

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

**FORT BEND COUNTY, TEXAS**

**FINANCIAL REPORT**

**March 31, 2019**



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# McGRATH & CO., PLLC

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Houston, Texas 77063

## 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, 2019, and the related notes to the financial statements, which collectively comprise the District's 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, 2019, 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**

*Required Supplementary Information*

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 to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Supplementary Information 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.

*W. G. Mathis & Co., P.C.*

Houston, Texas  
July 25, 2019

## **Management's Discussion and Analysis**

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***Fort Bend County Levee Improvement District No. 20  
Management's Discussion and Analysis  
March 31, 2019***

**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, 2019. 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, 2019**

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, 2019, was negative \$677,664. A comparative summary of the District's overall financial position, as of March 31, 2019 and 2018, is as follows:

	2019	2018
Current and other assets	\$ 1,158,026	\$ 870,609
Capital assets	3,301,872	3,200,638
Total assets	<u>4,459,898</u>	<u>4,071,247</u>
Current liabilities	186,849	116,330
Long-term liabilities	4,950,713	4,258,209
Total liabilities	<u>5,137,562</u>	<u>4,374,539</u>
Net position		
Net investment in capital assets	(1,753,822)	(1,128,079)
Restricted	457,347	343,038
Unrestricted	618,811	481,749
Total net position	<u>\$ (677,664)</u>	<u>\$ (303,292)</u>

**Fort Bend County Levee Improvement District No. 20**  
**Management's Discussion and Analysis**  
**March 31, 2019**

The total net position of the District decreased during the current fiscal year by \$374,372. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	2019	2018
Revenues		
Property taxes, penalties and interest	\$ 599,014	\$ 544,520
Other	82,038	32,360
Total revenues	<u>681,052</u>	<u>576,880</u>
Expenses		
Operating and administrative	267,532	222,354
Debt interest and fees	175,372	115,172
Developer interest	321,784	
Debt issuance costs	223,641	
Depreciation	67,095	61,273
Total expenses	<u>1,055,424</u>	<u>398,799</u>
Change in net position	(374,372)	178,081
Net position, beginning of year	(303,292)	(481,373)
Net position, end of year	<u>\$ (677,664)</u>	<u>\$ (303,292)</u>

**Financial Analysis of the District's Funds**

The District's combined fund balances, as of March 31, 2019, were \$1,121,356, which consists of \$615,880 in the General Fund, \$470,457 in the Debt Service Fund, and \$35,019 in the Capital Projects Fund.

*General Fund*

A comparative summary of the General Fund's financial position as of March 31, 2019 and 2018 is as follows:

	2019	2018
Total assets	<u>\$ 646,110</u>	<u>\$ 498,151</u>
Total liabilities	\$ 27,299	\$ 16,402
Total deferred inflows	2,931	6,250
Total fund balance	615,880	475,499
Total liabilities, deferred inflows and fund balance	<u>\$ 646,110</u>	<u>\$ 498,151</u>

***Fort Bend County Levee Improvement District No. 20  
Management's Discussion and Analysis  
March 31, 2019***

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

	<u>2019</u>	<u>2018</u>
Total revenues	\$ 338,551	\$ 343,591
Total expenditures	<u>(198,170)</u>	<u>(206,860)</u>
Revenues over expenditures	<u>\$ 140,381</u>	<u>\$ 136,731</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 are dependent upon assessed values in the District and the maintenance tax rate set by the District. While assessed values in the District increased from the prior year, property tax revenues decreased because the District decreased the maintenance component of the levy.

*Debt Service Fund*

A comparative summary of the Debt Service Fund's financial position as of March 31, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Total assets	<u>\$ 474,720</u>	<u>\$ 352,966</u>
Total liabilities	\$ 477	\$ 148
Total deferred inflows	3,786	4,492
Total fund balance	<u>470,457</u>	<u>348,326</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 474,720</u>	<u>\$ 352,966</u>

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

	<u>2019</u>	<u>2018</u>
Total revenues	\$ 345,450	\$ 229,671
Total expenditures	<u>(271,116)</u>	<u>(211,252)</u>
Revenues over expenditures	74,334	18,419
Other changes in fund balance	47,797	
Net change in fund balance	<u>\$ 122,131</u>	<u>\$ 18,419</u>

