

**FORT BEND COUNTY MUNICIPAL
UTILITY DISTRICT NO. 140**

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

July 31, 2018

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Independent Auditors' Report

Board of Directors
Fort Bend County Municipal Utility District No. 140
Fort Bend County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 140, as of and for the year ended July 31, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient to provide a basis for our audit opinions.

Board of Directors
Fort Bend County Municipal Utility District No. 140
Fort Bend County, Texas

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 140, as of July 31, 2018, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other-Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The Texas Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Texas Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied to the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

W.C. Gault & Co, PC

Houston, Texas
November 27, 2018

Management's Discussion and Analysis

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***Fort Bend County Municipal Utility District No. 140
Management's Discussion and Analysis
July 31, 2018***

Using this Annual Report

Within this section of the financial report of Fort Bend County Municipal Utility District No. 140 (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended July 31, 2018. This analysis should be read in conjunction with the independent auditors' report and the basic financial statements that follow this section.

In addition to this discussion and analysis, this annual report consists of:

- The District's basic financial statements;
- Notes to the basic financial statements, which provide additional information essential to a full understanding of the data provided in the financial statements;
- Supplementary information required by the Governmental Accounting Standards Board (GASB) concerning the District's budget; and
- Other Texas supplementary information required by the District's state oversight agency, the Texas Commission on Environmental Quality (TCEQ).

Overview of the Financial Statements

The District prepares its basic financial statements using a format that combines fund financial statements and government-wide statements onto one financial statement. The combined statements are the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. Each statement contains an adjustments column which quantifies the differences between the government-wide and fund level statements. Additional details of the adjustments are provided in Note 2 to the basic financial statements.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District, both long-term and short-term. The District's government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the accrual basis of accounting. The *Statement of Net Position* includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, changes in net position may provide a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

Accounting standards establish three components of net position. The net investment in capital assets component represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restricted component of net position consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties. The unrestricted component of net position represents resources not included in the other components.

Fort Bend County Municipal Utility District No. 140
Management's Discussion and Analysis
July 31, 2018

The *Statement of Activities* reports how the District's net position has changed during the fiscal year. All revenues and expenses are included on this statement, regardless of whether cash has been received or paid.

Fund Financial Statements

The fund financial statements include the *Governmental Funds Balance Sheet* and the *Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. The focus of fund financial statements is on specific activities of the District rather than the District as a whole, reported using modified accrual accounting. These statements report on the District's use of available financial resources and the balances of available financial resources at the end of the year. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties, governmental statutes or regulations.

For further discussion on the government-wide and fund financial statements, please refer to Note 1 in the financial statements.

Financial Analysis of the District as a Whole

The District's net position at July 31, 2018, was \$523,346. A comparative summary of the District's overall financial position, as of July 31, 2018 and 2017, is as follows:

	2018	2017
Current and other assets	\$ 5,472,060	\$ 5,445,683
Capital assets	14,282,203	14,405,610
Total assets	<u>19,754,263</u>	<u>19,851,293</u>
Total deferred outflows of resources	<u>505,000</u>	<u>289,481</u>
Current liabilities	1,479,623	1,422,714
Long-term liabilities	18,256,294	18,914,899
Total liabilities	<u>19,735,917</u>	<u>20,337,613</u>
Net position		
Net investment in capital assets	(3,852,183)	(4,309,731)
Restricted	2,051,099	2,066,332
Unrestricted	2,324,430	2,046,560
Total net position	<u>\$ 523,346</u>	<u>\$ (196,839)</u>

Fort Bend County Municipal Utility District No. 140
Management's Discussion and Analysis
July 31, 2018

The total net position of the District increased during the current fiscal year by \$720,185. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	2018	2017
Revenues		
Water and sewer service	\$ 701,198	\$ 667,182
Property taxes, penalties and interest	2,333,404	2,152,886
Other	823,790	729,627
Total revenues	<u>3,858,392</u>	<u>3,549,695</u>
Expenses		
Current service operations	2,151,844	1,777,321
Debt interest and fees	570,065	573,731
Developer interest	2,954	543,167
Debt issuance costs	141,903	354,967
Depreciation and amortization	271,441	271,441
Intergovernmental		184,748
Total expenses	<u>3,138,207</u>	<u>3,705,375</u>
Change in net position	720,185	(155,680)
Net position, beginning of year	(196,839)	(41,159)
Net position, end of year	<u>\$ 523,346</u>	<u>\$ (196,839)</u>

Financial Analysis of the District's Funds

The District's combined fund balances, as of July 31, 2018, were \$5,131,435, which consists of \$2,314,659 in the General Fund, \$2,264,868 in the Debt Service Fund, and \$551,908 in the Capital Projects Fund.

General Fund

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

	2018	2017
Total assets	<u>\$ 2,634,710</u>	<u>\$ 2,319,360</u>
Total liabilities	\$ 310,280	\$ 272,800
Total deferred inflows	9,771	4,123
Total fund balance	<u>2,314,659</u>	<u>2,042,437</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 2,634,710</u>	<u>\$ 2,319,360</u>

Fort Bend County Municipal Utility District No. 140
Management's Discussion and Analysis
July 31, 2018

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

	<u>2018</u>	<u>2017</u>
Total revenues	\$ 2,370,273	\$ 2,004,008
Total expenditures	<u>(2,098,051)</u>	<u>(1,780,791)</u>
Revenues over expenditures	<u>\$ 272,222</u>	<u>\$ 223,217</u>

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District's primary financial resources in the General Fund are from a property tax levy, the provision of water and sewer services to customers within the District and tap connection fees charged to homebuilders in the District. Financial resources are influenced by a variety of factors each year:

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. Property tax revenues increased from prior year because the District increased the maintenance and operations component of the levy and because assessed values increased from prior year.
- Water, sewer and groundwater reduction plan revenues are dependent upon customer usage, which fluctuates from year to year as a result of factors beyond the District's control.
- Revenues from providing fire protection services are based on the number of connections in the District and increases as the number of connections increases.
- Tap connection fees fluctuate with homebuilding activity within the District.

Debt Service Fund

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

	<u>2018</u>	<u>2017</u>
Total assets	<u>\$ 2,285,442</u>	<u>\$ 2,326,246</u>
Total liabilities	\$ 176	\$ 388
Total deferred inflows	20,398	12,894
Total fund balance	<u>2,264,868</u>	<u>2,312,964</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 2,285,442</u>	<u>\$ 2,326,246</u>

***Fort Bend County Municipal Utility District No. 140
Management's Discussion and Analysis
July 31, 2018***

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

	<u>2018</u>	<u>2017</u>
Total revenues	\$ 1,465,177	\$ 1,552,770
Total expenditures	<u>(1,702,449)</u>	<u>(998,295)</u>
Revenues over/ (under) expenditures	(237,272)	554,475
Other changes in fund balance	189,176	218,063
Net change in fund balance	<u>\$ (48,096)</u>	<u>\$ 772,538</u>

The District's financial resources in the Debt Service Fund in both the current year and prior year are from property tax revenues. The difference between these financial resources and debt service requirements resulted in changes in fund balance each year. It is important to note that the District sets its annual debt service tax rate as recommended by its financial advisor, who monitors projected cash flows in the Debt Service Fund to ensure that the District will be able to meet its future debt service requirements.

