

**Fort Bend County Levee Improvement District No. 14**  
**Annual Financial Report**  
**September 30, 2020**



**Fort Bend County Levee Improvement District No. 14  
2020 Annual Financial Report**

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# Independent Auditors' Report

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# Sherri R Scheffler, CPA, PLLC

Certified Public Accountant

## **Independent Auditors' Report**

Board of Directors  
Fort Bend County Levee Improvement District No. 14  
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. 14 (the "District") as of and for the year ended September 30, 2020, 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 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 financial statements are free from 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 policies 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 and appropriate to provide a basis for our audit opinions.

### **Opinions**

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 the Fort Bend County Levee Improvement District No. 14 as of September 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **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 beginning on pages 5 through 12 and beginning on page 29, respectively, 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 (TSI) listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. This information has been subjected to the auditing procedures applied in 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 as a whole.

*Sharon R. Schaffer, CPA, PLLC*

Stafford, Texas

February 28, 2021



# Management's Discussion and Analysis

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# Fort Bend County Levee Improvement District No. 14

## Management's Discussion and Analysis

September 30, 2020

### Introduction

The purpose of the following discussion and analysis of the financial performance and activity of Fort Bend County Levee Improvement District No. 14 (the "District") is to provide an introduction to and overview of the basic financial statements of the District for the fiscal year ended September 30, 2020 with selected comparative information for the prior fiscal year ended September 30, 2019. This discussion has been prepared by management, is unaudited, and should be read in conjunction with the financial statements and the notes to the financial statements which follow this section as well as other information presented.

Our discussion and analysis of Fort Bend County Levee Improvement District No. 14's (the "District") financial performance provides an overview of the District's financial activities for the year ended September 30, 2020. Please read it in conjunction with the District's financial statements, which begin on page 14.

### FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$6,506,498 (net position).
- As of September 30, 2020, the District's governmental funds reported an ending fund balance of \$2,682,890.
- The District's general fund cash and investment balance at September 30, 2020 was \$1,927,237, representing a 26% decrease of -\$691,900 from September 30, 2019.
- At the end of the fiscal year, unassigned and uncommitted fund balance for the General Fund was \$2,677,964 or 539% percent of total General Fund expenditures.
- The District's long-term debt decreased by \$1,155,000 during the current fiscal year.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the basic financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Fund Revenue, Expenditures and Changes in Fund Balances. This report also includes other supplementary information in addition to the basic financial statements.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide portion of these statements provides both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of the government-wide statements is the Statement of Net Position. The Statement of Net Position is found on page 14. This is the District-wide statement of position presenting information that includes all of the District's assets, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The second of the government-wide statements is Statement of Activities and is found on page 15. This reports how the District's net position changed during the current fiscal year as the result of regular operations as well as any other activities that may have taken place. All current year revenues and expenses are included regardless of when cash is received or paid.

### FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service

Fort Bend County Levee Improvement District No. 14  
**Management's Discussion and Analysis (Continued)**  
**September 30, 2020**

revenues, costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources accumulated for servicing bonded debt and the cost of assessing and collecting taxes. A Capital Projects Fund is presented when there are expenditures of bond proceeds for the construction of the District's facilities as well as when there are unexpended capital project funds on hand during the year to be accounted for.

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position on page 23 and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities on page 24, explains the differences between the two presentations and assists in understanding the differences between these two perspectives.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 19 through 28 in this report.

**OTHER INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI"). A budgetary comparison schedule is included as RSI for the General Fund.

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities as of September 30, 2020.

A portion of the District's net position reflects its net investment in capital assets (e.g. water, wastewater and drainage facilities), less any debt used to acquire those assets that is still outstanding. The District uses these assets to provide water, wastewater and drainage services.

The following is a comparative analysis of the Statement of Net Position as of September 30, 2020 and 2019.

	<u>Governmental Activities</u>		<b>Positive (Negative)</b>
	<u>2020</u>	<u>2019</u>	
Current and Other Assets	\$ 1,946,774	\$ 2,636,563	\$ (689,789)
Capital Assets (Net of Accumulated Depreciation)	<u>5,585,146</u>	<u>5,749,361</u>	<u>(164,215)</u>
<b>Total Assets</b>	<u>7,531,920</u>	<u>8,385,924</u>	<u>(854,004)</u>
Current Liabilities	39,666	74,240	34,574
Long-Term Debt	<u>860,000</u>	<u>2,015,000</u>	<u>(4,684,766)</u>
<b>Total Liabilities</b>	<u>899,666</u>	<u>2,089,240</u>	<u>(4,650,192)</u>
<b>Deferred Outflows</b>		<u>747</u>	<u>747</u>
Net Investment in Capital Assets	4,725,146	3,734,361	990,785
Restricted	(778,985)	179,936	(958,921)
Unrestricted	<u>2,560,337</u>	<u>2,346,204</u>	<u>214,133</u>
<b>Total Net Position</b>	<u>\$ 6,506,498</u>	<u>\$ 6,260,501</u>	<u>\$ 245,997</u>

Fort Bend County Levee Improvement District No. 14  
**Management's Discussion and Analysis (Continued)**  
**September 30, 2020**

