Bend County Levee Improvement District No. 20
Statement of Net Position and Governmental Funds Balance Sheet
March 31, 2017

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 27,495	\$ 30,544	\$ 4,714	\$ 62,753	\$ -	\$ 62,753
Investments	318,988	299,363	16,163	634,514		634,514
Taxes receivable	4,473	3,225		7,698		7,698
Prepaid items	4,195			4,195		4,195
Capital assets not being depreciated					1,386,491	1,386,491
Capital assets, net					1,875,420	1,875,420
Total Assets	\$ 355,151	\$ 333,132	\$ 20,877	\$ 709,160	3,261,911	3,971,071
Liabilities						
Accounts payable	\$ 11,910	\$ -	\$ 199	\$ 12,109		12,109
Accrued interest payable					9,780	9,780
Due to developer					1,961,631	1,961,631
Long-term debt						
Due within one year					85,000	85,000
Due after one year					2,383,924	2,383,924
Total Liabilities	11,910		199	12,109	4,440,335	4,452,444
Deferred Inflows of Resources						
Deferred property taxes	4,473	3,225		7,698	(7,698)	
Fund Balances/Net Position						
Fund Balances						
Nonspendable	4,195			4,195	(4,195)	
Restricted		329,907	20,678	350,585	(350,585)	
Unassigned	334,573			334,573	(334,573)	
Total Fund Balances	338,768	329,907	20,678	689,353	(689,353)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 355,151	\$ 333,132	\$ 20,877	\$ 709,160		
Net Position						
Net investment in capital assets					(1,147,966)	(1,147,966)
Restricted for debt service					323,352	323,352
Unrestricted					343,241	343,241
Total Net Position					\$ (481,373)	\$ (481,373)

See notes to basic financial statements.

Fort Bend County Levee Improvement District No. 20
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended March 31, 2017

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	\$ 272,404	\$ 197,174	\$ -	\$ 469,578	\$ (1,173)	\$ 468,405
Penalties and interest		1,593		1,593		1,593
Investment earnings	904	1,115	77	2,096		2,096
Total Revenues	273,308	199,882	77	473,267	(1,173)	472,094
Expenditures/Expenses						
Operating and administrative						
Professional fees	52,673		383	53,056		53,056
Contracted services	32,400	10,519		42,919		42,919
Repairs and maintenance	86,082			86,082		86,082
Utilities	1,394			1,394		1,394
Administrative	5,019	1,429	164	6,612		6,612
Other	2,550			2,550		2,550
Debt service						
Principal		85,000		85,000	(85,000)	
Interest and fees		115,051		115,051	2,655	117,706
Depreciation					61,273	61,273
Total Expenditures/Expenses	180,118	211,999	547	392,664	(21,072)	371,592
Revenues Over/(Under)						
Expenditures	93,190	(12,117)	(470)	80,603	(80,603)	
Change in Net Position					100,502	100,502
Fund Balance/Net Position						
Beginning of the year	245,578	342,024	21,148	608,750	(1,190,625)	(581,875)
End of the year	\$ 338,768	\$ 329,907	\$ 20,678	\$ 689,353	\$ (1,170,726)	\$ (481,373)

See notes to basic financial statements.

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Fort Bend County Levee Improvement District No. 20
Notes to Basic Financial Statements
March 31, 2017

Note 1 – Summary of Significant Accounting Policies

The accounting policies of Fort Bend County Levee Improvement District No. 20 (the “District”) conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board. The following is a summary of the most significant policies:

Creation

District was organized, created and established pursuant to an order of the Commissioner’s Court of Fort Bend County, Texas dated August 28, 2007, and operates in accordance with the Texas Constitution, Article XVI, Section 59, and the Texas Water Code, Chapters 49 and 57. The Board of Directors held its first meeting on September 5, 2007 and the first bonds were sold on July 7, 2011.

The District’s primary activities include construction, maintenance and operation of a levee system for flood control and drainage purposes. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an appointed three-member board. The Governmental Accounting Standards Board has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statements as component units.

Government-Wide and Fund Financial Statements

Government-wide financial statements display information about the District as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Interfund activity, if any, has been removed from these statements. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities*.