During the current year, the District issued \$3,210,000 in refunding bonds to refund \$3,130,000 of its outstanding Series 2007, Series 2007A and Series 2011 bonds. This refunding will save the District \$261,380 in future debt service requirements.

Capital Projects Fund

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

	<u>2018</u>	<u>2017</u>
Total assets	<u>\$ 551,908</u>	<u>\$ 800,077</u>
Total fund balance	<u>\$ 551,908</u>	<u>\$ 800,077</u>

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

	<u>2018</u>	<u>2017</u>
Total revenues	\$ 9,791	\$ 3,283
Total expenditures	<u>(257,960)</u>	<u>(6,363,081)</u>
Revenues under expenditures	(248,169)	(6,359,798)
Other changes in fund balance	7,194,062	7,194,062
Net change in fund balance	<u>\$ (248,169)</u>	<u>\$ 834,264</u>

During the current year, the District's capital asset activity is for the construction of the Rio Vista Berm. In the previous fiscal year, the District's capital asset activity was financed with proceeds from the issuance of its Series 2016 and 2016A unlimited tax bonds.

Fort Bend County Municipal Utility District No. 140
Management's Discussion and Analysis
July 31, 2018

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board amended the budget during the year to reflect changes in anticipated revenues.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was \$325,135 less than budgeted. The *Budgetary Comparison Schedule* on page 34 of this report provides variance information per financial statement line item.

Capital Assets

The District has entered into financing agreements with its developers for the financing of the construction of capital assets within the District. Developers will be reimbursed from proceeds of future bond issues or other lawfully available funds. These developer funded capital assets are recorded on the District's financial statements upon completion of construction.

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

	<u>2018</u>	<u>2017</u>
Capital assets not being depreciated		
Land and improvements	<u>\$ 5,387,886</u>	<u>\$ 5,239,852</u>
Capital assets being depreciated/amortized		
Water, sewer and drainage systems	9,986,943	9,986,943
Parks	727,648	727,648
Equipment	41,127	41,127
Impact fees	<u>848,874</u>	<u>848,874</u>
	<u>11,604,592</u>	<u>11,604,592</u>
Less accumulated depreciation/amortization		
Water, sewer and drainage systems	(2,169,604)	(1,945,365)
Parks	(250,001)	(231,383)
Equipment	(18,504)	(16,448)
Impact fees	<u>(272,166)</u>	<u>(245,638)</u>
	<u>(2,710,275)</u>	<u>(2,438,834)</u>
Depreciable capital assets, net	<u>8,894,317</u>	<u>9,165,758</u>
Capital assets, net	<u>\$ 14,282,203</u>	<u>\$ 14,405,610</u>

Capital asset additions during the current year included the construction of the Rio Vista berm.

Long-Term Debt and Related Liabilities

As of July 31, 2018, the District owes \$1,463,517 to developers for completed projects. The District intends to reimburse the developers from proceeds of future bond issues or other lawfully available funds.

**Fort Bend County Municipal Utility District No. 140
Management's Discussion and Analysis
July 31, 2018**

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

Series	2018	2017
2007	\$ 320,000	\$ 1,100,000
2007A	160,000	1,435,000
2011	400,000	1,870,000
2013 Refunding	1,660,000	1,750,000
2015 Refunding	4,800,000	4,835,000
2016	5,400,000	5,700,000
2016A	1,755,000	1,825,000
2017 Refunding	3,210,000	
	\$ 17,705,000	\$ 18,515,000

During the year, the District issued \$3,210,000 in unlimited tax refunding bonds. At July 31, 2018, the District had \$8,060,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District; \$6,175,000 for parks and recreational facilities; and \$35,055,000 for refunding purposes.

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. A comparison of next year's budget to current year actual amounts for the General Fund is as follows:

	2018 Actual	2019 Budget
Total revenues	\$ 2,370,273	\$ 2,041,974
Total expenditures	(2,098,051)	(2,080,424)
Revenues over/(under) expenditures	272,222	(38,450)
Beginning fund balance	2,042,437	2,314,659
Ending fund balance	\$ 2,314,659	\$ 2,276,209

Property Taxes

The District's property tax base decreased approximately \$2,214,000 for the 2018 tax year from \$185,793,676 to \$183,579,410. This decrease was primarily due to disaster reappraisals. For the 2018 tax year, the District has levied a maintenance tax rate of \$0.31 per \$100 of assessed value and a debt service tax rate of \$0.94 per \$100 of assessed value, for a total combined tax rate of \$1.25 per \$100. Tax rates for the 2017 tax year were \$0.50 per \$100 for maintenance and operations and \$0.75 per \$100 for debt service for a combined total of \$1.25 per \$100 of assessed value.

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Basic Financial Statements

Fort Bend County Municipal Utility District No. 140
Statement of Net Position and Governmental Funds Balance Sheet
July 31, 2018

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 133,943	\$ 48,362	\$ 8,232	\$ 190,537	\$ -	\$ 190,537
Investments	1,980,943	2,201,233	710,080	4,892,256		4,892,256
Taxes receivable, net	9,771	20,398		30,169		30,169
Customer service receivables, net	81,413			81,413		81,413
Prepaid items	10,118			10,118		10,118
Internal balances	150,955	15,449	(166,404)			
Deposits held by City of Richmond	114,610			114,610		114,610
Due from City of Richmond	152,957			152,957		152,957
Capital assets not being depreciated					5,387,886	5,387,886
Capital assets, net					8,894,317	8,894,317
Total Assets	\$ 2,634,710	\$ 2,285,442	\$ 551,908	\$ 5,472,060	14,282,203	19,754,263
Deferred Outflows of Resources						
Deferred difference on refunding					505,000	505,000
Liabilities						
Accounts payable	\$ 193,711	\$ -	\$ -	\$ 193,711		193,711
Other payables	1,959	176		2,135		2,135
Customer deposits	114,610			114,610		114,610
Accrued interest payable					234,167	234,167
Due to developers					1,463,517	1,463,517
Long-term debt						
Due within one year					935,000	935,000
Due after one year					16,792,777	16,792,777
Total Liabilities	310,280	176		310,456	19,425,461	19,735,917
Deferred Inflows of Resources						
Deferred property taxes	9,771	20,398		30,169	(30,169)	
Fund Balances/Net Position						
Fund Balances						
Nonspendable	10,118			10,118	(10,118)	
Restricted		2,264,868		2,264,868	(2,264,868)	
Unassigned	2,304,541		551,908	2,856,449	(2,856,449)	
Total Fund Balances	2,314,659	2,264,868	551,908	5,131,435	(5,131,435)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,634,710	\$ 2,285,442	\$ 551,908	\$ 5,472,060		
Net Position						
Net investment in capital assets					(3,852,183)	(3,852,183)
Restricted for debt service					2,051,099	2,051,099
Unrestricted					2,324,430	2,324,430
Total Net Position					\$ 523,346	\$ 523,346

See notes to basic financial statements.

