MINUTES OF MEETING OF THE BOARD OF DIRECTORS

December 4, 2018

STATE OF TEXAS §

COUNTY OF FORT BEND §

FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2 §

The Board of Directors (the "Board") of First Colony Levee Improvement District No. 2 of Fort Bend County, Texas (the "District"), met in regular session, open to the public, at 12:00 p.m. on Tuesday, December 4, 2018, at 4330 Knightsbridge Boulevard, Sugar Land, Texas 77479, a designated meeting place inside the boundaries of the District; whereupon, the roll of the members of the Board of Directors was called, to wit:

Ron Frerich	-	President
Christine M. Lukin	-	Vice President
Zach Weimer	-	Secretary

All members of the Board of Directors were present, except Director Weimer, thus constituting a quorum.

Also present at the meeting were Debbie Arellano of Bob Leared Interests ("BLI"), the District's Tax Assessor/Collector ("TAC"); Karrie Kay of Myrtle Cruz, Inc. ("MCI"), the District's Bookkeeper ("Bookkeeper"); Jason Klump of LID Solutions, LP ("LID Solutions"), the District's Operator ("Operator"); Stephen Reiter and Rebekah Campbell of Jones & Carter ("J&C"), the District's Engineer ("Engineer"); Les Griffith of Champions Hydro-Lawn, Inc. ("Champions"); Pat Hughes, Assistant Fire Chief of the City of Sugar Land; Mark Eyring of Roth and Eyring, PLLC, the District's Auditor ("Auditor"); and John Cannon and Laken Jenkins of Coats Rose, P.C. ("Coats Rose"), the District's legal counsel. Also present was David Bristow, resident of the District.

Whereupon, the meeting was called to order and evidence was presented that public notice of the meeting had been given in compliance with the law. A copy of the posted agenda notice is attached hereto as Exhibit "A".

HEAR FROM THE PUBLIC

The Board noted that there were no members of the public wishing to address the Board.

APPROVAL OF MINUTES

The Board considered approving the minutes of the Board meeting held on November 6, 2018. After consideration and upon a motion by Director Lukin, seconded by Director Frerich, the Board voted unanimously to approve such minutes as presented.

CONSIDER APPROVING AUDIT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2018

The Board recognized Mr. Eyring, who reviewed the District's audit with the Board, a copy of which is attached hereto as Exhibit "B". Following review and discussion of the audit and based on a motion by Director Lukin, which was seconded by Director Frerich, the board voted unanimously to approve the audit for the fiscal year ended September 30, 2018 and authorize the filing of same with the Texas Commission on Environmental Quality per applicable rules, subject to the revisions requested by Mr. Cannon.

TAX COLLECTOR'S REPORT

The Board recognized Ms. Arellano who reported that 15.930% of the 2018 tax levy had been collected as of November 30, 2018. After discussion and upon motion by Director Lukin, seconded by Director Frerich, the Board voted unanimously to authorize payments from the tax account and approve the TAC's Report, a copy of which is attached hereto as Exhibit "C".

CHAMPIONS HYDRO-LAWN REPORT

The Board recognized Mr. Griffith, who presented Champions' Report, a copy of which is attached hereto as Exhibit "D". Mr. Griffith reported that the levee is not in need of mowing this month.

The Board noted that no action was needed in conjunction with the Champions' Report.

OPERATOR'S REPORT

The Board recognized Mr. Klump, who presented and reviewed LID Solutions' monthly management report, a copy of which is attached hereto as Exhibit "E".

During the month of November 2018, the pump station and related equipment were inspected on a daily basis to insure proper operation. All outfall structures, drainage ditches, back slope drains, drainage swales, levees, and easements were inspected weekly or as weather permitted. A constant weather watch was maintained on a local and regional basis, as well as the Brazos River stages at Richmond. River reports are attached to the Operator's Report.

Both pumps are in place and operational. LID Solutions continues testing genset and load bank for an hour, weekly, and continues debris removal and good housekeeping measures throughout the pump station and storage building. Weekly log sheets on-site are maintained. The annual maintenance on the diesel generator will be completed in December. The generator was moved to the temporary pad on December 2nd.

Director Lukin then inquired into various residence fence braces located on District property. Mr. Klump noted the addresses of the residences with fence braces and stated that he would reach out to the homeowners regarding their removal.

Director Lukin further inquired into a residence that has a fence down around its backyard pool. Director Lukin expressed her concern that it was a hazard, and Mr. Bristow noted that he would reach out to the homeowner regarding repairing the fence.

After further discussion, Director Frerich requested Mr. Klump to repair the o-ring on the discharge gate.

The Board noted that no action was needed in conjunction with the Operator's Report.

ENGINEER'S REPORT

The Board recognized Mr. Reiter of J&C, who presented the Engineer's Report, attached hereto as Exhibit "F".

Review Proposed Capital Improvements Budget ("CIP")

Mr. Reiter noted there was not an update to the CIP.

Stormwater Pump Station Expansion

The Board recognized Ms. Campbell of J&C who updated the Board that the contractor has poured the temporary generator pad, and that the existing generator and fuel tank have been relocated. Ms. Campbell noted that J&C has received generator submittals and they are currently under review. J&C has been working with the contractor on the gear submittal, and expect to receive it this week.

Ms. Campbell presented to the Board Progress Payment No. 1 in the amount of $67,950 which covers construction activities for the period of September 18, 2018 – November 15, 2018, and recommended payment of same. After further discussion, Director Frerich made a motion which was seconded by Director Lukin to approve payment of Progress Payment No. 1.

Outfall Gauge

Ms. Campbell stated that the flood gauge is installed and on the Harris FWS website.

BOOKKEEPER'S REPORT

The Board recognized Ms. Kay, who presented for the Board's review and approval the Bookkeeper's Report along with certain checks for payment, a copy of which is attached hereto as Exhibit "F".

After discussion, Director Frerich made a motion to approve the Bookkeeper's Report generally, which motion was seconded by Director Lukin and unanimously passed.

The meeting was adjourned.

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PASSED, APPROVED, and ADOPTED this 10th day of January, 2019.

(DISTRICT SEAL)

Christine M. Lustin

~~Secretary~~, Board of Directors
VP

NOTICE OF MEETING
FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2
FORT BEND COUNTY, TEXAS

Notice is hereby given pursuant to V.T.C.A., Government Code, Chapter 551, that the Board of Directors of **First Colony Levee Improvement District No. 2** of Fort Bend County, Texas (the "District") will meet in regular session, open to the public, on **Tuesday, December 4, 2018**, at **12:00 p.m.** at 4330 Knightsbridge Boulevard, Sugar Land, Texas 77479, a designated meeting place inside the boundaries of the District, to consider and act upon the following:

1. Hear from the public.
2. Approve minutes of meeting held on October 2, 2018.
3. Consider approving audit for fiscal year ended September 30, 2018.
4. Approve Tax Collector's report, including but not limited to:
   (a) authorize payments from the tax account; and
   (b) review delinquent tax account list and consider terminating delinquent accounts.
5. Hear report from Champions Hydro-Lawn, including but not limited to:
   (a) discuss authorizing mowing levee;
   (b) discuss proposals to repair levee; and
   (c) discuss repair/landscaping projects in the District and take appropriate action.
6. Hear Operator's report, including but not limited to:
   (a) review and approve proposed repair and maintenance items.
7. Hear Engineer's report, including but not limited to:
   (a) review capital improvements budget;
   (b) consider approval of report, pay estimates, and change orders for projects; and
   (c) consider approving award of contracts and/or authorizing engineer to advertise for bids.
8. Approve Bookkeeper's report, including but not limited to:
   (a) authorize payment of District bills.
9. Hear Attorney's report and consider taking any action required.
   (a) consider approval of Resolution Evidencing Annual Review of Investment Policy and Investment Strategies; and
   (b) discuss January meeting date.

Pursuant to V.T.C.A., Government Code, Chapter 551, the Board of Directors may convene in closed session to receive advice from legal counsel and discuss matters relating to pending or contemplated litigation, personnel matters, real estate transactions, gifts and donations, security devices and/or economic development negotiations.

EXECUTED this 27th day of November, 2018.

(SEAL)

FIRST COLONY LEVEE IMPROVEMENT
DISTRICT NO. 2 OF FORT BEND COUNTY, TEXAS

John G. Cannon
Attorney for the District

001626.000001\4827-3149-4470.v1

EXHIBIT
A

FIRST COLONY

LEVEE IMPROVEMENT DISTRICT NO. 2

FORT BEND COUNTY, TEXAS

ANNUAL AUDIT REPORT

SEPTEMBER 30, 2018

Draft

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Roth & Eyring, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

12702 Century Drive • Suite C2 • Stafford, Texas 77477 • 281-277-9595 • Fax 281-277-9484

December 4, 2018

INDEPENDENT AUDITOR'S REPORT

Board of Directors
First Colony Levee
Improvement District No. 2
Fort Bend County, Texas

We have audited the accompanying financial statements of the governmental activities and each fund of First Colony Levee Improvement District No. 2, as of and for the year ended September 30, 2018, which collectively comprise the District's basic financial statements, as listed in the table of contents, and the related notes to the financial statements.

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 of 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risk 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 fund of First Colony Levee Improvement District No. 2 as of September 30, 2018, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on Pages 3 to 6 and Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, General Fund, on Page 16 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on Pages 17 to 27 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. Except for the portion marked "unaudited," the information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The supplementary information marked "unaudited" 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. The accompanying supplementary information includes financial data excerpted from prior year financial statements which were audited by our firm.

