

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

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

March 31, 2018

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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, 2018, 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, 2018, 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.

McGrath & Co, PLLC

Houston, Texas
July 26, 2018

Management's Discussion and Analysis

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***Fort Bend County Levee Improvement District No. 20
Management's Discussion and Analysis
March 31, 2018***

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, 2018. 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, 2018

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, 2018, was negative \$303,292. A comparative summary of the District's overall financial position, as of March 31, 2018 and 2017, is as follows:

	2018	2017
Current and other assets	\$ 870,609	\$ 709,160
Capital assets	3,200,638	3,261,911
Total assets	<u>4,071,247</u>	<u>3,971,071</u>
Current liabilities	116,330	106,889
Long-term liabilities	4,258,209	4,345,555
Total liabilities	<u>4,374,539</u>	<u>4,452,444</u>
Net position		
Net investment in capital assets	(1,128,079)	(1,147,966)
Restricted	343,038	323,352
Unrestricted	481,749	343,241
Total net position	<u>\$ (303,292)</u>	<u>\$ (481,373)</u>

Fort Bend County Levee Improvement District No. 20
Management's Discussion and Analysis
March 31, 2018

The total net position of the District increased during the current fiscal year by \$178,081. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	2018	2017
Revenues		
Property taxes, penalties and interest	\$ 544,520	\$ 469,998
Other	32,360	2,096
Total revenues	<u>576,880</u>	<u>472,094</u>
Expenses		
Operating and administrative	222,354	192,613
Interest and fees	115,172	117,706
Depreciation	61,273	61,273
Total expenses	<u>398,799</u>	<u>371,592</u>
Change in net position	178,081	100,502
Net position, beginning of year	<u>(481,373)</u>	<u>(581,875)</u>
Net position, end of year	<u>\$ (303,292)</u>	<u>\$ (481,373)</u>

Financial Analysis of the District's Funds

The District's combined fund balances, as of March 31, 2018, were \$843,317, which consists of \$475,499 in the General Fund, \$348,326 in the Debt Service Fund and \$19,492 in the Capital Projects Fund.

General Fund

A comparative summary of the General Fund's financial position as of March 31, 2018 and 2017 is as follows:

	2018	2017
Total assets	<u>\$ 498,151</u>	<u>\$ 355,151</u>
Total liabilities	\$ 16,402	\$ 11,910
Total deferred inflows	6,250	4,473
Total fund balance	<u>475,499</u>	<u>338,768</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 498,151</u>	<u>\$ 355,151</u>

***Fort Bend County Levee Improvement District No. 20
Management's Discussion and Analysis
March 31, 2018***

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

	<u>2018</u>	<u>2017</u>
Total revenues	\$ 343,591	\$ 273,308
Total expenditures	(206,860)	(180,118)
Revenues over expenditures	<u>\$ 136,731</u>	<u>\$ 93,190</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, which is dependent upon assessed values in the District and the maintenance tax rate set by the District. Property tax revenues increased from prior year because assessed values increased from prior year.

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of March 31, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Total assets	\$ 352,966	\$ 333,132
Total deferred inflows	\$ 4,492	\$ 3,225
Total fund balance	348,326	329,907
Total deferred inflows and fund balance	<u>\$ 352,966</u>	<u>\$ 333,132</u>

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

	<u>2018</u>	<u>2017</u>
Total revenues	\$ 229,671	\$ 199,882
Total expenditures	(211,252)	(211,999)
Revenues over/(under) expenditures	<u>\$ 18,419</u>	<u>\$ (12,117)</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 will result in changes 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, 2018**

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of March 31, 2018 and 2017 is as follows:

	2018	2017
Total assets	<u>\$ 19,492</u>	<u>\$ 20,877</u>
Total liabilities	\$ -	\$ 199
Total fund balance	<u>19,492</u>	<u>20,678</u>
Total liabilities and fund balance	<u>\$ 19,492</u>	<u>\$ 20,877</u>