Fund financial statements display information at the individual fund level. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Each fund is considered to be a separate accounting entity. Most governments typically have many funds; however, governmental financial statements focus on the most important or “major” funds with non-major funds aggregated in a single column. The District has three governmental funds, which are all considered major funds.

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

The following is a description of the various funds used by the District:

- The General Fund is used to account for the operations of the District and all other financial transactions not reported in other funds. The principal source of revenue is property taxes. Expenditures include costs associated with the daily operations of the District.
- The Debt Service Fund is used to account for the payment of interest and principal on the District's general long-term debt. The primary source of revenue for debt service is property taxes. Expenditures include costs incurred in assessing and collecting these taxes.
- The Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the District's flood control and drainage facilities.

As a special-purpose government engaged in a single governmental program, the District has opted to combine its government-wide and fund financial statements in a columnar format showing an adjustments column for reconciling items between the two.

Measurement Focus and Basis of Accounting

The government-wide financial statements use 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 revenue in the year for which they are levied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both available and measurable to finance expenditures of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes and interest earned on investments. Property taxes receivable at the end of the fiscal year are treated as deferred inflows because they are not considered available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Note 2 further details the adjustments from the governmental fund presentation to the government-wide presentation.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted resources as they are needed.

Note 1 – Summary of Significant Accounting Policies (continued)

Prepaid Items

Certain payments made by the District reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At March 31, 2017, an allowance for uncollectible accounts was not considered necessary.

Interfund Activity

During the course of operations, transactions occur between individual funds. This can include internal transfers, payables and receivables. This activity is combined as internal balances and is eliminated in both the government-wide and fund financial statement presentation.

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at the estimated fair market value at the date of donation. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciable capital assets, which primarily consist of a levee system and drainage facilities, are depreciated using the straight-line method as follows:

<u>Assets</u>	<u>Useful Life</u>
Drainage	20-40 years

The District's levee system is considered an improvement to land and is non-depreciable.

Deferred Inflows and Outflows of Financial Resources

A deferred inflow of financial resources is the acquisition of resources in one period that is applicable to a future period, while a deferred outflow of financial resources is the consumption of financial resources in one period that is applicable to a future period. A deferred inflow results from the acquisition of an asset without a corresponding revenue or assumption of a liability. A deferred outflow results from the use of an asset without a corresponding expenditure or reduction of a liability.

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred Inflows and Outflows of Financial Resources (continued)

At the fund level, property taxes receivable not collected within 60 days of fiscal year end do not meet the availability criteria required for revenue recognition and are recorded as deferred inflows of financial resources.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

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's nonspendable fund balance consists of prepaid items.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District's restricted fund balances consist of unspent bond proceeds in the Capital Projects Fund and property taxes levied for debt service in the Debt Service Fund.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. 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 has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned - all other spendable amounts in the General Fund.

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

Fort Bend County Levee Improvement District No. 20
Notes to Basic Financial Statements
March 31, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include, among others, the collectibility of receivables; the useful lives and impairment of capital assets; the value of amounts due to developer and the value of capital assets for which the developer has not been fully reimbursed. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

Note 2 – Adjustment from Governmental to Government-wide Basis

Reconciliation of the *Governmental Funds Balance Sheet* to the *Statement of Net Position*

Total fund balance, governmental funds	\$	689,353
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	\$	3,680,302
Less accumulated depreciation		<u>(418,391)</u>
Change due to capital assets		3,261,911
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds, the difference consists of:		
Bonds payable, net		(2,468,924)
Interest payable on bonds		<u>(9,780)</u>
Change due to long-term debt		(2,478,704)
Amounts due to the District's developer for prefunded construction are recorded as a liability in the <i>Statement of Net Position</i> .		(1,961,631)
Property taxes receivable have been levied and are due, but are not available soon enough to pay current period expenditures and, therefore, are deferred in the funds.		7,698
Total net position - governmental activities	<u>\$</u>	<u>(481,373)</u>

Fort Bend County Levee Improvement District No. 20
Notes to Basic Financial Statements
March 31, 2017