Management's Discussion and Analysis

Using this Annual Report

Within this section of the First Colony Levee Improvement District No. 2 (the "District") annual report, the District's Board of Directors provides narrative discussion and analysis of the financial activities of the District for the fiscal year ended September 30, 2018.

The annual report consists of a series of financial statements plus additional supplemental information to the financial statements as required by its state oversight agency, the Texas Commission on Environmental Quality. 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. In the District's case, the single governmental program is construction and maintenance of levees. 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 and liabilities owned by 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 total assets and total liabilities is labeled as *net position* and this difference is similar to the total owners' 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. 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 period.

Although the statement of activities looks different from a commercial enterprise's income statement, 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 fund financial statements consist of a balance sheet and statement of revenues, expenditures and change 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 and sewer 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 total assets and total liabilities 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 are different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in Note 3 of the notes to the financial statements that reconciles the total fund balances to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in Note 3 of the notes to the 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.

Financial Analysis of the District as a Whole

Financial Analysis of the District as a Whole begins with an understanding of how financial resources flow through the District's funds. Resources in the Capital Projects Fund are derived principally from proceeds of the sale of bonds, and expenditures from this fund are subject to the Rules of the Texas Commission on Environmental Quality. Resources in the Debt Service Fund are derived principally from the collection of property taxes and are used for the payment of tax collection costs and bond principal and interest. Resources in the General Fund are derived principally from property taxes and are used to operate and maintain the system and to pay costs of administration of the District.

Management has financial objectives for each of the District's funds. The financial objective for the Capital Projects Fund is to spend the funds as necessary in accordance with the Rules of the Texas Commission on Environmental Quality. The financial objective for the Debt Service Fund is to levy the taxes necessary to pay the fiscal year debt service requirements plus the cost of levying and collecting taxes, leaving the appropriate fund balance as recommended by the District's financial advisor. The financial objective for the General Fund is to keep the fund's expenditures as low as possible while ensuring that revenues are adequate to cover expenditures and maintaining the fund balance that Management believes is prudent. Management believes that these financial objectives were met during the fiscal year.

Management believes that the required method of accounting for certain elements of the government-wide financial statements makes the government-wide financial statements as a whole not useful for financial analysis. In the government-wide financial statements, capital assets and depreciation expense have been required to be recorded at historical cost. Management's policy is to maintain the District's capital assets in a condition greater than or equal to the condition required by regulatory authorities, and management does not believe that depreciation expense is relevant to the management of the District. In the government-wide financial statements, certain non-cash costs of long-term debt are capitalized and amortized over the life of the related debt. Management believes that this required method of accounting is not useful for financial analysis of the District and prefers to consider the required cash flows of the debt as reported in the fund statements and the notes to the financial statements. In the government-wide financial statements, property tax revenues are required to be recorded in the fiscal year for which the taxes are levied, regardless of the year of collection. Management believes that the cash basis method of accounting for property taxes in the funds provides more useful financial information.

The following required summaries of the District's overall financial position and operations for the past two years are based on the information included in the government-wide financial statements. For the reasons described in the preceding paragraph, a separate analysis of the summaries is not presented.

Summary of Net Position

	2018	2017*	Change
Current and other assets	$ 2,504,201	$ 2,422,458	$ 81,743
Capital assets	12,073,533	11,563,467	510,066
Total assets	14,577,734	13,985,925	591,809
Long-term liabilities	0	0	0
Other liabilities	57,062	166,704	(109,642)
Total liabilities	57,062	166,704	(109,642)
Net position:			
Invested in capital assets, net of related debt	12,073,533	11,563,467	510,066
Unrestricted	2,447,139	2,255,754	191,385
Total net position	$ 14,520,672	$ 13,819,221	$ 701,451

Summary of Changes in Net Position

	2018	2017*	Change
Revenues:			
Property taxes, including related penalty and interest	$ 1,065,811	$ 1,070,951	$ (5,140)
Other revenues	24,511	10,721	13,790
Total revenues	1,090,322	1,081,672	8,650
Expenses:			
Service operations	388,871	511,722	(122,851)
Total expenses	388,871	511,722	(122,851)
Change in net position	701,451	569,950	131,501
Net position, beginning of year	13,819,221	13,249,271	569,950
Net position, end of year	$ 14,520,672	$ 13,819,221	$ 701,451

*Restated. See Note 9 of the Notes to the Financial Statements.

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended September 30, 2018, were $2,440,229, an increase of $192,064 from the prior year.

The General Fund balance increased by $192,064, in accordance with the District's financial plan to increase the fund balance to provide for future repairs and maintenance of District facilities.

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General Fund Budgetary Highlights

The Board of Directors did not amend the budget during the fiscal year. The District's budget is primarily a planning tool. Accordingly, actual results varied from the budgeted amounts. A comparison of actual to budgeted amounts is presented on Page 16 of this report. The budgetary fund balance as of September 30, 2018, was expected to be $2,742,541 and the actual end of year fund balance was $2,440,229.

Capital Asset and Debt Administration

Capital Assets

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

	Capital Assets (Net of Accumulated Depreciation)		
	2018	2017	Change
Land	$ 1,688,981	$ 1,688,981	$ 0
Levee and detention ponds	9,322,757	9,322,757	0
Construction in progress	231,585	16,321	215,264
Buildings	302,072	310,463	(8,391)
Machinery and equipment	3,676	10,103	(6,427)
Drainage facilities	524,462	214,842	309,620
Totals	$ 12,073,533	$ 11,563,467	$ 510,066

Changes to capital assets during the fiscal year ended September 30, 2018, are summarized as follows:

Additions:	
Engineering for pump station improvements	$ 220,008
Levee rehabilitation	335,198
Total additions to capital assets	555,206
Decreases:	
Depreciation	(45,140)
Net change to capital assets	$ 510,066

Debt

At September 30, 2018, the District had $1,810,000 of bonds authorized but unissued for the purposes of acquiring, constructing and improving the drainage system within the District.

At September 30, 2018, there were no developer construction commitments or liabilities.

OTHER RELEVANT FACTORS

Property Tax Base

The District's tax base increased was essentially unchanged for the 2017 tax year.

FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

SEPTEMBER 30, 2018

	General	Debt Service	Capital Projects	Total	Adjustments (Note 3)	Statement of Net Position
ASSETS						
Cash, including interest-bearing accounts, Note 7	$ 736,450	$	$	$ 736,450	$	$ 736,450
Certificates of deposit, at cost, Note 7	491,082			491,082		491,082
Temporary investments, at cost, Note 7	1,259,898			1,259,898		1,259,898
Receivables:						
Property taxes	4,820			4,820		4,820
Accrued penalty and interest on property taxes				0	2,090	2,090
Accrued interest	3,556			3,556		3,556
Prepaid expenditures	6,305			6,305		6,305
Capital assets, net of accumulated depreciation, Note 4:						
Capital assets not being depreciated				0	11,243,323	11,243,323
Depreciable capital assets				0	830,210	830,210
Total assets	$2,502,111	$ 0	$ 0	$ 2,502,111	12,075,623	14,577,734
LIABILITIES						
Accounts payable	$ 57,062	$	$	$ 57,062		57,062
Total liabilities	57,062	0	0	57,062	0	57,062
DEFERRED INFLOWS OF RESOURCES						
Property tax revenues	4,820	0	0	4,820	(4,820)	0
FUND BALANCES / NET POSITION						
Fund balances:						
Unassigned	2,440,229			2,440,229	(2,440,229)	0
Total fund balances	2,440,229	0	0	2,440,229	(2,440,229)	0
Total liabilities, deferred inflows, and fund balances	$2,502,111	$ 0	$ 0	$ 2,502,111		
Net position:						
Invested in capital assets, net of related debt					12,073,533	12,073,533
Unrestricted					2,447,139	2,447,139
Total net position					$ 14,520,672	$ 14,520,672

Draft

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

FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Note 3)	Statement of Activities
REVENUES						
Property taxes	$ 1,057,765	$	$	$ 1,057,765	$ (779)	$ 1,056,986
Penalty and interest	8,725			8,725	100	8,825
Interest on deposits and investments	24,511			24,511		24,511
Total revenues	1,091,001	0	0	1,091,001	(679)	1,090,322
EXPENDITURES / EXPENSES						
Service operations:						
Professional fees	115,455			115,455		115,455
Contracted services	71,148			71,148		71,148
Repairs, maintenance and other operating expenditures	117,092			117,092		117,092
Administrative expenditures	40,036			40,036		40,036
Depreciation and amortization				0	45,140	45,140
Capital outlay / non-capital outlay	555,206			555,206	(555,206)	0
Total expenditures / expenses	898,937	0	0	898,937	(510,066)	388,871
Excess (deficiency) of revenues over expenditures	192,064	0	0	192,064	509,387	701,451
Net change in fund balances / net position	192,064	0	0	192,064	509,387	701,451
Beginning of year, Restated, Note 9	2,248,165	0	0	2,248,165	11,571,056	13,819,221
End of year	$ 2,440,229	$ 0	$ 0	$ 2,440,229	$ 12,080,443	$ 14,520,672

Draft

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

FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

NOTE 1: REPORTING ENTITY

First Colony Levee Improvement District No. 2 (the "District") was created by an order of the Commissioners Court of Fort Bend County on October 7, 1985. The District is a conservation and reclamation district created pursuant to the provisions of Chapter 57 of the Texas Water Code and operates in accordance with Chapters 49 and 57 of the Texas Water Code. The Board of Directors held its first meeting on October 21, 1985, and the first bonds were sold on September 14, 1988. The District is a political subdivision of the State of Texas, governed by a three member Board of Directors appointed by the Commissioners Court of Fort Bend County. The District is subject to the continuing supervision of the Texas Commission on Environmental Quality and the Commissioners Court of Fort Bend County.