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

	2018	2017
Total revenues	\$ 573	\$ 77
Total expenditures	<u>(1,759)</u>	<u>(547)</u>
Revenues under expenditures	<u>\$ (1,186)</u>	<u>\$ (470)</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 \$46,049 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, 2018

Capital assets held by the District at March 31, 2018 and 2017 are summarized as follows:

	<u>2018</u>	<u>2017</u>
Capital assets not being depreciated		
Land and improvements	<u>\$ 1,386,491</u>	<u>\$ 1,386,491</u>
Capital assets being depreciated		
Infrastructure	2,293,811	2,293,811
Less accumulated depreciation	<u>(479,664)</u>	<u>(418,391)</u>
Depreciable capital assets, net	<u>1,814,147</u>	<u>1,875,420</u>
Capital assets, net	<u><u>\$ 3,200,638</u></u>	<u><u>\$ 3,261,911</u></u>

Long-Term Debt and Related Liabilities

As of March 31, 2018, the District owes a developer \$1,961,631 for completed projects. The District intends to reimburse the developer from proceeds of future bond issues.

At March 31, 2018 and 2017, the District had total bonded debt outstanding as shown below:

<u>Series</u>	<u>2018</u>	<u>2017</u>
2011	\$ 1,340,000	\$ 1,375,000
2014	1,100,000	1,150,000
	<u><u>\$ 2,440,000</u></u>	<u><u>\$ 2,525,000</u></u>

At March 31, 2018, 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>2018 Actual</u>	<u>2019 Budget</u>
Total revenues	\$ 343,591	\$ 314,454
Total expenditures	<u>(206,860)</u>	<u>(166,010)</u>
Revenues over expenditures	136,731	148,444
Beginning fund balance	338,768	475,499
Ending fund balance	<u><u>\$ 475,499</u></u>	<u><u>\$ 623,943</u></u>

Basic Financial Statements

Fort Bend County Levee Improvement District No. 20
Statement of Net Position and Governmental Funds Balance Sheet
March 31, 2018

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 1,330	\$ 43,413	\$ 2,768	\$ 47,511	\$ -	\$ 47,511
Investments	480,156	149,046	176,724	805,926		805,926
Taxes receivable	6,250	4,492		10,742		10,742
Internal balances	3,985	156,015	(160,000)			
Prepaid items	6,430			6,430		6,430
Capital assets not being depreciated					1,386,491	1,386,491
Capital assets, net					1,814,147	1,814,147
Total Assets	\$ 498,151	\$ 352,966	\$ 19,492	\$ 870,609	3,200,638	4,071,247
Liabilities						
Accounts payable	\$ 16,402	\$ -	\$ -	\$ 16,402		16,402
Other payables		148		148		148
Accrued interest payable					9,780	9,780
Due to developer					1,961,631	1,961,631
Long-term debt						
Due within one year					90,000	90,000
Due after one year					2,296,578	2,296,578
Total Liabilities	16,402	148		16,550	4,357,989	4,374,539
Deferred Inflows of Resources						
Deferred property taxes	6,250	4,492		10,742	(10,742)	
Fund Balances/Net Position						
Fund Balances						
Nonspendable	6,430			6,430	(6,430)	
Restricted		348,326	19,492	367,818	(367,818)	
Unassigned	469,069			469,069	(469,069)	
Total Fund Balances	475,499	348,326	19,492	843,317	(843,317)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 498,151	\$ 352,966	\$ 19,492	\$ 870,609		
Net Position						
Net investment in capital assets					(1,128,079)	(1,128,079)
Restricted for debt service					343,038	343,038
Unrestricted					481,749	481,749
Total Net Position					\$ (303,292)	\$ (303,292)

