

**FORT BEND COUNTY LEVEE  
IMPROVEMENT DISTRICT NO. 19**

**FORT BEND COUNTY, TEXAS**

**FINANCIAL REPORT**

**July 31, 2018**



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## Independent Auditors' Report

Board of Directors  
Fort Bend County Levee Improvement District No. 19  
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. 19, as of and for the year ended July 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. 19  
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. 19, as of July 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.

*McGuire & Co, P.C.C.*

Houston, Texas  
November 16, 2018

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

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***Fort Bend County Levee Improvement District No. 19  
Management's Discussion and Analysis  
July 31, 2018***

**Using this Annual Report**

Within this section of the financial report of Fort Bend County Levee Improvement District No. 19 (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 July 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. 19  
Management's Discussion and Analysis  
July 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 July 31, 2018, was negative \$5,709,973. The District's net position is negative because the District incurs debt to construct public roads which it conveys to Fort Bend County. A comparative summary of the District's overall financial position, as of July 31, 2018 and 2017, is as follows:

	2018	2017
Current and other assets	\$ 7,504,874	\$ 9,373,984
Capital assets	23,061,179	21,042,836
Total assets	<u>30,566,053</u>	<u>30,416,820</u>
 Total deferred outflows of resources	 <u>450,371</u>	 <u>478,519</u>
 Current liabilities	 3,072,856	 2,944,656
Long-term liabilities	33,653,541	34,829,072
Total liabilities	<u>36,726,397</u>	<u>37,773,728</u>
 Net position		
Net investment in capital assets	(1,280,151)	(2,470,010)
Restricted	4,950,709	4,917,061
Unrestricted	(9,380,531)	(9,325,440)
Total net position	<u>\$ (5,709,973)</u>	<u>\$ (6,878,389)</u>

***Fort Bend County Levee Improvement District No. 19  
Management's Discussion and Analysis  
July 31, 2018***

The total net position of the District increased during the current fiscal year by \$1,168,416. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	<u>2018</u>	<u>2017</u>
Revenues		
Property taxes, penalties and interest	\$ 4,532,053	\$ 4,471,433
Intergovernmental	4,652	50,146
Other	<u>97,727</u>	<u>57,992</u>
Total revenues	<u>4,634,432</u>	<u>4,579,571</u>
Expenses		
Operating and administrative	1,808,845	589,666
Interest and fees	1,213,065	1,250,126
Developer interest	38,455	150,497
Debt issuance costs		318,036
Depreciation	<u>405,651</u>	<u>345,104</u>
Total expenses	<u>3,466,016</u>	<u>2,653,429</u>
Change in net position before other item	1,168,416	1,926,142
Other item		
Transfers to other governments	<u>                    </u>	<u>(1,201,174)</u>
Change in net position	1,168,416	724,968
Net position, beginning of year	<u>(6,878,389)</u>	<u>(7,603,357)</u>
Net position, end of year	<u>\$ (5,709,973)</u>	<u>\$ (6,878,389)</u>

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

The District's combined fund balances, as of July 31, 2018, were \$7,335,513, which consists of \$1,609,597 in the General Fund, \$5,398,533 in the Debt Service Fund and \$327,383 in the Capital Projects Fund.

***Fort Bend County Levee Improvement District No. 19  
Management's Discussion and Analysis  
July 31, 2018***

*General Fund*

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

	<u>2018</u>	<u>2017</u>
Total assets	\$ 1,734,172	\$ 3,371,994
Total liabilities	\$ 115,246	\$ 51,797
Total deferred inflows	9,329	5,634
Total fund balance	<u>1,609,597</u>	<u>3,314,563</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 1,734,172</u>	<u>\$ 3,371,994</u>

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	\$ 963,184	\$ 798,071
Total expenditures	<u>(2,668,150)</u>	<u>(873,189)</u>
Revenues under expenditures	(1,704,966)	(75,118)
Other changes in fund balance		44,272
Net change in fund balance	<u>\$ (1,704,966)</u>	<u>\$ (30,846)</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 the District increased the maintenance and operations component of the levy and because assessed values increased from prior year.

During the current fiscal year, the District incurred significantly higher expenditures as a result of Hurricane Harvey. See Note 12 for additional information.

*Debt Service Fund*

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

	<u>2018</u>	<u>2017</u>
Total assets	\$ 5,443,319	\$ 5,424,757
Total liabilities	\$ 3,249	\$ 258
Total deferred inflows	41,537	24,816
Total fund balance	<u>5,398,533</u>	<u>5,399,683</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 5,443,319</u>	<u>\$ 5,424,757</u>

***Fort Bend County Levee Improvement District No. 19  
Management's Discussion and Analysis  
July 31, 2018***

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	\$ 3,645,745	\$ 3,780,466
Total expenditures	<u>(3,646,895)</u>	<u>(2,213,039)</u>
Revenues over/(under) expenditures	<u>\$ (1,150)</u>	<u>\$ 1,567,427</u>

The District's financial resources in the Debt Service Fund in both the current year and prior year are from property tax revenues. The difference between these financial resources and debt service requirements resulted in a change 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.

*Capital Projects Fund*

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

	<u>2018</u>	<u>2017</u>
Total assets	<u>\$ 327,383</u>	<u>\$ 577,233</u>
Total liabilities	\$ -	\$ 163
Total fund balance	<u>327,383</u>	<u>577,070</u>
Total liabilities and fund balance	<u>\$ 327,383</u>	<u>\$ 577,233</u>

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

	<u>2018</u>	<u>2017</u>
Total revenues	\$ 5,087	\$ 4,989
Total expenditures	<u>(254,774)</u>	<u>(5,937,980)</u>
Revenues under expenditures	(249,687)	(5,932,991)
Other changes in fund balance		5,890,728
Net change in fund balance	<u>\$ (249,687)</u>	<u>\$ (42,263)</u>

The District has had considerable capital asset activity in the last two years, which was financed with surplus funds from its Series 2013 Unlimited Tax Levee Bonds in the current year and proceeds from the issuance of its Series 2016 Unlimited Tax Park Bonds in the prior year.

**Fort Bend County Levee Improvement District No. 19  
Management's Discussion and Analysis  
July 31, 2018**

**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 amended the budget during the year to reflect changes in anticipated revenues and expenditures.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was \$399,219 less than budgeted. The *Budgetary Comparison Schedule* on page 34 of this report provides variance information per financial statement line item.