The principal functions of the District include constructing and maintaining levees and other improvements on, along and contiguous to rivers, creeks, and these streams; the control and distribution of the waters of rivers and streams within and adjacent to the District by straightening and otherwise improving them; and the provision of proper drainage and other improvements of the reclaimed land within the District.

In evaluating how to define the District for financial reporting purposes, the Board of Directors of the District has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no other entities which were included as a component unit in the District's financial statements.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board (the "GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board issued through November 30, 1989 (when applicable), that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

Basic Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and governmental fund financial statements (reporting the District's funds). Because the District is a single-program government as defined by the GASB, the District has combined the government-wide statements and the fund financial statements using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column on the face of the financial statements. An additional reconciliation between the fund and the government-wide financial data is presented in Note 3.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The government-wide statement of activities reports the components of the changes in net position during the reporting period.

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for in a separate set of self-balancing accounts that comprises its assets, liabilities, fund balances, revenues and expenditures and changes in fund balances. The District's fund balances are reported as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balances are either not in spendable form or are contractually required to remain intact. Restricted fund balances include amounts that can only be used for the specific purposes stipulated by constitutional provisions, external resource providers or enabling legislation. Committed fund balances include amounts that can only be used for the specific purposes determined by formal action of the District's Board of Directors. Assigned fund balances are intended for a specific purpose but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. The transactions of the District are accounted for in the following funds:

General Fund -- To account for all revenues and expenditures not required to be accounted for in other funds.

Debt Service Fund -- To account for the accumulation of financial resources for, and the payment of, bond principal and interest, paid principally from property taxes levied by the District.

Capital Projects Fund -- To account for financial resources designated to construct or acquire capital assets. Such resources are derived principally from proceeds of the sale of bonds.

Basis of Accounting

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting which recognizes all long-term assets and receivables as well as long-term debt and obligations. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem property taxes are recognized as revenues in the fiscal year for which they have been levied and related penalties and interest are recognized in the fiscal year in which they are imposed. An allowance for uncollectibles is estimated for delinquent property taxes and reported separately in the financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred except for principal and interest on bonds payable which are recorded only when payment is due.

Interfund Activity

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is reported as interfund receivables or payables, as appropriate, as are all other outstanding balances between funds. Operating transfers between funds represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Receivables

In the fund financial statements, ad valorem taxes and penalties and interest are reported as revenues in the fiscal year in which they become available to finance expenditures of the fiscal year for which they have been levied. Property taxes which have been levied and are not yet collected (or have been collected in advance of the fiscal year for which they have been levied) are recorded as deferred inflow of resources. Property taxes collected after the end of the fiscal year are not included in revenues.

Capital Assets

Capital assets, which include property, plant, equipment, and immovable public domain or "infrastructure" assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $5,000 (including installation costs, if any, and associated professional fees) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed by the District. Donated capital assets are recorded at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset or increase the value of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

Equipment	10-20 years
Structures and piping	45 years

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Long-term Liabilities

Long-term debt and other long-term obligations are reported in the government-wide financial statements. Bond premiums and discounts, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable premium or discount. If bonds are refunded and the carrying amount of the new debt is different than the net carrying amount of the old debt, the difference is netted against the new debt and amortized using the effective interest method over the shorter of the remaining life of the refunded debt or the life of the new debt issued.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, 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 expenditures of the fund from which they are paid.

NOTE 3: RECONCILIATION OF FUND TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

Reconciliation of year end fund balances to net position:

Total fund balances, end of year		$ 2,440,229
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Total capital assets, net		12,073,533
Some receivables that do not provide current financial resources are not reported as receivables in the funds:		
Accrued penalty and interest on property taxes receivable	$ 2,090	
Uncollected property taxes	4,820	6,910
Net position, end of year		$ 14,520,672

Reconciliation of net change in fund balances to change in net position:

Total net change in fund balances		$ 192,064
The funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay	$ 555,206	
Depreciation	(45,140)	510,066
Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the funds:		
Accrued penalty and interest on property taxes receivable	100	
Uncollected property taxes	(779)	(679)
Change in net position		$ 701,451

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NOTE 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and improvements	$ 1,688,981	$	$	$ 1,688,981
Levee and detention ponds	9,322,757			9,322,757
Construction in progress	16,321	555,206	339,942	231,585
Total capital assets not being depreciated	11,028,059	555,206	339,942	11,243,323
Depreciable capital assets:				
Buildings	335,636			335,636
Machinery and equipment	32,137			32,137
Drainage system	469,981	339,942		809,923
Total depreciable capital assets	837,754	339,942	0	1,177,696
Less accumulated depreciation for:				
Buildings	(25,173)	(8,391)		(33,564)
Machinery and equipment	(22,034)	(6,427)		(28,461)
Drainage system	(255,139)	(30,322)		(285,461)
Total accumulated depreciation	(302,346)	(45,140)	0	(347,486)
Total depreciable capital assets, net	535,408	294,802	0	830,210
Total capital assets, net	$ 11,563,467	$ 850,008	$ 339,942	$ 12,073,533
Changes to capital assets:				
Capital outlay		$ 555,206	$	
Assets transferred to depreciable assetsn		339,942	339,942	
Less depreciation expense for the fiscal year		(45,140)		
Net increases / decreases to capital assets		$ 850,008	$ 339,942	

NOTE 5: LONG-TERM LIABILITIES AND CONTINGENT LIABILITIES

Developer Construction Commitments and Liabilities

At September 30, 2018, there were no developer construction commitments or liabilities.

Bonds voted	$ 10,671,000
Bonds approved for sale and sold	8,870,000
Bonds voted and not issued	1,810,000

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NOTE 6: PROPERTY TAXES

The Fort Bend Central Appraisal District has the responsibility for appraising property for all taxing units within the county as of January 1 of each year, subject to review and change by the county Appraisal Review Board. The appraisal roll, as approved by the Appraisal Review Board, must be used by the District in establishing its tax roll and tax rate. The District's taxes are usually levied in the fall, are due when billed and are not delinquent until after the following January 31. On January 1 of each year, a statutory tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property.

At an election held August 13, 1988, the voters within the District authorized a maintenance tax not to exceed $0.25 per $100 valuation on all property subject to taxation within the District. This maintenance tax is being used by the General Fund to pay expenditures of operating the District.

On September 12, 2017, the District levied the following ad valorem taxes for the 2017 tax year on the adjusted taxable valuation of $530,745,090:

	Rate	Amount
Maintenance	$ 0.2000	$ 1,061,490

A reconciliation of the tax levy to property tax revenues on the Statement of Activities is as follows:

2017 tax year total property tax levy	$ 1,061,490
Appraisal district adjustments to prior year taxes	(4,504)
Statement of Activities property tax revenues	$ 1,056,986

NOTE 7: DEPOSITS AND TEMPORARY INVESTMENTS

The District complied with the requirements of the Public Funds Investment Act during the current fiscal year including the preparation of quarterly investment reports required by the Act.

State statutes authorize the District to invest and reinvest in direct or indirect obligations of the United States, the State of Texas, any county, city, school district, or other political subdivision of the state, or in local government investment pools authorized under the Public Funds Investment Act. Funds of the District may be placed in certificates of deposit of state or national banks or savings and loan associations within the state provided that they are secured in the manner provided for the security of the funds under the laws of the State of Texas. In accordance with the District's investment policies, during the current year the District's funds were invested in interest bearing accounts at authorized financial institutions and in TexPool, a local government investment pool sponsored by the State Comptroller. TexPool is rated AAAm by Standard & Poor's.

In accordance with state statutes and the District's investment policies, the District requires that insurance or security be provided by depositories for all funds held by them. At the balance sheet date, the carrying amount of the District's deposits was $1,227,532 and the bank balance was $1,235,219. Of the bank balance, $982,533 was covered by federal insurance and $252,686 was covered by a letter of credit in favor of the District issued by the Federal Home Loan Bank of Atlanta.

At the balance sheet date the carrying value and market value of the investments in TexPool was $1,259,898.

NOTE 8: RISK MANAGEMENT

The District is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; personal injuries and natural disasters. Significant losses are covered by insurance as described below. There were no significant reductions in insurance coverage from the prior fiscal year. There have been no settlements which have exceeded the insurance coverage for each of the past three fiscal years.

At September 30, 2018, the District had physical damage and boiler and machinery coverage of $1,905,380, comprehensive general liability coverage with a per occurrence limit of $2,000,000 and $4,000,000 general aggregate, pollution coverage of $2,000,000, automobile liability coverage of $2,000,000, and statutory worker's compensation coverage with the Texas Municipal League Intergovernmental Risk Pool (the "Pool"). The Pool is a public entity risk pool currently operating as a common risk management and insurance program for various Texas public entities. The District pays annual premiums for its general insurance coverage. The Pool purchases reinsurance for protection against catastrophic losses that exceed the Pool's self-insurance retention. This reinsurance is purchased from companies rated A- or higher by A. M. Best Company. At this date, the District also had consultant's crime coverage of $10,000 and a tax assessor-collector bond of $10,000.

NOTE 9: RESTATED FUND BALANCE

During the fiscal year ended September 30, 2018, the District received reimbursement of repair and maintenance expenditures related to Hurricane Harvey in the amount of $144,903 from the Federal Emergency Management Agency. Of that amount, $99,884 was determined to be for expenditures made during fiscal year 2017. As such, the beginning of year fund balance and net assets were increased by $99,884.