The District's financial resources in the Debt Service Fund in both the current year and prior year are from property tax revenues. During the current year, financial resources also included capitalized interest from the sale of bonds. The difference between these financial resources and debt service requirements resulted in an increase 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, 2019**

*Capital Projects Fund*

A comparative summary of the Capital Projects Fund's financial position as of March 31, 2019 and 2018 is as follows:

	2019	2018
Total assets	\$ 37,196	\$ 19,492
Total liabilities	\$ 2,177	\$ -
Total fund balance	35,019	19,492
Total liabilities and fund balance	\$ 37,196	\$ 19,492

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

	2019	2018
Total revenues	\$ 1,076	\$ 573
Total expenditures	(2,387,752)	(1,759)
Revenues under expenditures	(2,386,676)	(1,186)
Other changes in fund balance	2,402,203	
Net change in fund balance	\$ 15,527	\$ (1,186)

The District has had considerable capital asset activity in the current year, which was financed with proceeds from the issuance of its Series 2018 Unlimited Tax Bonds. The District did not have any significant capital asset activity in the prior year.

**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 \$8,063 less than budgeted. The *Budgetary Comparison Schedule* on page 30 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. The estimated cost is accrued when the developer is reimbursed.

**Fort Bend County Levee Improvement District No. 20**  
**Management's Discussion and Analysis**  
**March 31, 2019**

Capital assets held by the District at March 31, 2019 and 2018 are summarized as follows:

	<u>2019</u>	<u>2018</u>
Capital assets not being depreciated		
Land and improvements	\$ 1,390,145	\$ 1,386,491
Capital assets being depreciated		
Infrastructure	2,458,486	2,293,811
Less accumulated depreciation	(546,759)	(479,664)
Depreciable capital assets, net	<u>1,911,727</u>	<u>1,814,147</u>
Capital assets, net	<u>\$ 3,301,872</u>	<u>\$ 3,200,638</u>

**Long-Term Debt and Related Liabilities**

As of March 31, 2019, the District owes \$341,481 to the developer for completed projects. The District intends to reimburse the developer from proceeds of future bond issues or other lawfully available funds.

At March 31, 2019 and 2018, the District had total bonded debt outstanding as shown below:

<u>Series</u>	<u>2019</u>	<u>2018</u>
2011	\$ 1,300,000	\$ 1,340,000
2014	1,050,000	1,100,000
2018	2,450,000	
	<u>\$ 4,800,000</u>	<u>\$ 2,440,000</u>

During the current year, the District issued \$2,450,000 in unlimited tax bonds. At March 31, 2019, the District had \$44,800,000 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>2019 Actual</u>	<u>2020 Budget</u>
Total revenues	\$ 338,551	\$ 266,834
Total expenditures	(198,170)	(223,765)
Revenues over expenditures	140,381	43,069
Beginning fund balance	475,499	615,880
Ending fund balance	<u>\$ 615,880</u>	<u>\$ 658,949</u>