Fort Bend County Municipal Utility District No. 140
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended July 31, 2018

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Water service	\$ 376,770	\$ -	\$ -	\$ 376,770	\$ -	\$ 376,770
Sewer service	324,428			324,428		324,428
Property taxes	873,515	1,431,177		2,304,692	11,181	2,315,873
Penalties and interest	6,777	8,784		15,561	1,970	17,531
Garbage service	198,523			198,523		198,523
Tap connection and inspection	130,873			130,873		130,873
Fire protection	256,741			256,741		256,741
Groundwater reduction plan	167,411			167,411		167,411
Miscellaneous	5,805			5,805		5,805
Investment earnings	29,430	25,216	9,791	64,437		64,437
Total Revenues	2,370,273	1,465,177	9,791	3,845,241	13,151	3,858,392
Expenditures/Expenses						
Current service operations						
Purchased services	649,029			649,029		649,029
Professional fees	480,543		18,434	498,977		498,977
Contracted services	574,060	29,564		603,624		603,624
Repairs and maintenance	137,948			137,948		137,948
Groundwater reduction plan	167,313			167,313		167,313
Utilities	7,771			7,771		7,771
Administrative	40,553	5,767	28	46,348		46,348
Other	40,834			40,834		40,834
Capital outlay			236,544	236,544	(236,544)	
Debt service						
Principal		890,000		890,000	(890,000)	
Interest and fees		560,215		560,215	9,850	570,065
Developer interest			2,954	2,954		2,954
Debt issuance costs		141,903		141,903		141,903
Payment to refunded bond escrow agent		75,000		75,000	(75,000)	
Depreciation and amortization					271,441	271,441
Total Expenditures/Expenses	2,098,051	1,702,449	257,960	4,058,460	(920,253)	3,138,207
Revenues Over/(Under) Expenditures	272,222	(237,272)	(248,169)	(213,219)	213,219	
Other Financing Sources/(Uses)						
Proceeds from sale of refunding bonds		3,210,000		3,210,000	(3,210,000)	
Bond premium		170,194		170,194	(170,194)	
Payment to refunded bond escrow agent		(1,431,018)		(1,431,018)	1,431,018	
Debt service - principal		(1,760,000)		(1,760,000)	1,760,000	
Net Change in Fund Balances	272,222	(48,096)	(248,169)	(24,043)	24,043	
Change in Net Position					720,185	720,185
Fund Balance/Net Position						
Beginning of the year	2,042,437	2,312,964	800,077	5,155,478	(5,352,317)	(196,839)
End of the year	\$ 2,314,659	\$ 2,264,868	\$ 551,908	\$ 5,131,435	\$ (4,608,089)	\$ 523,346

See notes to basic financial statements.

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Fort Bend County Municipal Utility District No. 140
Notes to Basic Financial Statements
July 31, 2018

Note 1 – Summary of Significant Accounting Policies

The accounting policies of Fort Bend County Municipal Utility District No. 140 (the “District”) conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board. The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to an order of the Texas Commission on Environmental Quality dated July 15, 2003 and operates in accordance with the Texas Water Code, Chapters 49 and 54. The Board of Directors held its first meeting on July 21, 2003 and the first bonds were sold on May 8, 2006.

The District’s primary activities include construction, maintenance and operation of water, sewer and drainage facilities. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The Governmental Accounting Standards Board has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statements as component units.

Government-Wide and Fund Financial Statements

Government-wide financial statements display information about the District as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Interfund activity, if any, has been removed from these statements. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities*.

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

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

The following is a description of the various funds used by the District:

- The General Fund is used to account for the operations of the District'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.
- The Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the District's water, sewer and drainage facilities.

As a special-purpose government engaged in a single governmental program, the District has opted to combine its government-wide and fund financial statements in a columnar format showing an adjustments column for reconciling items between the two.

Measurement Focus and Basis of Accounting

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both available and measurable to finance expenditures of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, 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 the liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Note 2 further details the adjustments from the governmental fund presentation to the government-wide presentation.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted resources as they are needed.

Note 1 – Summary of Significant Accounting Policies (continued)

Prepaid Items

Certain payments made by the District reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At July 31, 2018, an allowance of \$8,000 was provided for possible uncollectible water/sewer accounts. An allowance for uncollectible property taxes was not considered necessary.

Unbilled Service Revenues

Utility revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled at year-end has been included in the accompanying financial statements.

Interfund Activity

During the course of operations, transactions occur between individual funds. This can include internal transfers, payables and receivables. This activity is combined as internal balances and is eliminated in both the government-wide and fund financial statement presentation.

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at the estimated fair market value at the date of donation. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciable capital assets, which primarily consist of water, wastewater and drainage facilities and impact fees paid to the City of Richmond, are depreciated or amortized using the straight-line method as follows:

Assets	Useful Life
Water, sewer and drainage systems	45 years
Parks	30-40 years
Equipment	20 years
Impact fees	40 years [max]

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

The District's detention facilities and drainage channels are considered improvements to land and are non-depreciable.

Deferred Inflows and Outflows of Financial Resources

A deferred inflow of financial resources is the acquisition of resources in one period that is applicable to a future period, while a deferred outflow of financial resources is the consumption of financial resources in one period that is applicable to a future period. A deferred inflow results from the acquisition of an asset without a corresponding revenue or assumption of a liability. A deferred outflow results from the use of an asset without a corresponding expenditure or reduction of a liability.

At the fund level, property taxes receivable not collected within 60 days of fiscal year end do not meet the availability criteria required for revenue recognition and are recorded as deferred inflows of financial resources.

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

Net Position – Governmental Activities

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

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

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

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District's nonspendable fund balance consists of prepaid items.

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds (continued)

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

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

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

Unassigned - all other spendable amounts in the General Fund.

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include, among others, the collectibility of receivables; the value of unbilled utility revenues and receivables; the useful lives and impairment of capital assets; the value of amounts due to developers and the value of capital assets for which the developers have not been fully reimbursed. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

Fort Bend County Municipal Utility District No. 140
Notes to Basic Financial Statements
July 31, 2018

Note 2 – Adjustment from Governmental to Government-wide Basis

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

Total fund balance, governmental funds		\$ 5,131,435
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

Historical cost	\$ 16,992,478	
Less accumulated depreciation/amortization	<u>(2,710,275)</u>	
Change due to capital assets		14,282,203

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

505,000

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

(1,463,517)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The difference consists of:

Bonds payable, net	(17,727,777)	
Interest payable on bonds	<u>(234,167)</u>	
Change due to long-term debt		(17,961,944)

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

Property taxes receivable	24,994	
Penalty and interest receivable	<u>5,175</u>	
Change due to property taxes		30,169

Total net position - governmental activities		<u><u>\$ 523,346</u></u>
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Fort Bend County Municipal Utility District No. 140
Notes to Basic Financial Statements
July 31, 2018

Note 2 – Adjustment from Governmental to Government-wide Basis (continued)

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

Net change in fund balances - total governmental funds \$ (24,043)

Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for property taxes. 13,151

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal uses current financial resources. However, neither transaction has any effect on net assets. Other elements of debt financing are reported differently between the fund and government wide statements.

Bond premium	\$ (170,194)	
Principal payments	2,650,000	
Interest expense accrual	(9,850)	
Proceeds from sale of refunding bonds	(3,210,000)	
Payment to refunded bond escrow agent	<u>1,506,018</u>	765,974

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

Capital outlays	236,544	
Amortization expense	<u>(271,441)</u>	(34,897)

Change in net position of governmental activities \$ 720,185

Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

Custodial credit risk as it applies to deposits (i.e. cash) is the risk that, in the event of the failure of the depository institution, a government will not be able to recover its deposits or will not be able to recover collateral securities. The *Public Funds Collateral Act* (Chapter 2257, Texas Government Code) requires that all of the District's deposits with financial institutions be covered by federal depository insurance and, if necessary, pledged collateral held by a third party custodian. The act further specifies the types of securities that can be used as collateral. The District's written investment policy establishes additional requirements for collateralization of deposits.

