

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129

FORT BEND COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JULY 31, 2018

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129

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JULY 31, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fort Bend County Municipal
Utility District No. 129
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. 129 (the "District"), as of and for the year ended July 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of July 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

November 26, 2018

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2018**

Management's discussion and analysis of Fort Bend County Municipal Utility District No. 129's (the "District") financial performance provides an overview of the District's financial activities for the year ended July 31, 2018. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Net Position includes all the District's assets, liabilities, and, if necessary, deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs. The Capital Projects Fund was closed during the current fiscal year.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2018**

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows exceeded liabilities by \$6,272,240 as of July 31, 2018.

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

A comparative analysis of government-wide changes in the Statement of Net Position is presented below:

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	<u>Summary of Changes in the Statement of Net Position</u>		
	<u>2018</u>	<u>2017</u>	<u>Change Positive (Negative)</u>
Current and Other Assets	\$ 7,458,740	\$ 7,360,611	\$ 98,129
Capital Assets (Net of Accumulated Depreciation)	<u>19,802,950</u>	<u>19,134,021</u>	<u>668,929</u>
Total Assets	<u>\$ 27,261,690</u>	<u>\$ 26,494,632</u>	<u>\$ 767,058</u>
Deferred Outflows of Resources	<u>\$ 1,311,847</u>	<u>\$ 1,394,917</u>	<u>\$ (83,070)</u>
Long -Term Liabilities	<u>\$ 20,071,025</u>	<u>\$ 21,029,655</u>	<u>\$ 958,630</u>
Other Liabilities	<u>2,230,272</u>	<u>1,519,469</u>	<u>(710,803)</u>
Total Liabilities	<u>\$ 22,301,297</u>	<u>\$ 22,549,124</u>	<u>\$ 247,827</u>
Net Position:			
Net Investment in Capital Assets	<u>\$ (685,298)</u>	<u>\$ (1,363,805)</u>	<u>\$ 678,507</u>
Restricted	<u>2,486,404</u>	<u>2,458,383</u>	<u>28,021</u>
Unrestricted	<u>4,471,134</u>	<u>4,245,847</u>	<u>225,287</u>
Total Net Position	<u>\$ 6,272,240</u>	<u>\$ 5,340,425</u>	<u>\$ 931,815</u>

The following table provides a summary of the District's operations for the years ended July 31, 2018, and July 31, 2017.

	<u>Summary of Changes in the Statement of Activities</u>		
	<u>2018</u>	<u>2017</u>	<u>Change Positive (Negative)</u>
Revenues:			
Property Taxes	\$ 2,251,745	\$ 2,208,188	\$ 43,557
Charges for Services	1,849,865	1,884,068	(34,203)
Other Revenues	<u>97,901</u>	<u>41,074</u>	<u>56,827</u>
Total Revenues	<u>\$ 4,199,511</u>	<u>\$ 4,133,330</u>	<u>\$ 66,181</u>
Expenses for Services	<u>3,267,696</u>	<u>3,339,869</u>	<u>72,173</u>
Change in Net Position	<u>\$ 931,815</u>	<u>\$ 793,461</u>	<u>\$ 138,354</u>
Net Position, Beginning of Year	<u>5,340,425</u>	<u>4,546,964</u>	<u>793,461</u>
Net Position, End of Year	<u>\$ 6,272,240</u>	<u>\$ 5,340,425</u>	<u>\$ 931,815</u>

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2018**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balance as of July 31, 2018, was \$7,184,715, an increase of \$231,236 from the prior year.

The General Fund fund balance increased by \$226,690, primarily due to property tax revenues and service revenues exceeding operating expenditures and capital costs.

The Debt Service Fund increased by \$6,458, primarily due to the structure of the District's long-term debt.

The Capital Projects Fund fund balance decreased by \$1,912, with a transfer to the General Fund to close the fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the fiscal year ended July 31, 2018. Actual revenues were \$209,190 higher than budgeted revenues, due to higher than expected revenues in all categories except wastewater service revenues. Actual expenditures were \$907,797 less than budgeted expenditures, primarily due to capital outlay costs being lower than budgeted.

CAPITAL ASSETS

The District's capital assets as of July 31, 2018, amount to \$19,802,950 (net of accumulated depreciation). These capital assets include land, as well as the water, wastewater and drainage systems.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2018	2017	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 46,778	\$ 46,778	\$
Construction in Progress		391,879	(391,879)
Capital Assets, Net of Accumulated Depreciation:			
Infrastructure	15,473,919	14,312,933	1,160,986
Interest in Joint Facilities	2,106,484	2,128,076	(21,592)
Impact Fees	2,175,769	2,254,355	(78,586)
Total Net Capital Assets	<u>\$ 19,802,950</u>	<u>\$ 19,134,021</u>	<u>\$ 668,929</u>

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2018**

LONG-TERM DEBT ACTIVITY

As of July 31, 2018, the District had a total bond debt payable of \$19,970,000. The changes in the debt position of the District during the fiscal year ended July 31, 2018, are summarized as follows:

Bond Debt Payable, August 1, 2017	\$ 20,835,000
Less: Bond Principal Paid	<u>865,000</u>
Bond Debt Payable, July 31, 2018	<u>\$ 19,970,000</u>

The District has an underlying rating of “A1”. The Series 2008 bonds are not rated. The Series 2009, Series 2010, Series 2015 Refunding and Series 2016 Refunding bonds carry an “AA” rating by virtue of bond insurance by Assured Guaranty Municipal. The Series 2014 bonds carry an “AA” rating by virtue of bond insurance issued by Build America Mutual. Credit enhanced ratings provided through bond insurance policies are subject to change based on the rating of the bond insurance company. The above ratings reflect any changes during the current fiscal year.