## **Basic Financial Statements**

**Fort Bend County Levee Improvement District No. 20**  
**Statement of Net Position and Governmental Funds Balance Sheet**  
**March 31, 2019**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
<b>Assets</b>						
Cash	\$ 11,723	\$ 45,652	\$ 19,436	\$ 76,811	\$ -	\$ 76,811
Investments	623,872	427,536	17,760	1,069,168		1,069,168
Taxes receivable	2,931	3,786		6,717		6,717
Internal balances	2,254	(2,254)				
Prepaid items	5,330			5,330		5,330
Capital assets not being depreciated					1,390,145	1,390,145
Capital assets, net					1,911,727	1,911,727
<b>Total Assets</b>	<b>\$ 646,110</b>	<b>\$ 474,720</b>	<b>\$ 37,196</b>	<b>\$ 1,158,026</b>	<b>3,301,872</b>	<b>4,459,898</b>
<b>Liabilities</b>						
Accounts payable	\$ 27,299	\$ -	\$ 2,177	\$ 29,476		29,476
Other payables		477		477		477
Accrued interest payable					16,896	16,896
Due to developer					341,481	341,481
Long-term debt						
Due within one year					140,000	140,000
Due after one year					4,609,232	4,609,232
<b>Total Liabilities</b>	<b>27,299</b>	<b>477</b>	<b>2,177</b>	<b>29,953</b>	<b>5,107,609</b>	<b>5,137,562</b>
<b>Deferred Inflows of Resources</b>						
Deferred property taxes	2,931	3,786		6,717	(6,717)	
<b>Fund Balances/Net Position</b>						
<b>Fund Balances</b>						
Nonspendable	5,330			5,330	(5,330)	
Restricted		470,457	35,019	505,476	(505,476)	
Unassigned	610,550			610,550	(610,550)	
<b>Total Fund Balances</b>	<b>615,880</b>	<b>470,457</b>	<b>35,019</b>	<b>1,121,356</b>	<b>(1,121,356)</b>	
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 646,110</b>	<b>\$ 474,720</b>	<b>\$ 37,196</b>	<b>\$ 1,158,026</b>		
<b>Net Position</b>						
Net investment in capital assets					(1,753,822)	(1,753,822)
Restricted for debt service					457,347	457,347
Unrestricted					618,811	618,811
<b>Total Net Position</b>					<b>\$ (677,664)</b>	<b>\$ (677,664)</b>

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, 2019*

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
<b>Revenues</b>						
Property taxes	\$ 263,976	\$ 337,389	\$ -	\$ 601,365	\$ (4,025)	\$ 597,340
Penalties and interest		1,674		1,674		1,674
FEMA grants	64,720			64,720		64,720
Investment earnings	9,855	6,387	1,076	17,318		17,318
<b>Total Revenues</b>	<b>338,551</b>	<b>345,450</b>	<b>1,076</b>	<b>685,077</b>	<b>(4,025)</b>	<b>681,052</b>
<b>Expenditures/Expenses</b>						
Operating and administrative						
Professional fees	78,568		53,808	132,376		132,376
Contracted services	51,812	13,390		65,202		65,202
Repairs and maintenance	45,149			45,149		45,149
Utilities	6,240			6,240		6,240
Administrative	15,604	1,564		17,168		17,168
Other	797	560	40	1,397		1,397
Capital outlay			1,788,479	1,788,479	(1,788,479)	
Debt service						
Principal		90,000		90,000	(90,000)	
Interest and fees		165,602		165,602	9,770	175,372
Developer interest			321,784	321,784		321,784
Debt issuance costs			223,641	223,641		223,641
Depreciation					67,095	67,095
<b>Total Expenditures/Expenses</b>	<b>198,170</b>	<b>271,116</b>	<b>2,387,752</b>	<b>2,857,038</b>	<b>(1,801,614)</b>	<b>1,055,424</b>
<b>Revenues Over/(Under)</b>						
<b>Expenditures</b>	<b>140,381</b>	<b>74,334</b>	<b>(2,386,676)</b>	<b>(2,171,961)</b>	<b>2,171,961</b>	
<b>Other Financing Sources</b>						
Proceeds from sale of bonds		47,797	2,402,203	2,450,000	(2,450,000)	
<b>Net Change in Fund Balances</b>	<b>140,381</b>	<b>122,131</b>	<b>15,527</b>	<b>278,039</b>	<b>(278,039)</b>	
<b>Change in Net Position</b>						
Fund Balances/Net Position						
Beginning of the year	475,499	348,326	19,492	843,317	(1,146,609)	(303,292)
<b>End of the year</b>	<b>\$ 615,880</b>	<b>\$ 470,457</b>	<b>\$ 35,019</b>	<b>\$ 1,121,356</b>	<b>\$ (1,799,020)</b>	<b>\$ (677,664)</b>

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, 2019***

**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 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 a three-member Board of Directors appointed by the Fort Bend County Commissioners Court. The Governmental Accounting Standards Board (GASB) has established the criteria for determining whether an entity is a primary government, a component unit of a primary government or a related organization. To qualify as a primary government, a government must have a separately elected governing body, be legally separate and be fiscally independent of other governments. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other governments. Since the District does not have an elected governing body, it is not a primary government. A component unit is a legally separate government for which the elected officials of a primary government are financially accountable. The criteria used to determine financial accountability is whether the primary government appoints a voting majority of the component unit’s governing body and (1) is able to impose its will on the component unit or (2) the component unit creates a financial benefit/burden for the primary government. While the County appoints the Directors of the District, it has no further financial accountability for the District. Under GASB’s criteria, the District is a related organization, not a component unit, of the County for financial reporting purposes. 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*.