Fort Bend County Municipal Utility District No. 140
Notes to Basic Financial Statements
July 31, 2018

Note 3 – Deposits and Investments (continued)

Investments

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

The District has adopted a written investment policy to establish the principles by which the District's investment program should be managed. This policy further restricts the types of investments in which the District may invest.

As of July 31, 2018, the District's investments consist of the following:

Type	Fund	Carrying Value	Rating	Weighted Average Maturity
TexPool	General	\$ 1,980,943		
	Debt Service	2,201,233		
	Capital Projects	710,080		
		<u>\$ 4,892,256</u>	AAAm	24 days

TexPool

The District participates in TexPool, the Texas Local Government Investment Pool. The State Comptroller of Public Accounts exercises oversight responsibility of TexPool, which includes (1) the ability to significantly influence operations, (2) designation of management and (3) accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

Fort Bend County Municipal Utility District No. 140
Notes to Basic Financial Statements
July 31, 2018

Note 3 – Deposits and Investments (continued)

TexPool (continued)

As permitted by GAAP, TexPool uses amortized cost (which excludes unrealized gains and losses) rather than market value to compute share price and seeks to maintain a constant dollar value per share. Accordingly, the fair value of the District’s position in TexPool is the same as the value of TexPool shares. Investments in TexPool may be withdrawn on a same day basis, as long as the transaction is executed by 3:30 p.m.

Investment Credit and Interest Rate Risk

Investment credit risk is the risk that the investor may not recover the value of an investment from the issuer, while interest rate risk is the risk that the value of an investment will be adversely affected by changes in interest rates. The District’s investment policies do not address investment credit and interest rate risk beyond the rating and maturity restrictions established by state statutes.

Note 4 – Interfund Balances and Transactions

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>	<u>Purpose</u>
Debt Service Fund	General Fund	\$ 15,449	Maintenance tax portion of value adjustment refunds
General Fund	Capital Projects Fund	166,404	Bond application fees and capital outlay paid by the General Fund

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

Fort Bend County Municipal Utility District No. 140
Notes to Basic Financial Statements
July 31, 2018

Note 5 – Capital Assets

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

	Beginning Balances	Additions/ Adjustments	Ending Balances
Capital assets not being depreciated			
Land and improvements	\$ 5,239,852	\$ 148,034	\$ 5,387,886
Capital assets being depreciated/amortized			
Water, sewer and drainage systems	9,986,943		9,986,943
Parks	727,648		727,648
Equipment	41,127		41,127
Impact fees	848,874		848,874
	<u>11,604,592</u>		<u>11,604,592</u>
Less accumulated depreciation/amortization			
Water, sewer and drainage systems	(1,945,365)	(224,239)	(2,169,604)
Parks	(231,383)	(18,618)	(250,001)
Equipment	(16,448)	(2,056)	(18,504)
Impact fees	(245,638)	(26,528)	(272,166)
	<u>(2,438,834)</u>	<u>(271,441)</u>	<u>(2,710,275)</u>
Subtotal depreciable capital assets, net	<u>9,165,758</u>	<u>(271,441)</u>	<u>8,894,317</u>
Capital assets, net	<u>\$ 14,405,610</u>	<u>\$ (123,407)</u>	<u>\$ 14,282,203</u>

Depreciation/amortization expense for the current year was \$271,441.

Note 6 – Due to Developers

The District has entered into financing agreements with its developers for the financing of the construction of water, sewer, drainage, and park and recreational facilities. Under the agreements, the developers will advance funds for the construction of facilities to serve the District. The developers will be reimbursed from proceeds of future bond issues or other lawfully available funds, subject to approval by TCEQ, as applicable. The District does not record the capital asset and related liability on the government-wide statements until construction of the facilities is complete.

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

Due to developers, beginning of year	\$ 1,552,027
Developer reimbursements	(88,510)
Due to developers, end of year	<u>\$ 1,463,517</u>

Fort Bend County Municipal Utility District No. 140
Notes to Basic Financial Statements
July 31, 2018

Note 7 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	\$ 17,705,000
Unamortized discounts	(137,962)
Unamortized premiums	160,739
	<u>\$ 17,727,777</u>
Due within one year	<u>\$ 935,000</u>

The District's bonds payable at July 31, 2018, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/Ending	Interest Payment Dates	Call Dates
2007	\$ 320,000	\$ 4,620,000	4.00% - 6.00%	September 1, 2008/2032	September 1 March 1,	September 1, 2015
2007A	160,000	4,500,000	4.05% - 6.00%	September 1, 2009/2032	September 1 March 1,	September 1, 2016
2011	400,000	2,370,000	3.25% - 5.25%	September 1, 2012/2034	September 1 March 1,	September 1, 2019
2013 Refunding	1,660,000	2,000,000	2.00% - 4.00%	September 1, 2013/2031	September 1 March 1,	September 1, 2021
2015 Refunding	4,800,000	4,920,000	2.825%	September 1, 2015/2030	September 1 March 1,	September 1, 2019
2016	5,400,000	5,700,000	2.00% - 3.50%	September 1, 2017/2035	September 1 March 1,	September 1, 2024
2016A	1,755,000	1,825,000	2.00% - 3.50%	September 1, 2017/2035	September 1 March 1,	September 1, 2024
2017 Refunding	3,210,000	3,210,000	2.00% - 4.00%	September 1, 2018/2034	September 1 March 1,	September 1, 2024
	<u>\$ 17,705,000</u>					

Payments of principal and interest on all series of bonds are to be provided from taxes levied on all properties within the District. Investment income realized by the Debt Service Fund from investment of idle funds will be used to pay outstanding bond principal and interest. The District is in compliance with the terms of its bond resolutions.

Fort Bend County Municipal Utility District No. 140
Notes to Basic Financial Statements
July 31, 2018

Note 7 – Long-Term Debt (continued)

At July 31, 2018, the District had authorized but unissued bonds in the amount of \$8,060,000 for water, sewer and drainage facilities; \$6,175,000 for park and recreational facilities; and \$35,055,000 for refunding purposes.

On August 29, 2017, the District issued its \$3,210,000 Unlimited Tax Refunding Bonds at a net effective interest rate of 3.466923% to refund \$1,760,000 of outstanding Series 2007 and 2007A bonds, and advance refund \$1,370,000 of outstanding Series 2011 bonds. The District refunded the bonds to reduce total debt service payments over future years by approximately \$261,380 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$192,078. Proceeds of the bonds were placed in an escrow account with an escrow agent and irrevocably pledged to the payment of future debt service payments through September 6, 2017, the redemption date of the Series 2007 and Series 2007A refunded bonds, and September 1, 2019, the redemption date of the Series 2011 refunded bonds. As of July 31, 2018, the Series 2007 and Series 2007A refunded bonds have all been redeemed and are no longer outstanding. The Series 2011 refunded bonds are considered defeased and the liability has been removed from the government-wide financial statements. The outstanding principal of Series 2011 defeased bonds is \$1,370,000.

