

**Fort Bend County Municipal Utility District No. 122**

Fort Bend County, Texas

Independent Auditor's Report and Financial Statements

September 30, 2020



**Fort Bend County Municipal Utility District No. 122**  
**September 30, 2020**

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## Independent Auditor's Report

Board of Directors  
Fort Bend County Municipal Utility District No. 122  
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. 122 (the District), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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 other information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**BKD, LLP**

Houston, Texas  
February 12, 2021

# **Fort Bend County Municipal Utility District No. 122**

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

### **September 30, 2020**

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and other information required by the District's state oversight agency, the Texas Commission on Environmental Quality (the Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, sanitary sewer and drainage services. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

#### **Government-wide Financial Statements**

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets, liabilities, and deferred inflows and outflows of resources of the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period and expenses are recorded even though they may not have used cash during the current year.

**Fort Bend County Municipal Utility District No. 122**  
**Management's Discussion and Analysis (Continued)**  
**September 30, 2020**

Although the statement of activities looks different from a commercial enterprise's statement of income, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as change in net position, essentially the same thing.

**Fund Financial Statements**

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. 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 or governmental statutes or regulations.

**Governmental Funds**

Governmental-fund financial statements consist of a balance sheet and a statement of revenues, expenditures and changes in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and water, sewer and drainage systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's assets, liabilities, and deferred inflows and outflows of resources is labeled the fund balance and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

Because the focus of the government-wide and fund financial statements is different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in the notes to financial statements that describes the adjustments to fund balances to arrive at net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in the notes to financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position, as reported in the governmental activities column in the statement of activities.

**Notes to Financial Statements**

The notes to financial statements provide additional information that is essential to a full understanding of the data found in the government-wide and fund financial statements.

**Fort Bend County Municipal Utility District No. 122**  
**Management's Discussion and Analysis (Continued)**  
**September 30, 2020**

**Financial Analysis of the District as a Whole**

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

**Summary of Net Position**

|  | <b>2020</b>   | <b>2019</b>   |
|--|---------------|---------------|
| Current and other assets                           | \$ 5,568,802  | \$ 6,013,840  |
| Capital assets                                     | 17,719,422    | 17,281,666    |
| Total assets                                       | 23,288,224    | 23,295,506    |
| Deferred outflows of resources                     | 639,493       | 649,787       |
| Total assets and deferred outflows<br>of resources | \$ 23,927,717 | \$ 23,945,293 |
| Long-term liabilities                              | \$ 15,949,033 | \$ 16,740,666 |
| Other liabilities                                  | 497,396       | 697,110       |
| Total liabilities                                  | 16,446,429    | 17,437,776    |
| Net position:                                      |               |               |
| Net investment in capital assets                   | 3,178,535     | 2,173,083     |
| Restricted   | 1,094,013     | 1,147,614     |
| Unrestricted                                       | 3,208,740     | 3,186,820     |
| Total net position                                 | \$ 7,481,288  | \$ 6,507,517  |

The total net position of the District increased by \$973,771, or about 15 percent. The majority of the increase in net position is related to tax revenues intended to pay principal on the District's bonded indebtedness, which is included in long-term liabilities in the government-wide financial statements. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Fort Bend County Municipal Utility District No. 122**  
**Management's Discussion and Analysis (Continued)**  
**September 30, 2020**

**Summary of Changes in Net Position**

|                                 | <b><u>2020</u></b>  | <b><u>2019</u></b>  |
|---------------------------------|---------------------|---------------------|
| Revenues:                       |                     |                     |
| Property taxes                  | \$ 2,457,687        | \$ 2,379,303        |
| Charges for services            | 2,224,792           | 1,983,141           |
| Other revenues                  | <u>108,965</u>      | <u>120,881</u>      |
| Total revenues                  | <u>4,791,444</u>    | <u>4,483,325</u>    |
| Expenses:                       |                     |                     |
| Services                        | 2,604,376           | 2,382,286           |
| Depreciation                    | 471,184             | 420,896             |
| Debt service                    | <u>742,113</u>      | <u>715,129</u>      |
| Total expenses                  | <u>3,817,673</u>    | <u>3,518,311</u>    |
| Change in net position          | 973,771             | 965,014             |
| Net position, beginning of year | <u>6,507,517</u>    | <u>5,542,503</u>    |
| Net position, end of year       | <u>\$ 7,481,288</u> | <u>\$ 6,507,517</u> |

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

The District's combined fund balances as of the end of the fiscal year ended September 30, 2020, were \$5,102,292, a decrease of \$241,556 from the prior year.

The general fund's fund balance increased by \$50,228, primarily due to property tax and service revenues exceeding service operation expenditures.

The special revenue fund's fund balance remained the same as all expenditures were billed to participants.

The debt service fund's fund balance decreased by \$56,092 because of funds utilized in the defeasance of the Series 2012 bonds and a portion of the Series 2013 bonds.

The capital projects fund's fund balance decreased by \$235,692 due to capital outlay expenditures exceeding investment income.



**Fort Bend County Municipal Utility District No. 122**  
**Management's Discussion and Analysis (Continued)**  
**September 30, 2020**

**General Fund Budgetary Highlights**

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to investment income revenues and capital outlay expenditures being lower than anticipated and regional water fee and sewer service revenues being higher than anticipated. The fund balance as of September 30, 2020, was expected to be \$2,431,119 and the actual end-of-year fund balance was \$3,199,551.

**Capital Assets and Related Debt**

Capital Assets

Capital assets held by the District at the end of the current and previous fiscal years are summarized below:

**Capital Assets (Net of Accumulated Depreciation)**

|                               | 2020          | 2019          |
|-------------------------------|---------------|---------------|
| Land and improvements         | \$ 5,921,140  | \$ 5,320,319  |
| Construction in progress      | 361,951       | 1,365,724     |
| Water distribution facilities | 2,512,237     | 2,326,794     |
| Wastewater facilities         | 4,505,018     | 3,691,576     |
| Drainage facilities           | 4,419,076     | 4,577,253     |
| Total capital assets          | \$ 17,719,422 | \$ 17,281,666 |

During the current year, additions to capital assets were as follows:

|   |            |
|---|------------|
| Construction in progress related to the plat and access road at wastewater plant, Lakemont Lake 8S rehabilitation and generator for Lakemont lift station No. 1 | \$ 226,292 |
| Purchase of 12.5-acre tract of land for recreation facilities   | 600,821    |
| Relocation of irrigation line for Mason Road and Lakemont Bend Lane   | 39,831     |
| Wastewater treatment plant expansion, Phase 8   | 41,996     |
| Total additions to capital assets   | \$ 908,940 |

Debt

The changes in the debt position of the District during the fiscal year ended September 30, 2020, are summarized below.

**Fort Bend County Municipal Utility District No. 122**  
**Management's Discussion and Analysis (Continued)**  
**September 30, 2020**

|   |                          |
|---|--------------------------|
| Long-term debt payable, beginning of year | \$ 16,740,666            |
| Increases in long-term debt               | 3,992,549                |
| Decreases in long-term debt               | <u>(4,784,182)</u>       |
| <br>Long-term debt payable, end of year   | <br><u>\$ 15,949,033</u> |

During the fiscal year ended September 30, 2020, the District issued \$3,885,000 in unlimited tax refunding bonds to refund \$3,805,000 of outstanding Series 2012 and Series 2013 refunding bonds. The District refunded the bonds to reduce total debt service payments over future years by \$328,356 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$276,089.

At September 30, 2020, the District had \$14,104,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District.

The District's bonds carry an underlying rating of "BBB" from Standard & Poor's. The Series 2015 refunding bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Assured Guaranty Municipal Corp. The Series 2014 refunding bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Municipal Assurance Corp. The Series 2013 refunding bonds, Series 2019 bonds and Series 2020 refunding bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Build America Mutual Assurance Company.

**Other Relevant Factors**

**Relationship to the City of Houston**

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (the City), the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City without the District's consent. If the District is annexed, the City must assume the District's assets and obligations (including the bonded indebtedness) and abolish the District within 90 days.

**Fort Bend County Municipal Utility District No. 122**  
**Statement of Net Position and Governmental Funds Balance Sheet**  
**September 30, 2020**

|  | General<br>Fund     | Special<br>Revenue<br>Fund | Debt<br>Service<br>Fund | Capital<br>Projects<br>Fund | Total               | Adjustments          | Statement<br>of Net<br>Position |
|--|---------------------|----------------------------|-------------------------|-----------------------------|---------------------|----------------------|---------------------------------|
| <b>Assets</b>  |                     |                            |                         |                             |                     |                      |                                 |
| Cash   | \$ 397,158          | \$ 135,810                 | \$ 401,821              | \$ 86,124                   | \$ 1,020,913        | \$ -                 | \$ 1,020,913                    |
| Certificates of deposit                                | 230,048             | -                          | 240,000                 | -                           | 470,048             | -                    | 470,048                         |
| Short-term investments                                 | 2,684,414           | -                          | 414,905                 | 716,189                     | 3,815,508           | -                    | 3,815,508                       |
| Receivables:   |                     |                            |                         |                             |                     |                      |                                 |
| Property taxes   | 8,252               | -                          | 12,812                  | -                           | 21,064              | -                    | 21,064                          |
| Service accounts                                       | 124,582             | -                          | -                       | -                           | 124,582             | -                    | 124,582                         |
| Accrued interest                                       | 258                 | -                          | 5,687                   | -                           | 5,945               | -                    | 5,945                           |
| Interfund receivable                                   | 19,767              | -                          | -                       | -                           | 19,767              | (19,767)             | -                               |
| Due from participants                                  | -                   | 181,643                    | -                       | -                           | 181,643             | (84,139)             | 97,504                          |
| Prepaid expenditures                                   | 570                 | -                          | -                       | -                           | 570                 | -                    | 570                             |
| Due from other district                                | 7,468               | -                          | -                       | 5,200                       | 12,668              | -                    | 12,668                          |
| Capital assets (net of accumulated depreciation):      |                     |                            |                         |                             |                     |                      |                                 |
| Land and improvements                                  | -                   | -                          | -                       | -                           | -                   | 5,921,140            | 5,921,140                       |
| Construction in progress                               | -                   | -                          | -                       | -                           | -                   | 361,951              | 361,951                         |
| Infrastructure   | -                   | -                          | -                       | -                           | -                   | 11,436,331           | 11,436,331                      |
| <b>Total assets</b>                                    | <b>3,472,517</b>    | <b>317,453</b>             | <b>1,075,225</b>        | <b>807,513</b>              | <b>5,672,708</b>    | <b>17,615,516</b>    | <b>23,288,224</b>               |
| <b>Deferred Outflows of Resources</b>                  |                     |                            |                         |                             |                     |                      |                                 |
| Deferred amount on debt refundings                     | 0                   | 0                          | 0                       | 0                           | 0                   | 639,493              | 639,493                         |
| <b>Total assets and deferred outflows of resources</b> | <b>\$ 3,472,517</b> | <b>\$ 317,453</b>          | <b>\$ 1,075,225</b>     | <b>\$ 807,513</b>           | <b>\$ 5,672,708</b> | <b>\$ 18,255,009</b> | <b>\$ 23,927,717</b>            |

