

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6

FORT BEND COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JULY 31, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fort Bend County Levee
Improvement District No. 6
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. 6 (the "District"), as of and for the year ended July 31, 2018, 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 District'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.

Board of Directors
Fort Bend County Levee
Improvement District No. 6

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 District as of July 31, 2018, 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 the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund 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 supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.



McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

November 26, 2018

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2018**

Management's discussion and analysis of Fort Bend County Levee Improvement District No. 6's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended July 31, 2018. Please read it in conjunction with the District's financial statements.

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 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 Funds Statement of Revenues, Expenditures and Changes in Fund Balances. This report also includes required and 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 financial statements provide 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 Statement of Net Position includes all of the District's assets, liabilities and deferred inflows and outflows 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 Statement of Activities reports how the District's net position changed during the current fiscal year. 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, property tax revenues, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2018**

FUND FINANCIAL STATEMENTS (Continued)

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 and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explains the differences between the two presentations and assists in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 by \$56,458 as of July 31, 2018. A portion of the District's net position reflects its net investment in capital assets (land and land improvements and drainage facilities less any debt used to acquire those assets that are still outstanding).

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following is a comparative analysis of government-wide changes in net position:

	Summary of Changes in the Statement of Net Position		
	2018	2017	Change Positive (Negative)
Current and Other Assets	\$ 2,374,083	\$ 1,457,818	\$ 916,265
Capital Assets (Net of Accumulated Depreciation)	20,877,549	20,883,403	(5,854)
Total Assets	\$ 23,251,632	\$ 22,341,221	\$ 910,411
Due to Landowners/Developers	\$ 7,689,688	\$ 11,518,054	3,828,366
Bonds Payable	15,220,000	10,430,000	(4,790,000)
Other Liabilities	285,486	209,448	(76,038)
Total Liabilities	\$ 23,195,174	\$ 22,157,502	\$ (1,037,672)
Net Position:			
Net Investment in Capital Assets	\$ (1,154,762)	\$ (265,129)	\$ (889,633)
Restricted	975,492	618,808	356,684
Unrestricted	235,728	(169,960)	405,688
Total Net Position	\$ 56,458	\$ 183,719	\$ (127,261)

The following table provides a summary of the District's operations for the years ending July 31, 2018, and July 31, 2017. The District's net position decreased by \$127,261.

	Summary of Changes in the Statement of Activities		
	2018	2017	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 1,447,074	\$ 1,244,750	\$ 202,324
Other Revenues	40,636	11,258	29,378
Total Revenues	\$ 1,487,710	\$ 1,256,008	\$ 231,702
Expenses for Services	1,614,971	1,076,382	(538,589)
Change in Net Position	\$ (127,261)	\$ 179,626	\$ (306,887)
Net Position, Beginning of Year	183,719	4,093	179,626
Net Position, End of Year	\$ 56,458	\$ 183,719	\$ (127,261)

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2018**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of July 31, 2018, were \$2,282,625, an increase of \$895,929 from the prior year.

The General Fund fund balance increased by \$204,565, primarily due to maintenance tax revenues exceeding operating and capital costs, as well as a transfer from the Capital Projects Fund to reimburse bond issuance costs.

The Debt Service Fund fund balance increased by \$413,509, primarily due to the structure of the District's outstanding debt and the receipt of capitalized interest from the proceeds of the Series 2017 bond sale.

The Capital Projects Fund fund balance increased by \$277,855 due to unspent proceeds from the Series 2017 bonds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors annually adopts an unappropriated budget for the General Fund. The budget was amended during the current fiscal year, primarily to increase projected property tax revenues and operating and capital costs. Total revenues were \$37,591 more than budgeted revenues, primarily due to higher than anticipated property tax collections as well as miscellaneous revenues not being budgeted for. Total expenditures were \$111,900 less than budgeted expenditures, primarily due to lower than anticipated repairs and maintenance costs.

CAPITAL ASSETS

Capital assets as of July 31, 2018, total \$20,877,549 (net of accumulated depreciation) and include land and land improvements and drainage facilities. Additional information on the District's capital assets can be found in Note 6 of this report.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2018	2017	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 10,627,411	\$ 10,644,539	\$ (17,128)
Capital Assets, Net of Accumulated Depreciation:			
Drainage System	10,250,138	10,238,864	11,274
Total Net Capital Assets	\$ 20,877,549	\$ 20,883,403	\$ (5,854)

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2018**

LONG-TERM DEBT ACTIVITY

As of July 31, 2018, the District had total bond debt payable of \$15,220,000. The changes in the debt position of the District during the fiscal year ended July 31, 2018, are summarized as follows:

Bond Debt Payable, August 1, 2017	\$ 10,430,000
Add: Bond Sale - Series 2017	5,000,000
Less: Bond Principal Paid	<u>210,000</u>
Bond Debt Payable, July 31, 2018	<u>\$ 15,220,000</u>

The District’s Series 2012, Series 2013, Series 2014 and Series 2015 bonds do not carry an underlying rating or any insured ratings. The Series 2017 bonds carry an underlying rating of “Baa1” from Moody’s and an insured rating of “AA” from Standard and Poor’s by virtue of bond insurance issued by Assured Guaranty Municipal Corporation.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The adopted budget for fiscal year 2019 projects an increase in General Fund fund balance of \$110,940. Compared to the fiscal year 2018 amended budget, revenues are expected to increase by \$108,580 and expenditures are expected to decrease by \$1,211.

CONTACTING THE DISTRICT’S MANAGEMENT

This financial report is designed to provide a general overview of the District’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. 6, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, TX 77027-9944.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JULY 31, 2018

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 730,153	\$ 935,566
Investments		253,195
Receivables:		
Property Taxes	12,684	22,088
Penalty and Interest on Delinquent Taxes		
Accrued Interest		297
Due from Other Funds	5,265	
Capital Assets (Net of Accumulated Depreciation):		
Land and Land Improvements		
Drainage System		
TOTAL ASSETS	\$ 748,102	\$ 1,211,146

The accompanying notes to the financial
statements are an integral part of this report.