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Government-Wide and Fund Financial Statements (continued)**

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.

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 full 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.

*Fort Bend County Levee Improvement District No. 20*  
*Notes to Basic Financial Statements*  
*March 31, 2019*

**Note 1 – Summary of Significant Accounting Policies (continued)**

**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.

**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, 2019, 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 acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. 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 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.

**Note 1 – Summary of Significant Accounting Policies (continued)**

**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.

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.

*Fort Bend County Levee Improvement District No. 20*  
*Notes to Basic Financial Statements*  
*March 31, 2019*

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Fund Balances – Governmental Funds (continued)**

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.

**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 collectability 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.

**Fort Bend County Levee Improvement District No. 20**  
**Notes to Basic Financial Statements**  
**March 31, 2019**

**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		\$ 1,121,356
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	\$ 3,848,631	
Less accumulated depreciation	<u>(546,759)</u>	
Change due to capital assets		3,301,872
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	(4,749,232)	
Interest payable on bonds	<u>(16,896)</u>	
Change due to long-term debt		(4,766,128)
Amounts due to the District's developer for prefunded construction are recorded as a liability in the <i>Statement of Net Position</i> .		
		(341,481)
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.		
		6,717
Total net position - governmental activities		<u><u>\$ (677,664)</u></u>



**Fort Bend County Levee Improvement District No. 20**  
**Notes to Basic Financial Statements**  
**March 31, 2019**

**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	\$ 278,039
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.	(4,025)
Capital outlays for developer reimbursements are recorded as expenditures in the fund, but reduce the liability for due to developer in the <i>Statement of Net Position</i> .	1,788,479
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.	
Issuance of long term debt	\$ (2,450,000)
Principal payments	90,000
Interest expense accrual	(9,770)
	<u>(2,369,770)</u>
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.	(67,095)
Change in net position of governmental activities	<u><u>\$ (374,372)</u></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, 2019**

**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, 2019, the District's investments consist of the following:

Type	Fund	Carrying Value	Rating	Weighted Average Maturity
TexPool	General	\$ 623,872		
	Debt Service	427,536		
	Capital Projects	17,760		
Total		<u>\$ 1,069,168</u>	AAAm	27 days

**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, 2019**

**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 and Transactions**

Amounts due to/from other funds at March 31, 2019, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>	<u>Purpose</u>
General Fund	Debt Service Fund	\$ 2,254	Maintenance tax collections not remitted as of year end.

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

**Note 5 – Capital Assets**

A summary of changes in capital assets, for the year ended March 31, 2019, is as follows:

	<u>Beginning Balances</u>	<u>Additions/ Adjustments</u>	<u>Ending Balances</u>
Capital assets not being depreciated			
Land and improvements	\$ 1,386,491	\$ 3,654	\$ 1,390,145
Capital assets being depreciated			
Infrastructure	2,293,811	164,675	2,458,486
Less accumulated depreciation	(479,664)	(67,095)	(546,759)
Subtotal depreciable capital assets, net	<u>1,814,147</u>	<u>97,580</u>	<u>1,911,727</u>
Capital assets, net	<u>\$ 3,200,638</u>	<u>\$ 101,234</u>	<u>\$ 3,301,872</u>

Depreciation expense for the current year was \$67,095.

**Fort Bend County Levee Improvement District No. 20**  
**Notes to Basic Financial Statements**  
**March 31, 2019**

**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 initial cost is estimated based on construction costs plus 10-15% for engineering and other fees. Estimates are trued up when the developer is reimbursed.