**Fort Bend County Municipal Utility District No. 122**  
**Statement of Net Position and Governmental Funds Balance Sheet (Continued)**  
**September 30, 2020**

|   | General<br>Fund     | Special<br>Revenue<br>Fund | Debt<br>Service<br>Fund | Capital<br>Projects<br>Fund | Total               | Adjustments         | Statement<br>of Net<br>Position |
|---|---------------------|----------------------------|-------------------------|-----------------------------|---------------------|---------------------|---------------------------------|
| <b>Liabilities</b>  |                     |                            |                         |                             |                     |                     |                                 |
| Accounts payable  | \$ 161,812          | \$ 167,453                 | \$ -                    | \$ 6,586                    | \$ 335,851          | \$ (84,139)         | \$ 251,712                      |
| Retainage payable   | 937                 | -                          | -                       | 13,786                      | 14,723              | -                   | 14,723                          |
| Accrued interest payable  | -                   | -                          | 2,046                   | -                           | 2,046               | 51,950              | 53,996                          |
| Customer deposits   | 101,965             | -                          | -                       | -                           | 101,965             | -                   | 101,965                         |
| Due to participants   | -                   | 75,000                     | -                       | -                           | 75,000              | -                   | 75,000                          |
| Interfund payable   | -                   | -                          | 19,767                  | -                           | 19,767              | (19,767)            | -                               |
| Long-term liabilities:  |                     |                            |                         |                             |                     |                     |                                 |
| Due within one year   | -                   | -                          | -                       | -                           | -                   | 1,095,000           | 1,095,000                       |
| Due after one year  | -                   | -                          | -                       | -                           | -                   | 14,854,033          | 14,854,033                      |
|   | <u>264,714</u>      | <u>242,453</u>             | <u>21,813</u>           | <u>20,372</u>               | <u>549,352</u>      | <u>15,897,077</u>   | <u>16,446,429</u>               |
| <b>Deferred Inflows of Resources</b>                                  |                     |                            |                         |                             |                     |                     |                                 |
| Deferred property tax revenues  | <u>8,252</u>        | <u>0</u>                   | <u>12,812</u>           | <u>0</u>                    | <u>21,064</u>       | <u>(21,064)</u>     | <u>0</u>                        |
| <b>Fund Balances/Net Position</b>                                     |                     |                            |                         |                             |                     |                     |                                 |
| Fund balances:  |                     |                            |                         |                             |                     |                     |                                 |
| Nonspendable, prepaid expenditures                                    | 570                 | -                          | -                       | -                           | 570                 | (570)               | -                               |
| Restricted:   |                     |                            |                         |                             |                     |                     |                                 |
| Unlimited tax bonds   | -                   | -                          | 1,040,600               | -                           | 1,040,600           | (1,040,600)         | -                               |
| Water, sewer and drainage   | -                   | -                          | -                       | 787,141                     | 787,141             | (787,141)           | -                               |
| Committed, joint facilities   | -                   | 75,000                     | -                       | -                           | 75,000              | (75,000)            | -                               |
| Assigned, future expenditures   | 261,076             | -                          | -                       | -                           | 261,076             | (261,076)           | -                               |
| Unassigned  | 2,937,905           | -                          | -                       | -                           | 2,937,905           | (2,937,905)         | -                               |
|   | <u>3,199,551</u>    | <u>75,000</u>              | <u>1,040,600</u>        | <u>787,141</u>              | <u>5,102,292</u>    | <u>(5,102,292)</u>  | <u>0</u>                        |
| Total liabilities, deferred inflows<br>of resources and fund balances | <u>\$ 3,472,517</u> | <u>\$ 317,453</u>          | <u>\$ 1,075,225</u>     | <u>\$ 807,513</u>           | <u>\$ 5,672,708</u> |                     |                                 |
| Net position:   |                     |                            |                         |                             |                     |                     |                                 |
| Net investment in capital assets                                      |                     |                            |                         |                             |                     | 3,178,535           | 3,178,535                       |
| Restricted for plant operations                                       |                     |                            |                         |                             |                     | 75,000              | 75,000                          |
| Restricted for debt service   |                     |                            |                         |                             |                     | 1,001,462           | 1,001,462                       |
| Restricted for capital projects                                       |                     |                            |                         |                             |                     | 17,551              | 17,551                          |
| Unrestricted  |                     |                            |                         |                             |                     | 3,208,740           | 3,208,740                       |
| Total net position  |                     |                            |                         |                             |                     | <u>\$ 7,481,288</u> | <u>\$ 7,481,288</u>             |

**Fort Bend County Municipal Utility District No. 122**  
**Statement of Activities and Governmental Funds Revenues,**  
**Expenditures and Changes in Fund Balances**  
**Year Ended September 30, 2020**

|  | General<br>Fund  | Special<br>Revenue<br>Fund | Debt<br>Service<br>Fund | Capital<br>Projects<br>Fund | Total            | Adjustments        | Statement<br>of<br>Activities |
|--|------------------|----------------------------|-------------------------|-----------------------------|------------------|--------------------|-------------------------------|
| <b>Revenues</b>                        |                  |                            |                         |                             |                  |                    |                               |
| Property taxes                         | \$ 968,812       | \$ -                       | \$ 1,485,017            | \$ -                        | \$ 2,453,829     | \$ 3,858           | \$ 2,457,687                  |
| Water service                          | 323,821          | -                          | -                       | -                           | 323,821          | -                  | 323,821                       |
| Sewer service                          | 444,942          | -                          | -                       | -                           | 444,942          | -                  | 444,942                       |
| Bulk water and sewer sales             | -                | 1,848,575                  | -                       | -                           | 1,848,575        | (851,769)          | 996,806                       |
| Regional water fee                     | 459,223          | -                          | -                       | -                           | 459,223          | -                  | 459,223                       |
| Penalty and interest                   | 16,133           | -                          | 12,938                  | -                           | 29,071           | -                  | 29,071                        |
| Tap connection and inspection fees     | 1,230            | -                          | -                       | -                           | 1,230            | -                  | 1,230                         |
| Investment income                      | 28,542           | 293                        | 11,152                  | 8,146                       | 48,133           | -                  | 48,133                        |
| Other income                           | 15,531           | -                          | -                       | -                           | 15,531           | 15,000             | 30,531                        |
| <b>Total revenues</b>                  | <b>2,258,234</b> | <b>1,848,868</b>           | <b>1,509,107</b>        | <b>8,146</b>                | <b>5,624,355</b> | <b>(832,911)</b>   | <b>4,791,444</b>              |
| <b>Expenditures/Expenses</b>           |                  |                            |                         |                             |                  |                    |                               |
| Service operations:                    |                  |                            |                         |                             |                  |                    |                               |
| Purchased services                     | 851,769          | 727,655                    | -                       | -                           | 1,579,424        | (851,769)          | 727,655                       |
| Regional water fee                     | -                | 324,045                    | -                       | -                           | 324,045          | -                  | 324,045                       |
| Professional fees                      | 136,403          | 4,592                      | 3,628                   | -                           | 144,623          | 3,102              | 147,725                       |
| Contracted services                    | 325,963          | 49,190                     | 34,081                  | -                           | 409,234          | -                  | 409,234                       |
| Utilities                              | -                | 149,508                    | -                       | -                           | 149,508          | -                  | 149,508                       |
| Repairs and maintenance                | 179,617          | 580,838                    | -                       | -                           | 760,455          | (7,200)            | 753,255                       |
| Other expenditures                     | 53,031           | 28,040                     | 11,664                  | 219                         | 92,954           | -                  | 92,954                        |
| Capital outlay                         | 661,223          | -                          | -                       | 243,619                     | 904,842          | (904,842)          | -                             |
| Depreciation                           | -                | -                          | -                       | -                           | -                | 471,184            | 471,184                       |
| Debt service:                          |                  |                            |                         |                             |                  |                    |                               |
| Principal retirement                   | -                | -                          | 995,000                 | -                           | 995,000          | (995,000)          | -                             |
| Interest and fees                      | -                | -                          | 466,616                 | -                           | 466,616          | 101,571            | 568,187                       |
| Debt issuance costs                    | -                | -                          | 173,926                 | -                           | 173,926          | -                  | 173,926                       |
| Debt defeasance                        | -                | -                          | 53,000                  | -                           | 53,000           | (53,000)           | -                             |
| <b>Total expenditures/expenses</b>     | <b>2,208,006</b> | <b>1,863,868</b>           | <b>1,737,915</b>        | <b>243,838</b>              | <b>6,053,627</b> | <b>(2,235,954)</b> | <b>3,817,673</b>              |
| <b>Excess (Deficiency) of Revenues</b> |                  |                            |                         |                             |                  |                    |                               |
| <b>Over Expenditures</b>               | <b>50,228</b>    | <b>(15,000)</b>            | <b>(228,808)</b>        | <b>(235,692)</b>            | <b>(429,272)</b> | <b>1,403,043</b>   |                               |