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 414,190	\$ 2,079,909 253,195	\$	\$ 2,079,909 253,195
	34,772		34,772
	297	5,910	5,910
1,500	6,765	(6,765)	297
		10,627,411	10,627,411
		<u>10,250,138</u>	<u>10,250,138</u>
<u>\$ 415,690</u>	<u>\$ 2,374,938</u>	<u>\$ 20,876,694</u>	<u>\$ 23,251,632</u>

The accompanying notes to the financial
statements are an integral part of this report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JULY 31, 2018

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	\$ 45,818	\$
Accrued Interest Payable		
Due to Other Funds	1,500	5,265
Due to Taxpayers		1,589
Due to Landowners/Developers		
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	\$ 47,318	\$ 6,854
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 12,684	\$ 22,088
FUND BALANCES		
Restricted for:		
Authorized Construction	\$	\$
Debt Service		1,182,204
Unassigned	688,100	
TOTAL FUND BALANCES	\$ 688,100	\$ 1,182,204
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 748,102	\$ 1,211,146
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

The accompanying notes to the financial
statements are an integral part of this report.

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 3,369	\$ 49,187	\$	\$ 49,187
		234,710	234,710
	6,765	(6,765)	
	1,589		1,589
		7,689,688	7,689,688
		470,000	470,000
		14,750,000	14,750,000
<u>\$ 3,369</u>	<u>\$ 57,541</u>	<u>\$ 23,137,633</u>	<u>\$ 23,195,174</u>
<u>\$ -0-</u>	<u>\$ 34,772</u>	<u>\$ (34,772)</u>	<u>\$ -0-</u>
\$ 412,321	\$ 412,321	\$ (412,321)	\$
	1,182,204	(1,182,204)	
	688,100	(688,100)	
<u>\$ 412,321</u>	<u>\$ 2,282,625</u>	<u>\$ (2,282,625)</u>	<u>\$ - 0 -</u>
<u>\$ 415,690</u>	<u>\$ 2,374,938</u>		
		\$ (1,154,762)	\$ (1,154,762)
		975,492	975,492
		235,728	235,728
		<u>\$ 56,458</u>	<u>\$ 56,458</u>

The accompanying notes to the financial statements are an integral part of this report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JULY 31, 2018

Total Fund Balances - Governmental Funds	\$	2,282,625
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		20,877,549
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Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2017 and prior tax levies became part of recognized revenue in the governmental activities of the District.		40,682
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Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Due to Landowners/Developers	\$	(7,689,688)	
Accrued Interest Payable		(234,710)	
Bonds Payable		<u>(15,220,000)</u>	<u>(23,144,398)</u>

Total Net Position - Governmental Activities	\$	<u>56,458</u>
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The accompanying notes to the financial statements are an integral part of this report.

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FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JULY 31, 2018

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 490,420	\$ 951,467
Penalty and Interest		8,007
Investment Revenues	1,457	4,715
Miscellaneous Revenues	23,134	
TOTAL REVENUES	\$ 515,011	\$ 964,189
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 174,817	\$ 2,193
Contracted Services	32,143	34,199
Repairs and Maintenance	104,025	
Depreciation		
Other	15,886	5,669
Capital Outlay	37,500	
Debt Service:		
Bond Principal		210,000
Bond Interest		453,744
Bond Issuance Costs		
TOTAL EXPENDITURES/EXPENSES	\$ 364,371	\$ 705,805
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	\$ 150,640	\$ 258,384
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	\$ 53,925	\$
Long-Term Debt Issued		155,125
TOTAL OTHER FINANCING SOURCES (USES)	\$ 53,925	\$ 155,125
NET CHANGE IN FUND BALANCES	\$ 204,565	\$ 413,509
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - AUGUST 1, 2017	483,535	768,695
FUND BALANCES/NET POSITION - JULY 31, 2018	\$ 688,100	\$ 1,182,204

The accompanying notes to the financial
statements are an integral part of this report.

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 1,441,887	\$ 5,187	\$ 1,447,074
	8,007	1,821	9,828
1,502	7,674		7,674
	23,134		23,134
<u>\$ 1,502</u>	<u>\$ 1,480,702</u>	<u>\$ 7,008</u>	<u>\$ 1,487,710</u>
\$ 11,339	\$ 188,349	\$	\$ 188,349
	66,342		66,342
	104,025		104,025
		260,707	260,707
13,644	35,199		35,199
4,045,719	4,083,219	(4,083,219)	
	210,000	(210,000)	
	453,744	62,710	516,454
443,895	443,895		443,895
<u>\$ 4,514,597</u>	<u>\$ 5,584,773</u>	<u>\$ (3,969,802)</u>	<u>\$ 1,614,971</u>
<u>\$ (4,513,095)</u>	<u>\$ (4,104,071)</u>	<u>\$ 3,976,810</u>	<u>\$ (127,261)</u>
\$ (53,925)	\$	\$	\$
4,844,875	5,000,000	(5,000,000)	
<u>\$ 4,790,950</u>	<u>\$ 5,000,000</u>	<u>\$ (5,000,000)</u>	<u>\$ -0-</u>
\$ 277,855	\$ 895,929	\$ (895,929)	\$
		(127,261)	(127,261)
134,466	1,386,696	(1,202,977)	183,719
<u>\$ 412,321</u>	<u>\$ 2,282,625</u>	<u>\$ (2,226,167)</u>	<u>\$ 56,458</u>

The accompanying notes to the financial statements are an integral part of this report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2018