The following table provides a comparative analysis of the District's operations for the fiscal years ended September 30, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
<b>Revenues</b>		
Property taxes, penalties and interest	\$ 919,249	\$ 1,324,339
Investment and other income	<u>29,459</u>	<u>95,430</u>
<b>Total Revenues</b>	<u>948,708</u>	<u>1,419,769</u>
<b>Expenses</b>		
Professional fees	105,903	230,676
Contracted services	204,846	370,595
Utilities and other	163,965	57,222
Repairs and maintenance	34,499	23,124
Interest and fiscal charges on long-term debt	29,283	51,941
Depreciation and amortization	<u>164,215</u>	<u>164,215</u>
<b>Total Expenses</b>	<u>702,711</u>	<u>897,773</u>
<b>Change in Net Position</b>	245,997	521,996
<b>Special Item</b>		
Costs related to Hurricane Harvey	<u></u>	<u>110,931</u>
Net position, beginning	<u>6,260,501</u>	<u>5,627,574</u>
<b>Net Position, Ending</b>	<u>\$ 6,506,498</u>	<u>\$ 6,260,501</u>

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS**

**General Fund**

Comparative summaries of the General Fund's financial position as of September 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Total assets	<u>\$ 2,724,816</u>	<u>\$ 2,445,524</u>
Total liabilities	41,926	68,932
Total deferred inflows	0	0
Total fund balance	<u>2,682,890</u>	<u>2,376,592</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 2,724,816</u>	<u>\$ 2,445,524</u>

Fort Bend County Levee Improvement District No. 14  
**Management's Discussion and Analysis (Continued)**  
**September 30, 2020**

Comparative summaries of the General Fund's activities for the current and prior fiscal year are as follows:

	<u>2020</u>	<u>2019</u>
Total revenues	\$ 711,129	\$ 854,892
Total expenditures ( <i>not including special items</i> )	<u>(482,863)</u>	<u>(782,601)</u>
Revenues over/(under) expenditures	<u>228,266</u>	<u>72,291</u>
Other changes in fund balance (Hurricane Harvey)	<u>                    </u>	<u>110,931</u>
Net change in fund balance	<u>\$ 228,266</u>	<u>\$ 183,222</u>

The District manages its activities with the objective of ensuring that general operating expenditures will be adequately covered by revenues.

**Debt Service Fund**

Comparative summaries of the Debt Service Fund's financial position as of September 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Total assets	<u>\$ 119,710</u>	<u>\$ 187,776</u>
Total liabilities	898,695	554
Total deferred inflows	0	2,920
Total fund balance	<u>(778,985)</u>	<u>184,302</u>

Total liabilities, deferred inflows and fund balance \$ 119,710 \$ 187,776

Comparative summaries of the Debt Service Fund's activities for the current and prior fiscal year are as follows:

	<u>2020</u>	<u>2019</u>
Total revenues	\$ 237,579	\$ 565,935
Total expenditures	<u>(1,207,602)</u>	<u>(571,896)</u>
Net change in fund balance	<u>\$ (970,023)</u>	<u>\$ (5,961)</u>

**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. Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts.

Actual net change in fund balance was \$309,499 greater than budgeted. The *Budgetary Comparison Schedule* located in the required supplementary section of this report presents variance information per financial statement line item.

Fort Bend County Levee Improvement District No. 14  
**Management's Discussion and Analysis (Continued)**  
**September 30, 2020**

**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 water/sewer services and the projected cost of operating the District and providing services to customers. The District has initiated Pump Replacement and Maintenance Reserves in the 2021 budget. A comparison of next fiscal year's budget to current fiscal year actual amounts for the General Fund is as follows:

	<u>2020 Actual</u>	<u>2021 Budget</u>
Total revenues	\$ 711,129	\$ 698,600
Total expenditures	(482,863)	(510,850)
Revenues over/(under) expenditures	228,266	187,750
Other changes in fund balance	_____	(187,750)
Net change in fund balance	228,266	_____
Beginning fund balance	2,454,624	2,682,890
Ending fund balance	<u>\$ 2,682,890</u>	<u>\$ 2,495,140</u>

**Capital Assets**

The District held Capital assets as of September 30, 2020 and 2019 summarized as follows:

	<u>2020</u>	<u>2019</u>
<b>Capital Assets Not being Depreciated</b>		
Land and Land Improvements	\$ 2,402,901	\$ 2,402,901
<b>Capital Assets - Net of Accumulated Depreciation</b>		
Drainage System	3,182,245	3,346,460
<b>Total Net Capital Assets</b>	<u>\$ 5,585,146</u>	<u>\$ 5,749,361</u>

**Infrastructure Maintenance Rehabilitation and Renewal.**

Current year general repairs and maintenance expense was \$34,499. The District has accumulated \$2,677,964 in general fund balance. This allows the District to fund ongoing operations and as an option to equity fund portions of expected future year's infrastructure rehabilitation costs, thus preserving or leveraging debt capacity. Current bonding capacity for new issues is \$7,990,000.

Fort Bend County Levee Improvement District No. 14  
**Management's Discussion and Analysis (Continued)**  
**September 30, 2020**

**Long-Term Debt**

**Outstanding Debt**

A summary of the District's total bonded long-term debt activity including amounts outstanding as of September 30, 2020 is as follows:

<u>Series</u>	<u>2020</u>	<u>2019</u>
Series 2012R	\$	\$ 810,000
Series 2014R	860,000	1,205,000
	<u>\$ 860,000</u>	<u>\$ 2,015,000</u>

**LONG-TERM DEBT ACTIVITY**

The changes in the bonded debt position of the District during the fiscal year ended September 30, 2020, is summarized as follows:

Bond Debt Payable - Beginning of Year	\$ 2,015,000
Less: Bond Principal Paid	<u>(1,155,000)</u>
Bond Debt Payable - End of Year	<u>\$ 860,000</u>

The bond debt was retired in October, 2021. At the date of this report, the District has zero bond debt. Additional information on the District's long-term debt can be found in Note 5 in the notes to financial statements.