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FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL, GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	$ 1,035,538	$ 1,035,538	$ 1,057,765	$ 22,227
Penalty and interest	0	0	8,725	8,725
Interest on deposits and investments	4,000	4,000	24,511	20,511
TOTAL REVENUES	1,039,538	1,039,538	1,091,001	51,463
EXPENDITURES				
Service operations:				
Professional fees	112,900	112,900	115,455	2,555
Contracted services	44,100	44,100	71,148	27,048
Repairs, maintenance and other operating expenditures	313,470	313,470	117,092	(196,378)
Administrative expenditures	24,692	24,692	40,036	15,344
Capital outlay	50,000	50,000	555,206	505,206
TOTAL EXPENDITURES	545,162	545,162	898,937	353,775
EXCESS REVENUES (EXPENDITURES)	494,376	494,376	192,064	(302,312)
FUND BALANCE, BEGINNING OF YEAR	2,248,165	2,248,165	2,248,165	0
FUND BALANCE, END OF YEAR	$ 2,742,541	$ 2,742,541	$ 2,440,229	$ (302,312)

The District's Board of Directors adopts an annual nonappropriated budget. This budget may be amended throughout the fiscal year and is prepared on a basis consistent with generally accepted accounting principles.

FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2

SCHEDULE OF TEXAS SUPPLEMENTARY INFORMATION
REQUIRED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

SEPTEMBER 30, 2018

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

[X] TSI-1. Services and Rates

[X] TSI-2. General Fund Expenditures

[X] TSI-3. Temporary Investments

[X] TSI-4. Taxes Levied and Receivable

[ ] TSI-5. Long-Term Debt Service Requirements by Years
Not Applicable

[ ] TSI-6. Changes in Long-Term Bonded Debt
Not Applicable.

[X] TSI-7. Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund - Five Year

[X] TSI-8. Board Members, Key Personnel and Consultants

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FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2

SCHEDULE OF SERVICES AND RATES

SEPTEMBER 30, 2018

1. Services Provided by the District during the Fiscal Year:

__ Retail Water	__ Wholesale Water	_X_ Drainage
__ Retail Wastewater	__ Wholesale Wastewater	__ Irrigation
__ Parks/Recreation	__ Fire Protection	__ Security
__ Solid Waste/Garbage	_X_ Flood Control	__ Roads

__ Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)
__ Other

2. Not Applicable

3. Not Applicable

4. Standby Fees (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes __ No _X_

If yes, date of the most recent Commission Order: _____

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

If yes, date of the most recent Commission Order: _____

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FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2

EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	General Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)
CURRENT				
Professional fees:				
Auditing	$ 6,900	$	$	$ 6,900
Legal	52,720			52,720
Engineering	55,835			55,835
	115,455	0	0	115,455
Contracted services:				
Bookkeeping	15,254			15,254
Operations	30,725			30,725
Tax assessor-collector	17,899			17,899
Central appraisal district	7,270			7,270
	71,148	0	0	71,148
Repairs, maintenance and other operating expenditures	117,092	0	0	117,092
Administrative expenditures:				
Director's fees	11,100			11,100
Office supplies and postage	1,559			1,559
Insurance	5,919			5,919
Flood management	6,000			6,000
Website	5,215			5,215
Other	10,243			10,243
	40,036	0	0	40,036
CAPITAL OUTLAY				
Authorized expenditures	555,206	0	0	555,206
TOTAL EXPENDITURES	$ 898,937	$ 0	$ 0	$ 898,937

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FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2

ANALYSIS OF CHANGES IN DEPOSITS AND TEMPORARY INVESTMENTS
ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	General Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)
SOURCES OF DEPOSITS AND TEMPORARY INVESTMENTS				
Cash receipts from revenues	$ 1,092,003	$ 0	$ 0	$ 1,092,003
FEMA proceeds, Hurricane Harvey	144,903			144,903
TOTAL DEPOSITS AND TEMPORARY INVESTMENTS PROVIDED	1,236,906	0	0	1,236,906
APPLICATIONS OF DEPOSITS AND TEMPORARY INVESTMENTS				
Cash disbursements for:				
Current expenditures	499,873			499,873
Capital outlay	555,206	0		555,206
TOTAL DEPOSITS AND TEMPORARY INVESTMENTS APPLIED	1,055,079	0	0	1,055,079
INCREASE (DECREASE) IN DEPOSITS AND TEMPORARY INVESTMENTS	181,827	0	0	181,827
DEPOSITS AND TEMPORARY INVESTMENTS BALANCES, BEGINNING OF YEAR	2,305,603	0	0	2,305,603
DEPOSITS AND TEMPORARY INVESTMENTS BALANCES, END OF YEAR	$ 2,487,430	$ 0	$ 0	$ 2,487,430

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FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2

SCHEDULE OF CERTIFICATES OF DEPOSIT AND TEMPORARY INVESTMENTS

SEPTEMBER 30, 2018

	Interest Rate	Maturity Date	Year End Balance	Accrued Interest Receivable
GENERAL FUND				
Certificates of Deposit				
No. 1002681410	1.00%	10/07/18	$ 96,917	$ 951
No. 6000021714	1.00%	11/04/18	151,878	1,373
No. 1852003337	2.32%	7/12/19	242,287	1,232
			$ 491,082	$ 3,556
TexPool				
No. 2561100001	Market	On demand	$ 1,259,898	$ 0
Total – All Funds			$ 1,750,980	$ 3,556

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FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2

TAXES LEVIED AND RECEIVABLE

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Maintenance Taxes
RECEIVABLE, BEGINNING OF YEAR	$ 5,599
Additions and corrections to prior year taxes	(4,504)
Adjusted receivable, beginning of year	1,095
2017 ADJUSTED TAX ROLL	1,061,490
Total to be accounted for	1,062,585
Refund of prior year taxes collected in prior year	3,928
Tax collections: Current tax year	(1,058,861)
Prior tax years	(2,832)
RECEIVABLE, END OF YEAR	$ 4,820
RECEIVABLE, BY TAX YEAR	
2014	$ 24
2015	1,188
2016	979
2017	2,629
RECEIVABLE, END OF YEAR	$ 4,820

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FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2

TAXES LEVIED AND RECEIVABLE (Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2018

ADJUSTED PROPERTY VALUATIONS AS OF JANUARY 1 OF TAX YEAR	2017	2016	2015	2014
Land	$ 92,343,830	$ 90,859,840	$ 92,339,410	$ 92,292,110
Improvements	440,123,750	448,734,340	427,832,160	362,852,000
Personal property	1,744,380	1,690,850	1,736,320	1,710,230
Less exemptions	(3,466,870)	(9,805,755)	(24,483,330)	(6,266,587)
TOTAL PROPERTY VALUATIONS	$ 530,745,090	$ 531,479,275	$ 497,424,560	$ 450,587,753
TAX RATES PER $100 VALUATION				
Debt service tax rates	$ 0.00000	$ 0.00000	$ 0.00000	$ 0.00000
Maintenance tax rates*	0.20000	0.20000	0.25000	0.25000
TOTAL TAX RATES PER $100 VALUATION	$ 0.20000	$ 0.20000	$ 0.25000	$ 0.25000
TAX ROLLS	$ 1,061,490	$ 1,062,959	$ 1,243,564	$ 1,126,472
PERCENT OF TAXES COLLECTED TO TAXES LEVIED	99.8 %	99.9 %	99.9 %	99.9 %

*Maximum tax rate approved by voters on August 13, 1988: $0.25

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FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES, GENERAL FUND

FOR YEARS ENDED SEPTEMBER 30

	AMOUNT					PERCENT OF TOTAL REVENUES				
	2018	2017*	2016	2015	2014	2018	2017	2016	2015	2014
REVENUES										
Property taxes	$ 1,057,765	$ 1,061,176	$ 1,246,611	$ 1,126,912	$ 1,042,423	97.0 %	98.4 %	99.0 %	99.3 %	99.8 %
Penalty and interest	8,725	6,286	9,229	5,861	0	0.8	0.6	0.7	0.5	0.0
Interest on deposits and investments	24,511	10,721	3,906	2,778	2,440	2.2	1.0	0.3	0.2	0.2
TOTAL REVENUES	1,091,001	1,078,183	1,259,746	1,135,551	1,044,863	100.0	100.0	100.0	100.0	100.0
EXPENDITURES										
Service operations:										
Professional fees	115,455	116,982	174,883	114,690	107,918	10.6	10.8	13.9	10.1	10.3
Contracted services	71,148	69,002	74,103	70,385	39,543	6.5	6.4	5.9	6.2	3.8
Repairs, maintenance and other operating expenditures	117,092	271,331	318,497	300,126	353,355	10.8	25.2	25.1	26.5	33.8
Administrative expenditures	40,036	26,264	27,893	19,950	16,323	3.7	2.4	2.2	1.8	1.6
Capital outlay	555,206	29,221	71,104	49,290	357,209	50.8	2.7	5.6	4.3	34.2
TOTAL EXPENDITURES	898,937	512,800	664,480	554,443	874,348	82.4	47.5	52.7	48.9	83.7
EXCESS REVENUES (EXPENDITURES)	$ 192,064	$ 565,383	$ 595,266	$ 581,108	$ 170,515	17.6 %	52.5 %	47.3 %	51.1 %	16.3 %

*Restated. See Note 9 of the Notes to the Financial Statements

FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES, DEBT SERVICE FUND

FOR YEARS ENDED SEPTEMBER 30

	AMOUNT*					PERCENT OF TOTAL REVENUES				
	2018	2017	2016	2015	2014	2018	2017	2016	2015	2014
REVENUES										
Property taxes	$	$	$	$	$ 104,373	%	%	%	%	95.0 %
Penalty and interest					5,486					5.0
Interest on deposits and investments					7					0.0
TOTAL REVENUES	0	0	0	0	109,866	N/A	N/A	N/A	N/A	100.0
EXPENDITURES										
Current:										
Professional fees					1,163					1.1
Contracted services					25,897					23.6
Other expenditures					2,145					2.0
Debt service:										
Principal retirement					330,000					300.3
Interest and fees					6,206					5.6
TOTAL EXPENDITURES	0	0	0	0	365,411	N/A	N/A	N/A	N/A	332.6
EXCESS REVENUES (EXPENDITURES)	$ 0	$ 0	$ 0	$ 0	$ (255,545)	N/A %	N/A %	N/A %	N/A %	(232.6) %

*Bonds retired in fiscal year 2014.