Net Change in Fund Balances - Governmental Funds	\$	895,929
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		5,187
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.		1,821
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.		(260,707)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		4,083,219
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.		210,000
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		(62,710)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.		<u>(5,000,000)</u>
Change in Net Position - Governmental Activities	\$	<u><u>(127,261)</u></u>

The accompanying notes to the financial statements are an integral part of this report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 1. CREATION OF DISTRICT

Fort Bend County Levee Improvement District No. 6 (the “District”), located in Fort Bend County, Texas was created, effective July 2, 1984, by the Commissioners Court of Fort Bend County, Texas. The District operates pursuant to provisions of Chapters 49 and 57 of the Texas Water Code, Chapter 7808 of the Texas Special District Local Laws Code (“Chapter 7808”), and provisions of Article XVI, Section 59 of the Constitution of Texas. The District is partially located within the extraterritorial jurisdictions of the Cities of Sugar Land and Richmond. The principal functions of the District include constructing and maintaining levees and other improvements on, along and contiguous to rivers, creeks, and streams; reclaiming lands within the District from these streams; the control and distribution of the waters of rivers and streams within and adjacent to the District by straightening and otherwise improving them; the provisions of proper drainage and other improvements of the reclaimed land within the District; and developing and maintaining recreational facilities. The District is subject to continuing supervision of the Commissioners Court of Fort Bend County and the Texas Commission on Environmental Quality (the “Commission”). The Board of Directors held its first meeting on June 29, 2007, and the first bonds were issued on December 20, 2012.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected 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 statement as component units.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for 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 Net Position – This component of net position consists of external constraints placed on the use of assets 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 assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide statements. The fund statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

Governmental Funds

The District has three governmental funds and considers each to be a major fund.

General Fund - To account for resources not required to be accounted for in another fund, property tax revenues, operating costs and general expenditures.

Debt Service Fund - To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Capital Projects Fund - To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of July 31, 2018, the Debt Service Fund owed the General Fund \$5,265 for maintenance tax collections and the General Fund owed the Capital Projects Fund \$1,500 for bond issuance costs. During the current fiscal year, the Capital Projects Fund transferred \$53,925 to the General Fund to reimburse for bond issuance costs.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets which include property, plant, equipment, and infrastructure assets are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their acquisition value on the date donated. Repairs and maintenance are recorded as expenditure in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs, that extend the life of an asset, are capitalized and depreciated over the estimated useful life of the asset. Interest costs, including developer interest, engineering fees and certain other costs are capitalized as part of the asset. Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Drainage System	45

Budgeting

In compliance with governmental accounting principles, the Board of Directors annually adopts an unappropriated budget for the General Fund. The budget was amended during the current fiscal year.

Pensions

A pension plan has not been established. The District does not have employees, except that the Internal Revenue Service has determined that directors are considered to be “employees” for federal payroll tax purposes only. Therefore, a pension plan has not been established.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds use the following hierarchy:

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 does not have any nonspendable fund balances.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. 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 expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3. LONG-TERM DEBT

The following is a summary of transactions regarding the changes in bonds payable for the year ended July 31, 2018, as well as bonds outstanding at year end:

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 3. LONG-TERM DEBT (Continued)

	August 1, 2017	Additions	Retirements	July 31, 2018
Bonds Payable	\$ 10,430,000	\$ 5,000,000	\$ 210,000	\$ 15,220,000
			Amount Due Within One Year	\$ 470,000
			Amount Due After One Year	14,750,000
			Bonds Payable	\$ 15,220,000

	Series 2012	Series 2013
Amount Outstanding – July 31, 2018	\$ 2,120,000	\$ 3,235,000
Interest Rates	2.50% - 4.00%	3.00% - 5.00%
Maturity Dates – Serially Beginning/Ending	September 1, 2018/2037	September 1, 2018/2038
Interest Payment Dates	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2019*	September 1, 2019*

	Series 2014	Series 2015	Series 2017
Amount Outstanding – July 31, 2018	\$ 2,500,000	\$ 2,365,000	\$ 5,000,000
Interest Rates	3.00% - 4.50%	1.70% - 4.00%	2.00% - 4.00%
Maturity Dates – Serially Beginning/Ending	September 1, 2018/2038	September 1, 2018/2040	September 1, 2018/2042
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2022*	September 1, 2022*	September 1, 2024*

* At the option of the District, in whole or in part, on the call option date or any date thereafter, at par plus accrued interest to the date of redemption. Series 2012 term bonds maturing September 1, 2026, September 1, 2032, and September 1, 2037, are subject to mandatory redemption on September 1, 2025, September 1, 2027, and September 1, 2033, respectively. Series 2013 term bonds due September 1, 2038, are subject to mandatory redemption on September 1, 2030. Series 2014 term bonds due September 1, 2029, September 1, 2033, and September 1, 2038, are subject to mandatory redemption on September 1, 2027, September 1, 2030, and September 1, 2034, respectively. Series 2015 term bonds due September 1, 2031, September 1, 2035, September 1, 2037, and September 1, 2040, are subject to mandatory redemption on September 1, 2030, September 1, 2032, September 1, 2036, and September 1, 2038 respectively. Series 2017 term bonds due September 1, 2031, September 1, 2033, September 1, 2035, September 1, 2037, September 1, 2039, and September 1, 2042, are subject to mandatory redemption on September 1, 2030, September 1, 2032, September 1, 2034, September 1, 2036, September 1, 2038, and September 1, 2040, respectively.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 3. LONG-TERM DEBT (Continued)

As of July 31, 2018, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2019	\$ 470,000	\$ 555,965	\$ 1,025,965
2020	515,000	540,320	1,055,320
2021	530,000	523,205	1,053,205
2022	545,000	505,057	1,050,057
2023	560,000	486,345	1,046,345
2024-2028	3,025,000	2,155,237	5,180,237
2029-2033	3,545,000	1,573,936	5,118,936
2034-2038	4,170,000	804,951	4,974,951
2039-2043	1,860,000	124,200	1,984,200
	\$ 15,220,000	\$ 7,269,216	\$ 22,489,216

As of July 31, 2018, the District had authorized but unissued bonds in the amount of \$141,050,000 for the purpose of acquiring or constructing levee and drainage facilities and improvements, as well as available for refunding bonds.