**Capital Assets**

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

	<u>2018</u>	<u>2017</u>
Capital assets not being depreciated		
Land and improvements	<u>\$ 16,303,001</u>	<u>\$ 15,275,197</u>
Capital assets being depreciated		
Infrastructure	2,185,861	2,185,861
Parks and recreational facilities	1,662,964	1,662,964
Landscaping improvements	3,534,095	3,064,113
Equipment	926,208	
	<u>8,309,128</u>	<u>6,912,938</u>
Less accumulated depreciation		
Infrastructure	(194,300)	(145,725)
Parks and recreational facilities	(748,363)	(617,078)
Landscaping improvements	(571,239)	(382,496)
Equipment	(37,048)	
	<u>(1,550,950)</u>	<u>(1,145,299)</u>
Depreciable capital assets, net	<u>6,758,178</u>	<u>5,767,639</u>
Capital assets, net	<u><u>\$ 23,061,179</u></u>	<u><u>\$ 21,042,836</u></u>

Capital asset additions during the current year include the following:

- The Grove at Riverstone – detention pond and mass grading
- LJ Parkway, phase eight – sitework, planting and irrigation
- Hagerson Linear Park – sitework, landscape and irrigation
- Barco trailer mounted supplemental pumps

Fort Bend County assumes responsibility for road facilities constructed within the county. Consequently, these projects are not recorded as capital assets on the District's financial statements, but are recorded as transfers to other governments upon completion of construction.

**Fort Bend County Levee Improvement District No. 19**  
**Management's Discussion and Analysis**  
**July 31, 2018**

**Long-Term Debt and Related Liabilities**

As of July 31, 2018, the District owes \$2,854,759 to developers for completed projects and operating advances. The District intends to reimburse the developers from proceeds of future bond issues.

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

Series	2018	2017
2009 Levee	\$ 435,000	\$ 565,000
2012 Road	5,825,000	6,005,000
2012 Levee	5,460,000	5,660,000
2013 Levee	9,240,000	9,505,000
2014 Road	4,915,000	5,055,000
2015 Refunding	3,300,000	3,335,000
2016 Park	4,500,000	5,935,000
	\$ 33,675,000	\$ 36,060,000

At July 31, 2018, the District had \$28,375,000 unlimited tax levee improvement bonds authorized, but unissued for flood control levee and drainage facilities within the District and \$3,565,000 for parks and recreational facilities.

**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:

	2018 Actual	2019 Budget
Total revenues	\$ 963,184	\$ 953,000
Total expenditures	(2,668,150)	(1,061,171)
Revenues under expenditures	(1,704,966)	(108,171)
Beginning fund balance	3,314,563	1,609,597
Ending fund balance	\$ 1,609,597	\$ 1,501,426

**Property Taxes**

The District's property tax base increased approximately \$29,618,000 for the 2018 tax year from \$664,661,288 to \$694,279,162. This increase was primarily due to new construction in the District. For the 2018 tax year, the District has levied a maintenance tax rate of \$0.14 per \$100 of assessed value, a levee and park debt service tax rate of \$0.43 per \$100 of assessed value and a road debt service tax rate of \$0.11 per \$100 of assessed value, for a total combined tax rate of \$0.68 per \$100. These are the same rates levied for the 2017 tax year.

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## **Basic Financial Statements**

**Fort Bend County Levee Improvement District No. 19**  
**Statement of Net Position and Governmental Funds Balance Sheet**  
**July 31, 2018**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
<b>Assets</b>						
Cash	\$ 301,685	\$ 58,989	\$ -	\$ 360,674	\$ -	\$ 360,674
Investments	1,054,542	5,350,663	327,383	6,732,588		6,732,588
Taxes receivable	9,329	41,537		50,866		50,866
Internal balances	9,378	(9,378)				
Due from other governments	359,238			359,238		359,238
Accrued interest receivable		8		8		8
Prepaid items		1,500		1,500		1,500
Capital assets not being depreciated					16,303,001	16,303,001
Capital assets, net					6,758,178	6,758,178
Total Assets	<u>\$ 1,734,172</u>	<u>\$ 5,443,319</u>	<u>\$ 327,383</u>	<u>\$ 7,504,874</u>	<u>23,061,179</u>	<u>30,566,053</u>
<b>Deferred Outflows of Resources</b>						
Deferred difference on refunding					450,371	450,371
<b>Liabilities</b>						
Accounts payable	\$ 105,449	\$ -	\$ -	\$ 105,449		105,449
Other payables	9,797	3,249		13,046		13,046
Accrued interest payable					489,361	489,361
Due to developers					2,854,759	2,854,759
Long-term debt						
Due within one year					2,465,000	2,465,000
Due after one year					30,798,782	30,798,782
Total Liabilities	<u>115,246</u>	<u>3,249</u>	<u></u>	<u>118,495</u>	<u>36,607,902</u>	<u>36,726,397</u>
<b>Deferred Inflows of Resources</b>						
Deferred property taxes	9,329	41,537		50,866	(50,866)	
<b>Fund Balances/Net Position</b>						
<b>Fund Balances</b>						
Nonspendable		1,500		1,500	(1,500)	
Restricted		5,397,033	327,383	5,724,416	(5,724,416)	
Unassigned	1,609,597			1,609,597	(1,609,597)	
Total Fund Balances	<u>1,609,597</u>	<u>5,398,533</u>	<u>327,383</u>	<u>7,335,513</u>	<u>(7,335,513)</u>	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,734,172</u>	<u>\$ 5,443,319</u>	<u>\$ 327,383</u>	<u>\$ 7,504,874</u>		
<b>Net Position</b>						
Net investment in capital assets					(1,280,151)	(1,280,151)
Restricted for debt service					4,950,709	4,950,709
Unrestricted					(9,380,531)	(9,380,531)
Total Net Position					<u>\$ (5,709,973)</u>	<u>\$ (5,709,973)</u>

See notes to basic financial statements.