**Fort Bend County Municipal Utility District No. 122**  
**Statement of Activities and Governmental Funds Revenues,**  
**Expenditures and Changes in Fund Balances (Continued)**  
**Year Ended September 30, 2020**

|   | General<br>Fund     | Special<br>Revenue<br>Fund | Debt<br>Service<br>Fund | Capital<br>Projects<br>Fund | Total               | Adjustments      | Statement<br>of<br>Activities |            |
|---|---------------------|----------------------------|-------------------------|-----------------------------|---------------------|------------------|-------------------------------|------------|
| <b>Other Financing Sources (Uses)</b>   |                     |                            |                         |                             |                     |                  |                               |            |
| General obligation bonds issued   | \$ -                | \$ -                       | \$ 3,885,000            | \$ -                        | \$ 3,885,000        | \$ (3,885,000)   |                               |            |
| Premium on debt issued  | -                   | -                          | 107,549                 | -                           | 107,549             | (107,549)        |                               |            |
| Deposit with escrow agent   | -                   | -                          | (3,819,833)             | -                           | (3,819,833)         | 3,819,833        |                               |            |
| Insurance recovery  | -                   | 15,000                     | -                       | -                           | 15,000              | (15,000)         |                               |            |
| Total other financing sources   | <u>0</u>            | <u>15,000</u>              | <u>172,716</u>          | <u>0</u>                    | <u>187,716</u>      | <u>(187,716)</u> |                               |            |
| <b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b> |                     |                            |                         |                             |                     |                  |                               |            |
|   | 50,228              | -                          | (56,092)                | (235,692)                   | (241,556)           | 241,556          |                               |            |
| <b>Change in Net Position</b>   |                     |                            |                         |                             |                     |                  | 973,771                       | \$ 973,771 |
| <b>Fund Balances/Net Position</b>   |                     |                            |                         |                             |                     |                  |                               |            |
| Beginning of year   | <u>3,149,323</u>    | <u>75,000</u>              | <u>1,096,692</u>        | <u>1,022,833</u>            | <u>5,343,848</u>    | <u>-</u>         | <u>6,507,517</u>              |            |
| End of year   | <u>\$ 3,199,551</u> | <u>\$ 75,000</u>           | <u>\$ 1,040,600</u>     | <u>\$ 787,141</u>           | <u>\$ 5,102,292</u> | <u>\$ 0</u>      | <u>\$ 7,481,288</u>           |            |

# **Fort Bend County Municipal Utility District No. 122**

## **Notes to Financial Statements**

### **September 30, 2020**

#### **Note 1: Nature of Operations and Summary of Significant Accounting Policies**

Fort Bend County Municipal Utility District No. 122 (the District) was created by an order of the Texas Natural Resource Conservation Commission, now known as the Texas Commission on Environmental Quality (the Commission), effective November 21, 2000, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate waterworks, wastewater and drainage facilities and to provide such facilities and services to the customers of the District.

The District is governed by a Board of Directors (the Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

#### ***Reporting Entity***

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for which the District is considered to be financially accountable. Accountability is defined as the District's substantive appointment of the voting majority of the component unit's governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

#### ***Government-wide and Fund Financial Statements***

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, wastewater, drainage and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, charges for services and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District.

**Fort Bend County Municipal Utility District No. 122**  
**Notes to Financial Statements**  
**September 30, 2020**

The fund financial statements provide information about the District's governmental funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental funds:

*General Fund* – The general fund is the primary operating fund of the District which accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, charges for services and interest income.

*Special Revenue Fund* – Accounts for revenues and expenditures involving specific revenue sources that are legally restricted to expenditures for specified purposes. The primary source of revenue is participant fees.

*Debt Service Fund* – The debt service fund is used to account for financial resources that are restricted, committed or assigned to expenditures for principal and interest related costs, as well as the financial resources being accumulated for future debt service.

*Capital Projects Fund* – The capital projects fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

***Fund Balances – Governmental Funds***

The fund balances for the District's governmental funds can be displayed in up to five components:

*Nonspendable* – Amounts that are not in a spendable form or are required to be maintained intact.

*Restricted* – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

*Committed* – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by issuance of a resolution by the District's Board.

*Assigned* – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

*Unassigned* – The residual classification for the general fund and includes all amounts not contained in the other classifications.



# Fort Bend County Municipal Utility District No. 122

## Notes to Financial Statements

September 30, 2020

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

### ***Measurement Focus and Basis of Accounting***

#### **Government-wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Intergovernmental revenues are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as liabilities.

#### **Fund Financial Statements**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

# Fort Bend County Municipal Utility District No. 122

## Notes to Financial Statements

September 30, 2020

### ***Deferred Outflows and Inflows of Resources***

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

### ***Interfund Transactions***

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis.

Operating transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

### ***Pension Costs***

The District does not participate in a pension plan and, therefore, has no pension costs.

### ***Use of 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 amounts of assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

### ***Investments and Investment Income***

Investments in certificates of deposit, mutual funds, U.S. Government and agency securities, and certain pooled funds, which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

### ***Property Taxes***

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes, penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal

**Fort Bend County Municipal Utility District No. 122**  
**Notes to Financial Statements**  
**September 30, 2020**

district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended September 30, 2020, include collections during the current period or within 60 days of year-end related to the 2019 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended September 30, 2020, the 2019 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

***Capital Assets***

Capital assets, which include property, plant, equipment and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of \$5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

|  | <b>Years</b> |
|--|--------------|
| Water production and distribution facilities   | 10-45        |
| Wastewater collection and treatment facilities | 10-45        |
| Drainage facilities                            | 10-45        |

***Deferred Amount on Debt Refundings***

In the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt in a debt refunding is deferred and amortized to interest expense using the effective interest rate method over the remaining life of the old debt or the life of the new debt, whichever is shorter. Such amounts are classified as deferred outflows or inflows of resources.

**Fort Bend County Municipal Utility District No. 122**  
**Notes to Financial Statements**  
**September 30, 2020**

***Debt Issuance Costs***

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and, therefore, are recognized as an expense/expenditure in the period incurred.

***Long-term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on bonds are recognized as a component of long-term liabilities and amortized over the life of the related debt using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

***Net Position/Fund Balances***

Fund balances and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.

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

***Reconciliation of Government-wide and Fund Financial Statements***

Amounts reported for net position of governmental activities in the statement of net position and fund balances in the governmental funds balance sheet are different because:

|  |               |
|--|---------------|
| Capital assets used in governmental activities are not financial resources and are not reported in the funds.  | \$ 17,719,422 |
| Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements. | 21,064        |

**Fort Bend County Municipal Utility District No. 122**  
**Notes to Financial Statements**  
**September 30, 2020**

|   |                            |
|---|----------------------------|
| Deferred amount on debt refundings for governmental activities are not financial resources and are not reported in the funds. | \$ 639,493                 |
| Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.   | (51,950)                   |
| Long-term debt obligations are not due and payable in the current period and are not reported in the funds.                   | <u>(15,949,033)</u>        |
| Adjustment to fund balances to arrive at net position.  | <u><u>\$ 2,378,996</u></u> |

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balances in the governmental funds statement of revenues, expenditures and changes in fund balances because:

|   |                          |
|---|--------------------------|
| Change in fund balances.  | \$ (241,556)             |
| Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation and noncapitalized costs in the current period. | 437,756                  |
| Governmental funds report proceeds from the sale of bonds because they provide current financial resources to governmental funds. Principal payments on debt are recorded as expenditures. None of these transactions, however, have any effect on net position.  | 982,833                  |
| Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.  | (107,549)                |
| Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported as revenues in the statement of activities.  | 3,858                    |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.   | <u>(101,571)</u>         |
| Change in net position of governmental activities.  | <u><u>\$ 973,771</u></u> |

**Fort Bend County Municipal Utility District No. 122**  
**Notes to Financial Statements**  
**September 30, 2020**

**Note 2: Deposits, Investments and Investment Income**

***Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; or certain collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.

At September 30, 2020, none of the District's bank balances were exposed to custodial credit risk.

***Investments***

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and 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, obligations of states, agencies and counties and other political subdivisions with an investment rating not less than "A," bonds issued, assumed or guaranteed by the State of Israel, insured or collateralized certificates of deposit, and certain bankers' acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts and investment pools.

The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in TexSTAR, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Directors, made up of participants and representatives of the administrator and investment manager, has oversight of TexSTAR. The District's investments may be redeemed at any time.

At September 30, 2020, the District had the following investments and maturities:

| Type    | Maturities in Years |              |      |      |              |
|---------|---------------------|--------------|------|------|--------------|
|         | Amortized Cost      | Less Than 1  | 1-5  | 6-10 | More Than 10 |
| TexSTAR | \$ 3,815,508        | \$ 3,815,508 | \$ 0 | \$ 0 | \$ 0         |

# Fort Bend County Municipal Utility District No. 122

## Notes to Financial Statements

September 30, 2020

**Interest Rate Risk.** As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

**Credit Risk.** Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2020, the District's investments in TexSTAR, an external investment pool, were rated "AAAm" by Standard & Poor's.

### **Summary of Carrying Values**

The carrying values of deposits and investments shown previously are included in the balance sheet at September 30, 2020, as follows:

|                 |                     |
|-----------------|---------------------|
| Carrying value: |                     |
| Deposits        | \$ 1,490,961        |
| Investments     | <u>3,815,508</u>    |
| Total           | <u>\$ 5,306,469</u> |

Included in the following statement of net position captions:

|                         |                     |
|-------------------------|---------------------|
| Cash                    | \$ 1,020,913        |
| Certificates of deposit | 470,048             |
| Short-term investments  | <u>3,815,508</u>    |
| Total                   | <u>\$ 5,306,469</u> |

### **Investment Income**

Investment income of \$48,133 for the year ended September 30, 2020, consisted of interest income.

### **Note 3: Capital Assets**

A summary of changes in capital assets for the year ended September 30, 2020, is presented below.