**Bonding Capacity** - The District had \$7,990,000 unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving levee and drainage systems within the District as well as \$9,490,000 for refunding purposes as of September 30, 2020.

**Property Taxes**

The District's property tax base decreased approximately \$20,163 for the 2020 tax year from \$630,377,827 in 2019 to \$10,213,849. Combined tax rates for the 2019-2020 tax year were \$0.1500 per \$100 value allocated as \$0.1120 per \$100 for maintenance and operations and \$0.0380 per \$100 for debt service. For the 2020-2021 tax year, the District has levied a combined tax rate of \$0.1185 per \$100 value.

**Requests for Information**

This financial report is designed to provide a general overview of Fort Bend County Levee Improvement District No. 14's finances for anyone with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Fort Bend County Levee Improvement District No. 14, c/o Husch Blackwell LLP, 600 Travis St, Ste 2350, Houston, Texas 77002.



# Basic Financial Statements

Fort Bend County Levee Improvement District No. 14

**Statement of Net Position and  
Governmental Funds Balance Sheet**

**For the Fiscal Year Ended September 30, 2020**

	<b>General</b>	<b>Debt Service</b>	<b>Total</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>Assets</b>					
Cash	\$ 837,720		\$ 837,720		\$ 837,720
Temporary Investments	970,000	119,517	1,089,517		1,089,517
Receivables:					
Property Taxes	569	193	762		762
Accrued Interest	10,646		10,646		10,646
Penalties and Interest on Delinquent Taxes					
Internal Receivables	897,752		897,752	(897,752)	
Prepayments	8,129		8,129		8,129
Capital assets:					
Land				2,402,901	2,402,901
Infrastructure (Net of Accumulated Depreciation)				3,182,245	3,182,245
<b>Total Assets</b>	<b>2,724,816</b>	<b>119,710</b>	<b>2,844,526</b>	<b>4,687,394</b>	<b>7,531,920</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances/Net Position</b>					
<b>Liabilities</b>					
Accounts Payable	38,154	943	39,097		39,097
Accrued Interest Payable					
Internal Payables		897,752	897,752	(897,752)	
Intergovernmental Payables					
Due to Others					
Security Deposits					
Unearned Revenues	569		569		569
Long-Term Liabilities:					
Due Within One Year				150,000	150,000
Due After One Year				710,000	710,000
<b>Total Liabilities</b>	<b>38,723</b>	<b>898,695</b>	<b>937,418</b>	<b>(37,752)</b>	<b>899,666</b>
<b>Fund Balances/Net Position</b>					
<b>Fund Balances:</b>					
<b>Nonspendable</b>					
Prepaid Items	8,129		8,129	(8,129)	
<b>Restricted:</b>					
Debt Service		(778,985)	(778,985)	778,985	
<b>Unrestricted:</b>					
Unassigned	2,677,964		2,677,964	(2,677,964)	
<b>Total Fund Balances</b>	<b>2,686,093</b>	<b>(778,985)</b>	<b>1,907,108</b>	<b>(1,907,108)</b>	
<b>Total Liabilities, Deferred Inflows of Resources and and Fund Balances</b>	<b>\$ 2,724,816</b>	<b>\$ 119,710</b>	<b>\$ 2,844,526</b>		
<b>Net Position:</b>					
Net Investment in Capital Assets				4,725,146	4,725,146
Restricted for Debt Service				(778,985)	(778,985)
Unrestricted				2,560,337	2,560,337
<b>Total Net Position</b>				<b>\$ 6,506,498</b>	<b>\$ 6,506,498</b>

**Fort Bend County Levee Improvement District No. 14**  
**Statement of Activities and Governmental Funds Revenues, Expenditures and**  
**Changes in Fund Balance**  
**For the Fiscal Year Ended September 30, 2020**

	<b>General</b>	<b>Debt Service</b>	<b>Total</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>Revenues</b>					
Property Taxes	\$ 684,779	\$ 232,983	\$ 917,762	\$	\$ 917,762
Penalties and Interest		1,487	1,487		1,487
Investment Earnings	26,350	3,109	29,459		29,459
<b>Total Revenues</b>	<u>711,129</u>	<u>237,579</u>	<u>948,708</u>		<u>948,708</u>
<b>Expenditures/Expenses</b>					
Service Operations:					
Professional Fees	105,903	-	105,903		105,903
Contracted Services	204,846	-	204,846		204,846
Utilities	6,828		6,828		6,828
Repairs and Maintenance	34,499		34,499		34,499
Administrative Expenditures	130,787	26,350	157,137		157,137
Depreciation and Amortization				164,215	164,215
Debt Service:					
Bond Principal		1,155,000	1,155,000	(1,155,000)	
Bond Interest and Fiscal Charges		26,252	26,252	3,031	29,283
Bond Issuance Costs					
<b>Total Expenditures/Expenses</b>	<u>482,863</u>	<u>1,207,602</u>	<u>1,690,465</u>	<u>(987,754)</u>	<u>702,711</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>228,266</u>	<u>(970,023)</u>	<u>(741,757)</u>	<u>987,754</u>	<u>245,997</u>
<b>Special Item</b>					
Costs related to Hurricane Harvey					
Change in Fund Balance	<u>228,266</u>	<u>(970,023)</u>	<u>(741,757)</u>	<u>741,757</u>	
Change in Net Position				<u>(245,997)</u>	<u>245,997</u>
Fund Balances/Net Position - Beginning	<u>2,454,624</u>	<u>191,038</u>	<u>2,645,662</u>		<u>6,260,501</u>
<b>Fund Balances/Net Position - Ending</b>	<u>\$ 2,682,890</u>	<u>\$ (778,985)</u>	<u>\$ 1,903,905</u>		<u>\$ 6,506,498</u>