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, 2018**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	\$ 314,103	\$ 225,761	\$ -	\$ 539,864	\$ 3,045	\$ 542,909
Penalties and interest		1,611		1,611		1,611
Miscellaneous	26,351	63		26,414		26,414
Investment earnings	3,137	2,236	573	5,946		5,946
Total Revenues	343,591	229,671	573	573,835	3,045	576,880
Expenditures/Expenses						
Operating and administrative						
Professional fees	47,083		1,747	48,830		48,830
Contracted services	37,294	11,602		48,896		48,896
Repairs and maintenance	104,934			104,934		104,934
Utilities	7,765			7,765		7,765
Administrative	9,425	1,402		10,827		10,827
Other	359	731	12	1,102		1,102
Debt service						
Principal		85,000		85,000	(85,000)	
Interest and fees		112,517		112,517	2,655	115,172
Depreciation					61,273	61,273
Total Expenditures/Expenses	206,860	211,252	1,759	419,871	(21,072)	398,799
Revenues Over/(Under)						
Expenditures	136,731	18,419	(1,186)	153,964	(153,964)	
Change in Net Position						
Fund Balance/Net Position					178,081	178,081
Beginning of the year	338,768	329,907	20,678	689,353	(1,170,726)	(481,373)
End of the year	\$ 475,499	\$ 348,326	\$ 19,492	\$ 843,317	\$ (1,146,609)	\$ (303,292)

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, 2018

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

The 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 purposed. 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, 2018, 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.

Net Position – Governmental Activities

Governmental accounting standards establish the following three components of net position:

Net investment in capital assets – represents the District’s investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets.

Restricted – consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties.

Unrestricted – resources not included in the other components.

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.

Fort Bend County Levee Improvement District No. 20
Notes to Basic Financial Statements
March 31, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds (continued)

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.

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

Total fund balance, governmental funds	\$	843,317
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>(479,664)</u>
Change due to capital assets		3,200,638
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		(2,386,578)
Interest payable on bonds		<u>(9,780)</u>
Change due to long-term debt		(2,396,358)
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.		10,742
Total net position - governmental activities	<u>\$</u>	<u>(303,292)</u>

Fort Bend County Levee Improvement District No. 20
Notes to Basic Financial Statements
March 31, 2018

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	\$	153,964
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.		3,045
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		<u>(2,655)</u>
		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	<u>\$</u>	<u>178,081</u>

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, 2018

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, including letters of credit, of the United States or its agencies and instrumentalities, including Federal Home Loan Banks, (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) certain insured or collateralized certificates of deposit and share certificates, (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, 2018, the District’s investments consist of the following:

Type	Fund	Carrying Value	Rating	Weighted Average Maturity
TexPool	General	\$ 480,156	AAAm	35 days
	Debt Service	149,046		
	Capital Projects	176,724		
Total		<u>\$ 805,926</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, 2018

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 – Interfund Balances

Amounts due to/from other funds at March 31, 2018, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>	<u>Purpose</u>
General Fund	Debt Service Fund	\$ 3,985	Maintenance tax collections not remitted as of year end
Debt Service Fund	Capital Projects Fund	160,000	Debt service collections erroneously transferred to Capital Projects Fund

Amounts reported as internal balances between funds are considered temporary balances and will be paid during the following fiscal year.

Fort Bend County Levee Improvement District No. 20
Notes to Basic Financial Statements
March 31, 2018

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended March 31, 2018, 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	(418,391)	(61,273)	(479,664)
Subtotal depreciable capital assets, net	1,875,420	(61,273)	1,814,147
Capital assets, net	\$ 3,261,911	\$ (61,273)	\$ 3,200,638

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

Note 6 – 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, 2018 is \$1,961,631. There was no change in this liability from the prior year.