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

Bonds payable, beginning of year	\$ 18,515,000
Bonds issued	3,210,000
Bonds retired	(890,000)
Bonds refunded	<u>(3,130,000)</u>
Bonds payable, end of year	<u><u>\$ 17,705,000</u></u>

Fort Bend County Municipal Utility District No. 140
Notes to Basic Financial Statements
July 31, 2018

Note 7 – Long-Term Debt (continued)

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

Year	Principal	Interest	Totals
2019	\$ 935,000	\$ 540,887	\$ 1,475,887
2020	965,000	514,523	1,479,523
2021	995,000	489,673	1,484,673
2022	1,010,000	461,902	1,471,902
2023	1,030,000	431,123	1,461,123
2024	1,050,000	400,395	1,450,395
2025	1,065,000	369,009	1,434,009
2026	1,080,000	336,528	1,416,528
2027	1,100,000	302,857	1,402,857
2028	1,130,000	268,270	1,398,270
2029	1,150,000	232,736	1,382,736
2030	1,170,000	196,446	1,366,446
2031	1,190,000	159,560	1,349,560
2032	1,225,000	117,831	1,342,831
2033	1,135,000	73,519	1,208,519
2034	535,000	42,919	577,919
2035	530,000	23,925	553,925
2036	410,000	7,175	417,175
	<u>\$ 17,705,000</u>	<u>\$ 4,969,278</u>	<u>\$ 22,674,278</u>

Note 8 – Property Taxes

On September 13, 2003 the voters of the District authorized the District’s Board of Directors to levy taxes annually for use in financing general operations limited to \$1.25 per \$100 of assessed value. The District’s bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

All property values and exempt status, if any, are determined by the Fort Bend Central Appraisal District. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

Property taxes are collected based on rates adopted in the year of the levy. The District’s 2018 fiscal year was financed through the 2017 tax levy, pursuant to which the District levied property taxes of \$1.25 per \$100 of assessed value, of which \$0.50 was allocated to maintenance and operations and \$0.75 was allocated to debt service. The resulting tax levy was \$2,322,421 on the adjusted taxable value of \$185,793,676.

Fort Bend County Municipal Utility District No. 140
Notes to Basic Financial Statements
July 31, 2018

Note 8 – Property Taxes (continued)

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

Current year taxes receivable	\$ 21,681
Prior years taxes receivable	3,313
	<u>24,994</u>
Penalty and interest receivable	5,175
Property taxes receivable	<u>\$ 30,169</u>

Note 9 – Contracts with City of Richmond

Strategic Partnership Agreement

On May 17, 2004, the District and the City of Richmond (the “City”) entered into a Strategic Partnership Agreement, which was revised and restated on September 19, 2005. Under the terms of the agreement, the City shall not fully annex the District until ninety percent of the District’s water, wastewater and drainage facilities have been constructed and its developer has been reimbursed as allowed by the Texas Commission on Environmental Quality. The City may annex any commercial portion of the District at any time for the purpose of imposing and collecting the City’s sale and use tax within the commercial area. The District continues to exercise all powers and functions of a municipal utility district.

Fire Protection Agreement

On September 16, 2003, The District entered into a Fire Protection Agreement with the City of Richmond. The City has agreed to provide fire protection services to the District in return for payment of monthly fire protection fees. The District shall pay the City \$13.95 per month for each residential and commercial connection. During the fiscal year, the District paid \$259,261 to the City under the terms of this agreement.

Utility Agreement

On July 21, 2003, the District approved a water supply and wastewater services contract with the City, pursuant to which the City agreed to provide water supply services to the District on an interim basis and sanitary sewer treatment services on a permanent basis. On September 21, 2004 the District approved an amended and restated water supply and wastewater services contract (which was subsequently amended September 19, 2005, June 7, 2006 and July 16, 2007) to allow for the City to provide water supply and wastewater services to the District for the entire forty year term of the contract. The City will act the operator for the District pursuant to this agreement. The City imposes connection charges on users connecting to the City’s wastewater system. As of July 31, 2018, the District has paid \$848,874 for connection charges to the City.

Note 9 – Contracts with City of Richmond (continued)

Utility Agreement (continued)

The City will bill customers of the District in accordance with the District's rate order and is required to remit all amounts collected from the District's customers to the District on a monthly basis. The City will also invoice the District monthly for services provided to the District. The City has determined that a new water plant was needed to increase water supply capacity. The District's share of costs was 19%, for a total of \$837,459. The City shall own operate and maintain the new water plant.

Note 10 – Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 11 – Subsequent Event

On October 18, 2018, the District issued its \$5,670,000 Series 2018 Unlimited Tax Bonds at a net effective rate of 3.722698%. Proceeds from the bonds will primarily be used for drainage and flood protection improvements in the District.

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Required Supplementary Information

Fort Bend County Municipal Utility District No. 140
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended July 31, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Water service	\$ 348,000	\$ 348,000	\$ 376,770	\$ 28,770
Sewer service	300,000	300,000	324,428	24,428
Property taxes	605,000	940,846	873,515	(67,331)
Penalties and interest	30,000	30,000	6,777	(23,223)
Garbage service	180,000	180,000	198,523	18,523
Tap connection and inspection	83,160	83,160	130,873	47,713
Fire protection	228,000	228,000	256,741	28,741
Groundwater reduction plan	300,000	300,000	167,411	(132,589)
Miscellaneous	3,000	3,000	5,805	2,805
Investment earnings	12,000	12,000	29,430	17,430
Total Revenues	<u>2,089,160</u>	<u>2,425,006</u>	<u>2,370,273</u>	<u>(54,733)</u>
Expenditures				
Current service operations				
Purchased services	600,000	600,000	649,029	(49,029)
Professional fees	107,350	107,350	480,543	(373,193)
Contracted services	532,370	532,370	574,060	(41,690)
Repairs and maintenance	187,802	187,802	137,948	49,854
Groundwater reduction plan	300,000	300,000	167,313	132,687
Utilities	7,800	7,800	7,771	29
Administrative	90,527	90,527	40,553	49,974
Other	1,800	1,800	40,834	(39,034)
Total Expenditures	<u>1,827,649</u>	<u>1,827,649</u>	<u>2,098,051</u>	<u>(270,402)</u>
Revenues Over Expenditures	261,511	597,357	272,222	(325,135)
Fund Balance				
Beginning of the year	2,042,437	2,042,437	2,042,437	
End of the year	<u>\$ 2,303,948</u>	<u>\$ 2,639,794</u>	<u>\$ 2,314,659</u>	<u>\$ (325,135)</u>

Fort Bend County Municipal Utility District No. 140
Notes to Required Supplementary Information
July 31, 2018

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The budget was amended during the year to reflect changes in anticipated revenues.