Note 2 – Adjustment from Governmental to Government-wide Basis (continued)

Reconciliation of the *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* to the *Statement of Activities*

Net change in fund balances - total governmental funds	\$	80,603
Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the <i>Statement of Activities</i> when earned. The difference is for property taxes.		(1,173)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal uses current financial resources. However, neither transaction has any effect on net assets. Other elements of debt financing are reported differently between the fund and government wide statements.		
Principal payments	\$	85,000
Interest expense accrual		(2,655)
		82,345
In the <i>Statement of Activities</i> , the cost of capital assets is charged to depreciation expense over the estimated useful life of the asset.		(61,273)
Change in net position of governmental activities	\$	100,502

Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

Custodial credit risk as it applies to deposits (i.e. cash) is the risk that, in the event of the failure of the depository institution, a government will not be able to recover its deposits or will not be able to recover collateral securities. The *Public Funds Collateral Act* (Chapter 2257, Texas Government Code) requires that all of the District’s deposits with financial institutions be covered by federal depository insurance and, if necessary, pledged collateral held by a third party custodian. The act further specifies the types of securities that can be used as collateral. The District’s written investment policy establishes additional requirements for collateralization of deposits.

Fort Bend County Levee Improvement District No. 20
Notes to Basic Financial Statements
March 31, 2017

Note 3 – Deposits and Investments (continued)

Investments

The District is authorized by the *Public Funds Investment Act* (Chapter 2256, Texas Government Code) to invest in the following: (1) obligations of the United States or its agencies and instrumentalities, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies or instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (5) certain A rated or higher obligations of states and political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) insured or collateralized certificates of deposit, (8) certain fully collateralized repurchase agreements, (9) bankers’ acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds, with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

The District has adopted a written investment policy to establish the principles by which the District’s investment program should be managed. This policy further restricts the types of investments in which the District may invest.

As of March 31, 2017, the District’s investments consist of the following:

<u>Type</u>	<u>Fund</u>	<u>Carrying Value</u>	<u>Rating</u>	<u>Weighted Average Maturity</u>
TexPool	General	\$ 318,988	AAAm	108 days
	Debt Service	299,363		
	Capital Projects	16,163		
Total		<u>\$ 634,514</u>		

TexPool

The District participates in TexPool, the Texas Local Government Investment Pool. The State Comptroller of Public Accounts exercises oversight responsibility of TexPool, which includes (1) the ability to significantly influence operations, (2) designation of management and (3) accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

Fort Bend County Levee Improvement District No. 20
Notes to Basic Financial Statements
March 31, 2017

Note 3 – Deposits and Investments (continued)

TexPool (continued)

As permitted by GAAP, TexPool uses amortized cost (which excludes unrealized gains and losses) rather than market value to compute share price and seeks to maintain a constant dollar value per share. Accordingly, the fair value of the District’s position in TexPool is the same as the value of TexPool shares. Investments in TexPool may be withdrawn on a same day basis, as long as the transaction is executed by 3:30 p.m.

Investment Credit and Interest Rate Risk

Investment credit risk is the risk that the investor may not recover the value of an investment from the issuer, while interest rate risk is the risk that the value of an investment will be adversely affected by changes in interest rates. The District’s investment policies do not address investment credit and interest rate risk beyond the rating and maturity restrictions established by state statutes.

Note 4 – Capital Assets

A summary of changes in capital assets, for the year ended March 31, 2017, is as follows:

	Beginning Balances	Additions	Ending Balances
Capital assets not being depreciated			
Land and improvements	\$ 1,386,491	\$ -	\$ 1,386,491
Capital assets being depreciated			
Infrastructure	2,293,811		2,293,811
Less accumulated depreciation	(357,118)	(61,273)	(418,391)
Subtotal depreciable capital assets, net	<u>1,936,693</u>	<u>(61,273)</u>	<u>1,875,420</u>
Capital assets, net	<u>\$ 3,323,184</u>	<u>\$ (61,273)</u>	<u>\$ 3,261,911</u>

Depreciation expense for the current year was \$61,273.