Changes in amounts due to developer during the year is as follows:

Due to developer, beginning of year	\$ 1,961,631
Adjustment of amounts due to developer	168,329
Amounts paid to developers	<u>(1,788,479)</u>
Due to developer, end of year	<u>\$ 341,481</u>

**Note 7 – Long-Term Debt**

Long-term debt is comprised of the following:

Bonds payable	\$ 4,800,000
Unamortized discounts	<u>(50,768)</u>
	<u>\$ 4,749,232</u>
Due within one year	<u>\$ 140,000</u>

The District's bonds payable at March 31, 2019, 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	\$ 1,300,000	\$ 1,500,000	3.75% - 5.50%	September 1, 2013/2036	September 1, March 1	September 1, 2018
2014	1,050,000	1,250,000	2.40% - 4.40%	September 1, 2015/2038	September 1, March 1	September 1, 2022
2018	2,450,000	2,450,000	3.00% - 5.50%	September 1, 2019/2043	September 1, March 1	September 1, 2023
	<u>\$ 4,800,000</u>					

*Fort Bend County Levee Improvement District No. 20*  
*Notes to Basic Financial Statements*  
*March 31, 2019*

**Note 7 – Long-Term Debt (continued)**

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, 2019, the District had authorized but unissued bonds in the amount of \$44,800,000 for acquiring, constructing and improving flood control and drainage facilities within the District.

On July 31, 2018, the District issued its \$2,450,000 Series 2018 Unlimited Tax Levee Improvement Bonds at a net effective interest rate of 3.859401%. Proceeds of the bonds were used to reimburse the developer for the cost of capital assets constructed within the District plus interest expense at the net effective interest rate of the bonds and to pay capitalized interest into the Debt Service Fund.

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

Bonds payable, beginning of year	\$	2,440,000
Bonds issued		2,450,000
Bonds retired		(90,000)
Bonds payable, end of year	\$	<u>4,800,000</u>

**Fort Bend County Levee Improvement District No. 20**  
**Notes to Basic Financial Statements**  
**March 31, 2019**

**Note 7 – Long-Term Debt (continued)**

As of March 31, 2019, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2020	\$ 140,000	\$ 199,963	\$ 339,963
2021	155,000	193,862	348,862
2022	160,000	187,033	347,033
2023	165,000	179,799	344,799
2024	170,000	172,149	342,149
2025	175,000	164,121	339,121
2026	185,000	155,567	340,567
2027	190,000	146,517	336,517
2028	195,000	138,123	333,123
2029	205,000	130,270	335,270
2030	210,000	121,935	331,935
2031	220,000	113,144	333,144
2032	230,000	103,725	333,725
2033	240,000	93,669	333,669
2034	250,000	83,006	333,006
2035	260,000	71,681	331,681
2036	270,000	59,856	329,856
2037	280,000	47,557	327,557
2038	195,000	37,531	232,531
2039	200,000	29,944	229,944
2040	130,000	23,750	153,750
2041	135,000	18,947	153,947
2042	140,000	13,875	153,875
2043	145,000	8,531	153,531
2044	155,000	2,906	157,906
	<u>\$ 4,800,000</u>	<u>\$ 2,497,460</u>	<u>\$ 7,297,460</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.

*Fort Bend County Levee Improvement District No. 20*  
*Notes to Basic Financial Statements*  
*March 31, 2019*

**Note 8 – Property Taxes (continued)**

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.

Property taxes are collected based on rates adopted in the year of the levy. The District's 2019 fiscal year was financed through the 2018 tax levy, pursuant to which the District levied property taxes of \$0.55 per \$100 of assessed value, of which \$0.24 was allocated to maintenance and operations and \$0.31 was allocated to debt service. The resulting tax levy was \$597,369 on the adjusted taxable value of \$108,612,572.

**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.

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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, 2019*

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property taxes	\$ 311,639	\$ 263,976	\$ (47,663)
FEMA grants		64,720	64,720
Investment earnings	2,815	9,855	7,040
Total Revenues	<u>314,454</u>	<u>338,551</u>	<u>24,097</u>
<b>Expenditures</b>			
Operating and administrative			
Professional fees	58,500	78,568	(20,068)
Contracted services	38,000	51,812	(13,812)
Repairs and maintenance	48,525	45,149	3,376
Utilities	10,500	6,240	4,260
Administrative	10,220	15,604	(5,384)
Other	265	797	(532)
Total Expenditures	<u>166,010</u>	<u>198,170</u>	<u>(32,160)</u>
<b>Revenues Over Expenditures</b>	148,444	140,381	(8,063)
Fund Balance			
Beginning of the year	475,499	475,499	
<b>End of the year</b>	<u>\$ 623,943</u>	<u>\$ 615,880</u>	<u>\$ (8,063)</u>