Note 7 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	\$ 2,440,000
Unamortized discounts	(53,422)
	<u>\$ 2,386,578</u>
Due within one year	<u>\$ 90,000</u>

Fort Bend County Levee Improvement District No. 20
Notes to Basic Financial Statements
March 31, 2018

Note 7 – Long-Term Debt (continued)

The District’s bonds payable at March 31, 2018, 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	\$ 1,340,000	\$ 1,500,000	3.75% - 5.50%	September 1, 2013/2036	September 1, March 1	September 1, 2018
2014	1,100,000	1,250,000	2.40% - 4.40%	September 1, 2015/2038	September 1, March 1	September 1, 2022
	<u>\$ 2,440,000</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, 2018, 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	\$ 2,525,000
Bonds retired	(85,000)
Bonds payable, end of year	<u>\$ 2,440,000</u>

Fort Bend County Levee Improvement District No. 20
Notes to Basic Financial Statements
March 31, 2018

Note 7 – Long-Term Debt (continued)

As of March 31, 2018, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
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>\$ 2,440,000</u>	<u>\$ 1,299,720</u>	<u>\$ 3,739,720</u>

Note 8 – 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, 2018

Note 8 – Property Taxes (continued)

Property taxes are collected based on rates adopted in the year of the levy. The District's 2018 fiscal year was financed through the 2017 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 \$543,720 on the adjusted taxable value of \$98,858,145.

Note 9 – 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.

Note 10 – Subsequent Event

On June 28, 2018, the District approved the sale of its \$2,450,000 Series 2018 Unlimited Tax Levee Improvement Bonds at a net effective interest rate of 3.859401%. Proceeds from the bonds will be used to reimburse developers for infrastructure improvements in the District. The sale is scheduled to close on July 31, 2018.

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, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 267,056	\$ 314,103	\$ 47,047
Miscellaneous		26,351	26,351
Investment earnings	696	3,137	2,441
Total Revenues	<u>267,752</u>	<u>343,591</u>	<u>75,839</u>
Expenditures			
Operating and administrative			
Professional fees	58,500	47,083	11,417
Contracted services	34,150	37,294	(3,144)
Repairs and maintenance	72,240	104,934	(32,694)
Utilities	3,500	7,765	(4,265)
Administrative	8,680	9,425	(745)
Other		359	(359)
Total Expenditures	<u>177,070</u>	<u>206,860</u>	<u>(29,790)</u>
Revenues Over Expenditures	90,682	136,731	46,049
Fund Balance			
Beginning of the year	338,768	338,768	
End of the year	<u>\$ 429,450</u>	<u>\$ 475,499</u>	<u>\$ 46,049</u>

Fort Bend County Levee Improvement District No. 20
Notes to Required Supplementary Information
March 31, 2018

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, 2018

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-1. Services and Rates
March 31, 2018

3. Total Water Consumption during the fiscal year (rounded to the nearest thousand):
 (You may omit this information if your district does not provide water)

Gallons pumped into system:	<u> N/A </u>	Water Accountability Ratio:
		(Gallons billed / Gallons pumped)
Gallons billed to customers:	<u> N/A </u>	<u> N/A </u>

4. Standby Fees (authorized only under TWC Section 49.231):
 (You may omit this information if your district does not levy standby fees)

Does the District have Debt Service 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 (required for first audit year or when information changes,
 otherwise this information may be omitted):

Is the District located entirely within one county? Yes No

County(ies) in which the District is located: Fort Bend County

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

City(ies) in which the District is located: _____

Is the District located within a city's extra territorial jurisdiction (ETJ)?
 Entirely Partly Not at all

ETJs in which the District is located: City of Richmond

Are Board members appointed by an office outside the district? Yes No

If Yes, by whom? Fort Bend Commissioners Court

See accompanying auditors' report.

*Fort Bend County Levee Improvement District No. 20
 TSI-2 General Fund Expenditures
 For the Year Ended March 31, 2018*

Professional fees		
Legal		\$ 30,555
Audit		7,500
Engineering		9,028
		<u>47,083</u>
Contracted services		
Bookkeeping		7,294
Operator		30,000
		<u>37,294</u>
Repairs and maintenance		<u>104,934</u>
Utilities		<u>7,765</u>
Administrative		
Directors' fees		900
Printing and office supplies		919
Insurance		5,472
Other		2,134
		<u>9,425</u>
Other		<u>359</u>
Total expenditures		<u><u>\$ 206,860</u></u>

Reporting of Utility Services in Accordance with HB 3693:

	<u>Usage</u>	<u>Cost</u>
Electrical	35,520 kWh	\$ 7,765
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, 2018

<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	\$ 480,156
Debt Service				
TexPool	792827928200002	Variable	N/A	149,046
Capital Projects				
TexPool	792827928200003	Variable	N/A	<u>176,724</u>
Total - All Funds				<u><u>\$ 805,926</u></u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 20
TSI-4. Taxes Levied and Receivable
March 31, 2018

	Maintenance Taxes	Debt Service Taxes	Totals	
Taxes Receivable, Beginning of Year	\$ 4,473	\$ 3,225	\$ 7,698	
Adjustments	(371)	(441)	(812)	
Adjusted Receivable	4,102	2,784	6,886	
2017 Original Tax Levy	313,373	225,237	538,610	
Adjustments	2,973	2,137	5,110	
Adjusted Tax Levy	316,346	227,374	543,720	
Total to be accounted for	320,448	230,158	550,606	
Tax collections:				
Current year	310,096	222,881	532,977	
Prior years	4,102	2,785	6,887	
Total Collections	314,198	225,666	539,864	
Taxes Receivable, End of Year	\$ 6,250	\$ 4,492	\$ 10,742	
Taxes Receivable, By Years				
2017	\$ 6,250	\$ 4,492	\$ 10,742	
	2017	2016	2015	2014
Property Valuations:				
Land	\$ 21,713,960	\$ 19,388,760	\$ 18,825,070	\$ 15,291,810
Improvements	78,325,150	66,959,520	52,089,550	44,253,010
Personal Property	425,840	427,710	460,350	648,800
Exemptions	(1,606,805)	(1,642,160)	(1,427,999)	(1,451,480)
Total Property Valuations	\$ 98,858,145	\$ 85,133,830	\$ 69,946,971	\$ 58,742,140
Tax Rates per \$100 Valuation:				
Maintenance tax rates	\$ 0.32	\$ 0.32	\$ 0.27	\$ 0.24
Debt service tax rates	0.23	0.23	0.28	0.31
	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55
Adjusted Tax Levy:	\$ 543,720	\$ 468,236	\$ 384,708	\$ 323,082
Percentage of Taxes Collected to Taxes Levied **	98.02%	100.00%	100.00%	100.00%

* 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, 2018

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
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>\$ 1,340,000</u>	<u>\$ 809,770</u>	<u>\$ 2,149,770</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, 2018

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
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>\$ 1,100,000</u>	<u>\$ 489,950</u>	<u>\$ 1,589,950</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, 2018

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
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>\$ 2,440,000</u>	<u>\$ 1,299,720</u>	<u>\$ 3,739,720</u>

See accompanying auditors' report.

Fort Bend County Levee Improvement District No. 20
TSI-6. Change in Long-Term Bonded Debt
March 31, 2018

	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	\$ 1,375,000	\$ 1,150,000	\$ 2,525,000
Bonds retired	(35,000)	(50,000)	(85,000)
Ending bonds outstanding	<u>\$ 1,340,000</u>	<u>\$ 1,100,000</u>	<u>\$ 2,440,000</u>
Interest paid during fiscal year	<u>\$ 69,692</u>	<u>\$ 41,550</u>	<u>\$ 111,242</u>
Paying agent's name and city	Wells Fargo Bank, N.A., Fort Worth, Texas		
Series 2011	Bank of New York Mellon Trust Company, N.A., Dallas, Texas		
Series 2014	<u>Bank of New York Mellon Trust Company, N.A., Dallas, Texas</u>		
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, 2018: \$ 192,459