**Fort Bend County Levee Improvement District No. 19**  
**Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended July 31, 2018**

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
<b>Revenues</b>						
Property taxes	\$ 923,635	\$ 3,568,079	\$ -	\$ 4,491,714	\$ 16,114	\$ 4,507,828
Penalties and interest		19,923		19,923	4,302	24,225
Intergovernmental	4,652			4,652		4,652
Miscellaneous	6,700	75		6,775		6,775
Investment earnings	28,197	57,668	5,087	90,952		90,952
<b>Total Revenues</b>	<b>963,184</b>	<b>3,645,745</b>	<b>5,087</b>	<b>4,614,016</b>	<b>20,416</b>	<b>4,634,432</b>
<b>Expenditures/Expenses</b>						
Operating and administrative						
Professional fees	589,129		3,496	592,625		592,625
Contracted services	513,187	64,322		577,509		577,509
Repairs and maintenance	451,082			451,082		451,082
Administrative	81,355	3,953		85,308		85,308
Other	57,433	10,000		67,433		67,433
Joint pump station	34,888			34,888		34,888
Capital outlay	941,076		212,823	1,153,899	(1,153,899)	
Debt service						
Principal		2,385,000		2,385,000	(2,385,000)	
Interest and fees		1,183,620		1,183,620	29,445	1,213,065
Developer interest			38,455	38,455		38,455
Depreciation					405,651	405,651
<b>Total Expenditures/Expenses</b>	<b>2,668,150</b>	<b>3,646,895</b>	<b>254,774</b>	<b>6,569,819</b>	<b>(3,103,803)</b>	<b>3,466,016</b>
<b>Revenues Over (Under)</b>						
<b>Expenditures</b>	(1,704,966)	(1,150)	(249,687)	(1,955,803)	1,955,803	
<b>Change in Net Position</b>					1,168,416	1,168,416
Fund Balance/Net Position						
Beginning of the year	3,314,563	5,399,683	577,070	9,291,316	(16,169,705)	(6,878,389)
<b>End of the year</b>	<b>\$ 1,609,597</b>	<b>\$ 5,398,533</b>	<b>\$ 327,383</b>	<b>\$ 7,335,513</b>	<b>\$ (13,045,486)</b>	<b>\$ (5,709,973)</b>

See notes to basic financial statements.

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***Fort Bend County Levee Improvement District No. 19***  
***Notes to Basic Financial Statements***  
***July 31, 2018***

**Note 1 – Summary of Significant Accounting Policies**

The accounting policies of Fort Bend County Levee Improvement District No. 19 (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 Commissioners’ Court of Fort Bend County, Texas dated October 24, 2006, and operates in accordance with the Texas Water Code, Chapters 49 and 57 and Texas Special District Local Laws Code Chapter 7804. The Board of Directors held its first meeting on November 30, 2006 and the first bonds were sold on May 18, 2009.

The District’s primary activities include construction, maintenance and operation of flood control drainage facilities, recreational facilities and major thoroughfares. 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.

In response to a petition from qualified voters of the District, an election was held on May 5, 2018 which changed the composition of the Board of Directors from three members appointed by the Fort Bend County Commissioner’s Court to five members elected by qualified voters of the District.

**Reporting Entity**

The District is a political subdivision of the State of Texas governed by an appointed/elected five-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*.

**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, drainage, recreational and road 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.

*Fort Bend County Levee Improvement District No. 19*  
*Notes to Basic Financial Statements*  
*July 31, 2018*

**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 July 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 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 flood control, drainage and recreational facilities and landscaping improvements, are depreciated using the straight-line method as follows:

<u>Assets</u>	<u>Useful Life</u>
Infrastructure	20-45 years
Park and recreational facilities	10-45 years
Landscaping improvements	20 years
Equipment	25 years

*Fort Bend County Levee Improvement District No. 19*  
*Notes to Basic Financial Statements*  
*July 31, 2018*

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

**Capital Assets (continued)**

The District's detention facilities and levee system are considered improvements to land and are 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.

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.

Deferred outflows of financial resources at the government-wide level are from a refunding bond transaction in which the amount required to repay the old debt exceeded the net carrying amount of the old debt. This amount is being amortized to interest expense.

**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.



*Fort Bend County Levee Improvement District No. 19*  
*Notes to Basic Financial Statements*  
*July 31, 2018*

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

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

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

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

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned - all other spendable amounts in the General Fund.

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

**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; the value of capital assets transferred to Fort Bend County 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. 19**  
**Notes to Basic Financial Statements**  
**July 31, 2018**

**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	\$ 7,335,513
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

Historical cost	\$ 24,612,129	
Less accumulated depreciation	<u>(1,550,950)</u>	
Change due to capital assets		23,061,179

The difference between the face amount of bonds refunded and the amount paid to the escrow agent is recorded as a deferred difference on refunding in the *Statement of Net Position* and amortized to interest expense. It is not recorded in the fund statements because it is not a financial resource.

450,371

Amounts due to the District's developers for prefunded construction are recorded as a liability in the *Statement of Net Position*.

(2,854,759)

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	(33,263,782)	
Interest payable on bonds	<u>(489,361)</u>	
Change due to long-term debt		(33,753,143)

Property taxes receivable and related penalties and interest have been levied and are due, but are not available soon enough to pay current period expenditures and, therefore, are deferred in the funds.

Property taxes receivable	39,389	
Penalty and interest receivable	<u>11,477</u>	
Change due to property taxes		50,866

Total net position - governmental activities		<u><u>\$ (5,709,973)</u></u>
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*Fort Bend County Levee Improvement District No. 19*  
*Notes to Basic Financial Statements*  
*July 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 \$ (1,955,803)

Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for property taxes and related penalties and interest. 20,416

Governmental funds report capital outlays for developer reimbursements and construction costs as expenditures in the funds; however, in the *Statement of Activities*, the cost of capital assets is charged to expense over the estimated useful life of the asset.

Capital outlays	\$ 1,153,899	
Depreciation expense	<u>(405,651)</u>	
		748,248

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	2,385,000	
Interest expense accrual	<u>(29,445)</u>	
		2,355,555

Change in net position of governmental activities		<u><u>\$ 1,168,416</u></u>
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**Note 3 – Deposits and Investments**

**Deposit Custodial Credit Risk**

Custodial credit risk as it applies to deposits (i.e. cash and certificates of deposit) 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. 19**  
**Notes to Basic Financial Statements**  
**July 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 July 31, 2018, the District's investments consist of the following:

<u>Type</u>	<u>Fund</u>	<u>Carrying Value</u>	<u>Percentage of Total</u>	<u>Rating</u>	<u>Weighted Average Maturity</u>
Certificates of deposit	Debt Service	<u>\$ 241,186</u>	4%	N/A	N/A
TexPool	General	1,054,542			
	Debt Service	5,109,477			
	Capital Projects	<u>327,383</u>			
		<u>6,491,402</u>	<u>96%</u>	AAAm	24 days
Total		<u>\$ 6,732,588</u>	<u>100%</u>		

The District's investments in certificates of deposit are reported at cost.

*Fort Bend County Levee Improvement District No. 19*  
*Notes to Basic Financial Statements*  
*July 31, 2018*

**Note 3 – Deposits and Investments (continued)**

**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.

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 July 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	\$ 9,378	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.