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# Notes to Financial Statements

# Fort Bend County Levee Improvement District No. 14

## Notes to Financial Statements

### For the Fiscal Year Ended September 30, 2020

#### **Note 1 - Summary of Significant Accounting Policies**

The accounting policies of Fort Bend County Levee Improvement District No. 14 (the "District") are adopted in conformity with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the most significant policies:

#### **A. Reporting Entity**

The District is a political subdivision of the State of Texas governed by an appointed three-member board. GASB 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.

#### **Creation**

Fort Bend County Levee Improvement District No. 14, of Fort Bend County, Texas (the "District") was created by an order of the Commissioners Court of Fort Bend County, on July 2, 1996, in accordance with Texas Water Code Chapters 49 and 57. The District was located within the extraterritorial jurisdiction, but is now in the corporate limits of the City of Sugar Land, Texas, effective December 1, 2005. The Board of Directors held its first meeting on July 26, 1996 and the first bonds were sold on June 22, 1999. The District is subject to the continuing supervision of the Texas Commission on Environmental Quality.

#### **Activity**

The District's primary activity includes the construction, maintenance, and operation of levees and related drainage facilities.

The District is empowered, among other things, to construct, operate and maintain levees and other improvements on, along and contiguous to rivers, creeks and streams within the District; reclamation of lands within the District from overflow of these waters; the control and distribution of the waters of rivers and streams within and adjacent to the District by straightening and otherwise improving them; and the provision of proper drainage and other improvements of the reclaimed land within the District.

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.

#### **B. Measurement Focus, Basis of Accounting & Financial Statement Presentation**

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, interest earned on investments and income from District operations. 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 they are incurred.

#### **C. Basis of Presentation - 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.

# Fort Bend County Levee Improvement District No. 14

## Notes to Financial Statements *(Continued)*

### For the Fiscal Year Ended September 30, 2020

Interfund activity, if any, has been removed from these statements. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

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

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's water and sewer system and all other financial transactions not reported in other funds. The principal sources of revenue are property taxes and water and sewer service fees. 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.

#### **Use of Restricted Resources**

GASB Statement No. 34 established standards for external financial reporting for all state and local government entities, which include a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

*Net Investment in Capital Assets* — This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

*Restricted Assets* — This component of net position consists of external constraints placed on the use of net position imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* — This component of net position consists of net position that do not meet the definition of "Restricted" or "Net Investment in Capital Assets."

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.

#### **Prepaid Bond Insurance**

Prepaid bond insurance reduces the District's borrowing costs and is, therefore, recorded as asset in the government-wide Statement of Net Position and amortized to interest expense over the life of the bonds.

#### **Receivables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible

Fort Bend County Levee Improvement District No. 14

Notes to Financial Statements (Continued)

For the Fiscal Year Ended September 30, 2020

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, which primarily consist of drainage facilities are reported in the government-wide financial statements. The District defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at the estimated fair market value at the date of donation. The District has not capitalized interest incurred during the construction of its capital assets.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated (or amortized in the case of intangible assets) using the straight-line method as follows:

Assets Useful Life

Asset Description	Years
Land	N/A
Drainage System	10-45

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 the current year 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.

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 balances consist of prepaid insurance.

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. 14

**Notes to Financial Statements (Continued)**

**For the Fiscal Year Ended September 30, 2020**

*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.

**D. 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 and the useful lives and impairment of capital assets.

Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

**Note 2 - Adjustment from Governmental to Government-wide Basis**

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

<b>Total Fund Balances - Governmental Funds</b>	\$ 1,907,108
<b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>	
Land used in governmental activities is not a financial resource and therefore is reported as an asset in governmental funds.	2,402,901
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	3,182,245
Other long-term assets are not available to pay for current period expenditures and, therefore, are different in the fund	762
Certain liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.	(109,297)
Internal Receivables are not reported as assets or liabilities in the governmental funds.	
These liabilities at year-end consist of:	
Accrued Interest Payable	
Bonds Payable Within One Year	(150,000)
Bonds Payable After One Year	(710,000)
Net Unamortized Premium/Discount	(17,221)
<b>Total Net Position - Governmental Activities</b>	<b>\$ 6,506,498</b>

Fort Bend County Levee Improvement District No. 14

**Notes to Financial Statements (Continued)**

**For the Fiscal Year Ended September 30, 2020**

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

<b>Change in Fund Balances - Governmental Funds</b>	\$ (741,757)
<b>Amounts reported for governmental activities in the Statement of Activities are different because:</b>	
This represents revenues recognized in the statement of net assets but not recognized at the fund level.	
Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position, capital expenditures are treated as asset additions.	
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.	1,155,000
Governmental funds report interest expenditures on bonds as expenditures in the year paid. However, in the Statement of Activities, interest is accrued on bonds through fiscal year-end.	(3,031)
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	<u>(164,215)</u>
<b>Change in Net Position - Governmental Activities</b>	<u><u>\$ 245,997</u></u>

**Note 3 - Deposits and Investments**

**A. 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.

**B. Investments**

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

Fort Bend County Levee Improvement District No. 14

**Notes to Financial Statements (Continued)**

**For the Fiscal Year Ended September 30, 2020**

District’s investment program should be managed. This policy further restricts the types of investments in which the District may invest.