**Fort Bend County Municipal Utility District No. 122**  
**Notes to Financial Statements**  
**September 30, 2020**

| <b>Governmental Activities</b>                 | <b>Balances,<br/>Beginning<br/>of Year</b> | <b>Additions</b>  | <b>Reclassi-<br/>fications</b> | <b>Balances,<br/>End<br/>of Year</b> |
|--|--|-------------------|--------------------------------|--------------------------------------|
| Capital assets, non-depreciable:               |  |                   |                                |                                      |
| Land and improvements                          | \$ 5,320,319                               | \$ 600,821        | \$ -                           | \$ 5,921,140                         |
| Construction in progress                       | 1,365,724                                  | 226,292           | (1,230,065)                    | 361,951                              |
| Total capital assets, non-depreciable          | <u>6,686,043</u>                           | <u>827,113</u>    | <u>(1,230,065)</u>             | <u>6,283,091</u>                     |
| Capital assets, depreciable:                   |  |                   |                                |                                      |
| Water production and distribution facilities   | 3,677,547                                  | 39,831            | 262,861                        | 3,980,239                            |
| Wastewater collection and treatment facilities | 5,611,479                                  | 41,996            | 967,204                        | 6,620,679                            |
| Drainage facilities                            | 6,951,447                                  | -                 | -                              | 6,951,447                            |
| Total capital assets, depreciable              | <u>16,240,473</u>                          | <u>81,827</u>     | <u>1,230,065</u>               | <u>17,552,365</u>                    |
| Less accumulated depreciation:                 |  |                   |                                |                                      |
| Water production and distribution facilities   | (1,350,753)                                | (117,249)         | -                              | (1,468,002)                          |
| Wastewater collection and treatment facilities | (1,919,903)                                | (195,758)         | -                              | (2,115,661)                          |
| Drainage facilities                            | (2,374,194)                                | (158,177)         | -                              | (2,532,371)                          |
| Total accumulated depreciation                 | <u>(5,644,850)</u>                         | <u>(471,184)</u>  | <u>0</u>                       | <u>(6,116,034)</u>                   |
| Total governmental activities, net             | <u>\$ 17,281,666</u>                       | <u>\$ 437,756</u> | <u>\$ 0</u>                    | <u>\$ 17,719,422</u>                 |

**Note 4: Long-term Liabilities**

Changes in long-term liabilities for the year ended September 30, 2020, were as follows:

| <b>Governmental Activities</b>                            | <b>Balances,<br/>Beginning<br/>of Year</b> | <b>Increases</b>    | <b>Decreases</b>    | <b>Balances,<br/>End<br/>of Year</b> | <b>Amounts<br/>Due in<br/>One Year</b> |
|---|--|---------------------|---------------------|--------------------------------------|--|
| Bonds payable:  |  |                     |                     |                                      |  |
| General obligation bonds                                  | \$ 16,820,000                              | \$ 3,885,000        | \$ 4,800,000        | \$ 15,905,000                        | \$ 1,095,000                           |
| Add premiums on bonds                                     | 29,903                                     | 107,549             | 26,904              | 110,548                              | -                                      |
| Less discounts on bonds                                   | 109,237                                    | -                   | 42,722              | 66,515                               | -                                      |
| Total governmental<br>activities long-term<br>liabilities | <u>\$ 16,740,666</u>                       | <u>\$ 3,992,549</u> | <u>\$ 4,784,182</u> | <u>\$ 15,949,033</u>                 | <u>\$ 1,095,000</u>                    |



**Fort Bend County Municipal Utility District No. 122**  
**Notes to Financial Statements**  
**September 30, 2020**

**General Obligation Bonds**

|  | <b>Refunding<br/>Series 2013</b> | <b>Refunding<br/>Series 2014</b> |
|--|----------------------------------|----------------------------------|
|  |                                  |                                  |
| Amounts outstanding, September 30, 2020      | \$265,000                        | \$3,125,000                      |
| Interest rates                               | 2.25%                            | 2.000% to 3.375%                 |
| Maturity dates, serially<br>beginning/ending | September 1,<br>2021             | September 1,<br>2021/2029        |
| Interest payment dates                       | March 1/ September 1             | March 1/ September 1             |
| Callable dates*                              | September 1, 2020                | September 1, 2022                |
|  | <b>Refunding<br/>Series 2015</b> | <b>Series 2019</b>               |
|  |                                  |                                  |
| Amounts outstanding, September 30, 2020      | \$6,260,000                      | \$2,370,000                      |
| Interest rates                               | 2.00% to 3.25%                   | 3.00% to 4.00%                   |
| Maturity dates, serially<br>beginning/ending | September 1,<br>2021/2032        | March 1,<br>2021/2044            |
| Interest payment dates                       | March 1/ September 1             | March 1/ September 1             |
| Callable dates*                              | September 1, 2023                | March 1, 2023                    |
|  |                                  | <b>Refunding<br/>Series 2020</b> |
|  |                                  |                                  |
| Amount outstanding, September 30, 2020       |                                  | \$3,885,000                      |
| Interest rates                               |                                  | 2.00% to 3.00%                   |
| Maturity dates, serially<br>beginning/ending |                                  | September 1,<br>2021/2033        |
| Interest payment dates                       |                                  | March 1/ September 1             |
| Callable date*                               |                                  | September 1, 2025                |

\*Or any date thereafter; callable at par plus accrued interest to the date of redemption.

**Fort Bend County Municipal Utility District No. 122**  
**Notes to Financial Statements**  
**September 30, 2020**

***Annual Debt Service Requirements***

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at September 30, 2020:

| Year      | Principal            | Interest            | Total                |
|-----------|----------------------|---------------------|----------------------|
| 2021      | \$ 1,095,000         | \$ 478,357          | \$ 1,573,357         |
| 2022      | 1,115,000            | 435,894             | 1,550,894            |
| 2023      | 1,140,000            | 407,894             | 1,547,894            |
| 2024      | 1,165,000            | 376,694             | 1,541,694            |
| 2025      | 1,200,000            | 344,644             | 1,544,644            |
| 2026-2030 | 6,550,000            | 1,144,685           | 7,694,685            |
| 2031-2035 | 2,395,000            | 348,340             | 2,743,340            |
| 2036-2040 | 625,000              | 172,188             | 797,188              |
| 2041-2044 | 620,000              | 47,626              | 667,626              |
| Total     | <u>\$ 15,905,000</u> | <u>\$ 3,756,322</u> | <u>\$ 19,661,322</u> |

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount.

|                                   |               |
|-----------------------------------|---------------|
| Bonds voted                       | \$ 39,069,000 |
| Bonds sold                        | 24,965,000    |
| Refunding bonds voted             | 26,000,000    |
| Refunding bond authorization used | 1,202,906     |

**Note 5: Significant Bond Resolution and Commission Requirements**

The Bond Resolutions require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended September 30, 2020, the District levied an ad valorem debt service tax at the rate of \$0.5900 per \$100 of assessed valuation, which resulted in a tax levy of \$1,487,569 on the taxable valuation of \$252,130,472 for the 2019 tax year. The interest and principal requirements paid from the tax revenues and available resources were \$1,458,316.

# Fort Bend County Municipal Utility District No. 122

## Notes to Financial Statements

September 30, 2020

### Note 6: Maintenance Taxes

At an election held January 20, 2001, voters authorized a maintenance tax not to exceed \$1.50 per \$100 valuation on all property within the District subject to taxation. During the year ended September 30, 2020, the District levied an ad valorem maintenance tax at the rate of \$0.3850 per \$100 of assessed valuation, which resulted in a tax levy of \$970,703 on the taxable valuation of \$252,130,472 for the 2019 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

### Note 7: Joint Facilities

On February 2, 2004, the District and Fort Bend County Municipal Utility District No. 123 (District No. 123) entered into a joint use and cost sharing agreement of a water plant, a wastewater treatment plant, other water distribution and sanitary sewer collection facilities, and detention and drainage facilities and recreational facilities that serve areas within both districts. The agreement was amended on February 15, 2006, March 21, 2007, March 19, 2008, April 15, 2009, February 15, 2012, and May 12, 2020. Under the terms of the 40-year agreement, operating costs (except for lease payments and recreational facilities costs) are shared based upon the number of active connections served by each district. The District's share of lease payments is 48 percent and District No. 123's share is 52 percent. The District's share of recreational facilities costs is 40 percent. The District manages and operates the facilities for the benefit of the participants. The District's share of operating costs in the current year was \$851,769.

Transactions for the current year are as summarized as follows:

|                               | <b>The District</b> | <b>District<br/>No. 123</b> | <b>Total</b>       |
|-------------------------------|---------------------|-----------------------------|--------------------|
| Receivable, beginning of year | \$ 77,963           | \$ 98,960                   | \$ 176,923         |
| Billings to participants      | 851,769             | 996,806                     | 1,848,575          |
| Payments by participants      | <u>(845,593)</u>    | <u>(998,262)</u>            | <u>(1,843,855)</u> |
| Receivable, end of year       | <u>\$ 84,139</u>    | <u>\$ 97,504</u>            | <u>\$ 181,643</u>  |

During a prior year, the districts each funded a \$75,000 operating reserve. There has been no change to the operating reserve in the current year.

### Note 8: Regional Water Authority

The District is within the boundaries of the North Fort Bend Water Authority (the Authority), which was created by the Texas Legislature. The Authority was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water

**Fort Bend County Municipal Utility District No. 122**  
**Notes to Financial Statements**  
**September 30, 2020**

in order to meet conversion requirements mandated by the Fort Bend Subsidence District, which regulates groundwater withdrawal. As of September 30, 2020, the Authority was billing the District \$3.95 per 1,000 gallons of water pumped from its wells and \$4.30 for surface water. These amounts are subject to future increases.

**Note 9: Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three fiscal years.

**Note 10: Refunding Bonds**

During the fiscal year ended September 30, 2020, the District issued \$3,885,000 in unlimited tax refunding bonds to refund \$3,805,000 of outstanding Series 2012 and Series 2013 refunding bonds. The District refunded the bonds to reduce total debt service payments over future years by \$328,356 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$276,089.