CONTACTING THE DISTRICT’S MANAGEMENT

This financial report is designed to provide a general overview of District’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Fort Bend County Municipal Utility District No. 129, c/o The Muller Law Group, PLLC, 202 Century Square Blvd., Sugar Land, Texas 77478.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JULY 31, 2018

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 1,227,818	\$ 41,871
Investments	2,987,150	2,725,269
Receivables:		
Property Taxes	11,585	21,640
Penalty and Interest on Delinquent Taxes		
Service Accounts (Net of Allowance for Uncollectible Accounts of \$-0-)	215,471	
Builder Damages	1,693	
Prepaid Costs	6,210	
Due from Other Governmental Units	40,006	
Advance for Water Plant Operations	123,952	
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	\$ 4,613,885	\$ 2,788,780
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	\$ -0-	\$ -0-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,613,885	\$ 2,788,780

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

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 1,269,689	\$	\$ 1,269,689
5,712,419		5,712,419
33,225		33,225
	14,113	14,113
215,471		215,471
1,693		1,693
6,210	41,962	48,172
40,006		40,006
123,952		123,952
	46,778	46,778
	<u>19,756,172</u>	<u>19,756,172</u>
<u>\$ 7,402,665</u>	<u>\$ 19,859,025</u>	<u>\$ 27,261,690</u>
<u>\$ -0-</u>	<u>\$ 1,311,847</u>	<u>\$ 1,311,847</u>
<u><u>\$ 7,402,665</u></u>	<u><u>\$ 21,170,872</u></u>	<u><u>\$ 28,573,537</u></u>

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JULY 31, 2018

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	\$ 178,888	\$
Accrued Interest Payable		
Due to Developers		
Due to Taxpayers		12
Security Deposits	5,825	
Long Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	\$ 184,713	\$ 12
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 11,585	\$ 21,640
FUND BALANCES		
Nonspendable:		
Prepaid Costs	\$ 6,210	\$
For Water Plant Operations	123,952	
Restricted for Debt Service		2,767,128
Unassigned	4,287,425	
TOTAL FUND BALANCES	\$ 4,417,587	\$ 2,767,128
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,613,885	\$ 2,788,780
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 178,888	\$	\$ 178,888
	316,477	316,477
	824,070	824,070
12		12
5,825		5,825
	905,000	905,000
	<u>20,071,025</u>	<u>20,071,025</u>
<u>\$ 184,725</u>	<u>\$ 22,116,572</u>	<u>\$ 22,301,297</u>
<u>\$ 33,225</u>	<u>\$ (33,225)</u>	<u>\$ -0-</u>
\$ 6,210	\$ (6,210)	\$
123,952	(123,952)	
2,767,128	(2,767,128)	
4,287,425	(4,287,425)	
<u>\$ 7,184,715</u>	<u>\$ (7,184,715)</u>	<u>\$ -0-</u>
<u>\$ 7,402,665</u>		
	\$ (685,298)	\$ (685,298)
	2,486,404	2,486,404
	<u>4,471,134</u>	<u>4,471,134</u>
	<u>\$ 6,272,240</u>	<u>\$ 6,272,240</u>

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JULY 31, 2018

Total Fund Balances - Governmental Funds \$ 7,184,715

Amounts reported for governmental activities in the Statement of Net Position are different because:

Bond insurance paid at closing is amortized over the repayment period of the related bonds in the governmental activities. 41,962

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 19,802,950

The difference between the net carrying amount of refunded bonds and the reacquisition price is recorded as a deferred outflow in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. 1,311,847

Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2017 and prior tax levies became part of recognized revenues in the governmental activities of the District. 47,338

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Due to Developer	\$ (824,070)	
Accrued Interest Payable	(316,477)	
Bonds Payable	<u>(20,976,025)</u>	<u>(22,116,572)</u>

Total Net Position - Governmental Activities \$ 6,272,240

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

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FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JULY 31, 2018

	<u>General Fund</u>	<u>Debt Service Fund</u>
REVENUES		
Property Taxes	\$ 593,622	\$ 1,654,065
Water Service	348,456	
Wastewater Service	843,776	
Surface Water Fees	439,441	
Penalty and Interest	18,905	8,635
Tap Connection and Inspection Fees	40,030	
Fire Protection Services	147,331	
Investment Revenues	40,805	30,658
Miscellaneous Revenues	23,093	3,333
TOTAL REVENUES	<u>\$ 2,495,459</u>	<u>\$ 1,696,691</u>
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 117,036	\$ 1,382
Contracted Services	616,199	42,610
Purchased Water Service	615,166	
Purchased Wastewater Service	172,518	
Repairs and Maintenance	86,683	
Depreciation		
Other	254,930	3,171
Capital Outlay	408,161	
Debt Service:		
Bond Principal		865,000
Bond Interest		778,070
TOTAL EXPENDITURES/EXPENSES	<u>\$ 2,270,693</u>	<u>\$ 1,690,233</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	<u>\$ 224,766</u>	<u>\$ 6,458</u>
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	<u>\$ 1,924</u>	<u>\$ -0-</u>
NET CHANGE IN FUND BALANCES	\$ 226,690	\$ 6,458
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - AUGUST 1, 2017	<u>4,190,897</u>	<u>2,760,670</u>
FUND BALANCES/NET POSITION - JULY 31, 2018	<u>\$ 4,417,587</u>	<u>\$ 2,767,128</u>

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 2,247,687	\$ 4,058	\$ 2,251,745
	348,456		348,456
	843,776		843,776
	439,441		439,441
	27,540	3,291	30,831
	40,030		40,030
	147,331		147,331
12	71,475		71,475
	26,426		26,426
\$ 12	\$ 4,192,162	\$ 7,349	\$ 4,199,511
\$	\$ 118,418	\$	\$ 118,418
	658,809		658,809
	615,166		615,166
	172,518		172,518
	86,683		86,683
		563,302	563,302
	258,101		258,101
	408,161	(408,161)	
	865,000	(865,000)	
	778,070	16,629	794,699
\$ - 0 -	\$ 3,960,926	\$ (693,230)	\$ 3,267,696
\$ 12	\$ 231,236	\$ 700,579	\$ 931,815
\$ (1,924)	\$ -0-	\$ -0-	\$ -0-
\$ (1,912)	\$ 231,236	\$ (231,236)	\$
		931,815	931,815
1,912	6,953,479	(1,613,054)	5,340,425
\$ -0-	\$ 7,184,715	\$ (912,475)	\$ 6,272,240