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount. During the year ended July 31, 2018, the District levied an ad valorem debt service tax rate of \$0.33 per \$100 of assessed valuation, which resulted in a tax levy of \$957,005 on the adjusted taxable valuation of \$290,001,424 for the 2017 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

The District's tax calendar is as follows:

- Lien Date - January 1.
- Levy Date - October 1 or as soon thereafter as practicable.
- Due Date - Not later than January 31.
- Delinquent Date - February 1, at which time the taxpayer is liable for penalty and interest.

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

The District is required to provide to certain information repositories continuing disclosure of annual financial information and operating data with respect to the District. The information is of the general type included in the annual audit report and must be filed within six months after the end of each fiscal year of the District.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

For the bonds sold, the District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds be rebated to the federal government, within the meaning of Section 148(f) of the Internal Revenue Code. The minimum requirement for determination of the rebatable amount is on the five-year anniversary of each issue.

In accordance with the bond resolution for the Series 2017 Unlimited Tax Bonds, a portion of the bond proceeds were deposited into the Debt Service Fund and reserved for the payment of bond interest. This bond interest reserve is reduced as the interest is paid. Transactions for the current year are summarized as follows:

Restricted for Bond Interest – August 1, 2017	\$ -0-
Plus: Capitalized Interest – Series 2017	155,125
Less: Bond Interest – Series 2017	<u>43,090</u>
Restricted for Bond Interest – July 31, 2018	<u>\$ 112,035</u>

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District’s deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District’s deposits was \$2,333,104 and the bank balance was \$2,334,678. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at July 31, 2018, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 730,153	\$	\$ 730,153
DEBT SERVICE FUND	935,566	253,195	1,188,761
CAPITAL PROJECTS FUND	<u>414,190</u>	<u></u>	<u>414,190</u>
TOTAL DEPOSITS	<u>\$ 2,079,909</u>	<u>\$ 253,195</u>	<u>\$ 2,333,104</u>

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest District funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District’s investment policy may be more restrictive than the Public Funds Investment Act.

As of July 31, 2018, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>DEBT SERVICE FUND</u>		
Certificate of Deposit	<u>\$ 253,195</u>	<u>\$ 253,195</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District manages credit risk by investing in certificates of deposit with balances below FDIC coverage.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages interest rate risk by investing in certificates of deposit with maturities of one year or less.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended July 31, 2018:

	August 1, 2017	Increases	Decreases	July 31, 2018
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 10,644,539	\$	\$ 17,128	\$ 10,627,411
Capital Assets Subject to Depreciation				
Drainage System	\$ 10,732,967	\$ 271,981	\$ - 0 -	\$ 11,004,948
Accumulated Depreciation				
Drainage System	\$ 494,103	\$ 260,707	\$ - 0 -	\$ 754,810
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 10,238,864</u>	<u>\$ 11,274</u>	<u>\$ - 0 -</u>	<u>\$ 10,250,138</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 20,883,403</u>	<u>\$ 11,274</u>	<u>\$ 17,128</u>	<u>\$ 20,877,549</u>

NOTE 7. MAINTENANCE TAX

On November 4, 2008, the voters of the District approved the levy and collection of a maintenance tax in an amount not to exceed \$1.50 per \$100 of assessed valuation of taxable property within the District. The District, Fort Bend County Municipal Utility District No. 187, Fort Bend Municipal Utility District No. 207, Fort Bend County Municipal Utility District No. 215 and Williams Ranch Municipal Utility District No. 1 (the "MUDs") entered into agreements whereby the District and the individual MUDs agreed to an initial tax rate division of the maintenance tax of \$0.50 and \$1.00 per \$100 of assessed valuation, respectively. During the year ended July 31, 2018, the District levied an ad valorem maintenance tax rate of \$0.17 per \$100 of assessed valuation, which resulted in a tax levy of \$493,002 on the adjusted taxable valuation of \$290,001,424 for the 2017 tax year. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 9. COST SHARING AGREEMENTS

The District entered into cost-sharing agreements with Fort Bend County (the “County”) and various landowners with the District for the construction of the Project A Levee System (“Project A”). Pursuant to the agreements, the County and the landowners have advanced funds for the cost of construction of Project A. With the completion of Project A, the landowners were reimbursed by the District from the proceeds of bond issues. Included in the total project cost of approximately \$9.3 million was \$1.4 million for the acquisition of land from one of the landowners. This amount was credited against the amount to be advanced for construction costs by the landowner. The final payment on the amounts advanced as part of this project were paid with the proceeds of the Unlimited Tax Bonds, Series 2015.

NOTE 10. UNREIMBURSED COSTS

The District has entered into financing agreements with various landowners within the District for the financing of the construction of levee systems and drainage facilities. Under the agreements, the landowners have advanced funds for the construction of District’s share of costs for the construction of a regional levee system. Additionally, the District has agreed to reimburse developers in the District for the construction of detention ponds and other drainage facilities in the District. The landowners and developers will be reimbursed from proceeds of future bond issues or other lawfully available funds subject to approval by the Commission. As of fiscal year-end, the District has recorded \$7,224,632 due to landowners/developers for completed facilities and an additional \$465,056 due to landowners/developers for operating advances.