**Note 11: Uncertainties**

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position and results of operations of the District. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

## **Required Supplementary Information**

**Fort Bend County Municipal Utility District No. 122**  
**Budgetary Comparison Schedule – General Fund**  
**Year Ended September 30, 2020**

|  | <b>Original<br/>Budget</b> | <b>Actual</b>       | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|--|----------------------------|---------------------|---|
| <b>Revenues</b>  |                            |                     |   |
| Property taxes   | \$ 938,476                 | \$ 968,812          | \$ 30,336                                       |
| Water service  | 319,200                    | 323,821             | 4,621   |
| Sewer service  | 396,000                    | 444,942             | 48,942  |
| Regional water fee   | 360,000                    | 459,223             | 99,223  |
| Penalty and interest   | 16,800                     | 16,133              | (667)   |
| Tap connection and inspection fees                           | 960                        | 1,230               | 270   |
| Investment income  | 56,400                     | 28,542              | (27,858)  |
| Other income   | -                          | 15,531              | 15,531  |
|  | <u>2,087,836</u>           | <u>2,258,234</u>    | <u>170,398</u>                                  |
| <b>Expenditures</b>  |                            |                     |   |
| Service operations:  |                            |                     |   |
| Purchased services   | 865,290                    | 851,769             | 13,521  |
| Professional fees  | 127,000                    | 136,403             | (9,403)   |
| Contracted services  | 315,000                    | 325,963             | (10,963)  |
| Repairs and maintenance                                      | 198,000                    | 179,617             | 18,383  |
| Other expenditures   | 85,750                     | 53,031              | 32,719  |
| Capital outlay   | 1,215,000                  | 661,223             | 553,777   |
|  | <u>2,806,040</u>           | <u>2,208,006</u>    | <u>598,034</u>                                  |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | (718,204)                  | 50,228              | 768,432   |
| <b>Fund Balance, Beginning of Year</b>                       | <u>3,149,323</u>           | <u>3,149,323</u>    | <u>-</u>  |
| <b>Fund Balance, End of Year</b>                             | <u>\$ 2,431,119</u>        | <u>\$ 3,199,551</u> | <u>\$ 768,432</u>                               |

**Fort Bend County Municipal Utility District No. 122**  
**Budgetary Comparison Schedule – Special Revenue Fund**  
**Year Ended September 30, 2020**

|  | <b>Original<br/>Budget</b> | <b>Actual</b>    | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|--|----------------------------|------------------|---|
| <b>Revenues</b>  |                            |                  |   |
| Bulk water and sewer sales   | \$ 1,874,800               | \$ 1,848,575     | \$ (26,225)                                     |
| Investment income  | -                          | 293              | 293   |
|  | <u>1,874,800</u>           | <u>1,848,868</u> | <u>(25,932)</u>                                 |
| <b>Total revenues</b>  |                            |                  |   |
|  | <u>1,874,800</u>           | <u>1,848,868</u> | <u>(25,932)</u>                                 |
| <b>Expenditures</b>  |                            |                  |   |
| Service operations:  |                            |                  |   |
| Purchased services   | -                          | 727,655          | (727,655)                                       |
| Regional water fee   | 901,000                    | 324,045          | 576,955   |
| Professional fees  | 17,600                     | 4,592            | 13,008  |
| Contracted services  | 59,200                     | 49,190           | 10,010  |
| Utilities  | 125,000                    | 149,508          | (24,508)  |
| Repairs and maintenance  | 744,000                    | 580,838          | 163,162   |
| Other expenditures   | 28,000                     | 28,040           | (40)  |
|  | <u>1,874,800</u>           | <u>1,863,868</u> | <u>10,932</u>                                   |
| <b>Total expenditures</b>  |                            |                  |   |
|  | <u>1,874,800</u>           | <u>1,863,868</u> | <u>10,932</u>                                   |
| <b>Deficiency of Revenues Over Expenditures</b>  |                            |                  |   |
|  | -                          | (15,000)         | (15,000)  |
| <b>Other Financing Sources</b>   |                            |                  |   |
| Insurance recovery   | -                          | 15,000           | 15,000  |
|  | <u>-</u>                   | <u>15,000</u>    | <u>15,000</u>                                   |
| <b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b> |                            |                  |   |
|  | -                          | -                | -   |
| <b>Fund Balance, Beginning of Year</b>   |                            |                  |   |
|  | <u>75,000</u>              | <u>75,000</u>    | <u>-</u>  |
| <b>Fund Balance, End of Year</b>   |                            |                  |   |
|  | <u>\$ 75,000</u>           | <u>\$ 75,000</u> | <u>\$ 0</u>                                     |

**Fort Bend County Municipal Utility District No. 122**  
**Notes to Required Supplementary Information**  
**September 30, 2020**

***Budgets and Budgetary Accounting***

Annual operating budgets are prepared for the general and special revenue funds by the District's consultants. The budgets reflect resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budgets prior to the start of its fiscal year. The budgets are not a spending limitation (a legally restricted appropriation). The original budgets of the general fund and the special revenue fund were not amended during fiscal 2020.

The District prepares its annual operating budgets on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedules - General Fund and Special Revenue Fund present the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.



## **Other Information**

**Fort Bend County Municipal Utility District No. 122**  
**Other Schedules Included Within This Report**  
**September 30, 2020**

(Schedules included are checked or explanatory notes provided for omitted schedules.)

- [X] Notes Required by the Water District Accounting Manual  
See "Notes to Financial Statements," Pages 13-26
- [X] Schedule of Services and Rates
- [X] Schedule of General Fund Expenditures
- [X] Schedule of Temporary Investments
- [X] Analysis of Taxes Levied and Receivable
- [X] Schedule of Long-term Debt Service Requirements by Years
- [X] Changes in Long-term Bonded Debt
- [X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund –  
Five Years
- [X] Board Members, Key Personnel and Consultants

# Fort Bend County Municipal Utility District No. 122

## Schedule of Services and Rates

### Year Ended September 30, 2020

1. Services provided by the District:

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

2. Retail service providers

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

|                     | <u>Minimum Charge</u> | <u>Minimum Usage</u> | <u>Flat Rate Y/N</u> | <u>Rate Per 1,000 Gallons Over Minimum</u> | <u>Usage Levels</u> |
|---------------------|-----------------------|----------------------|----------------------|--|---------------------|
| Water:              | \$ 17.25              | 5,000                | N                    | \$ 2.70                                    | 5,001 to 10,000     |
|                     |                       |                      |                      | \$ 3.00                                    | 10,001 to 20,000    |
|                     |                       |                      |                      | \$ 3.15                                    | 20,001 to 50,000    |
|                     |                       |                      |                      | \$ 3.30                                    | 50,001 to 75,000    |
|                     |                       |                      |                      | \$ 3.60                                    | 75,001 to No Limit  |
| Wastewater:         | \$ 35.39              | 5,000                | N                    | \$ 2.25                                    | 5,001 to No Limit   |
| Regional water fee: | \$ 4.73               | 1                    | N                    | \$ 4.73                                    | 1,001 to No Limit   |

Does the District employ winter averaging for wastewater usage?

Yes  No

Total charges per 10,000 gallons usage (including fees):

Water \$ 78.05      Wastewater \$ 46.64

b. Water and wastewater retail connections:

| <u>Meter Size</u> | <u>Total Connections</u> | <u>Active Connections</u> | <u>ESFC Factor</u> | <u>Active ESFC*</u> |
|-------------------|--------------------------|---------------------------|--------------------|---------------------|
| Unmetered         | -                        | -                         | x1.0               | -                   |
| ≤ 3/4"            | 727                      | 724                       | x1.0               | 724                 |
| 1"                | 171                      | 170                       | x2.5               | 425                 |
| 1 1/2"            | 2                        | 2                         | x5.0               | 10                  |
| 2"                | 16                       | 16                        | x8.0               | 128                 |
| 3"                | 1                        | 1                         | x15.0              | 15                  |
| 4"                | -                        | -                         | x25.0              | -                   |
| 6"                | -                        | -                         | x50.0              | -                   |
| 8"                | 2                        | 2                         | x80.0              | 160                 |
| 10"               | -                        | -                         | x115.0             | -                   |
| Total water       | 919                      | 915                       |                    | 1,462               |
| Total wastewater  | 903                      | 899                       | x1.0               | 899                 |

3. Total water consumption (in thousands) during the fiscal year:

|   |         |
|---|---------|
| Gallons pumped into the system:                             | 228,121 |
| Gallons billed to customers:                                | 226,254 |
| Water accountability ratio (gallons billed/gallons pumped): | 99.18%  |

\*"ESFC" means equivalent single-family connections

**Fort Bend County Municipal Utility District No. 122**  
**Schedule of General Fund Expenditures**  
**Year Ended September 30, 2020**

|   |           |              |
|---|-----------|--------------|
| <b>Personnel (including benefits)</b>       |           | \$ -         |
| <b>Professional Fees</b>                    |           |              |
| Auditing                                    | \$ 19,600 |              |
| Legal                                       | 85,901    |              |
| Engineering                                 | 30,302    |              |
| Financial advisor                           | 600       | 136,403      |
| <b>Purchased Services for Resale</b>        |           |              |
| Bulk water and wastewater service purchases |           | 851,769      |
| <b>Regional Water Fee</b>                   |           | -            |
| <b>Contracted Services</b>                  |           |              |
| Bookkeeping                                 | 15,827    |              |
| General manager                             | -         |              |
| Appraisal district                          | -         |              |
| Tax collector                               | -         |              |
| Security                                    | 88,007    |              |
| Other contracted services                   | 40,266    | 144,100      |
| <b>Utilities</b>                            |           | -            |
| <b>Repairs and Maintenance</b>              |           | 179,617      |
| <b>Administrative Expenditures</b>          |           |              |
| Directors' fees                             | 15,300    |              |
| Office supplies                             | 14,016    |              |
| Insurance                                   | 3,394     |              |
| Other administrative expenditures           | 20,321    | 53,031       |
| <b>Capital Outlay</b>                       |           |              |
| Capitalized assets                          | 661,223   |              |
| Expenditures not capitalized                | -         | 661,223      |
| <b>Tap Connection Expenditures</b>          |           | -            |
| <b>Solid Waste Disposal</b>                 |           | 181,863      |
| <b>Lease Payments</b>                       |           | -            |
| <b>Parks and Recreation</b>                 |           | -            |
| <b>Other Expenditures</b>                   |           | -            |
| Total expenditures                          |           | \$ 2,208,006 |

**Fort Bend County Municipal Utility District No. 122**  
**Schedule of Temporary Investments**  
**September 30, 2020**

|                              | <b>Interest<br/>Rate</b> | <b>Maturity<br/>Date</b> | <b>Face<br/>Amount</b> | <b>Accrued<br/>Interest<br/>Receivable</b> |
|------------------------------|--------------------------|--------------------------|------------------------|--|
| <b>General Fund</b>          |                          |                          |                        |  |
| Certificate of Deposit       |                          |                          |                        |  |
| No. 1002359502               | 0.50%                    | 01/08/21                 | \$ 230,048             | \$ 258                                     |
| TexSTAR                      | 0.12%                    | Demand                   | <u>2,684,414</u>       | <u>-</u>                                   |
|                              |                          |                          | <u>2,914,462</u>       | <u>258</u>                                 |
| <b>Debt Service Fund</b>     |                          |                          |                        |  |
| Certificate of Deposit       |                          |                          |                        |  |
| No. 12607                    | 2.45%                    | 10/13/20                 | 240,000                | 5,687                                      |
| TexSTAR                      | 0.12%                    | Demand                   | <u>414,905</u>         | <u>-</u>                                   |
|                              |                          |                          | <u>654,905</u>         | <u>5,687</u>                               |
| <b>Capital Projects Fund</b> |                          |                          |                        |  |
| TexSTAR                      | 0.12%                    | Demand                   | <u>716,189</u>         | <u>0</u>                                   |
| Totals                       |                          |                          | <u>\$ 4,285,556</u>    | <u>\$ 5,945</u>                            |