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

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2018**

Net Change in Fund Balances - Governmental Funds	\$	231,236
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		4,058
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.		3,291
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(563,302)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		408,161
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Postion, interest is accrued on the long-term debt through fiscal year-end.		(16,629)
Governmental funds report bond principal payments as expenditures. However, in the Statement of Position, bond principal payments are reported as decreases in long-term liabilities.		865,000
Change in Net Position - Governmental Activities	\$	<u>931,815</u>

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 1. CREATION OF DISTRICT

Fort Bend County Municipal Utility District No. 129 (the “District”) was created effective October 24, 2003 by an Order of the Texas Commission on Environmental Quality (the “Commission”). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants, and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The District is also empowered to contract for or employ its own peace officers with powers to make arrests and to establish, operate and maintain a fire department to perform all fire-fighting activities within the District. The Board of Directors held its organizational meeting on November 11, 2003, and the first bonds were issued on November 21, 2006.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

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

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

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

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

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

Governmental Funds

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

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

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

Capital Projects Fund - To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs. This fund was closed during the current fiscal year.

Basis of Accounting

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

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

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Interest costs, including developer interest, engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Buildings	40
Water System	10-45
Wastewater System	10-45
Storm Drainage System	10-45
All Other Equipment	3-20

Budgeting

In compliance with governmental accounting principles, the Board of Directors annually adopts an unappropriated budget for the General Fund. The budget was not amended during the year ended July 31, 2018.

Pensions

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

Measurement Focus

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

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

Unassigned: all other spendable amounts in the General Fund.

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Estimates

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

NOTE 3. LONG-TERM DEBT

	<u>Series 2008</u>	<u>Series 2009</u>	<u>Series 2010</u>
Amounts Outstanding – July 31, 2018	\$160,000	\$500,000	\$3,200,000
Interest Rates	5.50%	5.00% - 6.25%	3.40% - 5.00%
Maturity Dates – Serially Beginning/Ending	September 1, 2018	September 1, 2018/2019	September 1, 2018/2034
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2017*	September 1, 2018*	September 1, 2019*
	<u>Series 2014</u>	<u>Refunding Series 2015</u>	<u>Refunding Series 2016</u>
Amounts Outstanding – July 31, 2018	\$1,700,000	\$7,475,000	\$6,935,000
Interest Rates	2.50% - 4.00%	2.00% - 4.00%	2.00% - 4.00%
Maturity Dates – Serially Beginning/Ending	September 1, 2018/2034	September 1, 2018/2034	September 1, 2018/2034
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2022*	September 1, 2023*	September 1, 2023*

* Bonds maturing on or after this date are subject to being called at par value plus accrued interest from the most recent integral payment date to the date fixed for redemption

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 3. LONG-TERM DEBT (Continued)

The following is a summary of transactions regarding bonds payable for the year ended July 31, 2018:

	August 1, 2017	Additions	Retirements	July 31, 2018
Bonds Payable	\$ 20,835,000	\$	\$ 865,000	\$ 19,970,000
Unamortized Discounts	(108,030)		(15,184)	(92,846)
Unamortized Premiums	1,167,685		68,814	1,098,871
Bonds Payable, Net	<u>\$ 21,894,655</u>	<u>\$ -0-</u>	<u>\$ 918,630</u>	<u>\$ 20,976,025</u>
			Amount Due Within One Year	\$ 905,000
			Amount Due After One Year	<u>20,071,025</u>
			Bonds Payable, Net	<u>\$ 20,976,025</u>

As of July 31, 2018, the District had authorized but unissued tax bonds in the amount of \$41,160,000 and refunding bonds authorization of \$32,470,000. As of July 31, 2018, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2019	\$ 905,000	\$ 739,945	\$ 1,644,945
2020	930,000	702,645	1,632,645
2021	955,000	672,125	1,627,125
2022	980,000	645,755	1,625,755
2023	1,015,000	616,440	1,631,440
2024-2028	5,600,000	2,509,572	8,109,572
2029-2033	6,755,000	1,281,245	8,036,245
2034-2035	2,830,000	112,375	2,942,375
	<u>\$ 19,970,000</u>	<u>\$ 7,280,102</u>	<u>\$ 27,250,102</u>

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

During the year ended July 31, 2018, the District levied an ad valorem debt service tax rate of \$0.25 per \$100 of assessed valuation, which resulted in a tax levy of \$1,663,889 on the adjusted taxable valuation of \$665,555,585 for the 2017 tax year. The bond resolutions require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 3. LONG-TERM DEBT (Continued)

The District's tax calendar is as follows:

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

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

The bond resolutions state the District will maintain insurance on the system of a kind and in amount which usually would be carried by private companies engaged in a similar type of business but considering any governmental immunities to which the District may be entitled.

The bond resolutions state that the District is required to provide continuing disclosure of certain general financial information and operating data, as well as notice of certain material events as defined by federal securities laws, with respect to the District to the Nationally Recognized Municipal Securities Information Repositories and the State Information Depository. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$1,269,689 and the bank balance was \$1,335,226. Of the bank balance, \$318,354 was covered by federal depository insurance and the balance was pledged collateral held in a third-party depository in the District's name.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

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

	Cash
GENERAL FUND	\$ 1,227,818
DEBT SERVICE FUND	41,871
TOTAL DEPOSITS	\$ 1,269,689

Investments

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

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

The District invests in TexPool, an external investment pool that is not SEC-registered. The Texas Comptroller of Public Accounts has oversight of the pool. Federated Investors, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool meets the criteria established in GASB Statement No. 79 and measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At July 31, 2018, the investment rating for TexPool was AAAM. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in TexPool to have a maturity of less than one year due to the fact the share positions can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

Fund and Investment Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
<u>GENERAL FUND</u>					
TexPool	\$ 2,987,150	\$ 2,987,150	\$	\$	\$
<u>DEBT SERVICE FUND</u>					
TexPool	<u>2,725,269</u>	<u>2,725,269</u>	_____	_____	_____
TOTAL INVESTMENTS	<u>\$ 5,712,419</u>	<u>\$ 5,712,419</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