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Texas Supplementary Information

Fort Bend County Municipal Utility District No. 140
TSI-1. Services and Rates
July 31, 2018

1. Services provided by the District During the Fiscal Year:

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

2. Retail Service Providers

(You may omit this information if your district does not provide retail services)

a. Retail Rates for a 5/8" meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels	
Water:	\$ 17.00	2,000	N	\$ 2.62	2,001 to	5,000
				\$ 2.87	5,001 to	10,000
				\$ 3.12	10,001 to	20,000
				\$ 3.37	20,001 to	50,000
				\$ 3.62	50,001 to	75,000
				\$ 3.87	75,000 to	no limit
Wastewater:	\$ 21.00	2,000	N	\$ 3.00	2,001 to	no limit
Surcharge:	\$ 2.20	N/A	N	N/A	1,000 to	no limit

District employs winter averaging for wastewater usage? Yes No

Total charges per 10,000 gallons usage: Water \$ 61.21 Wastewater \$ 45.00

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered			x 1.0	
less than 3/4"	818	818	x 1.0	818
1"	13	13	x 2.5	33
1.5"			x 5.0	
2"	9	9	x 8.0	72
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water	840	840		923
Total Wastewater	816	816	x 1.0	816

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 140
TSI-1. Services and Rates
July 31, 2018

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

Gallons pumped into system:	<u>77,627,600</u>	Water Accountability Ratio:
		(Gallons billed / Gallons pumped)
Gallons billed to customers:	<u>77,627,600</u>	<u>100.00%</u>

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

Does the District have Debt Service standby fees? Yes No

If yes, Date of the most recent commission Order: _____

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

If yes, Date of the most recent commission Order: _____

5. Location of District (required for first audit year or when information changes,
 otherwise this information may be omitted):

Is the District located entirely within one county? Yes No

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

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

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

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

Entirely Partly Not at all

ETJs in which the District is located: City of Richmond

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

If Yes, by whom? _____

See accompanying auditors' report.

*Fort Bend County Municipal Utility District No. 140
 TSI-2 General Fund Expenditures
 For the Year Ended July 31, 2018*

Purchased services	<u>\$ 649,029</u>
Professional fees	
Legal	156,100
Audit	10,750
Engineering	<u>313,693</u>
	<u>480,543</u>
Contracted services	
Bookkeeping	19,462
Operator	24,160
Tap connection and inspection	69,433
Fire service contract	259,261
Garbage	<u>201,744</u>
	<u>574,060</u>
Repairs and maintenance	<u>137,948</u>
Groundwater reduction plan	<u>167,313</u>
Utilities	<u>7,771</u>
Administrative	
Directors fees	10,200
Printing and office supplies	3,746
Insurance	8,364
Other	<u>18,243</u>
	<u>40,553</u>
Other	<u>40,834</u>
Total expenditures	<u><u>\$ 2,098,051</u></u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 140
TSI-3. Investments
July 31, 2018

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year
General				
TexPool	78899-00002	Variable	N/A	<u>\$ 1,980,943</u>
Debt Service				
TexPool	78899-00001	Variable	N/A	2,145,810
TexPool	78899-00009	Variable	N/A	<u>55,423</u>
				<u>2,201,233</u>
Capital Projects				
TexPool	78899-00003	Variable	N/A	<u>710,080</u>
Total - All Funds				<u><u>\$ 4,892,256</u></u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 140
TSI-4. Taxes Levied and Receivable
July 31, 2018

	Maintenance Taxes	Debt Service Taxes	Totals	
Taxes Receivable, Beginning of Year	\$ 4,123	\$ 9,759	\$ 13,882	
Adjustments	(2,262)	(4,355)	(6,617)	
Adjusted Receivable	1,861	5,404	7,265	
2017 Original Tax Levy	934,235	1,401,353	2,335,588	
Adjustments	(5,267)	(7,900)	(13,167)	
Adjusted Tax Levy	928,968	1,393,453	2,322,421	
Total to be accounted for	930,829	1,398,857	2,329,686	
Tax collections				
Current year	920,296	1,380,444	2,300,740	
Prior years	762	3,190	3,952	
Total Collections	921,058	1,383,634	2,304,692	
Taxes Receivable, End of Year	\$ 9,771	\$ 15,223	\$ 24,994	
Taxes Receivable, By Year				
2017	\$ 8,672	\$ 13,009	\$ 21,681	
2016	547	1,352	1,899	
2015	310	394	704	
2014 and prior	242	468	710	
Taxes Receivable, End of Year	\$ 9,771	\$ 15,223	\$ 24,994	
	2017	2016	2015	2014
Property Valuations				
Land	\$ 33,667,220	\$ 34,071,770	\$ 29,829,130	\$ 27,466,740
Improvements	159,604,840	141,187,210	110,165,840	84,197,160
Personal Property	1,546,190	1,433,800	1,231,140	1,780,050
Exemptions	(9,024,574)	(5,257,562)	(7,416,730)	(2,770,690)
Total Property Valuations	\$ 185,793,676	\$ 171,435,218	\$ 133,809,380	\$ 110,673,260
Tax Rates per \$100 Valuation				
Maintenance tax rates	\$ 0.50	\$ 0.36	\$ 0.55	\$ 0.47
Debt service tax rates	0.75	0.89	0.70	0.87
Total Tax Rates per \$100 Valuation	\$ 1.25	\$ 1.25	\$ 1.25	\$ 1.34
Adjusted Tax Levy	\$ 2,322,421	\$ 2,142,940	\$ 1,672,617	\$ 1,483,022
Percentage of Taxes Collected to Taxes Levied **	99.07%	99.91%	99.96%	99.96%

* Maximum Maintenance Tax Rate Approved by Voters: \$1.25 on September 13, 2003

** Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

See accompanying auditors' report.

*Fort Bend County Municipal Utility District No. 140
 TSI-5. Long-Term Debt Service Requirements
 Series 2007--by Years
 July 31, 2018*

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2019	\$ 155,000	\$ 9,700	\$ 164,700
2020	165,000	3,300	168,300
	<u>\$ 320,000</u>	<u>\$ 13,000</u>	<u>\$ 333,000</u>

See accompanying auditors' report.

*Fort Bend County Municipal Utility District No. 140
 TSI-5. Long-Term Debt Service Requirements
 Series 2007A--by Year
 July 31, 2018*

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2019	\$ 160,000	\$ 3,400	\$ 163,400

See accompanying auditors' report.

*Fort Bend County Municipal Utility District No. 140
 TSI-5. Long-Term Debt Service Requirements
 Series 2011--by Years
 July 31, 2018*

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2019	\$ 100,000	\$ 14,275	\$ 114,275
2020	100,000	10,400	110,400
2021	100,000	6,300	106,300
2022	100,000	2,100	102,100
	<u>\$ 400,000</u>	<u>\$ 33,075</u>	<u>\$ 433,075</u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 140
TSI-5. Long-Term Debt Service Requirements
Series 2013 Refunding--by Years
July 31, 2018

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2019	\$ 90,000	\$ 56,343	\$ 146,343
2020	95,000	54,315	149,315
2021	100,000	51,875	151,875
2022	105,000	48,987	153,987
2023	105,000	45,706	150,706
2024	110,000	42,214	152,214
2025	115,000	38,413	153,413
2026	115,000	34,389	149,389
2027	120,000	30,126	150,126
2028	130,000	25,439	155,439
2029	135,000	20,300	155,300
2030	140,000	14,800	154,800
2031	145,000	9,100	154,100
2032	155,000	3,100	158,100
	<u>\$ 1,660,000</u>	<u>\$ 475,107</u>	<u>\$ 2,135,107</u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 140
TSI-5. Long-Term Debt Service Requirements
Series 2015 Refunding--by Years
July 31, 2018