**Fort Bend County Levee Improvement District No. 19**  
**Notes to Basic Financial Statements**  
**July 31, 2018**

**Note 5 – Capital Assets**

A summary of changes in capital assets, for the year ended July 31, 2018, is as follows:

	<u>Beginning Balances</u>	<u>Additions/ Adjustments</u>	<u>Ending Balances</u>
Capital assets not being depreciated			
Land and improvements	\$ 15,275,197	\$ 1,027,804	\$ 16,303,001
Capital assets being depreciated			
Infrastructure	2,185,861		2,185,861
Parks and recreational facilities	1,662,964		1,662,964
Landscaping improvements	3,064,113	469,982	3,534,095
Equipment		926,208	926,208
	<u>6,912,938</u>	<u>1,396,190</u>	<u>8,309,128</u>
Less accumulated depreciation			
Infrastructure	(145,725)	(48,575)	(194,300)
Parks and recreational facilities	(617,078)	(131,285)	(748,363)
Landscaping improvements	(382,496)	(188,743)	(571,239)
Equipment		(37,048)	(37,048)
	<u>(1,145,299)</u>	<u>(405,651)</u>	<u>(1,550,950)</u>
Subtotal depreciable capital assets, net	<u>5,767,639</u>	<u>990,539</u>	<u>6,758,178</u>
Capital assets, net	<u>\$ 21,042,836</u>	<u>\$ 2,018,343</u>	<u>\$ 23,061,179</u>

Depreciation expense for the current year was \$405,651.

**Note 6 – Due to Developers**

The District has entered into financing agreements with its developers for the financing of the construction of flood control, drainage, and park and recreational facilities and road improvements. Under the agreements, the developers will advance funds for the construction of facilities to serve the District. The developers 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.

**Fort Bend County Levee Improvement District No. 19**  
**Notes to Basic Financial Statements**  
**July 31, 2018**

**Note 6 – Due to Developers (continued)**

Changes in amounts due to developers during the year are as follows:

Due to developers, beginning of year	\$ 1,584,665
Developer reimbursements	(212,823)
Developer funded construction and adjustments	<u>1,482,917</u>
Due to developers, end of year	<u><u>\$ 2,854,759</u></u>

**Note 7 – Long-Term Debt**

Long-term debt is comprised of the following:

Bonds payable	\$ 33,675,000
Unamortized discounts	(604,127)
Unamortized premium	<u>192,909</u>
	<u><u>\$ 33,263,782</u></u>
Due within one year	<u><u>\$ 2,465,000</u></u>

The District's bonds payable at July 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
2009 Levee	\$ 435,000	\$ 4,260,000	4.80%-5.20%	September 1, 2011 to 2020	September 1, March 1	September 1, 2018
2012 Road	5,825,000	6,500,000	2.25%-4.20%	September 1, 2014 to 2036	September 1, March 1	September 1, 2021
2012 Levee	5,460,000	6,210,000	2.00%-3.625%	September 1, 2014 to 2035	September 1, March 1	September 1, 2021
2013 Levee	9,240,000	10,000,000	3.25%-5.00%	September 1, 2015 to 2037	September 1, March 1	September 1, 2021
2014 Road	4,915,000	5,300,000	3.00%-3.75%	September 1, 2015 to 2039	September 1, March 1	September 1, 2022
2015 Refunding	3,300,000	3,420,000	2.00%-4.00%	September 1, 2016 to 2033	September 1, March 1	September 1, 2025
2016 Park	4,500,000	5,935,000	1.00%-1.375%	September 1, 2017 to 2020	September 1, March 1	N/A
	<u><u>\$ 33,675,000</u></u>					

*Fort Bend County Levee Improvement District No. 19*  
*Notes to Basic Financial Statements*  
*July 31, 2018*

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

The Series 2015 Unlimited Tax Levee Improvement Refunding bonds were issued to advance refund the District's Series 2009 bonds. Since the Series 2009 bonds were not yet subject to redemption, the District defeased them by placing proceeds of the bonds in an escrow account with an escrow agent and irrevocably pledging the escrow account to the payment of future debt service payments. Accordingly, the defeased bonds are not included in the District's financial statements. The outstanding principal of the defeased bonds is \$3,065,000 at July 31, 2018.

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 July 31, 2018, the District had authorized but unissued bonds in the amount of \$28,375,000 for flood control levee and drainage facilities within the District and \$3,565,000 for parks and recreational facilities.

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

Bonds payable, beginning of year	\$ 36,060,000
Bonds retired	<u>(2,385,000)</u>
Bonds payable, end of year	<u><u>\$ 33,675,000</u></u>



**Fort Bend County Levee Improvement District No. 19**  
**Notes to Basic Financial Statements**  
**July 31, 2018**

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

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

Year	Principal	Interest	Totals
2019	\$ 2,465,000	\$ 1,134,923	\$ 3,599,923
2020	2,540,000	1,085,286	3,625,286
2021	2,625,000	1,031,341	3,656,341
2022	1,145,000	986,272	2,131,272
2023	1,190,000	952,239	2,142,239
2024	1,240,000	915,807	2,155,807
2025	1,295,000	875,232	2,170,232
2026	1,360,000	830,500	2,190,500
2027	1,405,000	781,542	2,186,542
2028	1,480,000	728,003	2,208,003
2029	1,540,000	670,683	2,210,683
2030	1,615,000	609,468	2,224,468
2031	1,690,000	544,131	2,234,131
2032	1,760,000	474,812	2,234,812
2033	1,855,000	400,818	2,255,818
2034	1,925,000	322,483	2,247,483
2035	1,700,000	246,430	1,946,430
2036	1,780,000	172,298	1,952,298
2037	1,420,000	102,348	1,522,348
2038	1,005,000	47,249	1,052,249
2039	315,000	18,094	333,094
2040	325,000	6,093	331,093
	<u>\$ 33,675,000</u>	<u>\$ 12,936,050</u>	<u>\$ 46,611,050</u>

**Note 8 – Property Taxes**

On May 12, 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 \$1.00 per \$100 of assessed value. On November 6, 2007, the voters of the District authorized the District’s Board of Directors to levy taxes annually for maintenance of road facilities limited to \$0.25 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. 19**  
**Notes to Basic Financial Statements**  
**July 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 \$0.68 per \$100 of assessed value, of which \$0.14 was allocated to maintenance and operations, \$0.43 was allocated to levee and park debt service and \$0.11 was allocated to road debt service. The resulting tax levy was \$4,519,697 on the adjusted taxable value of \$664,661,288.