**Fort Bend County Municipal Utility District No. 122**  
**Analysis of Taxes Levied and Receivable**  
**Year Ended September 30, 2020**

|   | <b>Maintenance<br/>Taxes</b> | <b>Debt<br/>Service<br/>Taxes</b> |
|---|------------------------------|-----------------------------------|
| <b>Receivable, Beginning of Year</b>            | \$ 6,584                     | \$ 10,622                         |
| Additions and corrections to prior years' taxes | (223)                        | (362)                             |
| Adjusted receivable, beginning of year          | 6,361                        | 10,260                            |
| <br><b>2019 Original Tax Levy</b>               | <br>972,486                  | <br>1,490,302                     |
| Additions and corrections                       | (1,783)                      | (2,733)                           |
| Adjusted tax levy                               | 970,703                      | 1,487,569                         |
| Total to be accounted for                       | 977,064                      | 1,497,829                         |
| Tax collections: Current year                   | (964,906)                    | (1,478,687)                       |
| Prior years                                     | (3,906)                      | (6,330)                           |
| Receivable, end of year                         | \$ 8,252                     | \$ 12,812                         |
| <br><b>Receivable, by Years</b>                 |                              |                                   |
| 2019  | \$ 5,797                     | \$ 8,882                          |
| 2018  | 2,455                        | 3,930                             |
| Receivable, end of year                         | \$ 8,252                     | \$ 12,812                         |

**Fort Bend County Municipal Utility District No. 122**  
**Analysis of Taxes Levied and Receivable (Continued)**  
**Year Ended September 30, 2020**

|   | <u>2019</u>           | <u>2018</u>           | <u>2017</u>           | <u>2016</u>           |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Property Valuations</b>                          |                       |                       |                       |                       |
| Land  | \$ 54,040,110         | \$ 51,182,700         | \$ 43,758,760         | \$ 43,758,760         |
| Improvements  | 212,548,813           | 205,593,230           | 208,539,740           | 204,780,220           |
| Personal property                                   | 2,521,400             | 2,819,770             | 2,940,900             | 2,576,090             |
| Exemptions  | <u>(16,979,851)</u>   | <u>(15,524,609)</u>   | <u>(11,843,409)</u>   | <u>(11,918,101)</u>   |
| Total property valuations                           | <u>\$ 252,130,472</u> | <u>\$ 244,071,091</u> | <u>\$ 243,395,991</u> | <u>\$ 239,196,969</u> |
| <b>Tax Rates per \$100 Valuation</b>                |                       |                       |                       |                       |
| Debt service tax rates                              | \$ 0.5900             | \$ 0.6000             | \$ 0.6100             | \$ 0.6100             |
| Maintenance tax rates*                              | <u>0.3850</u>         | <u>0.3750</u>         | <u>0.3650</u>         | <u>0.3650</u>         |
| Total tax rates per \$100 valuation                 | <u>\$ 0.9750</u>      | <u>\$ 0.9750</u>      | <u>\$ 0.9750</u>      | <u>\$ 0.9750</u>      |
| <b>Tax Levy</b>                                     | <u>\$ 2,458,272</u>   | <u>\$ 2,379,693</u>   | <u>\$ 2,373,107</u>   | <u>\$ 2,332,169</u>   |
| <b>Percent of Taxes Collected to Taxes Levied**</b> | <u>99%</u>            | <u>99%</u>            | <u>100%</u>           | <u>100%</u>           |

\*Maximum tax rate approved by voters: \$1.50 on January 20, 2001

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

**Fort Bend County Municipal Utility District No. 122**  
**Schedule of Long-term Debt Service Requirements by Years**  
**September 30, 2020**

|  | <b>Refunding Series 2013</b>             |  |                   |
|--|--|--|-------------------|
| <b>Due During<br/>Fiscal Years<br/>Ending September 30</b> | <b>Principal<br/>Due<br/>September 1</b> | <b>Interest Due<br/>March 1,<br/>September 1</b> | <b>Total</b>      |
| 2021   | <u>\$ 265,000</u>                        | <u>\$ 5,963</u>                                  | <u>\$ 270,963</u> |



**Fort Bend County Municipal Utility District No. 122**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**September 30, 2020**

| <b>Refunding Series 2014</b>                               |  |  |              |
|--|--|--|--------------|
| <b>Due During<br/>Fiscal Years<br/>Ending September 30</b> | <b>Principal<br/>Due<br/>September 1</b> | <b>Interest Due<br/>March 1,<br/>September 1</b> | <b>Total</b> |
| 2021   | \$ 440,000                               | \$ 90,188  | \$ 530,188   |
| 2022   | 450,000                                  | 80,288   | 530,288      |
| 2023   | 465,000                                  | 69,038   | 534,038      |
| 2024   | 265,000                                  | 55,088   | 320,088      |
| 2025   | 275,000                                  | 47,138   | 322,138      |
| 2026   | 290,000                                  | 38,888   | 328,888      |
| 2027   | 305,000                                  | 30,188   | 335,188      |
| 2028   | 315,000                                  | 21,038   | 336,038      |
| 2029   | 320,000                                  | 10,800   | 330,800      |
| Totals   | \$ 3,125,000                             | \$ 442,654                                       | \$ 3,567,654 |

**Fort Bend County Municipal Utility District No. 122**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**September 30, 2020**

| <u>Refunding Series 2015</u>                               |  |  |                     |
|--|--|--|---------------------|
| <b>Due During<br/>Fiscal Years<br/>Ending September 30</b> | <b>Principal<br/>Due<br/>September 1</b> | <b>Interest Due<br/>March 1,<br/>September 1</b> | <b>Total</b>        |
| 2021   | \$ 295,000                               | \$ 192,225                                       | \$ 487,225          |
| 2022   | 295,000                                  | 183,375  | 478,375             |
| 2023   | 300,000                                  | 174,525  | 474,525             |
| 2024   | 510,000                                  | 165,525  | 675,525             |
| 2025   | 525,000                                  | 150,225  | 675,225             |
| 2026   | 535,000                                  | 134,475  | 669,475             |
| 2027   | 555,000                                  | 118,425  | 673,425             |
| 2028   | 560,000                                  | 101,775  | 661,775             |
| 2029   | 870,000                                  | 84,975   | 954,975             |
| 2030   | 960,000                                  | 57,788   | 1,017,788           |
| 2031   | 580,000                                  | 27,788   | 607,788             |
| 2032   | 275,000                                  | 8,938  | 283,938             |
| Totals   | <u>\$ 6,260,000</u>                      | <u>\$ 1,400,039</u>                              | <u>\$ 7,660,039</u> |

**Fort Bend County Municipal Utility District No. 122**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**September 30, 2020**

| Due During<br>Fiscal Years<br>Ending September 30 | Series 2019                 |   |              |
|---|-----------------------------|---|--------------|
|   | Principal<br>Due<br>March 1 | Interest Due<br>March 1,<br>September 1 | Total        |
| 2021  | \$ 50,000                   | \$ 82,531                               | \$ 132,531   |
| 2022  | 50,000                      | 81,031                                  | 131,031      |
| 2023  | 50,000                      | 79,531                                  | 129,531      |
| 2024  | 50,000                      | 77,781                                  | 127,781      |
| 2025  | 50,000                      | 75,781                                  | 125,781      |
| 2026  | 75,000                      | 73,281                                  | 148,281      |
| 2027  | 75,000                      | 70,281                                  | 145,281      |
| 2028  | 75,000                      | 67,656                                  | 142,656      |
| 2029  | 75,000                      | 65,406                                  | 140,406      |
| 2030  | 75,000                      | 63,109                                  | 138,109      |
| 2031  | 100,000                     | 60,375                                  | 160,375      |
| 2032  | 100,000                     | 57,188                                  | 157,188      |
| 2033  | 100,000                     | 53,938                                  | 153,938      |
| 2034  | 100,000                     | 50,625                                  | 150,625      |
| 2035  | 100,000                     | 47,188                                  | 147,188      |
| 2036  | 125,000                     | 43,250                                  | 168,250      |
| 2037  | 125,000                     | 38,875                                  | 163,875      |
| 2038  | 125,000                     | 34,500                                  | 159,500      |
| 2039  | 125,000                     | 30,047                                  | 155,047      |
| 2040  | 125,000                     | 25,516                                  | 150,516      |
| 2041  | 150,000                     | 20,438                                  | 170,438      |
| 2042  | 150,000                     | 14,813                                  | 164,813      |
| 2043  | 150,000                     | 9,188                                   | 159,188      |
| 2044  | 170,000                     | 3,187                                   | 173,187      |
| Totals  | \$ 2,370,000                | \$ 1,225,516                            | \$ 3,595,516 |

**Fort Bend County Municipal Utility District No. 122**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**September 30, 2020**

| <b>Due During<br/>Fiscal Years<br/>Ending September 30</b> | <b>Refunding Series 2020</b>             |  |              |
|--|--|--|--------------|
|  | <b>Principal<br/>Due<br/>September 1</b> | <b>Interest Due<br/>March 1,<br/>September 1</b> | <b>Total</b> |
| 2021   | \$ 45,000                                | \$ 107,450                                       | \$ 152,450   |
| 2022   | 320,000                                  | 91,200   | 411,200      |
| 2023   | 325,000                                  | 84,800   | 409,800      |
| 2024   | 340,000                                  | 78,300   | 418,300      |
| 2025   | 350,000                                  | 71,500   | 421,500      |
| 2026   | 355,000                                  | 61,000   | 416,000      |
| 2027   | 360,000                                  | 50,350   | 410,350      |
| 2028   | 375,000                                  | 39,550   | 414,550      |
| 2029   | 45,000                                   | 28,300   | 73,300       |
| 2030   | 330,000                                  | 27,400   | 357,400      |
| 2031   | 320,000                                  | 20,800   | 340,800      |
| 2032   | 365,000                                  | 14,400   | 379,400      |
| 2033   | 355,000                                  | 7,100  | 362,100      |
| Totals   | \$ 3,885,000                             | \$ 682,150                                       | \$ 4,567,150 |