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FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS

SEPTEMBER 30, 2018

Complete District Mailing Address: First Colony Levee Improvement District No. 2
c/o Coats Rose, P.C.
9 Greenway Plaza, Suite 1000
Houston, Texas 77046

District Business Telephone No.: 713-651-0111

Submission date of the most recent District Registration Form: August 7, 2018

Limit on Fees of Office that a Director may receive during a fiscal year: $7,200

BOARD MEMBERS

Name and Address	Term of Office (Elected/ Appointed)	Fees of Office Paid	Expense Reimb.	Title at Year End
Ronald J. Frerich 10 Sterling Court Sugar Land, Texas 77479	Appointed 1/05/16-1/07/20	$ 5,550	$ 0	President/ Investment Officer
Christine M. Lukin 86 Bradford Circle Sugar Land, Texas 77479	Appointed 1/05/16-1/07/20	2,850	771	Vice President
Zachary Weimer 4423 Knightsbridge Blvd. Sugar Land, Texas 77479	Appointed 1/05/16-1/07/20	2,700	0	Secretary

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FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (Continued)

SEPTEMBER 30, 2018

CONSULTANTS

Name and Address	Date Hired	Fees and Expense Reimbursements	Title at Year End
Coats Rose, P.C. 9 Greenway Plaza, Suite 1000 Houston, Texas 77046	1/15/08	$ 52,720	Attorney
Myrtle Cruz, Inc. 3401 Louisiana, Suite 400 Houston, Texas 77002	Prior to 10/01/92	16,517	Bookkeeper
LID Solutions 12200B Duncan Road Houston, Texas 77066	2/05/13	66,076	Operator
Jones Carter 6330 West Loop South, Suite 150 Bellaire, Texas 77401	5/01/12	280,916	Engineer
Bob Leared 11111 Katy Freeway, Suite 725 Houston, Texas 77079	Prior to 10/01/92	19,777	Tax Assessor-Collector
Fort Bend Central Appraisal District 2801 B. F. Terry Rosenberg, Texas 77471	Legislative Action	7,270	Central Appraisal District
Masterson Advisors, LLC 4400 Post Oak Parkway, Suite 2370 Houston, Texas 77027	7/03/18	0	Financial Advisor
Hilltop Securities, Inc. 1021 Main Street, Suite 2200 Houston, Texas 77002	Replaced 7/03/18	0	Financial Advisor
Roth & Eyring, PLLC 12702 Century Drive, Suite C2 Stafford, Texas 77477	Prior to 10/01/92	6,900	Independent Auditor

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FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2
Fort Bend County, Texas

December 4, 2018

Roth & Eyring, PLLC
Certified Public Accountants
12702 Century Drive, Suite C2
Stafford, Texas 77477

Gentlemen:

This representation letter is provided in connection with your audit of the financial statements of First Colony Levee Improvement District No. 2 (the "District"), which comprise the respective financial position of the governmental activities and each fund, and the respective changes in financial position for the year then ended, and the related notes to the financial statements for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

As part of your audit, you prepared the financial statements of the governmental activities and each major fund which collectively comprise the District's basic financial statements, Management's Discussion and Analysis and Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, General Fund, and the additional supplementary information accompanying the basic financial statements required by the Texas Commission on Environmental Quality. We have overseen your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for the basic financial statements and Management's Discussion and Analysis and Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, General Fund, and the additional supplementary information accompanying the basic financial statements required by the Texas Commission on Environmental Quality.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 4, 2018, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.

2. The financial statements referred to above are fairly presented in conformity with U. S. generally accepted accounting principles and include all properly classified funds and other financial information of the District.

3. We acknowledge our responsibility for 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.

4. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud, to the best of our ability.

5. You have informed us that any material financial statement misstatements you have detected have been corrected in the course of your audit. You have informed us that there are no unaccumulated immaterial financial statement misstatements in the audit workpapers which would be material if accumulated. The District's bookkeeper has reviewed and approved the adjusting journal entries you have proposed in the course of your audit.

6. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

7. The following, if any, have been properly recorded or disclosed in the financial statements:

   a. Related party transactions, including revenues, expenditures/expenses, loans, transfers and amounts receivable from or payable to related parties.

   b. Known commitments for the acquisition of facilities or other assets, attorneys' fees, engineering fees, or other consultants fees which are payable from resources recorded as of the balance sheet date.

   c. Known commitments to reimburse developers, attorneys, engineers or others from the proceeds of future bond sales.

8. There are no undisclosed:

   a. Violations or possible violations of laws and regulations, provisions of contracts , tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

   b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Financial Accounts Standards Board (FASB) Statement No. 5, *Accounting for Contingencies.*

   c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.

   d. Reservations or designations of fund equity that were not properly authorized and approved.

Information Provided

9. We have made available to you all:

   a. Financial records and related data.

   b. Minutes of the meetings of the Board of Directors during the period from October 1, 2017 to, but not including, December 4, 2018.

10. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

11. We have no knowledge of any fraud or suspected fraud affecting the District involving management or others where the fraud could have a material effect on the financial statements.

12. We have no knowledge of any allegations or suspected fraud affecting the District received in communications from analysts, regulators, or others.

13. The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

14. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

15. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

16. There are no business or family relationships between members of the Board of Directors and parties with which the District does business which are prohibited by Texas law.

17. No events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

18. We acknowledge our responsibility for the required supplementary information (RSI) and other supplementary information. The RSI and other supplementary information are measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI and other supplementary information. We believe the supplementary information, including its form and content, is fairly presented in accordance with applicable criteria.

Board of Directors
First Colony Levee Improvement District No. 2

By: Ronald J Freund
President, Board of Directors

Roth & Eyring, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

12702 Century Drive • Suite C2 • Stafford, Texas 77477 • 281-277-9595 • Fax 281-277-9484

September 12, 2017

Board of Directors
First Colony Levee
Improvement District No. 2
Fort Bend County, Texas

Members of the Board:

We are pleased to serve as auditor for First Colony Levee Improvement District No. 2 (the "District") for the years ended September 30, 2017 and September 30, 2018. This letter will confirm our understanding of the arrangements for this engagement.

We will prepare the District's Annual Audit Report for the years ended September 30, 2017 and September 30, 2018. This will include drafting the financial statements, management discussion and analysis, supplementary information and other information required by the Texas Commission on Environmental Quality. After acceptance and approval by the Board of Directors, we will prepare the final Annual Audit Report for distribution.

In addition, we will audit the financial statements of the governmental activities and each fund which collectively comprise the District's basic financial statements, as of and for the years ended September 30, 2017 and September 30, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI) such as Management's Discussion and Analysis and Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, General Fund, to supplement the District's 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. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency to management's responses to our inquires. We will 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.

We have also been engaged to report on additional supplementary information accompanying the basic financial statements other than RSI which is required by the Texas Commission on Environmental Quality. We will subject the additional supplementary information to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole. Certain supplementary information accompanying the basic financial statements will not be subjected to the auditing procedures applied in the audit of the financial statements and will be marked "unaudited."

Audit Objective

The objective of our audit is the expression of an opinion as to whether the District's basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles (GAAP) and to report on the fairness of the additional supplementary information referred to in above paragraph when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America, and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You are also responsible for all management decisions and functions: for ensuring that management, with the assistance of its consultants as requested, understands the services to be performed sufficiently to oversee our financial statement preparation services; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities and each fund and the respective changes in financial position, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud or illegal acts affecting the District involving management and others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud or illegal acts affecting the District from regulators or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud, illegal acts, or violations of contracts that we may report.

You are responsible for the preparation of supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. Your responsibilities include acknowledging to us in the representation letter that (a) you are responsible for of the supplementary information in conformity with GAAP, (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that the methods or presentation have not changed from those in the prior period; and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or consultants acting on behalf of the District.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not examine all transactions, there is a risk that material misstatements may exist and may not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditor.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors and financial institutions. We will request written representations from your attorney as part of the engagement. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Control

Our audit will include an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, we will inform you of any matters involving internal control and its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will review compliance with the provisions of applicable laws, regulations, contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Engagement Administration, Fees, and Other

As required by generally accepted auditing standards, we will request the President of the Board of Directors to sign a representation letter upon completion of the audit and presentation of the draft of the Annual Audit Report to the Board of Directors. This letter is based, in part, on the reliance upon representations obtained from the District's consultants. In addition, we will send a letter to the Board of Directors listing the minutes which were provided for our review. This letter requires no reply if the list of minutes is complete.

The Annual Audit Report must be filed within 135 days of the District's year end. In order to meet this requirement, we will complete our audit and will issue a draft of the Annual Audit Report to the Board of Directors within 45 days after the District's records are available for audit. If, for any reason beyond our control, we foresee that the 45 day period will exceed 120 days past the District's year end, we will immediately inform you of the reasons for the situation and the actions we have taken, or will take, to complete the audit within the 120 day period.

We estimate our fees for each year to be approximately $6,900.00 including report production expenses. The estimated fees are computed on the assumption that we do not encounter extraordinary circumstances which would cause a material extension of required procedures. If such were the case, we would consult with you before performing additional procedures. The bills for services will be due when rendered. An interim bill will be rendered when the draft of the Annual Audit Report is mailed to the Board of Directors.