Note 5 – Due to Developer

The District has entered into financing agreements with its developer for the financing of the construction of a levee system and drainage facilities. Under the agreements, the developer will advance funds for the construction of facilities to serve the District. The developer will be reimbursed from proceeds of future bond issues or other lawfully available funds, subject to approval by TCEQ, as applicable. The District does not record the capital asset and related liability on the government-wide statements until construction of the facilities is complete.

The amount due to developer at March 31, 2017 is estimated to be \$1,961,631. There was no change in this liability from the prior year.

Fort Bend County Levee Improvement District No. 20
Notes to Basic Financial Statements
March 31, 2017

Note 6 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	\$ 2,525,000
Unamortized discounts	<u>(56,076)</u>
	<u>\$ 2,468,924</u>
 Due within one year	 <u>\$ 85,000</u>

The District's bonds payable at March 31, 2017, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2011	\$ 1,375,000	\$ 1,500,000	3.75% - 5.50%	September 1, 2013/2036	September 1, March 1	September 1, 2018
2014	1,150,000	1,250,000	2.40% - 4.40%	September 1, 2015/2038	September 1, March 1	September 1, 2022
	<u>\$ 2,525,000</u>					

Payments of principal and interest on all series of bonds are to be provided from taxes levied on all properties within the District. Investment income realized by the Debt Service Fund from investment of idle funds will be used to pay outstanding bond principal and interest. The District is in compliance with the terms of its bond resolutions.

At March 31, 2017, the District had authorized but unissued bonds in the amount of \$47,250,000 for acquiring, constructing and improving flood control and drainage facilities within the District.

The change in the District's long term debt during the year is as follows:

Bonds payable, beginning of year	\$ 2,610,000
Bonds retired	<u>(85,000)</u>
Bonds payable, end of year	<u>\$ 2,525,000</u>

Fort Bend County Levee Improvement District No. 20
Notes to Basic Financial Statements
March 31, 2017

Note 6 – Long-Term Debt (continued)

As of March 31, 2017, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2018	\$ 85,000	\$ 111,242	\$ 196,242
2019	90,000	108,564	198,564
2020	90,000	105,744	195,744
2021	95,000	102,668	197,668
2022	95,000	99,277	194,277
2023	100,000	95,618	195,618
2024	100,000	91,680	191,680
2025	105,000	87,502	192,502
2026	110,000	82,936	192,936
2027	115,000	78,011	193,011
2028	115,000	72,879	187,879
2029	120,000	67,501	187,501
2030	125,000	61,716	186,716
2031	130,000	55,550	185,550
2032	135,000	49,025	184,025
2033	140,000	42,138	182,138
2034	145,000	34,937	179,937
2035	155,000	27,287	182,287
2036	160,000	19,225	179,225
2037	165,000	10,863	175,863
2038	75,000	4,950	79,950
2039	75,000	1,650	76,650
	<u>\$ 2,525,000</u>	<u>\$ 1,410,962</u>	<u>\$ 3,935,962</u>

Note 7 – Property Taxes

On November 6, 2007, the voters of the District authorized the District’s Board of Directors to levy taxes annually for use in financing general operations limited to \$1.50 per \$100 of assessed value. The District’s bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

All property values and exempt status, if any, are determined by the Fort Bend Central Appraisal District. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

Fort Bend County Levee Improvement District No. 20
Notes to Basic Financial Statements
March 31, 2017

Note 7 – Property Taxes (continued)

Property taxes are collected based on rates adopted in the year of the levy. The District's 2017 fiscal year was financed through the 2016 tax levy, pursuant to which the District levied property taxes of \$0.55 per \$100 of assessed value, of which \$0.32 was allocated to maintenance and operations and \$0.23 was allocated to debt service. The resulting tax levy was \$468,370 on the adjusted taxable value of \$85,158,250.