As of September 30, 2020, the District’s investments consist of the following:

**Fort Bend County Levee Improvement District No. 14  
TEMPORARY INVESTMENTS  
September 30, 2020**

<u>Funds</u>	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<b>General Fund</b>				
Bancorpsouth	2.05%	12/22/2020	\$ 240,000	\$ 3,801
Third Coast	1.80%	01/22/2021	240,000	2,971
Veritax Community	1.85%	11/17/2020	240,000	3,431
Plains State	0.60%	07/14/2020	100,000	128
South Star	0.65%	06/04/2021	150,000	315
<b>Total General Fund</b>			970,000	10,646
<b>Debt Service Fund</b>				
TexPool	0.25%	Var	117,355	
BBVA USA Debt	0.10%		2,162	
<b>Total Debt Service Fund</b>			119,517	

**TexPool**

The District participates in the Texas Local Government Investment Pool (TexPool). The Texas State Comptroller of Public Accounts (the Comptroller) 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 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. Although TexPool is not registered with the SEC as an investment company, it operates in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940. As permitted by GAAP, TexPool uses amortized cost (which excludes unrealized gains and losses) rather than market value to compute share price. Accordingly, the fair value of the District’s position in TexPool is the same as the value of TexPool shares.

**C. 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.

Fort Bend County Levee Improvement District No. 14

**Notes to Financial Statements (Continued)**

**For the Fiscal Year Ended September 30, 2020**

**Note 4 - Capital Assets**

A summary of changes in capital assets, for the year ended September 30, 2020, follows:

	<b>Balance Forward</b>	<b>Increases</b>	<b>(Decreases)</b>	<b>Balance Ending</b>
Capital Assets Not Being Depreciated:				
Land	2,402,901	_____	_____	2,402,901
Total Capital Assets Not Being Depreciated	2,402,901	_____	_____	2,402,901
Capital Assets Subject to Depreciation:				
Drainage System	6,157,503	_____	_____	6,157,503
Total Capital Assets Subject to Depreciation	6,157,503	_____	_____	6,157,503
Less Accumulated Depreciation				
Drainage System	(2,811,043)	(164,215)	_____	(2,975,258)
Total Accumulated Depreciation	(2,811,043)	(164,215)	_____	(2,975,258)
Net Capital Assets Subject to Depreciation	3,346,460	(164,215)	_____	3,182,245
Total Capital Assets, Net of Accumulated Depreciation	\$ 5,749,361	\$ (164,215)	\$ _____	\$ 5,585,146

Depreciation/amortization expense for the current year was \$164,215.

**Note 5 - Long-Term Debt**

Long-term debt consists of bonds payable, unamortized discounts and premiums and accreted interest on capital appreciation bonds. Payments of principal and interest on the bonds are to be provided from tax levies on properties within the District. Investment income realized by the Debt Service Fund from investment of funds will be used to pay outstanding bond principal and interest.

Fort Bend County Levee Improvement District No. 14

**Notes to Financial Statements (Continued)**

**For the Fiscal Year Ended September 30, 2020**

The following is a summary of changes in bonds payable for the year ended September 30, 2020:

	Balance Forward	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Bonds payable:					
Tax bonds	\$ 2,015,000	\$ _____	\$ (1,155,000)	\$ 860,000	\$ 150,000
Unamortized bond premium	31,240		(5,070)	26,170	
Unamortized bond discount	(10,682)		1,733	(8,949)	
<b>Total Long-term Debt</b>	<b>\$ 2,035,558</b>	<b>\$ _____</b>	<b>\$ (1,158,337)</b>	<b>\$ 877,221</b>	<b>\$ 150,000</b>

Long-term debt as of September 30, 2020 is comprised of the following:

Series	Amounts Outstanding	Interest Rates	Date Serially Begin/End	Maturity Interest Dates	Callable Date
2014R	\$ 860,000	1.93%	Sept. 1 2015/2023	March 1/ Sept. 1	N/A

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 September 30, 2020, the District had authorized but unissued bonds in the amount of \$7,990,000 for levee and drainage facilities and \$9,490,000 for refunding purposes.

As of September 30, 2020, annual debt service requirements on bonds outstanding are as follows:

Fiscal Year	Principal	Interest	Total
2023	345,000	16,598	361,598
2024	355,000	9,940	364,940
2025	160,000	3,088	163,088
	<b>\$ 860,000</b>	<b>\$ 29,626</b>	<b>\$ 889,626</b>

This bond debt was retired in October, 2021. At the date of this report, the District has zero bond debt.

**Note 6 - PROPERTY TAXES**

On January 18, 1997, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$0.72 per \$100 of assessed valuation of taxable property within the District. The District's bond resolutions require that ad valorem 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 for debt service requirements are without limitation as to rate or amount.

The Fort Bend Central Appraisal District determines all property values. A tax lien attaches to all properties within the District on February 1st of each year. Taxes are generally levied on October 1 and are due upon receipt of the tax bill by the property owner. Penalties and interest are charged if taxes are not paid by the succeeding January 31st.

Fort Bend County Levee Improvement District No. 14

**Notes to Financial Statements (Continued)**

**For the Fiscal Year Ended September 30, 2020**

Property taxes are prorated between operations and debt service based on the respective rates adopted for the year of the levy. For the 2020 fiscal year (2019 tax year), the District levied a combined rate of \$0.1500 per \$100 of assessed valuation of which \$0.1120 was allocated to maintenance and operations and \$0.0380 was allocated to debt service. The resulting adjusted tax levy was \$1,320,642 on the adjusted taxable valuation for the 2019 tax year.