*Fort Bend County Levee Improvement District No. 20*  
*Notes to Required Supplementary Information*  
*March 31, 2019*

**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, 2019**

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):

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels
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:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
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, 2019*

Professional fees		
Legal		\$ 46,074
Audit		8,000
Engineering		24,494
		<u>78,568</u>
Contracted services		
Bookkeeping		17,119
Operator		34,693
		<u>51,812</u>
Repairs and maintenance		<u>45,149</u>
Utilities		<u>6,240</u>
Administrative		
Directors' fees		3,150
Printing and office supplies		751
Insurance		6,077
Other		5,626
		<u>15,604</u>
Other		<u>797</u>
Total expenditures		<u>\$ 198,170</u>

Reporting of Utility Services in Accordance with HB 3693:

	<u>Usage</u>	<u>Cost</u>
Electrical	30,336 kWh's	\$ 6,240
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, 2019*

<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	XXXXXX	Variable	N/A	\$ 623,872
Debt Service				
TexPool	XXXXXX	Variable	N/A	427,536
Capital Projects				
TexPool	XXXXXX	Variable	N/A	<u>17,760</u>
Total - All Funds				<u>\$ 1,069,168</u>

See accompanying auditors' report.

**Fort Bend County Levee Improvement District No. 20**  
**TSI-4. Taxes Levied and Receivable**  
**March 31, 2019**

	Maintenance Taxes	Debt Service Taxes	Totals	
Taxes Receivable, Beginning of Year	\$ 6,250	\$ 4,492	\$ 10,742	
Adjustments	(13)	(16)	(29)	
Adjusted Receivable	<u>6,237</u>	<u>4,476</u>	<u>10,713</u>	
2018 Original Tax Levy	260,939	337,047	597,986	
Adjustments	(269)	(348)	(617)	
Adjusted Tax Levy	<u>260,670</u>	<u>336,699</u>	<u>597,369</u>	
Total to be accounted for	<u>266,907</u>	<u>341,175</u>	<u>608,082</u>	
Tax collections:				
Current year	257,739	332,913	590,652	
Prior years	6,237	4,476	10,713	
Total Collections	<u>263,976</u>	<u>337,389</u>	<u>601,365</u>	
Taxes Receivable, End of Year	<u>\$ 2,931</u>	<u>\$ 3,786</u>	<u>\$ 6,717</u>	
Taxes Receivable, By Years				
2018	<u>\$ 2,931</u>	<u>\$ 3,786</u>	<u>\$ 6,717</u>	
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Property Valuations:				
Land	\$ 24,637,810	\$ 21,713,960	\$ 19,388,760	\$ 18,825,070
Improvements	85,381,540	78,328,280	67,470,090	53,978,220
Personal Property	572,550	425,840	427,710	460,350
Exemptions	<u>(1,979,328)</u>	<u>(1,609,935)</u>	<u>(2,152,730)</u>	<u>(3,316,669)</u>
Total Property Valuations	<u>\$ 108,612,572</u>	<u>\$ 98,858,145</u>	<u>\$ 85,133,830</u>	<u>\$ 69,946,971</u>
Tax Rates per \$100 Valuation:				
Maintenance tax rates	\$ 0.24	\$ 0.32	\$ 0.32	\$ 0.27
Debt service tax rates	0.31	0.23	0.23	0.28
	<u>\$ 0.55</u>	<u>\$ 0.55</u>	<u>\$ 0.55</u>	<u>\$ 0.55</u>
Adjusted Tax Levy:	<u>\$ 597,369</u>	<u>\$ 543,720</u>	<u>\$ 468,236</u>	<u>\$ 384,708</u>
Percentage of Taxes Collected to Taxes Levied **	<u>98.88%</u>	<u>100.00%</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, 2019*

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
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>\$ 1,300,000</u>	<u>\$ 741,556</u>	<u>\$ 2,041,556</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, 2019*

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
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>\$ 1,050,000</u>	<u>\$ 449,600</u>	<u>\$ 1,499,600</u>

See accompanying auditors' report.