Restrictions

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

NOTE 6. CAPITAL ASSETS

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

	August 1, 2017	Increases	Decreases	July 31, 2018
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 46,778	\$	\$	\$ 46,778
Construction in Progress	<u>391,879</u>	<u>1,232,231</u>	<u>1,624,110</u>	_____
Total Capital Assets Not Being Depreciated	<u>\$ 438,657</u>	<u>\$ 1,232,231</u>	<u>\$ 1,624,110</u>	<u>\$ 46,778</u>
Capital Assets Subject to Depreciation				
Infrastructure	\$ 17,843,400	\$ 1,580,710	\$	\$ 19,424,110
Interest in Joint Facilities	2,559,603	43,400	_____	2,603,003
Impact Fees	<u>2,827,838</u>	_____	_____	<u>2,827,838</u>
Total Capital Assets Subject to Depreciation	<u>\$ 23,230,841</u>	<u>\$ 1,624,110</u>	<u>\$ - 0 -</u>	<u>\$ 24,854,951</u>
Less Accumulated Depreciation				
Infrastructure	\$ 3,530,467	\$ 419,724	\$	\$ 3,950,191
Interest in Joint Facilities	431,527	64,992	_____	496,519
Impact Fees	<u>573,483</u>	<u>78,586</u>	_____	<u>652,069</u>
Total Accumulated Depreciation	<u>\$ 4,535,477</u>	<u>\$ 563,302</u>	<u>\$ - 0 -</u>	<u>\$ 5,098,779</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 18,695,364</u>	<u>\$ 1,060,808</u>	<u>\$ - 0 -</u>	<u>\$ 19,756,172</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 19,134,021</u>	<u>\$ 2,293,039</u>	<u>\$ 1,624,110</u>	<u>\$ 19,802,950</u>

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 7. MAINTENANCE TAX

On September 11, 2004, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$1.50 per \$100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater system. During the current fiscal year, the District levied an ad valorem maintenance tax rate of \$0.09 per \$100 of assessed valuation, which resulted in a tax levy of \$599,000 on the taxable valuation of \$665,555,585 for the 2017 tax year.

NOTE 8. REGIONAL WASTEWATER TREATMENT PLANT

On September 20, 2004, and as revised on February 16, 2015, the District entered into an agreement with the City of Missouri City, Texas (the "City") whereby the City agrees to provide a regional wastewater collection, treatment and disposal facilities necessary to serve the District. The District is required to pay capital costs for the District's pro rata share of capacity in the wastewater treatment plant. As of July 31, 2018, the District has paid \$2,866,110 to the City for 470,750 gallons per day of treatment capacity in the regional wastewater treatment plant.

The City charges the District a monthly fee based on its pro-rata share, based on metered usage, of operating and maintenance costs. During the current fiscal year, the District incurred costs of \$172,518 for wastewater services under this agreement.

NOTE 9. REGIONAL WATER SUPPLY AGREEMENT

On October 27, 2014, and as amended September 28, 2015, November 28, 2016 and September 27, 2017, the District entered into a Regional Water Supply Agreement with Fort Bend County Municipal District No. 115 ("District No. 115"), Fort Bend County Municipal Utility District No. 149 ("District No. 149") and Fort Bend County Municipal Utility District No. 46 ("District No. 46"). This agreement supersedes and replaces water supply contracts between the District and District No. 115, between District No. 115 and District No. 46, and between the District and District No. 149. The term of this agreement is forty years.

This agreement established a regional water supply system with the two existing water plants, owned by District No. 115 and District No. 149, Water Plant No. 1 and No. 2, respectively. The agreement establishes a regional water supply system which will be served by these two water plants. The regional water supply system consists of the fully integrated water distribution systems of the District, District No. 149 and District No. 115. While District No. 46's water distribution system is connected to the regional water supply system, the interconnect will remain closed unless requested by District No. 46 and approved by the system operator.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2018

NOTE 9. REGIONAL WATER SUPPLY AGREEMENT (Continued)

During the current year, each district's capital pro rata share of the water plants is as follows:

District	Water Plant No.1	Water Plant No. 2
District No. 46	14.43%	
District No. 115	32.04%	
District No. 129	46.43%	27.11%
District No. 149	<u>7.10%</u>	<u>72.89%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

District No. 115 was designated to act as the system operator and has established a Special Revenue Fund to account for all costs associated with the operation and maintenance of the regional water supply system. Each district is invoiced monthly for its pro-rata share of operating and maintenance costs based upon each district's actual metered usage for that month. Each district has also provided funds toward an operating reserve to ensure adequate liquidity for the prompt payment of bills.

During the current year, the District paid a total of \$615,166 in monthly charges. Additionally, the District has paid \$123,952 for its share of the operating reserve.

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, error and omission and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from prior years and no settlements have exceeded coverage in the past three years.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129

REQUIRED SUPPLEMENTARY INFORMATION

JULY 31, 2018

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JULY 31, 2018

	Original and Final Budget	Actual	Variance Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Property Taxes	\$ 525,800	\$ 593,622	\$ 67,822
Water Service	314,616	348,456	33,840
Wastewater Service	844,603	843,776	(827)
Surface Water Fees	419,878	439,441	19,563
Penalty and Interest	16,848	18,905	2,057
Tap Connection and Inspection Fees		40,030	40,030
Fire Protection Services	143,184	147,331	4,147
Investment Revenues	13,200	40,805	27,605
Miscellaneous Revenues	8,140	23,093	14,953
TOTAL REVENUES	<u>\$ 2,286,269</u>	<u>\$ 2,495,459</u>	<u>\$ 209,190</u>
EXPENDITURES			
Services Operations:			
Professional Fees	\$ 116,500	\$ 117,036	\$ (536)
Contracted Services	636,677	616,199	20,478
Purchased Water Service	646,700	615,166	31,534
Purchased Wastewater Service	169,235	172,518	(3,283)
Repairs and Maintenance	83,079	86,683	(3,604)
Other	75,141	254,930	(179,789)
Capital Outlay	1,451,158	408,161	1,042,997
TOTAL EXPENDITURES	<u>\$ 3,178,490</u>	<u>\$ 2,270,693</u>	<u>\$ 907,797</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (892,221)</u>	<u>\$ 224,766</u>	<u>\$ 1,116,987</u>
OTHER FINANCING SOURCES(USES)			
Transfers In	<u>\$ -0-</u>	<u>\$ 1,924</u>	<u>\$ 1,924</u>
NET CHANGE IN FUND BALANCE	<u>\$ (892,221)</u>	<u>\$ 226,690</u>	<u>\$ 1,118,911</u>
FUND BALANCE - AUGUST 1, 2017	<u>4,190,897</u>	<u>4,190,897</u>	<u> </u>
FUND BALANCE - JULY 31, 2018	<u>\$ 3,298,676</u>	<u>\$ 4,417,587</u>	<u>\$ 1,118,911</u>

See accompanying independent auditor's report.