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



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Fort Bend County Levee Improvement District No. 14  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and  
 Actual - General Fund**  
**For the Fiscal Year Ended September 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Over Over (Under)</u>
<b>Revenues</b>				
Property Taxes	\$ 670,813	\$ 670,813	\$ 684,779	\$ 13,966
Investment Earnings	31,600	31,600	26,350	(5,250)
Total Revenues	<u>702,413</u>	<u>702,413</u>	<u>711,129</u>	<u>8,716</u>
<b>Expenditures</b>				
Service Operations:				
Professional Fees	130,000	130,000	105,903	24,097
Contracted Services	116,000	116,000	204,846	(88,846)
Utilities	7,500	7,500	6,828	672
Repairs and Maintenance	47,000	47,000	34,499	12,501
Administrative Expenditures	176,850	176,850	130,787	46,063
Capital Outlay				
Total Expenditures	<u>477,350</u>	<u>477,350</u>	<u>482,863</u>	<u>(5,513)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>225,063</u>	<u>225,063</u>	<u>228,266</u>	<u>3,203</u>
<b>Other Financing (Uses)</b>				
Transfers in (out)	_____	_____	_____	_____
Total Other Financing (Uses)	_____	_____	_____	_____
<b>Change in Fund Balance</b>	<u>225,063</u>	<u>225,063</u>	<u>228,266</u>	<u>3,203</u>
<b>Special Item</b>				
Costs related to Hurricane Harvey	n/a	n/a	_____	_____
Fund Balance - Beginning	<u>2,454,624</u>	<u>2,454,624</u>	<u>2,454,624</u>	_____
<b>Fund Balance - Ending</b>	<u>\$ 2,679,687</u>	<u>\$ 2,679,687</u>	<u>\$ 2,682,890</u>	<u>\$ 3,203</u>

Fort Bend County Municipal Utility District No. 129

**Notes to Required Supplementary Information**

**September 30, 2020**

**Budgets and Budgetary Accounting**

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be uncured. The Board of Directors is required to adopt the budget prior to the beginning of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation).

The District prepares its annual budget on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedule for the general fund presents the original and the last revised budget amounts when revised compared to the actual amounts of revenues and expenditures for the current year.

## Texas Supplementary Information

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**Fort Bend County Levee Improvement District No. 14**

**Texas Supplementary Information**

**TSI-1 Services and Rates**

**September 30, 2020**

**1. Services provided by the District:**

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

**2. Retail Service Providers**

**a. Retail rates based on 5/8" meter**

The most prevalent type of meter (if not a 5/8"): \_\_\_\_\_ Retail rates not applicable  
Not Applicable

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Y/N</u>	<b>Flat Rate per 1,000 Gallons Over Minimum Usage Levels</b>
Water	<u>N/A</u>	<u>          </u>	<u>   </u>	<u>N/A</u>
Wastewater	<u>N/A</u>	<u>          </u>	<u>   </u>	<u>N/A</u>

District employs winter averaging for wastewater usage? Yes  No

Total charges per 10,000 gallons usage:  
Water: N/A Wastewater: N/A

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

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connector</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered	<u>N/A</u>	<u>          </u>	x 1.0	<u>          </u>
< or = .75"	<u>N/A</u>	<u>          </u>	x 1.0	<u>          </u>
1"	<u>N/A</u>	<u>          </u>	x 2.5	<u>          </u>
1.5"	<u>N/A</u>	<u>          </u>	x 5.0	<u>          </u>
2"	<u>N/A</u>	<u>          </u>	x 8.0	<u>          </u>
3"	<u>N/A</u>	<u>          </u>	< 15.0	<u>          </u>
4"	<u>N/A</u>	<u>          </u>	< 25.0	<u>          </u>
6"	<u>N/A</u>	<u>          </u>	< 50.0	<u>          </u>
8"	<u>N/A</u>	<u>          </u>	< 80.0	<u>          </u>
10"	<u>N/A</u>	<u>          </u>	115.0	<u>          </u>
Total Water	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Wastewater	<u>N/A</u>	<u>          </u>	x 1.0	<u>          </u>

**3. Total Water Consumption During the Fiscal Year:** (Rounded to the nearest thousand)

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

Continued on next page.

Fort Bend County Levee Improvement District No. 14

Texas Supplementary Information

TSI-1 Services and Rates

September 30, 2020

Continued from previous page.

<b>4. Standby Fees</b>	N/A
<b>5. Location of District:</b>	
County(ies) in which District is located.	Fort Bend
Is the District located entirely within one county?	YES
Is the District located within a city?	YES
City(ies) in which District is located.	City of Sugar Land
Is the District located within a city's extra territorial jurisdiction (ETJ)?	NO
ETJ's in which District is located.	N/A
Are Board members appointed by an office outside the District?	YES
If yes, by whom?	Fort Bend County Commissioners Court