If this letter correctly expresses your understanding, please sign it in the space provided below and return it to us.

Very truly yours,

Wells & Cayias, PLLC

APPROVED (FIRST YEAR):

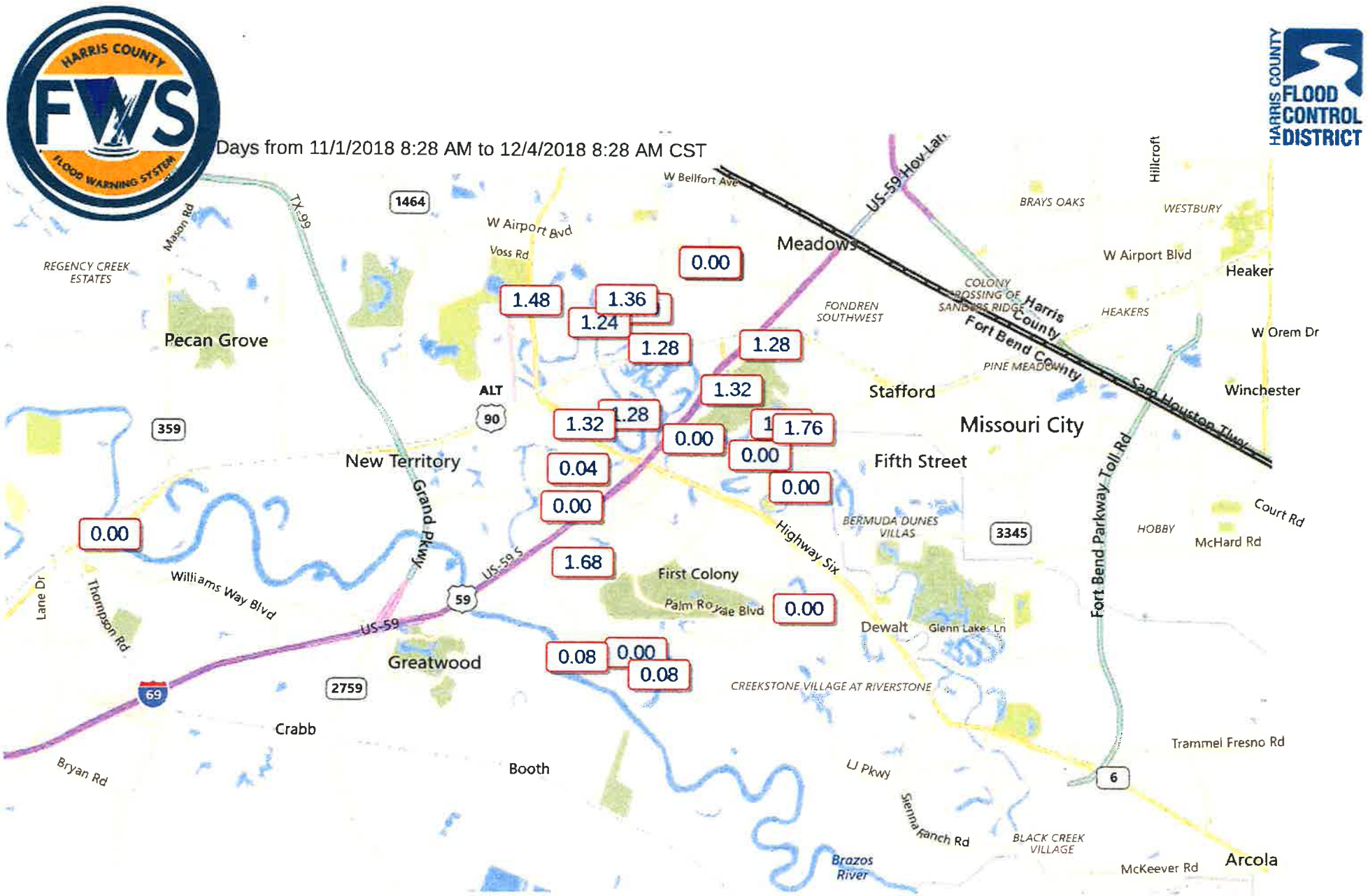
BY: Ronald J Freund

DATE: 9/12/2017

CONFIRMED AND APPROVED (SECOND YEAR):

BY: Ronald J Freund

DATE: _____


Days from 11/1/2018 8:28 AM to 12/4/2018 8:28 AM CST
HARRIS COUNTY FLOOD WARNING SYSTEM
HARRIS COUNTY FLOOD CONTROL DISTRICT
0.00
1.48
1.36
1.24
1.28
1.28
1.32
1.32
1.28
1.76
0.00
0.00
0.04
0.00
0.00
1.68
0.00
0.08
0.00
0.08
Pecan Grove
New Territory
Greatwood
Crabb
Booth
Meadows
Stafford
Missouri City
Fifth Street
First Colony
Dewalt
Arcola
Hillcroft
Heaker
Winchester
Williams Way Blvd
Grand Pkwy
Highway Six
Fort Bend Parkway Toll Rd
Sam Houston Tlwy
Harris County
Fort Bend County
Brazos River
1 miles
2 km

TAX COLLECTOR'S OATH

First Colony LID #2
_____}

STATE OF TEXAS

COUNTY OF Fort Bend }

BOB LEARED, BEING duly sworn, states that he is the Tax Collector for the above named taxing unit and that the foregoing contains a true and correct report, accounting for all taxes collected on behalf of said taxing unit during the month therein stated.

Bob Leared
BOB LEARED

SWORN TO AND SUBSCRIBED BEFORE ME, this 3rd day of December, 2018.

Michelle Guerrero
NOTARY PUBLIC, STATE OF TEXAS

(SEAL)

DEBRA MICHELLE GUERRERO
Notary Public, State of Texas
Comm. Expires 04-10-2022
Notary ID 11179075

Submitted to Taxing Unit's Governing Body on _____.

EXHIBIT
C

FIRST COLONY L.I.D. #2

TAX ASSESSOR/COLLECTOR'S REPORT

11/30/2018

Taxes Receivable: 8/31/2018	$	6,323.64	
Reserve for Uncollectables	(	218.07)	
Adjustments		.40	$ 6,105.97
Original 2018 Tax Levy	$	1,059,685.43	
Adjustments		9,363.80	1,069,049.23
Total Taxes Receivable			**$ 1,075,155.20**
Prior Years Taxes Collected	$	1,540.19	
2018 Taxes Collected (15.9%)		170,297.09	171,837.28
Taxes Receivable at: 11/30/2018			**$ 903,317.92**

2018 Receivables:
Debt Service
Maintenance 898,752.14

bob leared interests

11111 Katy Freeway, Suite 725
Houston, Texas 77079-2197

Phone: (713) 932-9011
Fax: (713) 932-1150

FIRST COLONY L.I.D. #2

	Month of 11/2018	Fiscal to Date 10/01/2018 - 11/30/2018
Beginning Cash Balance	$ 102,726.47	14,660.10
Receipts:		
Current & Prior Years Taxes	79,526.10	169,877.33
Penalty & Interest		45.22
Stale Dated Checks		57.66
TOTAL RECEIPTS	$ 79,526.10	169,980.21
Disbursements:		
Atty's Fees, Delq. collection	276.66	928.06
Refund - due to overpayments		27.74
Transfer to General Fund	90,000.00	90,000.00
Tax Assessor/Collector Fee	1,497.00	2,994.00
Postage	588.89	604.71
Supplies		142.34
Records Maintenance		30.00
Copies	166.43	166.43
Mileage Expense	23.44	46.88
TOTAL DISBURSEMENTS	($ 92,552.42)	(94,940.16)
CASH BALANCE AT: 11/30/2018	$ 89,700.15	89,700.15

FIRST COLONY L.I.D. #2

Disbursements for month of December, 2018

Check #	Payee		Description		Amount
	W/T to General Fund	12/05/18	Transfer to General Fund	$	75,000.00
1210	Schleimer Alan A		Reissue Refund Adjustment		95.59
1211	Bob Leared		Tax Assessor/Collector Fee		1,533.40
TOTAL DISBURSEMENTS				$	76,628.99
Remaining Cash Balance				$	13,071.16

Wells Fargo Bank, N.A.