**Fort Bend County Municipal Utility District No. 122**  
**Schedule of Long-term Debt Service Requirements by Years (Continued)**  
**September 30, 2020**

| Due During<br>Fiscal Years<br>Ending September 30 | <u>Annual Requirements For All Series</u> |                          |  |
|---|---|--------------------------|--|
|   | Total<br>Principal<br>Due                 | Total<br>Interest<br>Due | Total<br>Principal and<br>Interest Due |
| 2021  | \$ 1,095,000                              | \$ 478,357               | \$ 1,573,357                           |
| 2022  | 1,115,000                                 | 435,894                  | 1,550,894                              |
| 2023  | 1,140,000                                 | 407,894                  | 1,547,894                              |
| 2024  | 1,165,000                                 | 376,694                  | 1,541,694                              |
| 2025  | 1,200,000                                 | 344,644                  | 1,544,644                              |
| 2026  | 1,255,000                                 | 307,644                  | 1,562,644                              |
| 2027  | 1,295,000                                 | 269,244                  | 1,564,244                              |
| 2028  | 1,325,000                                 | 230,019                  | 1,555,019                              |
| 2029  | 1,310,000                                 | 189,481                  | 1,499,481                              |
| 2030  | 1,365,000                                 | 148,297                  | 1,513,297                              |
| 2031  | 1,000,000                                 | 108,963                  | 1,108,963                              |
| 2032  | 740,000                                   | 80,526                   | 820,526                                |
| 2033  | 455,000                                   | 61,038                   | 516,038                                |
| 2034  | 100,000                                   | 50,625                   | 150,625                                |
| 2035  | 100,000                                   | 47,188                   | 147,188                                |
| 2036  | 125,000                                   | 43,250                   | 168,250                                |
| 2037  | 125,000                                   | 38,875                   | 163,875                                |
| 2038  | 125,000                                   | 34,500                   | 159,500                                |
| 2039  | 125,000                                   | 30,047                   | 155,047                                |
| 2040  | 125,000                                   | 25,516                   | 150,516                                |
| 2041  | 150,000                                   | 20,438                   | 170,438                                |
| 2042  | 150,000                                   | 14,813                   | 164,813                                |
| 2043  | 150,000                                   | 9,188                    | 159,188                                |
| 2044  | 170,000                                   | 3,187                    | 173,187                                |
| Totals  | <u>\$ 15,905,000</u>                      | <u>\$ 3,756,322</u>      | <u>\$ 19,661,322</u>                   |

**Fort Bend County Municipal Utility District No. 122**  
**Changes in Long-term Bonded Debt**  
**Year Ended September 30, 2020**

|  | <b>Bond</b>             |                                  |                                  |
|--|-------------------------|----------------------------------|----------------------------------|
|  | <b>Series 2012</b>      | <b>Refunding<br/>Series 2013</b> | <b>Refunding<br/>Series 2014</b> |
| Interest rates                               | 3.125%                  | 2.25%                            | 2.000% to 3.375%                 |
| Dates interest payable                       | March 1/<br>September 1 | March 1/<br>September 1          | March 1/<br>September 1          |
| Maturity dates                               |                         | September 1,<br>2021             | September 1,<br>2021/2029        |
| Bonds outstanding, beginning of current year | \$ 1,665,000            | \$ 2,685,000                     | \$ 3,550,000                     |
| Bonds sold during current year               | -                       | -                                | -                                |
| Bonds refunded during current year           | 1,640,000               | 2,165,000                        | -                                |
| Retirements, principal                       | 25,000                  | 255,000                          | 425,000                          |
| Bonds outstanding, end of current year       | \$ 0                    | \$ 265,000                       | \$ 3,125,000                     |
| Interest paid during current year            | \$ 34,722               | \$ 45,700                        | \$ 98,688                        |

Paying agent's name and address:

|                    |  |
|--------------------|--|
| <b>Series 2012</b> | - Wells Fargo Bank, N.A., Dallas, Texas                      |
| <b>Series 2013</b> | - Bank of New York Mellon Trust Company, N.A., Dallas, Texas |
| <b>Series 2014</b> | - Bank of New York Mellon Trust Company, N.A., Dallas, Texas |
| <b>Series 2015</b> | - Bank of New York Mellon Trust Company, N.A., Dallas, Texas |
| <b>Series 2019</b> | - Bank of New York Mellon Trust Company, N.A., Dallas, Texas |
| <b>Series 2020</b> | - Bank of New York Mellon Trust Company, N.A., Dallas, Texas |

Bond authority:

|  | <b>Tax Bonds</b> | <b>Other<br/>Bonds</b> | <b>Refunding<br/>Bonds</b> |
|--|------------------|------------------------|----------------------------|
| Amount authorized by voters  | \$ 39,069,000    | 0                      | \$ 26,000,000              |
| Amount issued  | \$ 24,965,000    | 0                      | \$ 1,202,906               |
| Remaining to be issued   | \$ 14,104,000    | 0                      | \$ 24,797,094              |
| Debt service fund cash and temporary investment balances as of September 30, 2020:           |                  |                        | \$ 1,056,726               |
| Average annual debt service payment (principal and interest) for remaining term of all debt: |                  |                        | \$ 819,222                 |

**Issues**

| <b>Refunding<br/>Series 2015</b> | <b>Series 2019</b>      | <b>Refunding<br/>Series 2020</b> | <b>Totals</b>        |
|----------------------------------|-------------------------|----------------------------------|----------------------|
| 2.00% to 3.25%                   | 3.00% to 4.00%          | 2.00% to 3.00%                   |                      |
| March 1/<br>September 1          | March 1/<br>September 1 | March 1/<br>September 1          |                      |
| September 1,<br>2021/2032        | March 1,<br>2021/2044   | September 1,<br>2021/2033        |                      |
| \$ 6,550,000                     | \$ 2,370,000            | \$ -                             | \$ 16,820,000        |
| -                                | -                       | 3,885,000                        | 3,885,000            |
| -                                | -                       | -                                | 3,805,000            |
| <u>290,000</u>                   | <u>-</u>                | <u>-</u>                         | <u>995,000</u>       |
| <u>\$ 6,260,000</u>              | <u>\$ 2,370,000</u>     | <u>\$ 3,885,000</u>              | <u>\$ 15,905,000</u> |
| <u>\$ 200,925</u>                | <u>\$ 83,281</u>        | <u>\$ 0</u>                      | <u>\$ 463,316</u>    |

**Fort Bend County Municipal Utility District No. 122**  
**Comparative Schedule of Revenues and Expenditures – General Fund**  
**Five Years Ended September 30,**

|   | Amounts             |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2020                | 2019                | 2018                | 2017                | 2016                |
| <b>General Fund</b>   |                     |                     |                     |                     |                     |
| <b>Revenues</b>   |                     |                     |                     |                     |                     |
| Property taxes  | \$ 968,812          | \$ 911,426          | \$ 890,229          | \$ 857,102          | \$ 770,625          |
| Water service   | 323,821             | 312,679             | 330,024             | 325,133             | 329,469             |
| Sewer service   | 444,942             | 402,591             | 419,072             | 422,121             | 422,303             |
| Regional water fee  | 459,223             | 393,036             | 390,407             | 356,411             | 334,317             |
| Penalty and interest  | 16,133              | 22,363              | 21,842              | 22,187              | 26,713              |
| Tap connection and inspection fees  | 1,230               | 940                 | 990                 | 840                 | 11,165              |
| Investment income   | 28,542              | 58,090              | 17,172              | 6,101               | 4,713               |
| Other income  | 15,531              | 1,160               | 994                 | 1,305               | 2,394               |
| Total revenues  | <u>2,258,234</u>    | <u>2,102,285</u>    | <u>2,070,730</u>    | <u>1,991,200</u>    | <u>1,901,699</u>    |
| <b>Expenditures</b>   |                     |                     |                     |                     |                     |
| Service operations:   |                     |                     |                     |                     |                     |
| Purchased services  | 851,769             | 736,788             | 874,270             | 919,543             | 566,792             |
| Professional fees   | 136,403             | 133,938             | 123,353             | 131,506             | 100,296             |
| Contracted services   | 325,963             | 340,845             | 142,681             | 279,337             | 295,802             |
| Repairs and maintenance   | 179,617             | 206,149             | 277,260             | 152,166             | 123,053             |
| Other expenditures  | 53,031              | 68,341              | 67,642              | 70,164              | 75,249              |
| Tap connections   | -                   | -                   | -                   | -                   | 3,165               |
| Capital outlay  | 661,223             | 671,408             | 8,120               | 1,608,570           | 178,594             |
| Debt service, debt issuance costs   | -                   | 7,664               | 9,669               | 19,703              | -                   |
| Total expenditures  | <u>2,208,006</u>    | <u>2,165,133</u>    | <u>1,502,995</u>    | <u>3,180,989</u>    | <u>1,342,951</u>    |
| <b>Excess (Deficiency) of Revenues Over Expenditures</b>                                    | 50,228              | (62,848)            | 567,735             | (1,189,789)         | 558,748             |
| <b>Other Financing Sources</b>  |                     |                     |                     |                     |                     |
| Interfund transfers in  | -                   | 604,408             | -                   | 124,000             | -                   |
| <b>Excess (Deficiency) of Revenues and Transfers In Over Expenditures and Transfers Out</b> | 50,228              | 541,560             | 567,735             | (1,065,789)         | 558,748             |
| <b>Fund Balance, Beginning of Year</b>  | <u>3,149,323</u>    | <u>2,607,763</u>    | <u>2,040,028</u>    | <u>3,105,817</u>    | <u>2,547,069</u>    |
| <b>Fund Balance, End of Year</b>  | <u>\$ 3,199,551</u> | <u>\$ 3,149,323</u> | <u>\$ 2,607,763</u> | <u>\$ 2,040,028</u> | <u>\$ 3,105,817</u> |
| <b>Total Active Retail Water Connections</b>  | <u>915</u>          | <u>912</u>          | <u>911</u>          | <u>910</u>          | <u>913</u>          |
| <b>Total Active Retail Wastewater Connections</b>   | <u>899</u>          | <u>896</u>          | <u>895</u>          | <u>894</u>          | <u>897</u>          |