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 178,082

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				
	2018	2017	2016	2015	2014
Revenues					
Property taxes	\$ 314,103	\$ 272,404	\$ 186,480	\$ 140,219	\$ 95,638
Miscellaneous	26,351				
Investment earnings	3,137	904	315	105	333
Total Revenues	<u>343,591</u>	<u>273,308</u>	<u>186,795</u>	<u>140,324</u>	<u>95,971</u>
Expenditures					
Operating and administrative					
Professional fees	47,083	52,673	59,002	54,012	66,222
Contracted services	37,294	32,400	19,200	7,750	7,349
Repairs and maintenance	104,934	86,082	74,051	58,888	55,130
Utilities	7,765	1,394	7,010	1,668	3,750
Administrative	9,425	5,019	7,887	8,455	8,314
Other	359	2,550			
Total Expenditures	<u>206,860</u>	<u>180,118</u>	<u>167,150</u>	<u>130,773</u>	<u>140,765</u>
Revenues Over (Under) Expenditures	<u>\$ 136,731</u>	<u>\$ 93,190</u>	<u>\$ 19,645</u>	<u>\$ 9,551</u>	<u>\$ (44,794)</u>

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues

2018	2017	2016	2015	2014
91%	100%	100%	100%	100%
8%				
1%	*	*	*	*
100%	100%	100%	100%	100%
14%	19%	32%	38%	69%
11%	12%	10%	6%	8%
31%	31%	40%	42%	57%
2%	1%	4%	1%	4%
3%	2%	4%	6%	9%
*	1%			
61%	66%	90%	93%	147%
39%	34%	10%	7%	(47%)

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				
	2018	2017	2016	2015	2014
Revenues					
Property taxes	\$ 225,761	\$ 197,174	\$ 196,034	\$ 182,276	\$ 193,018
Penalties and interest	1,611	1,593	1,307	878	1,040
Miscellaneous	63				
Accrued interest on bonds sold				3,341	
Investment earnings	2,236	1,115	392	113	88
Total Revenues	<u>229,671</u>	<u>199,882</u>	<u>197,733</u>	<u>186,608</u>	<u>194,146</u>
Expenditures					
Tax collection services	13,735	11,948	11,275	10,518	10,182
Debt service					
Principal	85,000	85,000	80,000	30,000	30,000
Interest and fees	112,517	115,051	117,470	101,050	75,133
Total Expenditures	<u>211,252</u>	<u>211,999</u>	<u>208,745</u>	<u>141,568</u>	<u>115,315</u>
Revenues Over (Under) Expenditures	<u>\$ 18,419</u>	<u>\$ (12,117)</u>	<u>\$ (11,012)</u>	<u>\$ 45,040</u>	<u>\$ 78,831</u>

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues

2018	2017	2016	2015	2014
98%	98%	99%	98%	99%
1%	1%	1%	*	1%
*				
			2%	
1%	1%	*	*	*
100%	100%	100%	100%	100%
6%	6%	6%	6%	5%
37%	43%	40%	16%	15%
49%	58%	59%	54%	39%
92%	107%	105%	76%	59%
8%	(7%)	(5%)	24%	41%

**Fort Bend County Levee Improvement District No. 20
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended March 31, 2018**

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): March 28, 2018
 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				
Jared L. Biermann	3/18 - 8/19	\$ 150	\$ 13	President
Jeffrey R. Singer	8/07 - 8/19	300		Vice President
David Hunter	8/07 - 8/19	300		Secretary
S. Scott West	8/07 - 3/18	150		Former Director
Consultants				
		<u>Amounts Paid</u>		
Allen Boone Humphries Robinson LLP <i>General legal fees</i>	2007	\$ 33,169		Attorney
LID Solutions	2017	26,236		Operator
Storm Water Solutions	2015	65,248		Former Operator
Municipal Accounts & Consulting, LP	2018	8,343		Bookkeeper
Tax Tech, Inc.	2007	8,404		Tax Collector
Fort Bend Central Appraisal District	Legislation	3,135		Property Valuation
Perdue, Brandon, Fielder, Collins & Mott LLP	2008	63		Delinquent Tax Attorney
Sherrington/Humble, Inc.	2008	18,890		Engineer
McGrath & Co., PLLC	Annual	7,500		Auditor
Robert W. Baird & Co., Inc	2018			Financial Advisor
FirstSouthwest, a Division of Hilltop Securities	2007			Former Financial Advisor

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