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FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129

**SUPPLEMENTARY INFORMATION – REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**

JULY 31, 2018

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2018**

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

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

2. RETAIL SERVICE PROVIDERS

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

Based on the rate order effective on August 25, 2014.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	\$4.05	10,000	N	\$1.13	1,000 and up
WASTEWATER:	\$32.75	10,000	N	\$2.21	1,000 and up
SURCHARGE:					
Groundwater Reduction Fees	110% of the fee charged by the City		N	\$1.82	1,000 and up
Fire Protection	Actual fee billed to the District by the City		Y	\$8.78	

District employs winter averaging for wastewater usage?

<u> X </u>	<u> </u>
Yes	No

Total monthly charges per 10,000 gallons usage: Water: \$15.35 Wastewater: \$54.85 Surcharge: \$26.98

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2018**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤ ³ / ₄ "	<u>630</u>	<u>626</u>	x 1.0	<u>626</u>
1"	<u>836</u>	<u>832</u>	x 2.5	<u>2,080</u>
1½"	<u>7</u>	<u>7</u>	x 5.0	<u>35</u>
2"	<u>21</u>	<u>21</u>	x 8.0	<u>168</u>
3"	<u>1</u>	<u>1</u>	x 15.0	<u>15</u>
4"	<u>1</u>	<u>1</u>	x 25.0	<u>25</u>
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u><u>1,496</u></u>	<u><u>1,488</u></u>		<u><u>2,949</u></u>
Total Wastewater Connections	<u><u>1,394</u></u>	<u><u>1,386</u></u>	x 1.0	<u><u>1,386</u></u>

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

Gallons pumped into system:	246,547,400	Water Accountability Ratio: 100%
		(Gallons billed/Gallons pumped)
Gallons billed to customers:	246,547,400	

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2018**

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

Does the District have Debt Service standby fees? Yes ___ No X

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes X No _____

County in which District is located:

Fort Bend County, Texas

Is the District located within a city?

Entirely _____ Partly _____ Not at all X

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

Entirely X Partly _____ Not at all _____

ETJ in which District is located:

City of Missouri City, Texas.

Are Board Members appointed by an office outside the District?

Yes _____ No X

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JULY 31, 2018

PROFESSIONAL FEES:	
Auditing	\$ 14,150
Engineering	19,815
Legal	<u>83,071</u>
TOTAL PROFESSIONAL FEES	<u>\$ 117,036</u>
PURCHASED SERVICES FOR RESALE:	
Purchased Water Service	\$ 615,166
Purchased Wastewater Service	<u>172,518</u>
TOTAL PURCHASED SERVICES FOR RESALE	<u>\$ 787,684</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 22,500
Operations and Billing	<u>44,212</u>
TOTAL CONTRACTED SERVICES	<u>\$ 66,712</u>
REPAIRS AND MAINTENANCE	<u>\$ 86,683</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 10,800
Insurance	7,153
Legal Notices	24
Office Supplies and Postage	16,602
Payroll Taxes	1,079
Election Costs	1,630
Travel and Meetings	8,579
Other	<u>8,147</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 54,014</u>

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JULY 31, 2018**

CAPITAL OUTLAY:	
Capitalized Assets	\$ 408,161
Expenditures Not Capitalized	<u> </u>
TOTAL CAPITAL OUTLAY	<u>\$ 408,161</u>
TAP CONNECTIONS	<u>\$ 24,937</u>
SOLID WASTE DISPOSAL	<u>\$ 291,134</u>
SECURITY	<u>\$ 114,984</u>
FIRE FIGHTING	<u>\$ 143,369</u>
OTHER EXPENDITURES:	
Laboratory Fees	\$ 2,379
Permit Fees	339
Reconnection Fees	3,524
Inspection Fees	7,029
Regulatory Assessment	5,258
Sludge Hauling	156,848
Other	<u>602</u>
TOTAL OTHER EXPENDITURES	<u>\$ 175,979</u>
TOTAL EXPENDITURES	<u><u>\$ 2,270,693</u></u>

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
INVESTMENTS
JULY 31, 2018

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<u>GENERAL FUND</u>					
TexPool	XXXX0001	Varies	Daily	\$ 2,987,150	\$ - 0 -
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0003	Varies	Daily	\$ 2,725,269	\$ - 0 -
TOTAL - ALL FUNDS				<u>\$ 5,712,419</u>	<u>\$ - 0 -</u>

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JULY 31, 2018

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
AUGUST 1, 2017	\$	10,361		\$ 18,806
Adjustments to Beginning				
Balance		<u>(4,154)</u>	\$ 6,207	<u>(6,990)</u> \$ 11,816
Original 2017 Tax Levy	\$	575,039		\$ 1,597,331
Adjustment to 2017 Tax Levy		<u>23,961</u>	<u>599,000</u>	<u>66,558</u> <u>1,663,889</u>
TOTAL TO BE				
ACCOUNTED FOR			\$ 605,207	\$ 1,675,705
TAX COLLECTIONS:				
Prior Years	\$	(2,903)		\$ (2,948)
Current Year		<u>596,525</u>	<u>593,622</u>	<u>1,657,013</u> <u>1,654,065</u>
TAXES RECEIVABLE -				
JULY 31, 2018			<u>\$ 11,585</u>	<u>\$ 21,640</u>
TAXES RECEIVABLE BY				
YEAR:				
2017			\$ 2,475	\$ 6,876
2016			782	2,542
2015			1,108	2,770
2014			1,752	3,240
2013			2,847	2,936
2012			2,276	2,209
2011			136	299
2010			72	384
2009			<u>137</u>	<u>384</u>
TOTAL			<u>\$ 11,585</u>	<u>\$ 21,640</u>