NOTE 11. ECONOMIC DEPENDENCY

Landowners own a substantial portion of the taxable property within the District. The landowners’ willingness to make future operating advances and/or to pay taxes will directly affect the District’s ability to meet its future obligations.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 12. BOND SALE

On November 21, 2017, the District sold \$5,000,000 of Unlimited Tax Bonds, Series 2017, with interest rates ranging from 2.00% to 4.00%. The proceeds from the bonds were used to reimburse developers/landowners for certain construction and engineering costs for Mitigation/Detention Pond, Phase 1, Detention Pond, Phase 2 and land acquisition; reimburse the developers/landowners for previously funded operating advances made to the District; provide for capitalized interest; and fund certain costs associated with the issuance of the bonds.

NOTE 13. SUBSEQUENT EVENT - PENDING BOND SALE

Subsequent to year end, the District has received approval from the Commission to issue \$7,850,000 of bonds. Delivery of the bonds is expected on or about December 13, 2018.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6

REQUIRED SUPPLEMENTARY INFORMATION

JULY 31, 2018

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JULY 31, 2018

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Property Taxes	\$ 440,000	\$ 476,420	\$ 490,420	\$ 14,000
Investment Revenues	500	1,000	1,457	457
Miscellaneous Revenues			23,134	23,134
TOTAL REVENUES	<u>\$ 440,500</u>	<u>\$ 477,420</u>	<u>\$ 515,011</u>	<u>\$ 37,591</u>
EXPENDITURES				
Services Operations:				
Professional Fees	\$ 128,700	\$ 160,000	\$ 174,817	\$ (14,817)
Contracted Services	39,500	39,500	32,143	7,357
Repairs and Maintenance	76,652	208,621	104,025	104,596
Other	23,910	34,400	15,886	18,514
Capital Outlay		33,750	37,500	(3,750)
TOTAL EXPENDITURES	<u>\$ 268,762</u>	<u>\$ 476,271</u>	<u>\$ 364,371</u>	<u>\$ 111,900</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 171,738</u>	<u>\$ 1,149</u>	<u>\$ 150,640</u>	<u>\$ 149,491</u>
OTHER FINANCING SOURCES(USES)				
Transfers In	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 53,925</u>	<u>\$ 53,925</u>
NET CHANGE IN FUND BALANCE	\$ 171,738	\$ 1,149	\$ 204,565	\$ 203,416
FUND BALANCE - AUGUST 1, 2017	<u>483,535</u>	<u>483,535</u>	<u>483,535</u>	
FUND BALANCE - JULY 31, 2018	<u>\$ 655,273</u>	<u>\$ 484,684</u>	<u>\$ 688,100</u>	<u>\$ 203,416</u>

See accompanying independent auditor's report.

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FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

JULY 31, 2018

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2018**

1. SERVICES PROVIDED BY THE DISTRICT DURING THE FISCAL YEAR:

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

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 5/8” METER (OR EQUIVALENT):

Based on the Rate Order Dated: *

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
WATER:	N/A				
WASTEWATER:	N/A				
SURCHARGE:	N/A				

* The District does not provide water and sewer services.

See accompanying independent auditor’s report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2018**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered	_____	_____	x 1.0	_____
<u>≤3/4"</u>	_____	_____	x 1.0	_____
1"	_____	_____	x 2.5	_____
1½"	_____	_____	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 Connections	<u>N/A</u>	<u>N/A</u>		<u>N/A</u>
Total Wastewater Connections	<u>N/A</u>	<u>N/A</u>	x 1.0	<u>N/A</u>

3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)

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

See accompanying independent auditor's report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2018

4. STANDBY FEES (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes No

Does the District have Operation and Maintenance standby fees? Yes No

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No

County in which District is located:

Fort Bend County, Texas

Is the District located within a city?

Entirely Partly Not at all

Is the District located within a city's extraterritorial jurisdiction (ETJ)?

Entirely Partly Not at all

ETJs in which District is located:

City of Sugar Land, Texas and City of Richmond, Texas.

Are Board Members appointed by an office outside the District?

Yes No

See accompanying independent auditor's report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JULY 31, 2018

PROFESSIONAL FEES:	
Auditing	\$ 9,850
Engineering	81,403
Legal	<u>83,564</u>
TOTAL PROFESSIONAL FEES	<u>\$ 174,817</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 11,681
Operations	<u>20,462</u>
TOTAL CONTRACTED SERVICES	<u>\$ 32,143</u>
REPAIRS AND MAINTENANCE	<u>\$ 104,025</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 3,150
Insurance	7,155
Legal Notices	73
Office Supplies and Postage	4,995
Payroll Taxes	309
Travel and Meetings	<u>104</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 15,786</u>
OTHER EXPENDITURES:	
Storm Water Permit	<u>\$ 100</u>
CAPITAL OUTLAY	<u>\$ 37,500</u>
TOTAL EXPENDITURES	<u><u>\$ 364,371</u></u>

See accompanying independent auditor's report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
INVESTMENTS
FOR THE YEAR ENDED JULY 31, 2018

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<u>DEBT SERVICE FUND</u>					
Certificate of Deposit	XXXX9711	2.38%	07/25/19	<u>\$ 253,195</u>	<u>\$ 297</u>

See accompanying independent auditor's report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JULY 31, 2018