FIRST COLONY L.I.D. #2

HISTORICAL COLLECTIONS DATA

Year	Collections Month Of 11/2018	Adjustments To Collections 11/2018	Total Tax Collections at 11/30/2018	Total Taxes Receivable at 11/30/2018	Collection Percentage
2018	79,526.10		170,297.09	898,752.14	15.930
2017			1,059,115.34	2,375.24	99.776
2016			1,061,980.61	977.94	99.908
2015			1,242,376.15	1,188.35	99.904
2014			1,126,447.94	24.25	99.998
2013			1,145,997.05		100.000
2012			1,135,661.30		100.000
2011			1,137,976.07		100.000
2010			1,137,919.15		100.000
2009			1,160,814.36		100.000
2008			1,138,833.73		100.000
2007			1,137,982.99		100.000
2006			1,090,442.35		100.000
2005			1,256,364.40		100.000
2004			1,228,967.82		100.000
2003			1,223,956.32		100.000
2002			1,172,198.31		100.000
2001			1,018,273.89		100.000
2000			964,630.84		100.000
1999			936,213.35		100.000
1998			935,280.18		100.000
1997			934,630.90		100.000
1996			910,383.14		100.000
1995			900,608.85		100.000
1994			902,758.94		100.000
1993			888,906.92		100.000
1992			739,428.47		100.000
1991			608,067.96		100.000
1990			445,144.06		100.000
1989			291,354.91		100.000
1988			84,718.90		100.000
	(Percentage of collections same period last year			13.474)	

FIRST COLONY L.I.D. #2

HISTORICAL TAX DATA

Year	Taxable Value	SR/CR	Tax Rate	Adjustments	Reserve for Uncollectibles	Adjusted Levy
2018	534,524,615	04 / 04	.200000	9,363.80		1,069,049.23
2017	530,745,290	12 / 12	.200000	46,214.42		1,061,490.58
2016	531,479,275	25 / 25	.200000	91,486.49		1,062,958.55
2015	497,424,560	33 / 33	.250000	56,332.45		1,243,564.50
2014	450,587,753	46 / 46	.250000	103,449.74		1,126,472.19
2013	416,725,600	59 / 59	.275000	36,913.12		1,145,997.05
2012	412,967,180	72 / 72	.275000	65,472.28		1,135,661.30
2011	413,808,870	63 / 63	.275000	19,169.79		1,137,976.07
2010	413,788,170	01 / 67	.275000	54,897.96		1,137,919.15
2009	407,303,110	01 / 54	.285000	182,071.71		1,160,814.36
2008	386,045,209	03 / 77	.295000	84.51-		1,138,833.73
2007	361,264,340	01 / 00	.315000	172.34-		1,137,982.99
2006	346,172,080	01 / 00	.315000	591.05-		1,090,442.35
2005	335,030,056	01 / 00	.375000	185.97-		1,256,364.40
2004	319,212,339	01 / 00	.385000	5,253.70		1,228,967.82
2003	312,233,737	01 / 00	.392000	8.75		1,223,956.32
2002	299,030,161	05 / 05	.392000	191.60-		1,172,198.31
2001	297,740,880	06 / 00	.342000	374.25-		1,018,273.89
2000	282,055,790	21 / 00	.342000	4.43		964,630.84
1999	261,001,770	00 / 00	.358700	590.24-		936,213.35
1998	249,408,140	00 / 00	.375000	52.65		935,280.18
1997	245,955,540	00 / 00	.380000	266.88-		934,630.90
1996	239,574,600	00 / 00	.380000	546.86		910,383.14
1995	237,002,360	00 / 00	.380000	471.63		900,608.85
1994	211,418,930	00 / 00	.427000	701.34		902,758.94
1993	161,619,058	00 / 00	.550000	79.04-		888,906.92
1992	125,442,000	00 / 00	.590000	723.38-		739,428.47
1991	99,820,170	00 / 00	.610000	750.98-	120.17	608,067.96
1990	85,954,000	00 / 00	.518000	3,275.58	97.90	445,144.06
1989	52,973,480	00 / 00	.550000	159.34		291,354.91
1988	12,299,950	00 / 00	.450000	29,368.91		84,718.90

FIRST COLONY L.I.D. #2

TAX RATE COMPONENTS

Year	Debt Service Rate	Debt Service Levy	Maintenance Rate	Maintenance Levy
2018			.200000	1,069,049.23
2017			.200000	1,061,490.58
2016			.200000	1,062,958.55
2015			.250000	1,243,564.50
2014			.250000	1,126,472.19
2013	.025000	104,181.56	.250000	1,041,815.49
2012	.035000	144,538.68	.240000	991,122.62
2011	.185000	765,547.57	.090000	372,428.50
2010	.185000	765,509.28	.090000	372,409.87
2009	.195000	794,241.37	.090000	366,572.99
2008	.195000	752,788.34	.100000	386,045.39
2007	.205000	740,592.16	.110000	397,390.83
2006	.215000	744,270.19	.100000	346,172.16
2005	.225000	753,818.64	.150000	502,545.76
2004	.235000	750,149.18	.150000	478,818.64
2003	.245000	764,972.70	.147000	458,983.62
2002	.252000	753,556.01	.140000	418,642.30
2001	.252000	750,307.07	.090000	267,966.82
2000	.282000	795,397.36	.060000	169,233.48
1999	.298700	779,612.29	.060000	156,601.06
1998	.315000	785,635.35	.060000	149,644.83
1997	.320000	787,057.63	.060000	147,573.27
1996	.320000	766,638.47	.060000	143,744.67
1995	.320000	758,407.49	.060000	142,201.36
1994	.350000	739,966.32	.077000	162,792.62
1993	.470000	759,611.41	.080000	129,295.51
1992	.510000	639,167.00	.080000	100,261.47
1991	.360000	358,859.76	.250000	249,208.20
1990	.418000	359,231.26	.100000	85,912.80
1989	.450000	238,328.32	.100000	53,026.59
1988	.450000	84,718.90		

FIRST COLONY L.I.D. #2

Notes:

$ 95.59 - REFUND OF ADJUSTMENT ISSUED TO CORRECT OWNER ON 11/2018 REPORT.
2013 TAXES ACCOUNT #0351-005-0020 $ 95.59

FIRST COLONY L.I.D. #2

Tax Exemptions:	2018	2017	2016
Homestead	.000	.000	.000
Over 65	0	0	0
Disabled	0	0	0

Last Bond Premium Paid:

Payee	Date of Check	Amount
HARCO Insurance 08/07/17-08/07/20	9/01/2017	250.00

Adjustment Summary:	2018	
10/2018	/ CORR 003	6,462.78
11/2018	/ CORR 004	2,901.02
TOTAL		9,363.80

FIRST COLONY L.I.D. #2
Homestead Payment Plans

Account no.	Property Owner	Tax Year	Last Payment Amount	Last Payment Date	Balance Due
(I) [redacted]		2017	150.00	10/31/18	184.77

*Total Count 1

(I) - BLI Contract (A) - Delinquent Attorney Contract

Standard Payment Plans

Account no.	Property Owner	Tax Year	Last Payment Amount	Last Payment Date	Balance Due

*Total Count 0

FIRST COLONY L.I.D. #2

Top Delinquent Taxpayers

12/03/18 (Maximum of 40)

Code	Description
B	Bankrupt
C	Payment Contract
D	Deferred Over 65
S	Suit Pending
P	Partial Payment
Q	Quarter Payments
L	CAD Law Suit
H	Homestead Contract

Taxpayer	2018	Prior Years	This Month Totals
[redacted]		3,102.83	3,102.83
		708.68	708.68
		568.62	568.62
		159.98	159.98
		24.25	24.25
		1.02	1.02
Report Totals		4,565.38	**4,565.38**
Total delinquent		4,565.38	**4,565.38**

Champions
HYDRO - LAWN
Erosion Control Specialist since 1976

FIRST COLONY LID #2
Levee, Detention and Drainage Facilities Report

Dec. 4, 2018

13226 Kaltenbrun ~ Houston, Texas 77086

Cell: 281.682.6674 ~ Office: 281.445.2614 ~ Fax: 281.445.2349

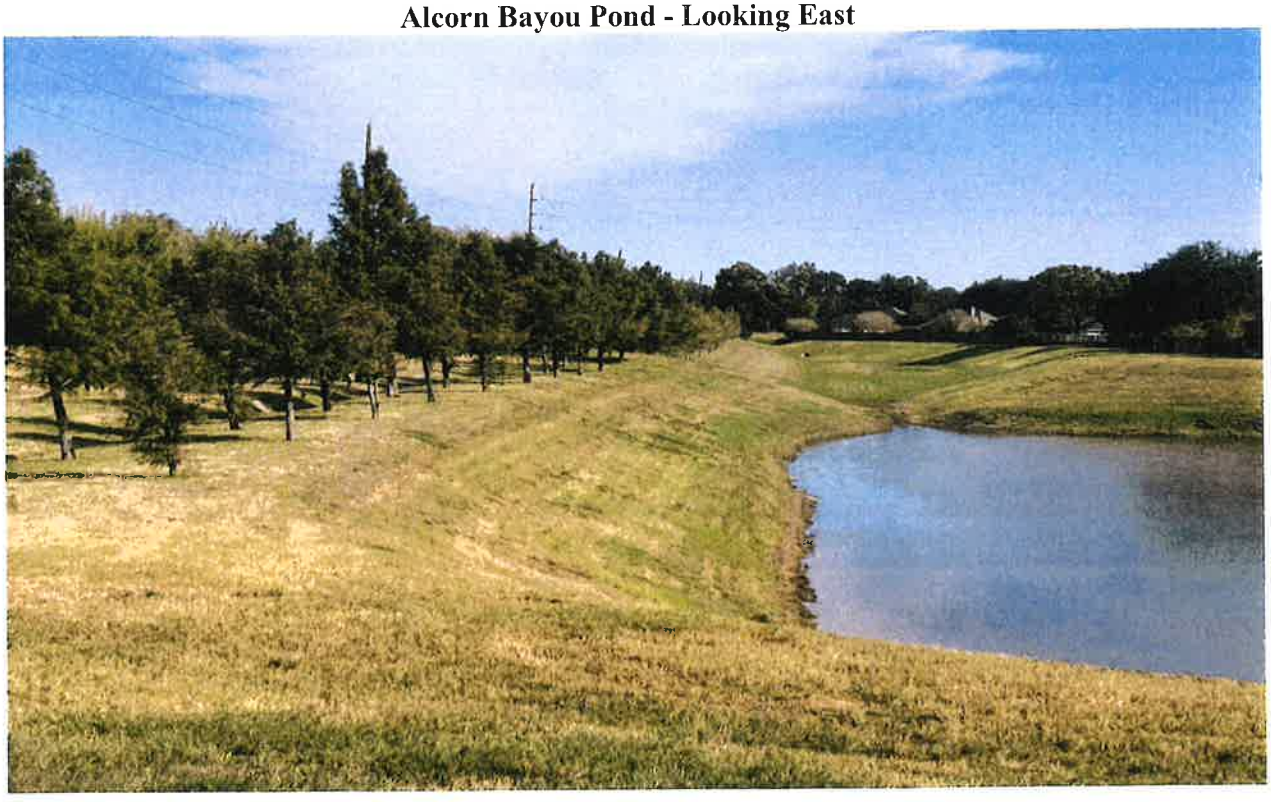
Account Representative: Lenny Hardoin ~ Email: Lhardoin@champhydro.com

EXHIBIT
D

- The following photographs were taken on Nov. 15 and 27, 2018.
- Levee was not mowed in November. Storage Facility was serviced on Nov. 6, 15, & 21st.
- Tree on SE perimeter levee was removed, and pump station beds were mulched on Nov. 16.