Fort Bend County Levee Improvement District No. 14

**Texas Supplementary Information**

**TSI-2 General Fund Expenditures**

**September 30, 2020**

	<u>2020</u>	<u>2019</u>
<b>Professional Fees:</b>		
Auditing	\$ 7,600	\$ 7,600
Engineering	14,409	25,656
Legal	83,894	196,583
<b>Contracted Services:</b>		
Bookkeeping	21,067	16,917
Operations and Billing	99,000	219,153
<b>Repairs and Maintenance</b>	34,499	20,869
<b>Utilities</b>	6,828	7,382
<b>Administrative Expenditures:</b>		
Directors Fees	11,100	15,450
Insurance	8,534	7,500
Office Supplies and Postage	16,165	1,594
Other Administrative Expenditures	206,117	365,547
<b>Capital Outlay:</b>		
Capitalized Assets		128,189
<b>TOTAL RECURRING EXPENDITURES</b>	<u>509,213</u>	<u>1,012,440</u>
<b>Special Item</b>		
Costs related to Hurricane Harvey		(110,931)
<b>TOTAL EXPENDITURES</b>	<u>\$ 509,213</u>	<u>\$ 901,509</u>



Fort Bend County Levee Improvement District No. 14

Texas Supplementary Information

TSI-3 Investments

September 30, 2020

Funds	Interest Rate (%)	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<b>General Fund</b>				
Bancorpsouth	2.05%	12/22/2020	\$ 240,000	\$ 3,801
Third Coast	1.80%	01/22/2021	240,000	2,971
Veritax Community	1.85%	11/17/2020	240,000	3,431
Plains State	0.60%	07/14/2020	100,000	128
South Star	0.65%	06/04/2021	150,000	315
<b>Total General Fund</b>			970,000	10,646
<b>Debt Service Fund</b>				
TexPool	0.25%	Var	117,355	
BBVA USA Debt	0.10%		2,162	
<b>Total Debt Service Fund</b>			119,517	

Fort Bend County Levee Improvement District No. 14

**Texas Supplementary Information**

**TSI-4 Taxes Levied and Receivable**

**September 30, 2020**

	<b>Maintenance Taxes</b>	<b>Debt Service Taxes</b>	<b>Total</b>
Taxes receivable - October 1, 2019	\$ 569	\$ 193	\$ 762
Additions and corrections-prior years	(154)	(119)	(273)
Adjusted taxes receivable - October 1, 2019	415	74	489
Original tax roll 2019	783,616	534,999	1,318,615
Additions and corrections-current year	760	518	1,278
Adjusted tax roll	784,376	535,517	1,319,893
Total to be accounted for	784,791	535,591	1,320,382
Tax Collections:			
Current year	782,277	534,084	1,316,361
Prior years	1,770	1,368	3,138
Total Collections	784,047	535,452	1,319,499
Taxes Receivable - September 30, 2020	744	139	883
<b><u>Taxes Receivable - By Tax Year</u></b>			
2019	744	139	883
<b>Taxes Receivable - September 30, 2020</b>	<b>\$ 744</b>	<b>\$ 139</b>	<b>\$ 883</b>

<b>Assessed Property Valuations (Tax Year)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Land	140,170,060	139,782,710	\$ 140,168,070	\$ 140,168,170
Improvements	489,503,338	501,267,012	507,197,316	507,502,248
Personal Property	1,634,960	1,690,300	1,776,260	2,070,100
Less: Exemptions	(21,296,769)	(12,719,490)	(18,691,390)	(18,446,580)
Total	<b>\$ 610,011,589</b>	<b>\$ 630,020,532</b>	<b>\$ 630,450,256</b>	<b>\$ 631,293,938</b>
<b>Tax Rates Per \$100 Valuations (Tax Year)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Debt Service	\$0.0380	\$0.0850	\$0.0850	\$0.0850
Maintenance ①	\$0.1120	\$0.1245	\$0.1100	\$0.1100
Total Tax Rate per \$100 Valuation	\$0.1500	\$0.2095	\$0.1950	\$0.1950
Adjusted Tax Levy ②	\$915,327	\$1,319,893	\$1,229,378	\$1,231,023
<b>Percent of Taxes Collected to Taxes Levied</b>	99.90%	100.00%	100.00%	100.00%

① Maximum Operations and Maintenance Tax Rate Approved by Voters: \$0.72 on January 18, 1997

② Based upon adjusted tax at time of audit for the period in which the tax was levied.

Fort Bend County Levee Improvement District No. 14  
**Texas Supplementary Information**  
**TSI-6 Analysis of Changes in Long Term Bonded Debt**  
**September 30, 2020**

<b>Due During Fiscal Year Ending</b>	<b>Annual Requirements for All Series</b>			<b>Series 2014R</b>		
	<b>Principal Due Sept. 1</b>	<b>Interest Due March 1, Sept. 1</b>	<b>Total</b>	<b>Principal Due Sept. 1</b>	<b>Interest Due March 1, Sept. 1</b>	<b>Total</b>
2023	\$ 345,000	\$ 16,598	\$ 361,598	345,000	16,598	154,750
2024	355,000	9,940	364,940	355,000	9,940	201,250
2025	160,000	3,088	163,088	160,000	3,088	190,500
<b>Total</b>	<b>\$ 860,000</b>	<b>\$ 29,626</b>	<b>\$ 889,626</b>	<b>\$ 860,000</b>	<b>\$ 29,626</b>	<b>\$ 546,500</b>

Fort Bend County Levee Improvement District No. 14  
**Texas Supplementary Information**  
**TSI-5 Long Term Debt Service Requirements by Years**  
**September 30, 2020**