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
AUGUST 1, 2017	\$	11,561	\$	18,024
Adjustments to Beginning				
Balance		<u>(1,459)</u>	\$	<u>10,102</u>
			<u>(1,474)</u>	\$
				16,550
Original 2017 Tax Levy	\$	482,359	\$	936,345
Adjustment to 2017 Tax Levy		<u>10,643</u>		<u>493,002</u>
TOTAL TO BE				
ACCOUNTED FOR		\$	503,104	\$
				973,555
TAX COLLECTIONS:				
Prior Years	\$	4,617	\$	8,439
Current Year		<u>485,803</u>		<u>490,420</u>
			<u>943,028</u>	<u>951,467</u>
TAXES RECEIVABLE -				
JULY 31, 2018		<u>\$</u>	<u>12,684</u>	<u>\$</u>
				<u>22,088</u>
TAXES RECEIVABLE BY				
YEAR:				
2017	\$	7,199	\$	13,977
2016		2,433		3,970
2015		1,558		2,437
2014		519		609
2013		421		605
2012		<u>554</u>		<u>490</u>
TOTAL		<u>\$</u>	<u>12,684</u>	<u>\$</u>
				<u>22,088</u>

See accompanying independent auditor's report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JULY 31, 2018

	2017	2016	2015	2014
PROPERTY VALUATIONS:				
Land	\$ 92,374,040	\$ 71,168,420	\$ 59,062,100	\$ 48,099,220
Improvements	217,109,135	182,377,825	129,080,300	79,545,530
Personal Property	1,355,240	1,127,550	913,680	894,220
Exemptions	(20,836,991)	(6,334,934)	(3,588,601)	(3,497,761)
TOTAL PROPERTY VALUATIONS	\$ 290,001,424	\$ 248,338,861	\$ 185,467,479	\$ 125,041,209
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.33	\$ 0.31	\$ 0.305	\$ 0.27
Maintenance	0.17	0.19	0.195	0.23
TOTAL TAX RATES PER \$100 VALUATION	\$ 0.50	\$ 0.50	\$ 0.500	\$ 0.50
ADJUSTED TAX LEVY*	\$ 1,450,007	\$ 1,241,694	\$ 926,754	\$ 625,206
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	98.54 %	99.48 %	99.57 %	99.82 %

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

Maintenance Tax – Maximum tax rate of \$1.50 per \$100 of assessed valuation approved by voters on November 4, 2008.

See accompanying independent auditor's report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2018

S E R I E S - 2 0 1 2			
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2019	\$ 65,000	\$ 79,594	\$ 144,594
2020	70,000	77,819	147,819
2021	70,000	75,806	145,806
2022	75,000	73,556	148,556
2023	80,000	70,996	150,996
2024	80,000	68,196	148,196
2025	85,000	65,163	150,163
2026	90,000	61,825	151,825
2027	95,000	58,241	153,241
2028	100,000	54,400	154,400
2029	105,000	50,300	155,300
2030	110,000	46,000	156,000
2031	115,000	41,500	156,500
2032	120,000	36,800	156,800
2033	125,000	31,900	156,900
2034	135,000	26,700	161,700
2035	140,000	21,200	161,200
2036	145,000	15,500	160,500
2037	155,000	9,500	164,500
2038	160,000	3,200	163,200
2039			
2040			
2041			
2042			
2043			
	\$ 2,120,000	\$ 968,196	\$ 3,088,196

See accompanying independent auditor's report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2018

S E R I E S - 2 0 1 3			
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2019	\$ 95,000	\$ 145,413	\$ 240,413
2020	100,000	142,488	242,488
2021	105,000	139,281	244,281
2022	110,000	135,650	245,650
2023	115,000	131,569	246,569
2024	120,000	127,013	247,013
2025	125,000	122,113	247,113
2026	130,000	116,850	246,850
2027	135,000	111,219	246,219
2028	140,000	105,200	245,200
2029	150,000	98,581	248,581
2030	155,000	91,431	246,431
2031	165,000	83,625	248,625
2032	170,000	75,250	245,250
2033	180,000	66,500	246,500
2034	185,000	57,375	242,375
2035	195,000	47,875	242,875
2036	200,000	38,000	238,000
2037	210,000	27,750	237,750
2038	220,000	17,000	237,000
2039	230,000	5,750	235,750
2040			
2041			
2042			
2043			
	\$ 3,235,000	\$ 1,885,933	\$ 5,120,933

See accompanying independent auditor's report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2018

S E R I E S - 2 0 1 4

Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2019	\$ 70,000	\$ 96,338	\$ 166,338
2020	75,000	94,163	169,163
2021	80,000	91,838	171,838
2022	85,000	89,363	174,363
2023	85,000	86,813	171,813
2024	90,000	83,963	173,963
2025	95,000	80,725	175,725
2026	100,000	77,313	177,313
2027	105,000	73,725	178,725
2028	110,000	69,825	179,825
2029	115,000	65,606	180,606
2030	120,000	61,200	181,200
2031	125,000	56,450	181,450
2032	130,000	51,350	181,350
2033	140,000	45,950	185,950
2034	145,000	40,250	185,250
2035	150,000	33,975	183,975
2036	160,000	27,000	187,000
2037	165,000	19,688	184,688
2038	175,000	12,038	187,038
2039	180,000	4,050	184,050
2040			
2041			
2042			
2043			
	<u>\$ 2,500,000</u>	<u>\$ 1,261,623</u>	<u>\$ 3,761,623</u>

See accompanying independent auditor's report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2018

S E R I E S - 2 0 1 5

Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2019	\$ 65,000	\$ 82,995	\$ 147,995
2020	65,000	81,825	146,825
2021	70,000	80,455	150,455
2022	70,000	78,863	148,863
2023	75,000	77,029	152,029
2024	75,000	74,948	149,948
2025	80,000	72,660	152,660
2026	85,000	70,143	155,143
2027	90,000	67,340	157,340
2028	90,000	64,325	154,325
2029	95,000	61,133	156,133
2030	100,000	57,620	157,620
2031	105,000	53,775	158,775
2032	110,000	49,690	159,690
2033	110,000	45,400	155,400
2034	115,000	40,900	155,900
2035	120,000	36,200	156,200
2036	125,000	31,300	156,300
2037	130,000	26,200	156,200
2038	140,000	20,800	160,800
2039	145,000	15,100	160,100
2040	150,000	9,200	159,200
2041	155,000	3,100	158,100
2042			
2043			
	<u>\$ 2,365,000</u>	<u>\$ 1,201,001</u>	<u>\$ 3,566,001</u>