Property taxes receivable, at March 31, 2017, consisted of the following:

Current year taxes receivable	\$	7,638
Prior years taxes receivable		60
Total property taxes receivable	\$	<u>7,698</u>

Note 8 – Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

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Required Supplementary Information

*Fort Bend County Levee Improvement District No. 20
 Required Supplementary Information - Budgetary Comparison Schedule - General Fund
 For the Year Ended March 31, 2017*

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 185,209	\$ 272,404	\$ 87,195
Investment earnings	120	904	784
Total Revenues	<u>185,329</u>	<u>273,308</u>	<u>87,979</u>
Expenditures			
Operating and administrative			
Professional fees	50,000	52,673	(2,673)
Contracted services	34,150	32,400	1,750
Repairs and maintenance	33,040	86,082	(53,042)
Utilities	5,000	1,394	3,606
Administrative	7,900	5,019	2,881
Other		2,550	(2,550)
Total Expenditures	<u>130,090</u>	<u>180,118</u>	<u>(50,028)</u>
Revenues Over Expenditures	55,239	93,190	37,951
Fund Balance			
Beginning of the year	245,578	245,578	
End of the year	<u>\$ 300,817</u>	<u>\$ 338,768</u>	<u>\$ 37,951</u>

Fort Bend County Levee Improvement District No. 20
Notes to Required Supplementary Information
March 31, 2017

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. There were no amendments to the budget during the year.

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Texas Supplementary Information

Fort Bend County Levee Improvement District No. 20
TSI-1. Services and Rates
March 31, 2017

1. Services provided by the District During the Fiscal Year:

- | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------------|----------------------------------------------|
| <input type="checkbox"/> Retail Water | <input type="checkbox"/> Wholesale Water | <input type="checkbox"/> Solid Waste / Garbage | <input checked="" type="checkbox"/> Drainage |
| <input type="checkbox"/> Retail Wastewater | <input type="checkbox"/> Wholesale Wastewater | <input checked="" type="checkbox"/> Flood Control | <input type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks / Recreation | <input type="checkbox"/> Fire Protection | <input type="checkbox"/> Roads | <input type="checkbox"/> Security |
| <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 N/A
 (You may omit this information if your district does not provide retail services)

a. Retail Rates for a 5/8" meter (or equivalent):

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate (Y / N)</u>	<u>Rate per 1,000 Gallons Over Minimum Usage</u>	<u>Usage Levels</u>
Water:	_____	_____	_____	_____	_____ to _____
Wastewater:	_____	_____	_____	_____	_____ to _____
Surcharge:	_____	_____	_____	_____	_____ to _____

District employs winter averaging for wastewater usage? Yes No

Total charges per 10,000 gallons usage: Water _____ Wastewater _____

b. Water and Wastewater Retail Connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFC'S</u>
Unmetered	_____	_____	x 1.0	_____
less than 3/4"	_____	_____	x 1.0	_____
1"	_____	_____	x 2.5	_____
1.5"	_____	_____	x 5.0	_____
2"	_____	_____	x 8.0	_____
3"	_____	_____	x 15.0	_____
4"	_____	_____	x 25.0	_____
6"	_____	_____	x 50.0	_____
8"	_____	_____	x 80.0	_____
10"	_____	_____	x 115.0	_____
Total Water	_____	_____	_____	_____
Total Wastewater	_____	_____	x 1.0	_____

See accompanying auditor's report.

*Fort Bend County Levee Improvement District No. 20
TSI-2 General Fund Expenditures
For the Year Ended March 31, 2017*

Professional fees		
Legal	\$	29,012
Audit		7,500
Engineering		16,161
		<u>52,673</u>
Contracted services		
Bookkeeping		2,400
Operator		30,000
		<u>32,400</u>
Repairs and maintenance		<u>86,082</u>
Utilities		<u>1,394</u>
Administrative		
Directors' fees		1,200
Printing and office supplies		746
Insurance		2,590
Other		483
		<u>5,019</u>
Other		<u>2,550</u>
Total expenditures	\$	<u><u>180,118</u></u>

Reporting of Utility Services in Accordance with HB 3693:

	<u>Usage</u>	<u>Cost</u>
Electrical	26,592 kWh	\$ 3,605
Water	N/A	N/A
Natural Gas	N/A	N/A

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 20
TSI-3. Investments
March 31, 2017