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2019	\$ 35,000	\$ 135,106	\$ 170,106
2020	40,000	134,046	174,046
2021	205,000	130,586	335,586
2022	215,000	124,653	339,653
2023	415,000	115,754	530,754
2024	430,000	103,819	533,819
2025	445,000	91,459	536,459
2026	460,000	78,676	538,676
2027	475,000	65,469	540,469
2028	495,000	51,768	546,768
2029	510,000	37,573	547,573
2030	530,000	22,883	552,883
2031	545,000	7,698	552,698
	<u>\$ 4,800,000</u>	<u>\$ 1,099,490</u>	<u>\$ 5,899,490</u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 140
TSI-5. Long-Term Debt Service Requirements
Series 2016--by Years
July 31, 2018

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2019	\$ 300,000	\$ 155,688	\$ 455,688
2020	300,000	149,687	449,687
2021	300,000	143,687	443,687
2022	300,000	136,187	436,187
2023	300,000	127,188	427,188
2024	300,000	118,187	418,187
2025	300,000	109,187	409,187
2026	300,000	100,188	400,188
2027	300,000	91,187	391,187
2028	300,000	82,188	382,188
2029	300,000	73,188	373,188
2030	300,000	64,188	364,188
2031	300,000	55,187	355,187
2032	265,000	46,381	311,381
2033	305,000	37,119	342,119
2034	310,000	26,931	336,931
2035	310,000	16,275	326,275
2036	310,000	5,425	315,425
	<u>\$ 5,400,000</u>	<u>\$ 1,538,068</u>	<u>\$ 6,938,068</u>

See accompanying auditors' report.

*Fort Bend County Municipal Utility District No. 140
 TSI-5. Long-Term Debt Service Requirements
 Series 2016A--by Years
 July 31, 2018*

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2019	\$ 75,000	\$ 51,225	\$ 126,225
2020	80,000	49,675	129,675
2021	100,000	47,875	147,875
2022	100,000	45,375	145,375
2023	100,000	42,375	142,375
2024	100,000	39,375	139,375
2025	100,000	36,375	136,375
2026	100,000	33,375	133,375
2027	100,000	30,375	130,375
2028	100,000	27,375	127,375
2029	100,000	24,375	124,375
2030	100,000	21,375	121,375
2031	100,000	18,375	118,375
2032	100,000	15,250	115,250
2033	100,000	12,000	112,000
2034	100,000	8,688	108,688
2035	100,000	5,250	105,250
2036	100,000	1,750	101,750
	<u>\$ 1,755,000</u>	<u>\$ 510,463</u>	<u>\$ 2,265,463</u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 140
TSI-5. Long-Term Debt Service Requirements
Series 2017 Refunding--by Years
July 31, 2018

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2019	\$ 20,000	\$ 115,150	\$ 135,150
2020	185,000	113,100	298,100
2021	190,000	109,350	299,350
2022	190,000	104,600	294,600
2023	110,000	100,100	210,100
2024	110,000	96,800	206,800
2025	105,000	93,575	198,575
2026	105,000	89,900	194,900
2027	105,000	85,700	190,700
2028	105,000	81,500	186,500
2029	105,000	77,300	182,300
2030	100,000	73,200	173,200
2031	100,000	69,200	169,200
2032	705,000	53,100	758,100
2033	730,000	24,400	754,400
2034	125,000	7,300	132,300
2035	120,000	2,400	122,400
	<u>\$ 3,210,000</u>	<u>\$ 1,296,675</u>	<u>\$ 4,506,675</u>

See accompanying auditors' report.

*Fort Bend County Municipal Utility District No. 140
 TSI-5. Long-Term Debt Service Requirements
 All Bonded Debt Series--by Years
 July 31, 2018*

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2019	\$ 935,000	\$ 540,887	\$ 1,475,887
2020	965,000	514,523	1,479,523
2021	995,000	489,673	1,484,673
2022	1,010,000	461,902	1,471,902
2023	1,030,000	431,123	1,461,123
2024	1,050,000	400,395	1,450,395
2025	1,065,000	369,009	1,434,009
2026	1,080,000	336,528	1,416,528
2027	1,100,000	302,857	1,402,857
2028	1,130,000	268,270	1,398,270
2029	1,150,000	232,736	1,382,736
2030	1,170,000	196,446	1,366,446
2031	1,190,000	159,560	1,349,560
2032	1,225,000	117,831	1,342,831
2033	1,135,000	73,519	1,208,519
2034	535,000	42,919	577,919
2035	530,000	23,925	553,925
2036	410,000	7,175	417,175
	<u>\$ 17,705,000</u>	<u>\$ 4,969,278</u>	<u>\$ 22,674,278</u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 140
TSI-6. Change in Long-Term Bonded Debt
July 31, 2018

	Bond Issue			
	Series 2007	Series 2007A	Series 2011	Series 2013 Refunding
Interest rate	4.10% - 6.00%	4.05% - 6.00%	3.25% - 5.25%	2.00% - 4.00%
Dates interest payable	9/1; 3/1	9/1; 3/1	9/1; 3/1	9/1; 3/1
Maturity dates	9/1/08 - 9/1/20	9/1/09 - 9/1/19	9/1/12 - 9/1/22	9/1/13 - 9/1/31
Beginning bonds outstanding	\$ 1,100,000	\$ 1,435,000	\$ 1,870,000	\$ 1,750,000
Bonds issued				
Bonds retired	(145,000)	(150,000)	(100,000)	(90,000)
Bonds refunded	(635,000)	(1,125,000)	(1,370,000)	
Ending bonds outstanding	<u>\$ 320,000</u>	<u>\$ 160,000</u>	<u>\$ 400,000</u>	<u>\$ 1,660,000</u>
Interest paid during fiscal year	<u>\$ 15,700</u>	<u>\$ 9,988</u>	<u>\$ 17,900</u>	<u>\$ 58,144</u>
Paying agent's name and city				
Series 2007 & 2007A	<u>Wells Fargo Bank, N.A., Houston, TX</u>			
Series 2011 & 2013R	<u>Wells Fargo Bank, N.A., Fort Worth, TX</u>			
Series 2015R	<u>Wells Fargo Bank, N.A., Dallas, TX</u>			
Series 2016 & 2016A	<u>Wells Fargo Bank, N.A., Minneapolis, MN</u>			
Series 2017R	<u>The Bank of New York Mellon Trust Company, N.A., Dallas, TX</u>			

Bond Authority:	Water, Sewer and Drainage Bonds	Park Bonds	Refunding Bonds
Amount Authorized by Voters	\$ 27,500,000	\$ 8,000,000	\$ 35,500,000
Amount Issued	(19,440,000)	(1,825,000)	(445,000)
Remaining To Be Issued	<u>\$ 8,060,000</u>	<u>\$ 6,175,000</u>	<u>\$ 35,055,000</u>

All bonds are secured with tax revenues. Bonds may also be secured with other revenues in combination with taxes.

Debt Service Fund cash and investments balances as of July 31, 2018: \$ 2,249,595

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 1,259,682

See accompanying auditors' report.