See accompanying independent auditor's report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2018

S E R I E S - 2 0 1 7			
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2019	\$ 175,000	\$ 151,625	\$ 326,625
2020	205,000	144,025	349,025
2021	205,000	135,825	340,825
2022	205,000	127,625	332,625
2023	205,000	119,938	324,938
2024	205,000	114,300	319,300
2025	200,000	110,250	310,250
2026	200,000	106,250	306,250
2027	200,000	102,000	302,000
2028	200,000	97,250	297,250
2029	200,000	92,125	292,125
2030	200,000	86,750	286,750
2031	200,000	81,000	281,000
2032	200,000	75,000	275,000
2033	200,000	69,000	269,000
2034	200,000	63,000	263,000
2035	200,000	56,875	256,875
2036	200,000	50,625	250,625
2037	200,000	44,250	244,250
2038	200,000	37,750	237,750
2039	200,000	31,125	231,125
2040	200,000	24,375	224,375
2041	200,000	17,500	217,500
2042	200,000	10,500	210,500
2043	200,000	3,500	203,500
	\$ 5,000,000	\$ 1,952,463	\$ 6,952,463

See accompanying independent auditor's report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2018

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending July 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2019	\$ 470,000	\$ 555,965	\$ 1,025,965
2020	515,000	540,320	1,055,320
2021	530,000	523,205	1,053,205
2022	545,000	505,057	1,050,057
2023	560,000	486,345	1,046,345
2024	570,000	468,420	1,038,420
2025	585,000	450,911	1,035,911
2026	605,000	432,381	1,037,381
2027	625,000	412,525	1,037,525
2028	640,000	391,000	1,031,000
2029	665,000	367,745	1,032,745
2030	685,000	343,001	1,028,001
2031	710,000	316,350	1,026,350
2032	730,000	288,090	1,018,090
2033	755,000	258,750	1,013,750
2034	780,000	228,225	1,008,225
2035	805,000	196,125	1,001,125
2036	830,000	162,425	992,425
2037	860,000	127,388	987,388
2038	895,000	90,788	985,788
2039	755,000	56,025	811,025
2040	350,000	33,575	383,575
2041	355,000	20,600	375,600
2042	200,000	10,500	210,500
2043	200,000	3,500	203,500
	<u>\$ 15,220,000</u>	<u>\$ 7,269,216</u>	<u>\$ 22,489,216</u>

See accompanying independent auditor's report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JULY 31, 2018

Description	Original Bonds Issued	Bonds Outstanding August 1, 2017
Fort Bend County Levee Improvement District No. 6 Unlimited Tax Bonds - Series 2012	\$ 2,350,000	\$ 2,180,000
Fort Bend County Levee Improvement District No. 6 Unlimited Tax Bonds - Series 2013	3,500,000	3,325,000
Fort Bend County Levee Improvement District No. 6 Unlimited Tax Bonds - Series 2014	2,500,000	2,500,000
Fort Bend County Levee Improvement District No. 6 Unlimited Tax Bonds - Series 2015	2,500,000	2,425,000
Fort Bend County Levee Improvement District No. 6 Unlimited Tax Bonds - Series 2017	<u>5,000,000</u>	<u> </u>
TOTAL	<u><u>\$ 15,850,000</u></u>	<u><u>\$ 10,430,000</u></u>

Bond Authority:	<u>Unlimited Tax and Refunding Bonds*</u>
Amount Authorized by Voters	\$ 156,900,000
Amount Issued	<u>15,850,000</u>
Remaining to be Issued	<u><u>\$ 141,050,000</u></u>

See Note 3 for interest rate, interest payment dates and maturity dates.

* Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes.

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding July 31, 2018</u>	<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>		
\$	\$ 60,000	\$ 81,081	\$ 2,120,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	90,000	148,187	3,235,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
		97,388	2,500,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	60,000	83,998	2,365,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
<u>5,000,000</u>		<u>43,090</u>	<u>5,000,000</u>	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
<u>\$ 5,000,000</u>	<u>\$ 210,000</u>	<u>\$ 453,744</u>	<u>\$ 15,220,000</u>	

Debt Service Fund cash, investments and cash with paying agent balances as of July 31, 2018: \$ 1,188,761

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 899,569

See accompanying independent auditor's report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

	Amounts		
	2018	2017	2016
REVENUES			
Property Taxes	\$ 490,420	\$ 471,828	\$ 361,955
Investment Revenues	1,457	678	282
Miscellaneous Revenues	23,134		
TOTAL REVENUES	\$ 515,011	\$ 472,506	\$ 362,237
EXPENDITURES			
Professional Fees	\$ 174,817	\$ 94,863	\$ 116,809
Contracted Services	32,143	37,608	33,889
Repairs and Maintenance	104,025	75,539	66,511
Other	15,886	17,135	13,413
Capital Outlay	37,500		
Bond Issuance Costs		58,480	
TOTAL EXPENDITURES	\$ 364,371	\$ 283,625	\$ 230,622
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 150,640	\$ 188,881	\$ 131,615
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	\$ 53,925	\$ -0-	\$ -0-
NET CHANGE IN FUND BALANCE	\$ 204,565	\$ 188,881	\$ 131,615
BEGINNING FUND BALANCE	483,535	294,654	163,039
ENDING FUND BALANCE	\$ 688,100	\$ 483,535	\$ 294,654