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JULY 31, 2018**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
PROPERTY VALUATIONS:				
Land	\$ 131,851,340	\$ 129,309,390	\$ 119,632,380	\$ 111,058,910
Improvements	538,935,144	525,982,890	475,480,460	384,192,060
Personal Property	1,895,970	1,776,800	1,619,270	3,667,087
Exemptions	<u>(7,126,869)</u>	<u>(3,564,148)</u>	<u>(2,774,344)</u>	<u>(4,465,384)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 665,555,585</u>	<u>\$ 653,504,932</u>	<u>\$ 593,957,766</u>	<u>\$ 494,452,673</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.25	\$ 0.26	\$ 0.30	\$ 0.37
Maintenance	<u>0.09</u>	<u>0.08</u>	<u>0.12</u>	<u>0.20</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.34</u>	<u>\$ 0.34</u>	<u>\$ 0.42</u>	<u>\$ 0.57</u>
ADJUSTED TAX LEVY*	<u>\$ 2,262,889</u>	<u>\$ 2,221,917</u>	<u>\$ 2,494,600</u>	<u>\$ 2,818,380</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>99.59 %</u>	<u>99.85 %</u>	<u>99.84 %</u>	<u>99.82 %</u>

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

Maintenance Tax – Maximum tax rate of \$1.50 per \$100 of assessed valuation approved by voters on September 11, 2004.

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2018

S E R I E S - 2 0 0 8			
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2019	\$ 160,000	\$ 4,400	\$ 164,400
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
	\$ 160,000	\$ 4,400	\$ 164,400

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2018**

S E R I E S - 2 0 0 9			
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2019	\$ 240,000	\$ 20,500	\$ 260,500
2020	260,000	6,500	266,500
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
	\$ 500,000	\$ 27,000	\$ 527,000

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2018

S E R I E S - 2 0 1 0				
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total	
2019	\$ 160,000	\$ 128,170	\$	288,170
2020	160,000	120,170		280,170
2021	160,000	113,450		273,450
2022	170,000	107,755		277,755
2023	180,000	101,540		281,540
2024	180,000	95,015		275,015
2025	180,000	88,400		268,400
2026	190,000	81,460		271,460
2027	190,000	74,145		264,145
2028	190,000	66,640		256,640
2029	190,000	58,945		248,945
2030	200,000	50,850		250,850
2031	200,000	42,350		242,350
2032	200,000	33,650		233,650
2033	200,000	24,750		224,750
2034	200,000	15,750		215,750
2035	250,000	5,625		255,625
	\$ 3,200,000	\$ 1,208,665	\$	4,408,665

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2018

S E R I E S - 2 0 1 4			
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2019	\$ 100,000	\$ 57,625	\$ 157,625
2020	100,000	55,125	155,125
2021	100,000	52,625	152,625
2022	100,000	49,875	149,875
2023	100,000	46,875	146,875
2024	100,000	43,875	143,875
2025	100,000	40,813	140,813
2026	100,000	37,625	137,625
2027	100,000	34,000	134,000
2028	100,000	30,000	130,000
2029	100,000	26,000	126,000
2030	100,000	22,000	122,000
2031	100,000	18,000	118,000
2032	100,000	14,000	114,000
2033	100,000	10,000	110,000
2034	100,000	6,000	106,000
2035	100,000	2,000	102,000
	\$ 1,700,000	\$ 546,438	\$ 2,246,438

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2018

SERIES - 2015 REFUNDING

Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2019	\$ 205,000	\$ 273,300	\$ 478,300
2020	370,000	265,700	635,700
2021	380,000	254,450	634,450
2022	395,000	242,825	637,825
2023	400,000	230,900	630,900
2024	410,000	218,750	628,750
2025	425,000	204,099	629,099
2026	440,000	186,800	626,800
2027	460,000	168,800	628,800
2028	475,000	150,100	625,100
2029	495,000	130,700	625,700
2030	515,000	110,500	625,500
2031	525,000	89,700	614,700
2032	545,000	68,300	613,300
2033	565,000	46,100	611,100
2034	585,000	23,100	608,100
2035	285,000	5,700	290,700
	<u>\$ 7,475,000</u>	<u>\$ 2,669,824</u>	<u>\$ 10,144,824</u>

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2018

SERIES - 2016 REFUNDING

Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2019	40,000	255,950	295,950
2020	40,000	255,150	295,150
2021	315,000	251,600	566,600
2022	315,000	245,300	560,300
2023	335,000	237,125	572,125
2024	350,000	226,850	576,850
2025	370,000	214,200	584,200
2026	390,000	199,000	589,000
2027	410,000	183,000	593,000
2028	440,000	166,000	606,000
2029	470,000	147,800	617,800
2030	490,000	128,600	618,600
2031	525,000	108,300	633,300
2032	555,000	86,700	641,700
2033	580,000	64,000	644,000
2034	610,000	40,200	650,200
2035	700,000	14,000	714,000
	<u>\$ 6,935,000</u>	<u>\$ 2,823,775</u>	<u>\$ 9,758,775</u>

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2018

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending July 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2019	\$ 905,000	\$ 739,945	\$ 1,644,945
2020	930,000	702,645	1,632,645
2021	955,000	672,125	1,627,125
2022	980,000	645,755	1,625,755
2023	1,015,000	616,440	1,631,440
2024	1,040,000	584,490	1,624,490
2025	1,075,000	547,512	1,622,512
2026	1,120,000	504,885	1,624,885
2027	1,160,000	459,945	1,619,945
2028	1,205,000	412,740	1,617,740
2029	1,255,000	363,445	1,618,445
2030	1,305,000	311,950	1,616,950
2031	1,350,000	258,350	1,608,350
2032	1,400,000	202,650	1,602,650
2033	1,445,000	144,850	1,589,850
2034	1,495,000	85,050	1,580,050
2035	1,335,000	27,325	1,362,325
	<u>\$ 19,970,000</u>	<u>\$ 7,280,102</u>	<u>\$ 27,250,102</u>