<u>Fund</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>
General				
TexPool	792827928200001	Variable	N/A	\$ 318,988
Debt Service				
TexPool	792827928200002	Variable	N/A	299,363
Capital Projects				
TexPool	792827928200003	Variable	N/A	<u>16,163</u>
Total - All Funds				<u><u>\$ 634,514</u></u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 20
TSI-4. Taxes Levied and Receivable
March 31, 2017

	Maintenance Taxes	Debt Service Taxes	Totals	
Taxes Receivable, Beginning of Year	\$ 4,355	\$ 4,517	\$ 8,872	
Adjustments	17	18	35	
Adjusted Receivable	<u>4,372</u>	<u>4,535</u>	<u>8,907</u>	
2016 Original Tax Levy	265,558	190,870	456,428	
Adjustments	6,948	4,994	11,942	
Adjusted Tax Levy	<u>272,506</u>	<u>195,864</u>	<u>468,370</u>	
Total to be accounted for	<u>276,878</u>	<u>200,399</u>	<u>477,277</u>	
Tax collections:				
Current year	268,062	192,670	460,732	
Prior years	4,343	4,504	8,847	
Total Collections	<u>272,405</u>	<u>197,174</u>	<u>469,579</u>	
Taxes Receivable, End of Year	<u>\$ 4,473</u>	<u>\$ 3,225</u>	<u>\$ 7,698</u>	
Taxes Receivable, By Years				
2016	\$ 4,444	\$ 3,194	\$ 7,638	
2015	29	31	60	
Taxes Receivable, End of Year	<u>\$ 4,473</u>	<u>\$ 3,225</u>	<u>\$ 7,698</u>	
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Property Valuations:				
Land	\$ 19,388,760	\$ 18,825,070	\$ 16,243,520	\$ 15,690,090
Improvements	67,470,090	54,001,850	43,327,100	37,665,770
Personal Property	427,710	460,350	648,800	543,040
Exemptions	(2,128,310)	(3,297,199)	(1,454,530)	(1,090,410)
Total Property Valuations	<u>\$ 85,158,250</u>	<u>\$ 69,990,071</u>	<u>\$ 58,764,890</u>	<u>\$ 52,808,490</u>
Tax Rates per \$100 Valuation:				
Maintenance tax rates	\$ 0.32	\$ 0.27	\$ 0.24	\$ 0.18
Debt service tax rates	0.23	0.28	0.31	0.37
	<u>\$ 0.55</u>	<u>\$ 0.55</u>	<u>\$ 0.55</u>	<u>\$ 0.55</u>
Adjusted Tax Levy:	<u>\$ 468,370</u>	<u>\$ 384,945</u>	<u>\$ 323,207</u>	<u>\$ 290,447</u>
Percentage of Taxes Collected to Taxes Levied **	<u>98.37%</u>	<u>99.98%</u>	<u>100.00%</u>	<u>100.00%</u>

* Maximum Maintenance Tax Rate Approved by Voters: \$1.50 on November 6, 2007

** Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 20
TSI-5. Long-Term Debt Service Requirements
Series 2011--by Years
March 31, 2017

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2018	\$ 35,000	\$ 69,692	\$ 104,692
2019	40,000	68,214	108,214
2020	40,000	66,594	106,594
2021	45,000	64,818	109,818
2022	45,000	62,877	107,877
2023	50,000	60,743	110,743
2024	50,000	58,405	108,405
2025	55,000	55,877	110,877
2026	60,000	53,036	113,036
2027	65,000	49,911	114,911
2028	65,000	46,629	111,629
2029	70,000	43,151	113,151
2030	75,000	39,316	114,316
2031	80,000	35,150	115,150
2032	85,000	30,662	115,662
2033	90,000	25,850	115,850
2034	95,000	20,762	115,762
2035	105,000	15,262	120,262
2036	110,000	9,350	119,350
2037	115,000	3,163	118,163
	<u>\$ 1,375,000</u>	<u>\$ 879,462</u>	<u>\$ 2,254,462</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 20
TSI-5. Long-Term Debt Service Requirements
Series 2014--by Years
March 31, 2017