Property taxes receivable, at July 31, 2018, consisted of the following:

Current year taxes receivable	\$ 26,271
Prior years taxes receivable	13,118
	<u>39,389</u>
Penalty and interest receivable	11,477
Property taxes receivable	<u><u>\$ 50,866</u></u>

**Note 9 – Maintenance Agreement for Regional Recreational Facilities**

On July 1, 2018, the District and Fort Bend County Levee Improvement District No. 15 (“LID 15”) entered into an agreement (the “Agreement”) with Riverstone Homeowners Association (the “HOA”). Under the Agreement, the District agrees to grant the HOA the right to use, operate, maintain, manage and administer the portion of the facilities that serve public recreational purposes so long as the purposes do not interfere with the District’s use of the facilities for detention or drainage purposes. During the term of the Agreement, the HOA manages the grounds keeping and landscaping maintenance needed on the facilities. The District pays \$48,745 quarterly to the HOA set as a service fee for maintaining the facilities for the Districts. During the current fiscal year, the District recognized expenses of \$193,887 pursuant to the Agreement.

**Note 10 – Maintenance Agreement for Regional Pump Station**

On July 28, 2014, the District entered into a Maintenance Agreement for Regional Pump Station (the “Agreement”) with Fort Bend County Levee Improvement District No. 15 (“LID 15”). The Agreement outlines the ownership, operation, maintenance and repair of the jointly constructed regional Steep Bank Creek storm water pump station (the “Pump Station”). The District has agreed to operate, maintain and repair the Pump Station for the benefit of the Districts. Each district agrees to share in all operating, maintenance and repair costs (the “Operating Expenses”) in accordance with each District’s pro rata share. The District bills LID 15 on a quarterly basis for its portion of operating expenses incurred. During the current year, the District incurred operating expenses of \$89,182, of which \$54,294 was billed to LID 15, for a net expense to the District of \$34,888. This agreement was amended and restated subsequent to year end on August 1, 2018 to revise each district’s pro rata share.

*Fort Bend County Levee Improvement District No. 19*  
*Notes to Basic Financial Statements*  
*July 31, 2018*

**Note 11 – Cost Sharing Agreement for Regional Recreational Facilities**

On August 24, 2015, the District entered into a cost sharing agreement for regional recreational facilities with LID 15. Each district has or will construct various recreational facilities for the benefit of the property within Riverstone. Subject to any limits on voted authorized bonds, the districts agree that the cost to design, construct and finance Regional Recreational Facilities should be shared by the districts pursuant to their pro rata share of acreage within Riverstone. In order to properly and fairly allocate costs for such recreational facilities in accordance with the agreement, LID 15 has conveyed, and the District agreed to purchase, certain recreational facilities previously designed, constructed, or otherwise undertaken by the District. In each conveyance, the District shall identify any known eligible costs for the facility. In addition, each conveyance shall require the consent of any third-party developer entitled to receive reimbursement from the District for such facilities.

**Note 12 – Hurricane Harvey**

The Houston area, including Fort Bend County, sustained widespread rain and flood damage as a result of Hurricane Harvey's landfall along the Texas Gulf Coast on August 25, 2017, causing historic levels of rainfall during the succeeding four days. According to estimates by the District's engineer, approximately 570 homes (representing approximately 31% of the total homes) within the District experienced flooding or other significant damage as a result of Hurricane Harvey. The flooding was caused by record levels of rainfall in the Steep Bank Creek watershed, which is the principal drainage outflow for the District. The District provides storm water drainage within its boundaries by a gravity outfall system and pump station that pumps excess storm water into the Brazos River from the Steep Bank Creek watershed. While the pumps operated as designed, because of the historic rainfall levels, the pumps were unable to remove sufficient storm water resulting in flooding in portions of the District.

The District incurred a significant amount of expenditures associated with recovery efforts from Harvey. The District purchased supplemental pumps to increase pumping capacity at its pump station. Additionally, the District hired an independent engineer to review the District's drainage and levee systems and provide recommendations for system improvements.

**Note 13 – 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. 19**  
**Required Supplementary Information - Budgetary Comparison Schedule - General Fund**  
**For the Year Ended July 31, 2018**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 730,000	\$ 910,000	\$ 923,635	\$ 13,635
Intergovernmental			4,652	4,652
Miscellaneous	6,000	6,000	6,700	700
Investment earnings	12,000	28,000	28,197	197
<b>Total Revenues</b>	<u>748,000</u>	<u>944,000</u>	<u>963,184</u>	<u>19,184</u>
<b>Expenditures</b>				
Operating and administrative				
Professional fees	171,450	658,150	589,129	69,021
Contracted services	85,200	545,400	513,187	32,213
Repairs and maintenance	342,078	378,078	451,082	(73,004)
Administrative	56,340	79,950	81,355	(1,405)
Other	10,475	340,475	57,433	283,042
Joint pump station	37,301	63,132	34,888	28,244
Capital outlay		983,000	941,076	41,924
<b>Total Expenditures</b>	<u>702,844</u>	<u>3,048,185</u>	<u>2,668,150</u>	<u>380,035</u>
<b>Revenues Over/(Under) Expenditures</b>	45,156	(2,104,185)	(1,704,966)	399,219
<b>Fund Balance</b>				
Beginning of the year	3,314,563	3,314,563	3,314,563	
<b>End of the year</b>	<u>\$ 3,359,719</u>	<u>\$ 1,210,378</u>	<u>\$ 1,609,597</u>	<u>\$ 399,219</u>

*Fort Bend County Levee Improvement District No. 19*  
*Notes to Required Supplementary Information*  
*July 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. The budget was amended during the year to reflect changes in anticipated revenues and expenditures.

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## **Texas Supplementary Information**

**Fort Bend County Levee Improvement District No. 19**  
**TSI-1. Services and Rates**  
**July 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 checked="" type="checkbox"/> Irrigation |
| <input checked="" type="checkbox"/> Parks/Recreation  | <input type="checkbox"/> Fire Protection      | <input checked="" 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. 19**  
**TSI-2 General Fund Expenditures**  
**For the Year Ended July 31, 2018**

Professional fees		
Legal	\$	295,838
Audit		12,000
Engineering		281,291
		<u>589,129</u>
Contracted services		
Bookkeeping		29,516
Operator		483,671
		<u>513,187</u>
Repairs and maintenance		<u>451,082</u>
Administrative		
Directors fees		18,000
Printing and office supplies		1,863
Insurance		7,358
Other		54,134
		<u>81,355</u>
Other		<u>57,433</u>
Joint pump station		<u>34,888</u>
Capital outlay		<u>941,076</u>
Total expenditures	\$	<u><u>2,668,150</u></u>

Reporting of Utility Services in Accordance with Chapter 2264, Texas Government Code:

	<u>Usage</u>	<u>Cost</u>
Electrical	N/A	N/A
Water	N/A	N/A
Natural Gas	N/A	N/A

See accompanying auditors' report.