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JULY 31, 2018**

Description	Original Bonds Issued	Bonds Outstanding August 1, 2017
Fort Bend County Municipal Utility District No. 129 Unlimited Tax Bonds - Series 2008	\$ 5,275,000	\$ 320,000
Fort Bend County Municipal Utility District No. 129 Unlimited Tax Bonds - Series 2009	8,700,000	720,000
Fort Bend County Municipal Utility District No. 129 Unlimited Tax Bonds - Series 2010	4,000,000	3,350,000
Fort Bend County Municipal Utility District No. 129 Unlimited Tax Bonds - Series 2014	2,075,000	1,800,000
Fort Bend County Municipal Utility District No. 129 Unlimited Tax Refunding Bonds - Series 2015	7,765,000	7,675,000
Fort Bend County Municipal Utility District No. 129 Unlimited Tax Refunding Bonds - Series 2016	<u>6,970,000</u>	<u>6,970,000</u>
TOTAL	<u>\$ 34,785,000</u>	<u>\$ 20,835,000</u>

Bond Authority:	<u>Tax Bonds*</u>	<u>Refunding Bonds</u>
Amount Authorized by Voters	\$ 65,810,000	\$ 32,905,000
Amount Issued	<u>24,650,000</u>	<u>435,000</u>
Remaining to be Issued	<u>\$ 41,160,000</u>	<u>\$ 32,470,000</u>

See accompanying independent auditor's report.

<u>Current Year Transactions</u>					
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding July 31, 2018</u>	<u>Paying Agent</u>	
	<u>Principal</u>	<u>Interest</u>			
\$ -0-	\$ 160,000	\$ 13,100	\$ 160,000	Wells Fargo Bank N.A. Houston, TX	
	220,000	34,875	500,000	Wells Fargo Bank N.A. Houston, TX	
	150,000	135,920	3,200,000	Wells Fargo Bank N.A. Houston, TX	
	100,000	60,125	1,700,000	The Bank of New York Melon Trust Company N.A. Dallas, TX	
	200,000	277,350	7,475,000	The Bank of New York Melon Trust Company N.A. Dallas, TX	
	35,000	256,700	6,935,000	The Bank of New York Melon Trust Company N.A. Dallas, TX	
<u>\$ - 0 -</u>	<u>\$ 865,000</u>	<u>\$ 778,070</u>	<u>\$ 19,970,000</u>		

Debt Service Fund cash, investments and cash with paying agent balances as of July 31, 2018:

\$ 2,767,140

Average annual debt service payment (principal and interest) for remaining term of all debt:

\$ 1,602,947

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

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

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2018	2017	2016
REVENUES			
Property Taxes	\$ 593,622	\$ 523,956	\$ 715,285
Water Service	348,456	324,579	304,376
Wastewater Service	843,776	845,213	820,435
Surface Water Fees	439,441	415,975	423,554
Penalty and Interest	18,905	15,927	14,995
Tap Connection and Inspection Fees	40,030	105,828	33,570
Fire Protection Services	147,331	142,762	138,079
Investment Revenues	40,805	16,251	6,641
Miscellaneous Revenues	23,093	11,210	4,780
TOTAL REVENUES	\$ 2,495,459	\$ 2,401,701	\$ 2,461,715
EXPENDITURES			
Professional Fees	\$ 117,036	\$ 106,152	\$ 112,773
Contracted Services	616,199	592,284	598,757
Purchased Water Service	615,166	589,010	602,544
Purchased Wastewater Service	172,518	142,764	168,010
Utilities			657
Surface Water Fees			
Repairs and Maintenance	86,683	92,211	83,994
Other	254,930	97,714	67,399
Capital Outlay	408,161	347,696	57,704
TOTAL EXPENDITURES	\$ 2,270,693	\$ 1,967,831	\$ 1,691,838
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 224,766	\$ 433,870	\$ 769,877
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	\$ 1,924	\$ - 0 -	\$ - 0 -
NET CHANGE IN FUND BALANCE	\$ 226,690	\$ 433,870	\$ 769,877
BEGINNING FUND BALANCE	4,190,897	3,757,027	2,987,150
ENDING FUND BALANCE	\$ 4,417,587	\$ 4,190,897	\$ 3,757,027

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2015	2014	2018	2017	2016	2015	2014
\$ 984,694	\$ 1,326,148	23.8 %	21.8 %	29.1 %	37.0 %	41.6 %
288,613	284,018	14.0	13.5	12.4	10.9	8.9
779,936	747,934	33.8	35.2	33.3	29.3	23.4
354,254	582,893	17.6	17.3	17.2	13.3	18.3
16,745	18,596	0.8	0.7	0.6	0.6	0.6
86,963	90,110	1.6	4.4	1.3	3.3	2.8
135,374	128,971	5.9	5.9	5.6	5.1	4.0
3,194	3,500	1.6	0.7	0.3	0.1	0.1
9,405	8,896	0.9	0.5	0.2	0.4	0.3
<u>\$ 2,659,178</u>	<u>\$ 3,191,066</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 91,249	\$ 103,427	4.7 %	4.4 %	4.6 %	3.4 %	3.2 %
583,451	534,011	24.7	24.7	24.3	21.9	16.7
396,984	412,820	24.7	24.5	24.5	14.9	12.9
153,132	198,315	6.9	5.9	6.8	5.8	6.2
14,697	12,319				0.6	0.4
122,253	318,919				4.6	10.0
94,429	106,988	3.5	3.8	3.4	3.6	3.4
80,892	79,431	10.2	4.1	2.8	3.0	2.5
1,432,317	608,483	16.4	14.5	2.3	53.9	19.1
<u>\$ 2,969,404</u>	<u>\$ 2,374,713</u>	<u>91.1 %</u>	<u>81.9 %</u>	<u>68.7 %</u>	<u>111.7 %</u>	<u>74.4 %</u>
<u>\$ (310,226)</u>	<u>\$ 816,353</u>	<u>8.9 %</u>	<u>18.1 %</u>	<u>31.3 %</u>	<u>(11.7) %</u>	<u>25.6 %</u>
<u>\$ 150,000</u>	<u>\$ - 0 -</u>					
\$ (160,226)	\$ 816,353					
<u>3,147,376</u>	<u>2,331,023</u>					
<u>\$ 2,987,150</u>	<u>\$ 3,147,376</u>					