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2015	2014	2018	2017	2016	2015	2014
\$ 320,847 137	\$ 166,377 42	95.2 % 0.3 4.5	99.9 % 0.1	99.9 % 0.1	100.0 %	100.0 %
<u>\$ 320,984</u>	<u>\$ 166,419</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 55,803 31,890 56,102 22,036	\$ 66,358 30,100 75,786 18,906	33.8 % 6.2 20.2 3.1 7.3	20.0 % 8.0 16.0 3.6 12.4	32.2 % 9.4 18.4 3.7	17.4 % 9.9 17.5 6.9	39.9 % 18.1 45.5 11.4
<u>\$ 165,831</u>	<u>\$ 191,150</u>	<u>70.6 %</u>	<u>60.0 %</u>	<u>63.7 %</u>	<u>51.7 %</u>	<u>114.9 %</u>
<u>\$ 155,153</u>	<u>\$ (24,731)</u>	<u>29.4 %</u>	<u>40.0 %</u>	<u>36.3 %</u>	<u>48.3 %</u>	<u>(14.9) %</u>
<u>\$ -0-</u>	<u>\$ -0-</u>					
\$ 155,153 7,886	\$ (24,731) 32,617					
<u>\$ 163,039</u>	<u>\$ 7,886</u>					

See accompanying independent auditor's report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2018	2017	2016
REVENUES			
Property Taxes	\$ 951,467	\$ 761,258	\$ 558,850
Penalty and Interest	8,007	6,147	2,306
Investment Revenues	4,715	1,084	810
Miscellaneous Revenues	<u>470</u>	<u>470</u>	<u>652</u>
TOTAL REVENUES	<u>\$ 964,189</u>	<u>\$ 768,959</u>	<u>\$ 562,618</u>
EXPENDITURES			
Tax Collection Expenditures	\$ 40,311	\$ 38,111	\$ 21,731
Debt Service Principal	210,000	225,000	140,000
Debt Service Interest and Fees	<u>455,494</u>	<u>418,141</u>	<u>359,049</u>
TOTAL EXPENDITURES	<u>\$ 705,805</u>	<u>\$ 681,252</u>	<u>\$ 520,780</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 258,384</u>	<u>\$ 87,707</u>	<u>\$ 41,838</u>
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	<u>\$ 155,125</u>	<u>\$ -0-</u>	<u>\$ 85,572</u>
NET CHANGE IN FUND BALANCE	\$ 413,509	\$ 87,707	\$ 127,410
BEGINNING FUND BALANCE	<u>768,695</u>	<u>680,988</u>	<u>553,578</u>
ENDING FUND BALANCE	<u>\$ 1,182,204</u>	<u>\$ 768,695</u>	<u>\$ 680,988</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2015	2014	2018	2017	2016	2015	2014
\$ 335,549	\$ 233,983	98.7 %	99.0 %	99.4 %	99.8 %	99.6 %
		0.8	0.8	0.4		
666	874	0.5	0.1	0.1	0.2	0.4
			0.1	0.1		
<u>\$ 336,215</u>	<u>\$ 234,857</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 16,762	\$ 10,103	4.1 %	4.9 %	3.9 %	5.0 %	4.3 %
55,000		21.8	29.3	24.9	16.4	
<u>305,819</u>	<u>162,058</u>	<u>47.2</u>	<u>54.4</u>	<u>63.8</u>	<u>91.0</u>	<u>69.0</u>
<u>\$ 377,581</u>	<u>\$ 172,161</u>	<u>73.1 %</u>	<u>88.6 %</u>	<u>92.6 %</u>	<u>112.4 %</u>	<u>73.3 %</u>
\$ (41,366)	\$ 62,696	26.9 %	11.4 %	7.4 %	(12.4) %	26.7 %
<u>\$ -0-</u>	<u>\$ 252,176</u>					
\$ (41,366)	\$ 314,872					
<u>594,944</u>	<u>280,072</u>					
<u>\$ 553,578</u>	<u>\$ 594,944</u>					
<u>N/A</u>	<u>N/A</u>					
<u>N/A</u>	<u>N/A</u>					

See accompanying independent auditor's report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2018

District Mailing Address - Fort Bend County Levee Improvement District No. 6
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, TX 77027

District Telephone Number - (713) 860-6400

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended <u>July 31, 2018</u>	Expense Reimbursements for the year ended <u>July 31, 2018</u>	<u>Title</u>
Gary Pochyla	06/15 06/19 (Appointed)	\$ 900	\$ -0-	President
Kent P. Savage	07/15 06/19 (Appointed)	\$ 1,200	\$ -0-	Vice President
Linda Jacks	06/15 06/19 (Appointed)	\$ 1,050	\$ 104	Secretary

Note: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District’s developer or with any of the District’s consultants

Submission date of most recent District Registration Form (TWC Sections 36.054 and 49.054): May 9, 2018.

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution (TWC Section 49.060). Fees of Office are the amounts actually paid to a Director during the District’s current fiscal year.

See accompanying independent auditor’s report.

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2018

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended July 31, 2018</u>	<u>Title</u>
Allen Boone Humphries Robinson LLP	06/28/07	\$ 94,903 \$ 140,468	General Counsel Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	03/28/16	\$ 9,850 \$ 8,000	Auditor Bond Related
Myrtle Cruz, Inc.	02/25/13	\$ 16,411	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	05/01/12	\$ 2,193	Delinquent Tax Attorney
Costello, Inc.	07/10/07	\$ 46,803 \$ 34,600	Engineer Bond Related
Mary Jarmon	02/25/13	\$ -0-	Investment Officer
Hilltop Securities Inc.	10/01/07	\$ 100,714	Former Financial Advisor
Masterson Advisors LLC	04/30/18	\$ -0-	Financial Advisor
Levee Management Services, LLC	02/25/13	\$ 90,610	Operator
Assessments of the Southwest, Inc.	08/01/07	\$ 24,328	Tax Assessor/ Collector

See accompanying independent auditor's report.