Bond Issue

Series 2015 Refunding	Series 2016	Series 2016A	Series 2017 Refunding	Totals
2.825%	2.00% - 3.50%	2.00% - 3.50%	2.00% - 4.00%	
9/1; 3/1	9/1; 3/1	9/1; 3/1	9/1; 3/1	
9/1/15 - 9/1/30	9/1/17 - 9/1/35	9/1/17 - 9/1/35	9/1/18 - 9/1/34	
\$ 4,835,000	\$ 5,700,000	\$ 1,825,000	\$ -	\$ 18,515,000
			3,210,000	3,210,000
(35,000)	(300,000)	(70,000)		(890,000)
				(3,130,000)
<u>\$ 4,800,000</u>	<u>\$ 5,400,000</u>	<u>\$ 1,755,000</u>	<u>\$ 3,210,000</u>	<u>\$ 17,705,000</u>
<u>\$ 136,094</u>	<u>\$ 161,688</u>	<u>\$ 52,675</u>	<u>\$ 58,316</u>	<u>\$ 510,504</u>

Fort Bend County Municipal Utility District No. 140
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2018	2017	2016	2015	2014
Revenues					
Water service	\$ 376,770	\$ 361,693	\$ 316,414	\$ 250,121	\$ 255,262
Sewer service	324,428	305,489	257,149	226,347	216,725
Property taxes	873,515	620,096	735,974	519,158	421,339
Penalties and interest	6,777	883	28,972	23,167	4,953
Garbage service	198,523	187,191	156,513	143,617	136,613
Tap connection and inspection	130,873	115,729	187,563	168,838	78,305
Fire protection	256,741	243,300	208,148	179,928	151,719
Groundwater reduction plan	167,411	155,978	132,249	89,369	189,204
Miscellaneous	5,805	3,500	2,310	3,978	2,000
Investment earnings	29,430	10,149	3,590	1,328	1,428
Total Revenues	2,370,273	2,004,008	2,028,882	1,605,851	1,457,548
Expenditures					
Current service operations					
Purchased services	649,029	629,874	554,938	438,910	447,622
Professional fees	480,543	185,356	143,749	116,713	91,592
Contracted services	574,060	528,042	510,999	448,166	365,712
Repairs and maintenance	137,948	138,910	174,324	322,390	129,069
Groundwater reduction plan	167,313	161,925	158,615	76,207	168,704
Utilities	7,771	7,794	7,483	7,536	7,157
Administrative	40,553	41,176	37,158	31,282	31,660
Other	40,834	4,535	1,565	5,482	5,912
Capital outlay		83,179			
Interest					4,173
Intergovernmental					
Capital contribution				3,476	110,263
Total Expenditures	2,098,051	1,780,791	1,588,831	1,450,162	1,361,864
Revenues Over Expenditures	\$ 272,222	\$ 223,217	\$ 440,051	\$ 155,689	\$ 95,684

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues

2018	2017	2016	2015	2014
16%	18%	16%	16%	19%
14%	15%	13%	14%	15%
37%	31%	36%	32%	29%
*	*	1%	1%	*
8%	9%	8%	9%	9%
6%	6%	9%	11%	5%
11%	12%	10%	11%	10%
7%	8%	7%	6%	13%
*	*	*	*	*
1%	1%	*	*	*
100%	100%	100%	100%	100%
27%	31%	27%	27%	31%
20%	9%	7%	7%	6%
24%	26%	25%	28%	25%
6%	7%	9%	20%	9%
7%	8%	8%	5%	12%
*	*	*	*	*
2%	2%	2%	2%	2%
2%	*	*	*	*
	4%			*
			*	8%
88%	87%	78%	89%	93%
12%	13%	22%	11%	7%

Fort Bend County Municipal Utility District No. 140

**TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Five Fiscal Years**

	Amounts				
	2018	2017	2016	2015	2014
Revenues					
Property taxes	\$ 1,431,177	\$ 1,525,923	\$ 939,716	\$ 963,012	\$ 955,969
Penalties and interest	8,784	7,870	9,278	6,929	5,893
Accrued interest on bonds sold		8,480			
Investment earnings	25,216	10,497	2,520	1,624	1,862
Total Revenues	1,465,177	1,552,770	951,514	971,565	963,724
Expenditures					
Tax collection services	35,331	31,560	23,937	23,484	21,212
Debt service					
Principal	890,000	505,000	495,000	440,000	345,000
Interest and fees	560,215	461,735	411,945	511,219	516,441
Debt issuance cost	141,903		874	122,847	
Payment to refunded bond escrow agent	75,000				
Total Expenditures	1,702,449	998,295	931,756	1,097,550	882,653
Revenues Over/(Under) Expenditures	\$ (237,272)	\$ 554,475	\$ 19,758	\$ (125,985)	\$ 81,071
Total Active Retail Water Connections	840	787	727	611	539
Total Active Retail Wastewater Connections	816	761	711	578	526

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues

2018	2017	2016	2015	2014
98%	98%	99%	99%	99%
1%	1%	1%	1%	1%
	*			
1%	1%	*	*	*
100%	100%	100%	100%	100%
2%	2%	3%	2%	2%
61%	33%	52%	45%	36%
38%	30%	43%	53%	54%
10%		*	13%	
5%				
116%	65%	98%	113%	92%
(16%)	35%	2%	(13%)	8%

Fort Bend County Municipal Utility District No. 140
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended July 31, 2018

Complete District Mailing Address: 2277 Plaza Drive, Suite 280, Sugar Land, Texas 77479
District Business Telephone Number: (281) 313-2213
Submission Date of the most recent District Registration Form
(TWC Sections 36.054 and 49.054): July 25, 2018
Limit on Fees of Office that a Director may receive during a fiscal year: \$ 7,200
(Set by Board Resolution -- TWC Section 49.0600)

<u>Names:</u>	<u>Term of Office (Elected or Appointed) or Date Hired</u>	<u>Fees of Office Paid *</u>	<u>Expense Reimburse- ments</u>	<u>Title at Year End</u>
Board Members				
Janice Suchyta	09/17 to 05/20	\$ 1,950	\$ -	President
Gene Tomas	09/17 to 05/22	1,200		Vice President
David Smith	02/18 to 05/22	750		Assistant Vice President
Suzan Orr	02/18 to 05/20	750		Secretary
Barry Waites	07/18 to 05/20	150		Director
Jack Morgan Brady	05/16 to 02/18	900		Former Director
Rosa Coward	05/14 to 09/17	150		Former Director
Harry Murray	05/17 to 06/18	2,250		Former Director
Arden Myers	05/16 to 09/17	300		Former Director
John Braswell	05/14 to 02/18	1,800		Former Director
Consultants				
Jeanne H. McDonald, P.C.	07/03	<u>\$ 160,908</u>		Attorney
City of Richmond		1,580,091		Operator
McLennan & Associates, LP	04/04	23,775		Bookkeeper
Utility Tax Service	04/04	12,943		Tax Collector
Fort Bend Central Appraisal District	Legislation	16,335		Property Valuation

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

*Fort Bend County Municipal Utility District No. 140
 TSI-8. Board Members, Key Personnel and Consultants (continued)
 For the Year Ended July 31, 2018*

<u>Names:</u>	<u>Date Hired</u>	<u>Amounts Paid</u>	<u>Title at Year End</u>
Consultants			
Costello, Inc.	07/03	\$ 344,090	Engineer
McGrath & Co., PLLC	Annually	12,800	Auditor
Masterson Advisors, LLC	04/18		Financial Advisor
FirstSouthwest, a Division of Hilltop Securities	07/03	35,224	Former Financial Advisor
Mott, LLP	03/05	2,624	Delinquent Tax Attorney

See accompanying auditors' report.