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2018	\$ 50,000	\$ 41,550	\$ 91,550
2019	50,000	40,350	90,350
2020	50,000	39,150	89,150
2021	50,000	37,850	87,850
2022	50,000	36,400	86,400
2023	50,000	34,875	84,875
2024	50,000	33,275	83,275
2025	50,000	31,625	81,625
2026	50,000	29,900	79,900
2027	50,000	28,100	78,100
2028	50,000	26,250	76,250
2029	50,000	24,350	74,350
2030	50,000	22,400	72,400
2031	50,000	20,400	70,400
2032	50,000	18,363	68,363
2033	50,000	16,288	66,288
2034	50,000	14,175	64,175
2035	50,000	12,025	62,025
2036	50,000	9,875	59,875
2037	50,000	7,700	57,700
2038	75,000	4,950	79,950
2039	75,000	1,650	76,650
	<u>\$ 1,150,000</u>	<u>\$ 531,500</u>	<u>\$ 1,681,500</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 20
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
March 31, 2017

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2018	\$ 85,000	\$ 111,242	\$ 196,242
2019	90,000	108,564	198,564
2020	90,000	105,744	195,744
2021	95,000	102,668	197,668
2022	95,000	99,277	194,277
2023	100,000	95,618	195,618
2024	100,000	91,680	191,680
2025	105,000	87,502	192,502
2026	110,000	82,936	192,936
2027	115,000	78,011	193,011
2028	115,000	72,879	187,879
2029	120,000	67,501	187,501
2030	125,000	61,716	186,716
2031	130,000	55,550	185,550
2032	135,000	49,025	184,025
2033	140,000	42,138	182,138
2034	145,000	34,937	179,937
2035	155,000	27,287	182,287
2036	160,000	19,225	179,225
2037	165,000	10,863	175,863
2038	75,000	4,950	79,950
2039	75,000	1,650	76,650
	<u>\$ 2,525,000</u>	<u>\$ 1,410,962</u>	<u>\$ 3,935,962</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 20
TSI-6. Change in Long-Term Bonded Debt
March 31, 2017

	Bond Issue		Totals
	Series 2011	Series 2014	
Interest rate	3.75% - 5.50%	2.40% - 4.40%	
Dates interest payable	9/1; 3/1	9/1; 3/1	
Maturity dates	9/1/13 - 9/1/36	9/1/15 - 9/1/38	
Beginning bonds outstanding	\$ 1,410,000	\$ 1,200,000	\$ 2,610,000
Bonds retired	(35,000)	(50,000)	(85,000)
Ending bonds outstanding	<u>\$ 1,375,000</u>	<u>\$ 1,150,000</u>	<u>\$ 2,525,000</u>
Interest paid during fiscal year	<u>\$ 71,026</u>	<u>\$ 42,750</u>	<u>\$ 113,776</u>
Paying agent's name and city			
Series 2011	Wells Fargo Bank, N.A., Fort Worth, Texas		
Series 2014	Bank of New York Mellon Trust Company, N.A., Dallas, Texas		
Bond Authority:	Levee Bonds		
Amount Authorized by Voters	\$ 50,000,000		
Amount Issued	(2,750,000)		
Remaining To Be Issued	<u>\$ 47,250,000</u>		

All bonds are secured with tax revenues. Bonds may also be secured with other revenues in combination with taxes.

Debt Service Fund cash and investments balances as of March 31, 2017: \$ 329,907

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 178,907

See accompanying auditors' report.

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Fort Bend County Levee Improvement District No. 20
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2017	2016	2015	2014	2013
Revenues					
Property taxes	\$ 272,404	\$ 186,480	\$ 140,219	\$ 95,638	\$ 148,015
Investment earnings	904	315	105	333	192
Total Revenues	<u>273,308</u>	<u>186,795</u>	<u>140,324</u>	<u>95,971</u>	<u>148,207</u>
Expenditures					
Operating and administrative					
Professional fees	52,673	59,002	54,012	66,222	22,127
Contracted services	32,400	19,200	7,750	7,349	10,424
Repairs and maintenance	86,082	74,051	58,888	55,130	17,036
Utilities	1,394	7,010	1,668	3,750	2,915
Administrative	5,019	7,887	8,455	8,314	9,288
Other	2,550				
Total Expenditures	<u>180,118</u>	<u>167,150</u>	<u>130,773</u>	<u>140,765</u>	<u>61,790</u>
Revenues Over (Under) Expenditures	<u>\$ 93,190</u>	<u>\$ 19,645</u>	<u>\$ 9,551</u>	<u>\$ (44,794)</u>	<u>\$ 86,417</u>