**Fort Bend County Levee Improvement District No. 19**  
**TSI-4. Taxes Levied and Receivable**  
**July 31, 2018**

	Maintenance Taxes	Levee Debt Service Taxes	Road Debt Service Taxes	Totals
Taxes Receivable, Beginning of Year	\$ 5,634	\$ 13,701	\$ 3,940	\$ 23,275
Adjustments	(254)	(647)	(222)	(1,123)
Adjusted Receivable	5,380	13,054	3,718	22,152
2017 Original Tax Levy	940,442	2,888,501	738,919	4,567,862
Adjustments	(9,916)	(30,458)	(7,791)	(48,165)
Adjusted Tax Levy	930,526	2,858,043	731,128	4,519,697
Total to be accounted for	935,906	2,871,097	734,846	4,541,849
Tax collections				
Current year	925,117	2,841,431	726,878	4,493,426
Prior years	1,460	5,979	1,595	9,034
Total Collections	926,577	2,847,410	728,473	4,502,460
Taxes Receivable, End of Year	\$ 9,329	\$ 23,687	\$ 6,373	\$ 39,389
Taxes Receivable, By Years				
2017	\$ 5,409	\$ 16,612	\$ 4,250	\$ 26,271
2016	777	3,179	848	4,804
2015	328	1,429	387	2,144
2014 and prior	2,815	2,467	888	6,170
Taxes Receivable, End of Year	\$ 9,329	\$ 23,687	\$ 6,373	\$ 39,389
	2017	2016	2015	2014
Property Valuations				
Land	\$ 130,139,927	\$ 122,422,927	\$ 107,115,960	\$ 91,318,738
Improvements	567,781,010	540,532,661	469,487,549	327,582,000
Personal Property	1,820,690	2,086,120	1,622,890	3,449,529
Exemptions	(35,080,339)	(10,049,195)	(27,171,045)	(6,367,487)
Total Property Valuations	\$ 664,661,288	\$ 654,992,513	\$ 551,055,354	\$ 415,982,780
Tax Rates per \$100 Valuation				
Maintenance tax rates	\$ 0.14	\$ 0.11	\$ 0.11	\$ 0.27
Levee debt service tax rates	0.43	0.45	0.48	0.35
Road debt service tax rates	0.11	0.12	0.13	0.18
Total Tax Rates per \$100 Valuation	\$ 0.68	\$ 0.68	\$ 0.72	\$ 0.80
Adjusted Tax Levy	\$ 4,519,697	\$ 4,453,949	\$ 3,967,599	\$ 3,327,862
Percentage of Taxes Collected to Taxes Levied **	99.42%	99.89%	99.95%	99.94%

\* Maximum Maintenance Tax Rate Approved by Voters: \$1.00 on May 12, 2007

\* Maximum Road Maintenance Tax Rate Approved by Voters: \$0.25 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. 19  
 TSI-5. Long-Term Debt Service Requirements  
 Series 2009 Levee--by Years  
 July 31, 2018*

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2019	\$ 135,000	\$ 18,550	\$ 153,550
2020	145,000	11,685	156,685
2021	<u>155,000</u>	<u>4,030</u>	<u>159,030</u>
	<u>\$ 435,000</u>	<u>\$ 34,265</u>	<u>\$ 469,265</u>

See accompanying auditors' report.

*Fort Bend County Levee Improvement District No. 19*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2012 Road--by Years*  
*July 31, 2018*

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2019	\$ 190,000	\$ 212,904	\$ 402,904
2020	200,000	208,266	408,266
2021	210,000	202,879	412,879
2022	220,000	196,691	416,691
2023	230,000	189,826	419,826
2024	245,000	182,219	427,219
2025	255,000	173,841	428,841
2026	270,000	164,781	434,781
2027	280,000	155,017	435,017
2028	295,000	144,519	439,519
2029	310,000	133,249	443,249
2030	325,000	121,180	446,180
2031	345,000	108,024	453,024
2032	360,000	93,924	453,924
2033	380,000	79,124	459,124
2034	395,000	63,377	458,377
2035	415,000	46,514	461,514
2036	440,000	28,560	468,560
2037	460,000	9,660	469,660
	<u>\$ 5,825,000</u>	<u>\$ 2,514,555</u>	<u>\$ 8,339,555</u>

See accompanying auditors' report.



*Fort Bend County Levee Improvement District No. 19*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2012 Levee --by Years*  
*July 31, 2018*

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2019	\$ 210,000	\$ 173,075	\$ 383,075
2020	215,000	168,691	383,691
2021	225,000	163,594	388,594
2022	235,000	157,550	392,550
2023	245,000	150,644	395,644
2024	255,000	143,144	398,144
2025	265,000	135,178	400,178
2026	280,000	126,663	406,663
2027	290,000	117,575	407,575
2028	305,000	107,906	412,906
2029	315,000	97,634	412,634
2030	330,000	86,750	416,750
2031	345,000	75,144	420,144
2032	355,000	62,894	417,894
2033	375,000	50,119	425,119
2034	390,000	36,731	426,731
2035	405,000	22,566	427,566
2036	420,000	7,613	427,613
	<u>\$ 5,460,000</u>	<u>\$ 1,883,471</u>	<u>\$ 7,343,471</u>

See accompanying auditors' report.

*Fort Bend County Levee Improvement District No. 19*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2013 Levee --by Years*  
*July 31, 2018*

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2019	\$ 280,000	\$ 405,469	\$ 685,469
2020	295,000	395,406	690,406
2021	310,000	384,819	694,819
2022	325,000	373,706	698,706
2023	340,000	362,494	702,494
2024	355,000	350,756	705,756
2025	375,000	337,513	712,513
2026	395,000	322,581	717,581
2027	410,000	306,225	716,225
2028	435,000	288,253	723,253
2029	455,000	268,500	723,500
2030	480,000	247,163	727,163
2031	500,000	224,500	724,500
2032	525,000	200,469	725,469
2033	555,000	174,125	729,125
2034	580,000	145,750	725,750
2035	610,000	116,000	726,000
2036	640,000	84,750	724,750
2037	670,000	52,000	722,000
2038	705,000	17,624	722,624
	<u>\$ 9,240,000</u>	<u>\$ 5,058,103</u>	<u>\$ 14,298,103</u>

See accompanying auditors' report.