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>
REVENUES			
Property Taxes	\$ 1,654,065	\$ 1,701,870	\$ 1,782,974
Penalty and Interest	8,635	13,040	8,159
Interest on Investments	30,658	13,567	5,609
Miscellaneous Revenues	<u>3,333</u>	<u>25</u>	
TOTAL REVENUES	<u>\$ 1,696,691</u>	<u>\$ 1,728,502</u>	<u>\$ 1,796,742</u>
EXPENDITURES			
Tax Collection Expenditures	\$ 43,413	\$ 46,040	\$ 44,341
Debt Service Principal	865,000	800,000	810,000
Debt Service Interest and Fees	781,820	854,445	919,072
Bond Issuance Costs		<u>258,861</u>	
TOTAL EXPENDITURES	<u>\$ 1,690,233</u>	<u>\$ 1,959,346</u>	<u>\$ 1,773,413</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 6,458</u>	<u>\$ (230,844)</u>	<u>\$ 23,329</u>
OTHER FINANCING SOURCES (USES)			
Refunding Bonds	\$	\$ 6,970,000	\$
Payment to Refunding Bond Escrow Agent		(7,516,508)	
Bond Discount			
Bond Premium		<u>809,484</u>	
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ - 0 -</u>	<u>\$ 262,976</u>	<u>\$ - 0 -</u>
NET CHANGE IN FUND BALANCE	\$ 6,458	\$ 32,132	\$ 23,329
BEGINNING FUND BALANCE	<u>2,760,670</u>	<u>2,728,538</u>	<u>2,705,209</u>
ENDING FUND BALANCE	<u>\$ 2,767,128</u>	<u>\$ 2,760,670</u>	<u>\$ 2,728,538</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>1,488</u>	<u>1,456</u>	<u>1,414</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>1,386</u>	<u>1,361</u>	<u>1,324</u>

See accompanying independent auditor's report.

<u>2015</u>	<u>2014</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,816,382	\$ 1,373,706	97.5 %	98.5 %	99.2 %	99.1 %	99.1 %
14,916	11,010	0.5	0.7	0.5	0.8	0.8
1,087	838	1.8 %	0.8 %	0.3 %	0.1 %	0.1 %
75	25	0.2				
<u>\$ 1,832,460</u>	<u>\$ 1,385,579</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 43,961	\$ 37,976	2.5 %	2.7 %	2.5 %	2.4 %	2.7 %
580,000	550,000	51.0	46.3	45.1	31.7	39.7
1,077,257	1,046,676	46.1	49.4	51.1	58.8	75.5
205,749			15.0		11.2	
<u>\$ 1,906,967</u>	<u>\$ 1,634,652</u>	<u>99.6 %</u>	<u>113.4 %</u>	<u>98.7 %</u>	<u>104.1 %</u>	<u>117.9 %</u>
\$ (74,507)	\$ (249,073)	<u>0.4 %</u>	<u>(13.4) %</u>	<u>1.3 %</u>	<u>(4.1) %</u>	<u>(17.9) %</u>
\$ 7,765,000	\$					
(7,948,369)						
(58,741)						
453,015						
<u>\$ 210,905</u>	<u>\$ - 0 -</u>					
\$ 136,398	\$ (249,073)					
2,568,811	2,817,884					
<u>\$ 2,705,209</u>	<u>\$ 2,568,811</u>					
<u>1,414</u>	<u>1,347</u>					
<u>1,324</u>	<u>1,261</u>					

See accompanying independent auditor's report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2018**

District Mailing Address - Fort Bend County Municipal Utility District No. 129
c/o The Muller Law Group, PLLC
202 Century Square Blvd.
Sugar Land, TX 77478

District Telephone Number - (281) 500-6050

Board Members:	Term of Office (Elected or Appointed)	Fees of Office for the year ended <u>July 31, 2018</u>	Expense Reimbursements for the year ended <u>July 31, 2018</u>	<u>Title</u>
Brian Gray	05/2018 05/2022 (Elected)	\$ 2,400	\$ 1,234	President
Robert Lin	05/2016 05/2020 (Elected)	\$ 1,650	\$ 112	Vice President
John Dimicelli	05/2018 05/2022 (Elected)	\$ 1,500	\$ 151	Assistant Vice President
Linda Garcia	05/2016 05/2020 (Elected)	\$ 2,850	\$ 2,270	Secretary
Hope Guidry-Groves	05/2016 05/2020 (Appointed)	\$ 2,400	\$ 1,787	Assistant Secretary

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

Submission date of most recent District Registration Form (TWC Sections 36.054 and 49.054):
June 13, 2018.

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as prescribed by TWC Section 49.060. Fees of Office are the amounts actually paid to a Director during the District's fiscal year.

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 129
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2018

Consultants:	<u>Date Hired</u>	<u>Fees / Compensation for the year ended July 31, 2018</u>	<u>Title</u>
The Muller Law Group, PLLC	04/28/14	\$ 89,479 \$ -0-	General Counsel/ Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	08/22/16	\$ 11,750	Auditor
Municipal Accounts & Consulting LP	04/23/18	\$ 25,450	Bookkeeper
Perdue Brandon Fielder Collins & Mott LLP	01/24/05	\$ 782	Delinquent Tax Attorney
Costello Inc.	11/11/03	\$ 89,640	Engineer
Masterson Advisors LLC	04/23/18	\$ -0-	Financial Advisor
Mark Burton	05/29/18	\$ -0-	Investment Officer
SiEnvironmental, LLC	05/15/12	\$ 164,598	Operator
Tax Tech, Inc.	11/30/03	\$ 26,833	Tax Assessor/ Collector

See accompanying independent auditor's report.