	<b>Bond Issue</b>	
	<b>Series 2014R</b>	<b>Total</b>
Interest rate	1.93%	
Dates interest payable	3/1 & 9/1	
Maturity dates		
From	Sep 01, 2015	
To	Sep 01, 2023	
Original issue amount	\$2,810,000	\$2,810,000
	<b>Series 2014R</b>	<b>Total</b>
Bonds outstanding at beginning of year	\$ 2,015,000	\$ 2,015,000
Principal retirements	<u>(1,155,000)</u>	<u>(1,155,000)</u>
Bonds Outstanding at End of Year	<u>\$ 860,000</u>	<u>\$ 860,000</u>
Interest Retirements	\$ 35,994	\$ 35,994

**Paying Agent/Registrar**

All Series                      Bank of New York Mellon Trust Company, N.A.  
Dallas, Texas

<b>Bond Authority</b>	<b>Tax Bonds</b>	<b>Refunding Bonds (Tax &amp; Rev.)</b>
Amount authorized	\$ 16,525,000	\$ 9,915,000
Amount of authorization used	<u>\$ 8,535,000</u>	<u>\$ 425,000</u>
Remaining	<u>\$ 7,990,000</u>	<u>\$ 9,490,000</u>

Debt Service Fund Cash and Temporary Investment Balances at End of Year	<u>\$60,396</u>
Average Annual Debt Service Payment for Remaining Term of all Debt	<u>\$215,000</u>

Fort Bend County Levee Improvement District No. 14  
Texas Supplementary Information  
**TSI-7a Comparative Schedule of Revenues and Expenditures – General Fund**  
**September 30, 2020**

	Amounts					Percent of Total Fund Revenues				
	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016
<b>General Fund Revenues</b>										
Property taxes	\$ 684,779	\$ 784,048	\$ 784,048	\$ 784,048	\$ 784,048	96.3 %	95.7 %	95.7 %	95.7 %	95.7 %
Investment earnings	26,350	35,312	35,312	35,312	35,312	3.7	4.3	4.3	4.3	4.3
Intergovernmental	0	0	0	0	0	0.0	(0.1)	0.0	0.0	0.0
<b>Total Revenues</b>	<b>711,129</b>	<b>819,360</b>	<b>819,360</b>	<b>819,360</b>	<b>819,360</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>General Fund Expenditures</b>										
Current	401,630	654,412	538,424	264,348	434,273	56.4	79.9	65.7	32.3	53.0
Capital outlay	0	128,189	0	22,572	97,150	0.0	15.6	0.0	2.8	11.9
<b>Total Expenditures</b>	<b>401,630</b>	<b>782,601</b>	<b>538,424</b>	<b>286,920</b>	<b>531,423</b>	<b>56.4</b>	<b>95.5</b>	<b>65.7</b>	<b>35.0</b>	<b>64.9</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ 309,499</b>	<b>\$ 36,759</b>	<b>\$ 280,936</b>	<b>\$ 532,440</b>	<b>\$ 287,937</b>	<b>43.6 %</b>	<b>4.4 %</b>	<b>34.3 %</b>	<b>65.0 %</b>	<b>35.1 %</b>
<b>Debt Service Fund Revenues</b>										
Property taxes	\$ 232,983	\$ 535,453	\$ 533,996	\$ 601,538	\$ 591,627	98.1 %	94.6 %	98.4 %	98.4 %	98.9 %
Penalty and interest	1,487	4,838	5,034	7,013	5,466	0.6	0.9	0.9	1.1	0.9
Investment earnings	3,109	25,644	3,497	2,994	1,406	1.3	4.5	0.7	0.5	0.2
<b>Total Revenues</b>	<b>237,579</b>	<b>565,935</b>	<b>542,527</b>	<b>611,545</b>	<b>598,499</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Debt Service Fund Expenditures</b>										
Tax collection	(555,804)	27,008	36,458	31,574	23,389	(234.0)	4.7	6.7	5.2	3.9
Debt service	1,181,264	544,691	546,627	563,053	563,053	497.2	96.2	100.8	92.1	94.1
<b>Total Expenditures</b>	<b>625,460</b>	<b>571,699</b>	<b>583,085</b>	<b>594,627</b>	<b>586,442</b>	<b>263.2</b>	<b>101.0</b>	<b>107.5</b>	<b>97.2</b>	<b>98.0</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ (387,881)</b>	<b>\$ (5,764)</b>	<b>\$ (40,558)</b>	<b>\$ 16,918</b>	<b>\$ 12,057</b>	<b>(163.2) %</b>	<b>(1.0) %</b>	<b>(7.4) %</b>	<b>2.8 %</b>	<b>2.0 %</b>

**Fort Bend County Levee Improvement District No. 14**  
**Texas Supplementary Information**  
**TSI-8 Board Members, Key Personnel and Consultants**  
**September 30, 2020**

Names	Term or Date Hired	Fees of Office Paid	Expense Reimb.	Title at Year-End
<b>Board Members:</b>				
Herbert Krog	Previous member		139	n/a
Rashid Khalfe	Term Expires 2024			n/a
Shaizad A Chatriwala	Term Expires 2024	2,700		Vice-President
Sujeeth Draksharam	Term Expires 2024	6,000		President
<b>Consultants</b>				
Allen Boone Humphries Robinson LLP		25,055		Attorney, Former
Husch Blackwell	05/19	117,736		Attorney
Municipal Accounts & Consulting, L.P.	07/19	22,638		Bookkeeper
LJA Engineering & Surveying, Inc.	08/13/96	12,166		Engineer
Sandersen & Scheffer, PLLC	09/30/16	7,600		Auditor, Outgoing
Sherril R Scheffer, CPA, PLLC	Incoming 2021			Auditor
Masterson Advisors LLC	5/14/18	n/a		Financial Advisor
Levee Management Services, LLC	02/25/13	92,209		Operator