*Fort Bend County Levee Improvement District No. 19*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2014 Road --by Years*  
*July 31, 2018*

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2019	\$ 145,000	\$ 162,825	\$ 307,825
2020	150,000	158,400	308,400
2021	155,000	153,825	308,825
2022	160,000	149,100	309,100
2023	170,000	144,150	314,150
2024	175,000	138,975	313,975
2025	180,000	133,650	313,650
2026	190,000	128,100	318,100
2027	195,000	122,325	317,325
2028	205,000	116,325	321,325
2029	210,000	110,100	320,100
2030	220,000	103,375	323,375
2031	230,000	96,063	326,063
2032	240,000	88,125	328,125
2033	250,000	79,550	329,550
2034	260,000	70,625	330,625
2035	270,000	61,350	331,350
2036	280,000	51,375	331,375
2037	290,000	40,688	330,688
2038	300,000	29,625	329,625
2039	315,000	18,094	333,094
2040	325,000	6,093	331,093
	<u>\$ 4,915,000</u>	<u>\$ 2,162,738</u>	<u>\$ 7,077,738</u>

See accompanying auditors' report.

*Fort Bend County Levee Improvement District No. 19*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2015 Refunding --by Years*  
*July 31, 2018*

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2019	\$ 35,000	\$ 113,125	\$ 148,125
2020	35,000	112,425	147,425
2021	40,000	111,675	151,675
2022	205,000	109,225	314,225
2023	205,000	105,125	310,125
2024	210,000	100,713	310,713
2025	220,000	95,050	315,050
2026	225,000	88,375	313,375
2027	230,000	80,400	310,400
2028	240,000	71,000	311,000
2029	250,000	61,200	311,200
2030	260,000	51,000	311,000
2031	270,000	40,400	310,400
2032	280,000	29,400	309,400
2033	295,000	17,900	312,900
2034	300,000	6,000	306,000
	<u>\$ 3,300,000</u>	<u>\$ 1,193,013</u>	<u>\$ 4,493,013</u>

See accompanying auditors' report.

*Fort Bend County Levee Improvement District No. 19*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2016 Park --by Years*  
*July 31, 2018*

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2019	\$ 1,470,000	\$ 48,975	\$ 1,518,975
2020	1,500,000	30,413	1,530,413
2021	1,530,000	10,519	1,540,519
	<u>\$ 4,500,000</u>	<u>\$ 89,906</u>	<u>\$ 4,589,906</u>

See accompanying auditors' report.

*Fort Bend County Levee Improvement District No. 19*  
*TSI-5. Long-Term Debt Service Requirements*  
*All Bonded Debt Series--by Years*  
*July 31, 2018*

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2019	\$ 2,465,000	\$ 1,134,923	\$ 3,599,923
2020	2,540,000	1,085,286	3,625,286
2021	2,625,000	1,031,341	3,656,341
2022	1,145,000	986,272	2,131,272
2023	1,190,000	952,239	2,142,239
2024	1,240,000	915,807	2,155,807
2025	1,295,000	875,232	2,170,232
2026	1,360,000	830,500	2,190,500
2027	1,405,000	781,542	2,186,542
2028	1,480,000	728,003	2,208,003
2029	1,540,000	670,683	2,210,683
2030	1,615,000	609,468	2,224,468
2031	1,690,000	544,131	2,234,131
2032	1,760,000	474,812	2,234,812
2033	1,855,000	400,818	2,255,818
2034	1,925,000	322,483	2,247,483
2035	1,700,000	246,430	1,946,430
2036	1,780,000	172,298	1,952,298
2037	1,420,000	102,348	1,522,348
2038	1,005,000	47,249	1,052,249
2039	315,000	18,094	333,094
2040	325,000	6,093	331,093
	<u>\$ 33,675,000</u>	<u>\$ 12,936,050</u>	<u>\$ 46,611,050</u>

See accompanying auditors' report.

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**Fort Bend County Levee Improvement District No. 19**  
**TSI-6. Change in Long-Term Bonded Debt**  
**July 31, 2018**

	Bond Issue			
	Series 2009 Levee	Series 2012 Road	Series 2012 Levee	Series 2013 Levee
Interest rate	4.80% - 5.20%	2.25% - 4.20%	2.00% - 3.625%	3.25% - 5.00%
Dates interest payable	9/1; 3/1	9/1; 3/1	9/1; 3/1	9/1; 3/1
Maturity dates	9/1/11 - 9/1/20	9/1/14 - 9/1/36	9/1/14 - 9/1/35	9/1/15 - 9/1/37
Beginning bonds outstanding	\$ 565,000	\$ 6,005,000	\$ 5,660,000	\$ 9,505,000
Bonds retired	(130,000)	(180,000)	(200,000)	(265,000)
Ending bonds outstanding	<u>\$ 435,000</u>	<u>\$ 5,825,000</u>	<u>\$ 5,460,000</u>	<u>\$ 9,240,000</u>
Interest paid during fiscal year	<u>\$ 24,910</u>	<u>\$ 217,066</u>	<u>\$ 177,175</u>	<u>\$ 415,006</u>
Paying agent's name and city				
Series 2009 Levee	<u>Wells Fargo Bank, N.A., Houston, Texas</u>			
Series 2012 Road, 2012 Levee, and 2013 Levee	<u>The Bank of New York Mellon Trust Company, N.A.</u>			
Series 2014 Road, 2015 Refunding, and 2016 Park	<u>Amegy Bank, a division of ZB, N.A., Houston, Texas</u>			

Bond Authority:	Flood Control and Drainage Bonds	Parks and Recreational Facilities Bonds	Road Bonds
	Amount Authorized by Voters	\$ 49,200,000	\$ 9,500,000
Amount Issued	(20,825,000)	(5,935,000)	(11,800,000)
Remaining To Be Issued	<u>\$ 28,375,000</u>	<u>\$ 3,565,000</u>	<u>\$</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 July 31, 2018:	<u>\$ 5,409,652</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:	<u>\$ 2,118,684</u>

See accompanying auditors' report.