*Fort Bend County Levee Improvement District No. 20*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2018--by Years*  
*March 31, 2019*

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2020	\$ 50,000	\$ 94,219	\$ 144,219
2021	60,000	91,194	151,194
2022	65,000	87,756	152,756
2023	65,000	84,181	149,181
2024	70,000	80,469	150,469
2025	70,000	76,619	146,619
2026	75,000	72,631	147,631
2027	75,000	68,506	143,506
2028	80,000	65,244	145,244
2029	85,000	62,769	147,769
2030	85,000	60,219	145,219
2031	90,000	57,594	147,594
2032	95,000	54,700	149,700
2033	100,000	51,531	151,531
2034	105,000	48,069	153,069
2035	105,000	44,394	149,394
2036	110,000	40,631	150,631
2037	115,000	36,694	151,694
2038	120,000	32,581	152,581
2039	125,000	28,294	153,294
2040	130,000	23,750	153,750
2041	135,000	18,947	153,947
2042	140,000	13,875	153,875
2043	145,000	8,531	153,531
2044	155,000	2,906	157,906
	<u>\$ 2,450,000</u>	<u>\$ 1,306,304</u>	<u>\$ 3,756,304</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, 2019*

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2020	\$ 140,000	\$ 199,963	\$ 339,963
2021	155,000	193,862	348,862
2022	160,000	187,033	347,033
2023	165,000	179,799	344,799
2024	170,000	172,149	342,149
2025	175,000	164,121	339,121
2026	185,000	155,567	340,567
2027	190,000	146,517	336,517
2028	195,000	138,123	333,123
2029	205,000	130,270	335,270
2030	210,000	121,935	331,935
2031	220,000	113,144	333,144
2032	230,000	103,725	333,725
2033	240,000	93,669	333,669
2034	250,000	83,006	333,006
2035	260,000	71,681	331,681
2036	270,000	59,856	329,856
2037	280,000	47,557	327,557
2038	195,000	37,531	232,531
2039	200,000	29,944	229,944
2040	130,000	23,750	153,750
2041	135,000	18,947	153,947
2042	140,000	13,875	153,875
2043	145,000	8,531	153,531
2044	155,000	2,906	157,906
	<u>\$ 4,800,000</u>	<u>\$ 2,497,460</u>	<u>\$ 7,297,460</u>

See accompanying auditors' report.

**Fort Bend County Levee Improvement District No. 20**  
**TSI-6. Change in Long-Term Bonded Debt**  
**March 31, 2019**

	Bond Issue			Totals
	Series 2011	Series 2014	Series 2018	
Interest rate	3.75% - 5.50%	2.40% - 4.40%	3.00% - 5.50%	
Dates interest payable	9/1; 3/1	9/1; 3/1	9/1; 3/1	
Maturity dates	9/1/13 - 9/1/36	9/1/15 - 9/1/38	9/1/19 - 9/1/43	
Beginning bonds outstanding	\$ 1,340,000	\$ 1,100,000	\$ -	\$ 2,440,000
Bonds issued			2,450,000	2,450,000
Bonds retired	(40,000)	(50,000)		(90,000)
Ending bonds outstanding	<u>\$ 1,300,000</u>	<u>\$ 1,050,000</u>	<u>\$ 2,450,000</u>	<u>\$ 4,800,000</u>
Interest paid during fiscal year	<u>\$ 68,214</u>	<u>\$ 40,350</u>	<u>\$ 63,729</u>	<u>\$ 172,293</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			
Series 2018	Amegy Bank, N.A., Houston, Texas			
Bond Authority:	Levee Bonds			
Amount Authorized by Voters	\$ 50,000,000			
Amount Issued	<u>(5,200,000)</u>			
Remaining To Be Issued	<u>\$ 44,800,000</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, 2019: \$ 473,188

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 291,898

See accompanying auditors' report.