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues

2017	2016	2015	2014	2013
100%	100%	100%	100%	100%
*	*	*	*	*
100%	100%	100%	100%	100%
19%	32%	38%	69%	15%
12%	10%	6%	8%	7%
31%	40%	42%	57%	11%
1%	4%	1%	4%	2%
2%	4%	6%	9%	6%
1%				
66%	90%	93%	147%	41%
34%	10%	7%	(47%)	59%

Fort Bend County Levee Improvement District No. 20
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Five Fiscal Years

	Amounts				
	2017	2016	2015	2014	2013
Revenues					
Property taxes	\$ 197,174	\$ 196,034	\$ 182,276	\$ 193,018	\$ 67,789
Penalties and interest	1,593	1,307	878	1,040	275
Accrued interest on bonds sold			3,341		
Investment earnings	1,115	392	113	88	232
Total Revenues	<u>199,882</u>	<u>197,733</u>	<u>186,608</u>	<u>194,146</u>	<u>68,296</u>
Expenditures					
Tax collection services	11,948	11,275	10,518	10,182	9,742
Debt service					
Principal	85,000	80,000	30,000	30,000	
Interest and fees	115,051	117,470	101,050	75,133	75,733
Total Expenditures	<u>211,999</u>	<u>208,745</u>	<u>141,568</u>	<u>115,315</u>	<u>85,475</u>
Revenues Over (Under) Expenditures	<u>\$ (12,117)</u>	<u>\$ (11,012)</u>	<u>\$ 45,040</u>	<u>\$ 78,831</u>	<u>\$ (17,179)</u>

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues

2017	2016	2015	2014	2013
98%	99%	98%	99%	100%
1%	1%	*	1%	*
		2%		
1%	*	*	*	*
100%	100%	100%	100%	100%
6%	6%	6%	5%	14%
43%	40%	16%	15%	
58%	59%	54%	39%	111%
107%	105%	76%	59%	125%
(7%)	(5%)	24%	41%	(25%)

**Fort Bend County Levee Improvement District No. 20
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended March 31, 2017**

Complete District Mailing Address: 3200 Southwest Freeway, Suite 2600, Houston, TX 77027
 District Business Telephone Number: (713) 860-6400
 Submission Date of the most recent District Registration Form
 (TWC Sections 36.054 and 49.054): November 3, 2015
 Limit on Fees of Office that a Director may receive during a fiscal year: \$ 7,200
 (Set by Board Resolution -- TWC Section 49.0600)

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse- ments	Title at Year End
Board Members				
S. Scott West	8/2007 **	\$ -	\$ -	President
Jeffrey R. Singer	8/2007 **	600		Vice President
David Hunter	8/2007 **	600		Secretary
** No term expiration				
		<u>Amounts Paid</u>		
Consultants				
Allen Boone Humphries Robinson LLP <i>General legal fees</i>	9/2007	\$ 29,134		Attorney
Storm Water Solutions	06/2015	113,059		Operator
FSG Information Systems, LP	11/2015	2,756		Bookkeeper
Tax Tech, Inc.	9/2007	7,905		Tax Collector
Fort Bend Central Appraisal District	Legislation	2,614		Property Valuation
Perdue, Brandon, Fielder, Collins & Mott LLP	4/2008	582		Delinquent Tax Attorney
Sherrington/Humble, Inc.	4/2008	16,162		Engineer
McGrath & Co., PLLC	Annual	7,500		Auditor
FirstSouthwest, a Division of Hilltop Securities	9/2007			Financial Advisor

* *Fees of Office* are the amounts actually paid to a director during the District's fiscal year.
 See accompanying auditors' report.