Bond Issue			
Series 2014 Road	Series 2015 Refunding	Series 2016 Park	Totals
3.00% - 3.75% 9/1; 3/1 9/1/15 - 9/1/39	2.00% - 4.00% 9/1; 3/1 9/1/16 - 9/1/33	1.00% - 1.375% 9/1; 3/1 9/1/17 - 9/1/20	
\$ 5,055,000	\$ 3,335,000	\$ 5,935,000	\$ 36,060,000
(140,000)	(35,000)	(1,435,000)	(2,385,000)
<u>\$ 4,915,000</u>	<u>\$ 3,300,000</u>	<u>\$ 4,500,000</u>	<u>\$ 33,675,000</u>
<u>\$ 167,100</u>	<u>\$ 113,825</u>	<u>\$ 65,338</u>	<u>\$ 1,180,420</u>

**Fort Bend County Levee Improvement District No. 19**  
**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	\$ 923,635	\$ 720,118	\$ 609,659	\$ 1,123,334	\$ 940,376
Intergovernmental	4,652	50,146	208,702		600,000
Miscellaneous	6,700	12,600	6,800	17,100	24,914
Investment earnings	28,197	15,207	6,953	4,722	5,374
Total Revenues	<u>963,184</u>	<u>798,071</u>	<u>832,114</u>	<u>1,145,156</u>	<u>1,570,664</u>
Expenditures					
Operating and administrative					
Professional fees	589,129	117,360	154,766	94,115	91,460
Contracted services	513,187	89,549	89,307	87,025	94,485
Repairs and maintenance	451,082	205,491	177,414	315,690	152,936
Administrative	81,355	44,428	30,206	35,485	31,937
Other	57,433	12,946	10,857	16,199	7,010
Joint pump station	34,888	26,136	36,273	18,392	
Capital outlay	941,076	377,279	192,300	5,859	217,754
Total Expenditures	<u>2,668,150</u>	<u>873,189</u>	<u>691,123</u>	<u>572,765</u>	<u>595,582</u>
Revenues Over/(Under) Expenditures	<u>\$ (1,704,966)</u>	<u>\$ (75,118)</u>	<u>\$ 140,991</u>	<u>\$ 572,391</u>	<u>\$ 975,082</u>

\*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues

2018	2017	2016	2015	2014
96%	73%	99%	60%	35%
*	25%		38%	64%
1%	1%	1%	2%	1%
3%	1%	*	*	*
100%	100%	100%	100%	100%
61%	19%	8%	6%	4%
53%	11%	8%	6%	3%
47%	21%	28%	10%	6%
8%	4%	3%	2%	1%
6%	1%	1%	*	*
4%	4%	2%		
98%	23%	1%	14%	62%
277%	83%	51%	38%	76%
(177%)	17%	49%	62%	24%

**Fort Bend County Levee Improvement District No. 19**  
**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	\$ 3,568,079	\$ 3,734,367	\$ 3,361,004	\$ 2,202,856	\$ 1,483,890
Penalties and interest	19,923	16,270	15,020	13,493	6,870
Accrued interest on bonds sold		4,633	9,334	13,241	21,848
Miscellaneous	75	50	50		25
Investment earnings	57,668	25,146	7,866	2,603	2,874
Total Revenues	<u>3,645,745</u>	<u>3,780,466</u>	<u>3,393,274</u>	<u>2,232,193</u>	<u>1,515,507</u>
Expenditures					
Tax collection services	68,275	64,524	57,254	47,206	35,338
Other	10,000				2,500
Debt service					
Principal	2,385,000	960,000	815,000	440,000	100,000
Interest and fees	1,183,620	1,188,515	1,175,470	1,151,736	758,481
Debt issuance costs			121,648		
Total Expenditures	<u>3,646,895</u>	<u>2,213,039</u>	<u>2,169,372</u>	<u>1,638,942</u>	<u>896,319</u>
Revenues Over/(Under) Expenditures	<u>\$ (1,150)</u>	<u>\$ 1,567,427</u>	<u>\$ 1,223,902</u>	<u>\$ 593,251</u>	<u>\$ 619,188</u>

\*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues

2018	2017	2016	2015	2014
97%	99%	99%	98%	99%
1%	1%	1%	1%	*
	*	*	1%	1%
*	*	*		*
2%	1%	*	*	*
100%	101%	100%	100%	100%
2%	2%	2%	2%	2%
*				*
65%	25%	24%	20%	7%
32%	31%	35%	52%	50%
		4%		
99%	58%	65%	74%	59%
1%	43%	35%	26%	41%

**Fort Bend County Levee Improvement District No. 19  
TSI-8. Board Members, Key Personnel and Consultants  
For the Year Ended July 31, 2018**

Complete District Mailing Address: 202 Century Square Blvd, Sugar Land, TX 77478  
 District Business Telephone Number: (281) 500-6050  
 Submission Date of the most recent District Registration Form  
 (TWC Sections 36.054 and 49.054): May 11, 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>				
James Green	05/18 to 05/22	\$ 2,400	\$ 167	President
Kalapi D Sheth	05/18 to 05/20	2,250	1,726	Vice President
John Arndt	05/18 to 05/22	3,450	254	Assistant Secretary
Radhika Iyer	05/18 to 05/22	600		Secretary
Dean Cooper	05/18 to 05/20	1,650	77	Assistant Vice President
Robert Walters	10/14 to 05/18	1,800		Former Director
Robert Thompson	03/16 to 05/18	4,200	174	Former Director
Kolbe Curtice	10/14 to 05/18	1,650	6	Former Director
Amounts Paid				
<b>Consultants</b>				
The Muller Law Group, PLLC	2014	\$ 233,019		Attorney
Levee Management Services, LLC	2012	541,701		Operator
AVANTA Services	2006	31,354		Bookkeeper
Esther Flores, RTA, d.b.a. Tax Tech, Inc.	2006	31,273		Tax Collector
Fort Bend Central Appraisal District	Annual	31,207		Property Valuation
Perdue, Brandon, Fielder, Collins & Mott, LP	2007	1,941		Delinquent Tax Attorney
Costello, Inc.	2006	145,951		Engineer
McGrath & Co., PLLC	2011			Auditor
<i>Annual audit</i>		12,000		
<i>Developer reimbursement report</i>		1,100		
Robert W. Baird & Co., Inc.	2015			Financial Advisor
Yellowstone Landscape	2015	165,888		Landscape Maintenance
Lloyd Gosselink	2017	65,227		Litigation Attorney
Aptim Environmental & Infrastructure, Inc.	2018	116,268		Engineer
Mike Stone Associates	2017	11,558		Consultant

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