*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				
	2019	2018	2017	2016	2015
Revenues					
Property taxes	\$ 263,976	\$ 314,103	\$ 272,404	\$ 186,480	\$ 140,219
FEMA grants	64,720				
Miscellaneous		26,351			
Investment earnings	9,855	3,137	904	315	105
Total Revenues	<u>338,551</u>	<u>343,591</u>	<u>273,308</u>	<u>186,795</u>	<u>140,324</u>
Expenditures					
Operating and administrative					
Professional fees	78,568	47,083	52,673	59,002	54,012
Contracted services	51,812	37,294	32,400	19,200	7,750
Repairs and maintenance	45,149	104,934	86,082	74,051	58,888
Utilities	6,240	7,765	1,394	7,010	1,668
Administrative	15,604	9,425	5,019	7,887	8,455
Other	797	359	2,550		
Total Expenditures	<u>198,170</u>	<u>206,860</u>	<u>180,118</u>	<u>167,150</u>	<u>130,773</u>
Revenues Over Expenditures	<u>\$ 140,381</u>	<u>\$ 136,731</u>	<u>\$ 93,190</u>	<u>\$ 19,645</u>	<u>\$ 9,551</u>

\*Percentage is negligible

See accompanying auditors' report.



Percent of Fund Total Revenues

2019	2018	2017	2016	2015
78%	91%	100%	100%	100%
19%	8%			
3%	1%	*	*	*
100%	100%	100%	100%	100%
23%	14%	19%	32%	38%
15%	11%	12%	10%	6%
13%	31%	31%	40%	42%
2%	2%	1%	4%	1%
5%	3%	2%	4%	6%
*	*	1%		
58%	61%	66%	90%	93%
42%	39%	34%	10%	7%

*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				
	2019	2018	2017	2016	2015
Revenues					
Property taxes	\$ 337,389	\$ 225,761	\$ 197,174	\$ 196,034	\$ 182,276
Penalties and interest	1,674	1,611	1,593	1,307	878
Accrued interest on bonds sold					3,341
Miscellaneous		63			
Investment earnings	6,387	2,236	1,115	392	113
Total Revenues	<u>345,450</u>	<u>229,671</u>	<u>199,882</u>	<u>197,733</u>	<u>186,608</u>
Expenditures					
Tax collection services	15,514	13,735	11,948	11,275	10,518
Debt service					
Principal	90,000	85,000	85,000	80,000	30,000
Interest and fees	165,602	112,517	115,051	117,470	101,050
Total Expenditures	<u>271,116</u>	<u>211,252</u>	<u>211,999</u>	<u>208,745</u>	<u>141,568</u>
Revenues Over (Under) Expenditures	<u>\$ 74,334</u>	<u>\$ 18,419</u>	<u>\$ (12,117)</u>	<u>\$ (11,012)</u>	<u>\$ 45,040</u>

\*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues

2019	2018	2017	2016	2015
98%	98%	98%	99%	98%
*	1%	1%	1%	*
	*			2%
2%	1%	1%	*	*
100%	100%	100%	100%	100%
4%	6%	6%	6%	6%
26%	37%	43%	40%	16%
48%	49%	58%	59%	54%
78%	92%	107%	105%	76%
22%	8%	(7%)	(5%)	24%

**Fort Bend County Levee Improvement District No. 20**  
**TSI-8. Board Members, Key Personnel and Consultants**  
**For the Year Ended March 31, 2019**

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
<b>Board Members</b>				
Jared L. Biermann	3/18 - 8/19	\$ 900	\$ 80	President
Jeffrey R. Singer	8/07 - 8/19	1,200		Vice President
David Hunter	8/07 - 8/19	1,050		Secretary
<b>Consultants</b>				
Allen Boone Humphries Robinson LLP	2007	<u>Amounts Paid</u>		Attorney
<i>General legal fees</i>		\$ 54,420		
<i>Bond counsel</i>		74,126		
LID Solutions	2017	47,013		Operator
Municipal Accounts & Consulting, LP	2018	18,662		Bookkeeper
Tax Tech, Inc.	2007	13,017		Tax Collector
Fort Bend Central Appraisal District	Legislation	3,937		Property Valuation
Perdue, Brandon, Fielder, Collins & Mott LLP	2008			Delinquent Tax Attorney
Sherrington/Humble, Inc.	2008	60,644		Engineer
McGrath & Co., PLLC	Annual	14,000		Auditor
Robert W. Baird & Co., Inc	2018	51,524		Financial Advisor

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