**Percent of Fund Total Revenues**

| <b>2020</b>         | <b>2019</b>           | <b>2018</b>          | <b>2017</b>            | <b>2016</b>          |
|---------------------|-----------------------|----------------------|------------------------|----------------------|
| 42.9 %              | 43.3 %                | 42.9 %               | 43.0 %                 | 40.5 %               |
| 14.3                | 14.9                  | 15.9                 | 16.3                   | 17.3                 |
| 19.7                | 19.1                  | 20.2                 | 21.2                   | 22.2                 |
| 20.3                | 18.7                  | 18.9                 | 17.9                   | 17.6                 |
| 0.7                 | 1.1                   | 1.1                  | 1.1                    | 1.4                  |
| 0.1                 | 0.0                   | 0.1                  | 0.1                    | 0.6                  |
| 1.3                 | 2.8                   | 0.8                  | 0.3                    | 0.2                  |
| 0.7                 | 0.1                   | 0.1                  | 0.1                    | 0.2                  |
| <u>100.0</u>        | <u>100.0</u>          | <u>100.0</u>         | <u>100.0</u>           | <u>100.0</u>         |
| 37.7                | 35.0                  | 42.2                 | 46.2                   | 29.8                 |
| 6.0                 | 6.4                   | 5.9                  | 6.6                    | 5.3                  |
| 14.4                | 16.2                  | 14.4                 | 14.0                   | 15.5                 |
| 8.0                 | 9.8                   | 5.9                  | 7.6                    | 6.5                  |
| 2.4                 | 3.2                   | 3.3                  | 3.5                    | 3.9                  |
| -                   | -                     | -                    | -                      | 0.2                  |
| 29.3                | 31.9                  | 0.4                  | 80.8                   | 9.4                  |
| -                   | 0.4                   | 0.5                  | 0.1                    | -                    |
| <u>97.8</u>         | <u>102.9</u>          | <u>72.6</u>          | <u>158.8</u>           | <u>70.6</u>          |
| <u><u>2.2 %</u></u> | <u><u>(2.9) %</u></u> | <u><u>27.4 %</u></u> | <u><u>(58.8) %</u></u> | <u><u>29.4 %</u></u> |

**Fort Bend County Municipal Utility District No. 122**  
**Comparative Schedule of Revenues and Expenditures – Debt Service Fund**  
**Five Years Ended September 30,**

|  | Amounts             |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2020                | 2019                | 2018                | 2017                | 2016                |
| <b>Debt Service Fund</b>                   |                     |                     |                     |                     |                     |
| <b>Revenues</b>                            |                     |                     |                     |                     |                     |
| Property taxes                             | \$ 1,485,017        | \$ 1,458,390        | \$ 1,490,287        | \$ 1,430,046        | \$ 1,477,893        |
| Penalty and interest                       | 12,938              | 3,463               | 23,052              | 9,422               | 12,831              |
| Investment income                          | 11,152              | 24,812              | 9,712               | 4,951               | 4,835               |
| Total revenues                             | <u>1,509,107</u>    | <u>1,486,665</u>    | <u>1,523,051</u>    | <u>1,444,419</u>    | <u>1,495,559</u>    |
| <b>Expenditures</b>                        |                     |                     |                     |                     |                     |
| Current:                                   |                     |                     |                     |                     |                     |
| Professional fees                          | 3,628               | 793                 | 6,091               | 2,021               | 2,113               |
| Contracted services                        | 34,081              | 32,257              | 31,690              | 30,360              | 29,083              |
| Other expenditures                         | 11,664              | 7,876               | 10,986              | 10,140              | 8,174               |
| Debt service:                              |                     |                     |                     |                     |                     |
| Principal retirement                       | 995,000             | 975,000             | 960,000             | 945,000             | 915,000             |
| Interest and fees                          | 466,616             | 519,286             | 497,840             | 522,155             | 547,317             |
| Bond issuance costs                        | 173,926             | -                   | -                   | -                   | -                   |
| Debt defeasance                            | 53,000              | -                   | -                   | -                   | -                   |
| Total expenditures                         | <u>1,737,915</u>    | <u>1,535,212</u>    | <u>1,506,607</u>    | <u>1,509,676</u>    | <u>1,501,687</u>    |
| <b>Excess (Deficiency) of Revenues</b>     |                     |                     |                     |                     |                     |
| <b>Over Expenditures</b>                   | <u>(228,808)</u>    | <u>(48,547)</u>     | <u>16,444</u>       | <u>(65,257)</u>     | <u>(6,128)</u>      |
| <b>Other Financing Sources (Uses)</b>      |                     |                     |                     |                     |                     |
| General obligation bonds issued            | 3,885,000           | -                   | -                   | -                   | -                   |
| Premium on debt issued                     | 107,549             | -                   | -                   | -                   | -                   |
| Deposit with escrow agent                  | <u>(3,819,833)</u>  | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>            |
| Total other financing sources              | <u>172,716</u>      | <u>0</u>            | <u>0</u>            | <u>0</u>            | <u>0</u>            |
| <b>Excess (Deficiency) of Revenues and</b> |                     |                     |                     |                     |                     |
| <b>Other Financing Sources Over</b>        |                     |                     |                     |                     |                     |
| <b>Expenditures and Other Financing</b>    |                     |                     |                     |                     |                     |
| <b>Uses</b>                                | (56,092)            | (48,547)            | 16,444              | (65,257)            | (6,128)             |
| <b>Fund Balance, Beginning of Year</b>     | <u>1,096,692</u>    | <u>1,145,239</u>    | <u>1,128,795</u>    | <u>1,194,052</u>    | <u>1,200,180</u>    |
| <b>Fund Balance, End of Year</b>           | <u>\$ 1,040,600</u> | <u>\$ 1,096,692</u> | <u>\$ 1,145,239</u> | <u>\$ 1,128,795</u> | <u>\$ 1,194,052</u> |

**Percent of Fund Total Revenues**

| <b>2020</b>     | <b>2019</b>    | <b>2018</b>  | <b>2017</b>    | <b>2016</b>    |
|-----------------|----------------|--------------|----------------|----------------|
| 98.4 %          | 98.1 %         | 97.9 %       | 99.0 %         | 98.8 %         |
| 0.9             | 0.2            | 1.5          | 0.7            | 0.9            |
| 0.7             | 1.7            | 0.6          | 0.3            | 0.3            |
| <u>100.0</u>    | <u>100.0</u>   | <u>100.0</u> | <u>100.0</u>   | <u>100.0</u>   |
| 0.3             | 0.1            | 0.4          | 0.2            | 0.1            |
| 2.3             | 2.2            | 2.1          | 2.1            | 1.9            |
| 0.8             | 0.5            | 0.7          | 0.7            | 0.6            |
| 65.9            | 65.6           | 63.0         | 65.4           | 61.2           |
| 30.9            | 34.9           | 32.7         | 36.2           | 36.6           |
| 11.5            | -              | -            | -              | -              |
| 3.5             | -              | -            | -              | -              |
| <u>115.2</u>    | <u>103.3</u>   | <u>98.9</u>  | <u>104.6</u>   | <u>100.4</u>   |
| <u>(15.2) %</u> | <u>(3.3) %</u> | <u>1.1 %</u> | <u>(4.6) %</u> | <u>(0.4) %</u> |

**Fort Bend County Municipal Utility District No. 122**  
**Board Members, Key Personnel and Consultants**  
**Year Ended September 30, 2020**

|  |   |              |
|--|---|--------------|
| Complete District mailing address:   | Fort Bend County Municipal Utility District No. 122<br>c/o Allen Boone Humphries Robinson LLP<br>3200 Southwest Freeway, Suite 2600<br>Houston, Texas 77027 |              |
| District business telephone number:  | 713.860.6400  |              |
| Submission date of the most recent District Registration Form<br>(TWC Sections 36.054 and 49.054): |   | May 29, 2020 |
| Limit on fees of office that a director may receive during a fiscal year:                          |   | \$ 7,200     |

| <b>Board Members</b> | <b>Term of<br/>Office<br/>Elected &amp;<br/>Expires</b> | <b>Fees*</b> | <b>Expense<br/>Reimbursements</b> | <b>Title at<br/>Year-end</b>   |
|----------------------|---|--------------|-----------------------------------|--------------------------------|
| Diane Perkins        | Elected<br>05/18-<br>05/22                              | \$ 4,200     | \$ 138                            | President                      |
| Barbara Nelson       | Elected<br>05/18-<br>05/22                              | 2,250        | 141                               | Vice<br>President              |
| Gerald Reuter        | Elected<br>05/20-<br>05/24                              | 2,250        | 1,648                             | Secretary                      |
| Shariq Ghani         | Elected<br>05/20-<br>05/24                              | 2,550        | 509                               | Assistant<br>Vice<br>President |
| Melissa Colihan      | Elected<br>05/20-<br>05/24                              | 4,050        | 806                               | Assistant<br>Secretary         |

\*Fees are the amounts actually paid to a director during the District's fiscal year.

**Fort Bend County Municipal Utility District No. 122**  
**Board Members, Key Personnel and Consultants (Continued)**  
**Year Ended September 30, 2020**

| <b>Consultants</b>                               | <b>Date Hired</b>     | <b>Fees and<br/>Expense<br/>Reimbursements</b> | <b>Title</b>               |
|--|-----------------------|--|----------------------------|
| Allen Boone Humphries Robinson LLP               | 08/20/03              | \$ 154,294                                     | Attorney                   |
| BKD, LLP   | 09/24/03              | 24,200   | Auditor                    |
| Fort Bend Central Appraisal District             | Legislative<br>Action | 18,747   | Appraiser                  |
| The GMS Group, L.L.C.                            | 05/16/18              | 49,405   | Financial<br>Advisor       |
| LJA Engineering, Inc.                            | 09/24/03              | 81,752   | Engineer                   |
| Municipal District Services, L.L.C.              | 05/01/12              | 593,713  | Operator                   |
| Myrtle Cruz, Inc.                                | 01/23/01              | 27,662   | Bookkeeper                 |
| Perdue, Brandon, Fielder, Collins & Mott, L.L.P. | 03/06/02              | 3,628  | Delinquent<br>Tax Attorney |
| Tax Tech Incorporated                            | 01/23/01              | 20,511   | Tax Assessor/<br>Collector |
| <b>Investment Officer</b>                        |                       |  |                            |
| Mary Jarmon                                      | 01/23/01              | N/A  | Bookkeeper                 |