Levee North of Commonwealth Blvd.

Alcorn Bayou Pond - Looking East



East Slope of North Ponds

Levee South of Commonwealth Blvd.

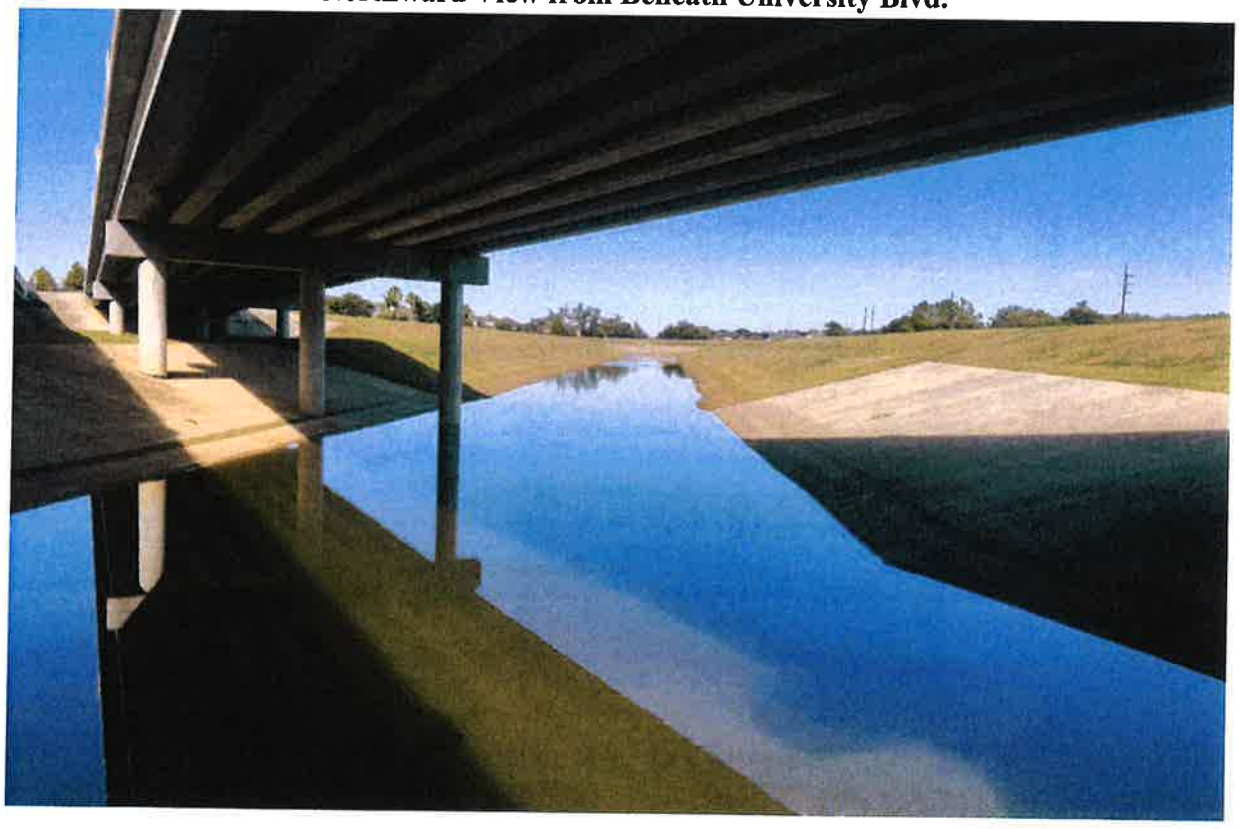
North of University Blvd.

Looking North from University Bridge

East Slope North of University Blvd.

Northward View Along East Slope & Swale

Northward View from Beneath University Blvd.



South of Avondale Dr., North of University Blvd.

West of Maranatha Farms

North of Maranatha Farms

Southeast Section of Levee – South of Commonwealth Blvd.

Pump Station Facility

Tree Removal on SE Corner of Levee

FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2

OPERATOR'S REPORT

December 6, 2018

The following monthly Operator's Report is submitted to The Board of Directors of First Colony Levee Improvement District No. 2 for review and approval:

I. GENERAL

During the month of November 2018, the pumping station and related equipment were inspected on a daily basis to ensure proper operation. All outfall structures were inspected at least once a week, as weather permitted. In addition, all drainage ditches, back slope drains, drainage swales, levees, and easement were inspected weekly, as weather permitted. A constant weather watch was maintained on a local and regional basis, as well as the Brazos River stages at Richmond. River reports are attached as well.

II. PUMPING STATION

Both Pumps are in place and operational. LID Solutions continues testing genset and load bank for an hour, weekly. We also continue debris removal and good housekeeping measures throughout the pump station and storage building. Weekly log sheets on-site and are maintained. The annual maintenance on the diesel generator will be completed in December. The generator was moved to the temporary pad on Dec. 2nd. LID Solutions tests the district's radios on Ft. Bend County's weekly radio checks on the FB EOC channel.

EXHIBIT E

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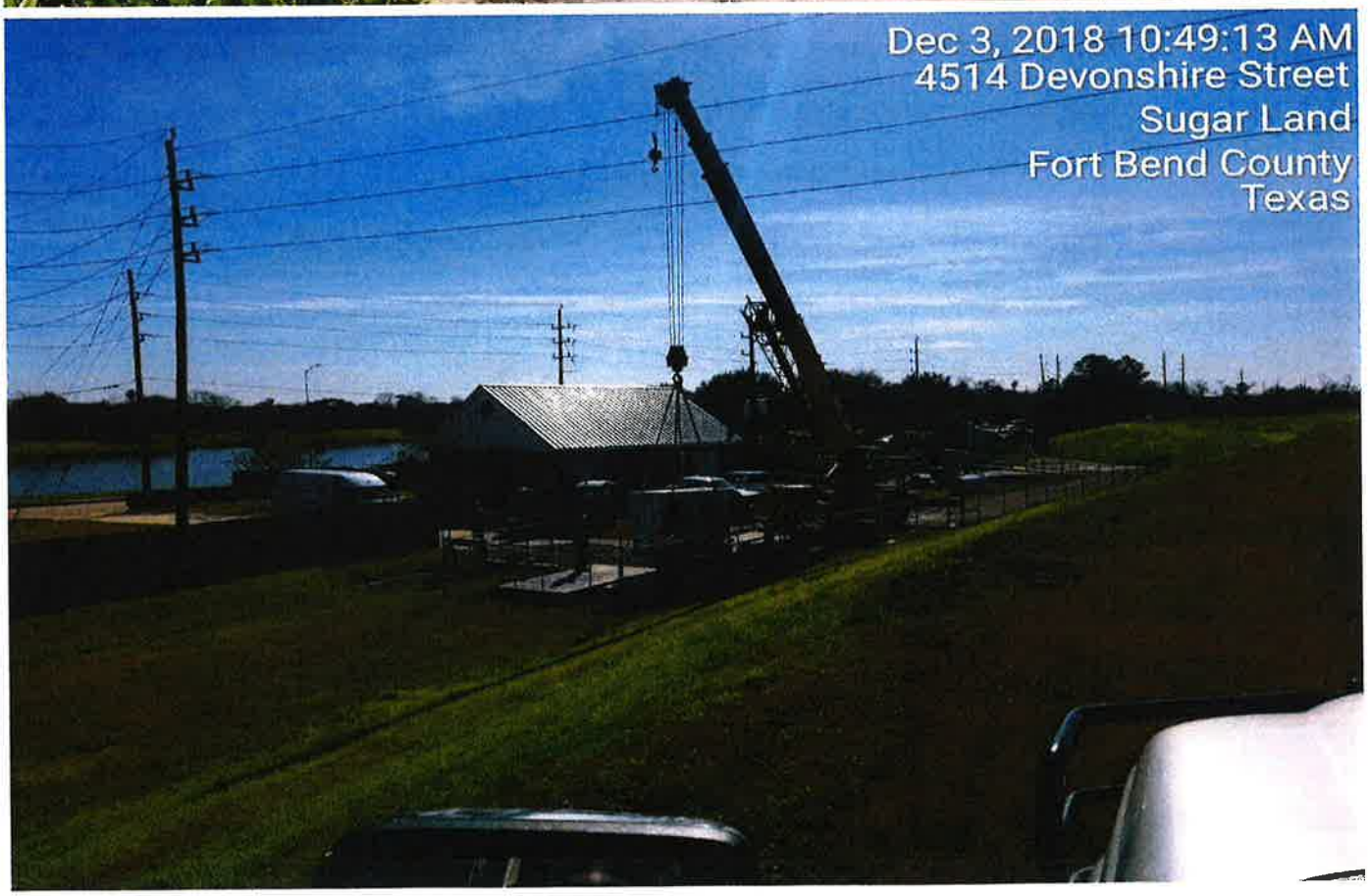

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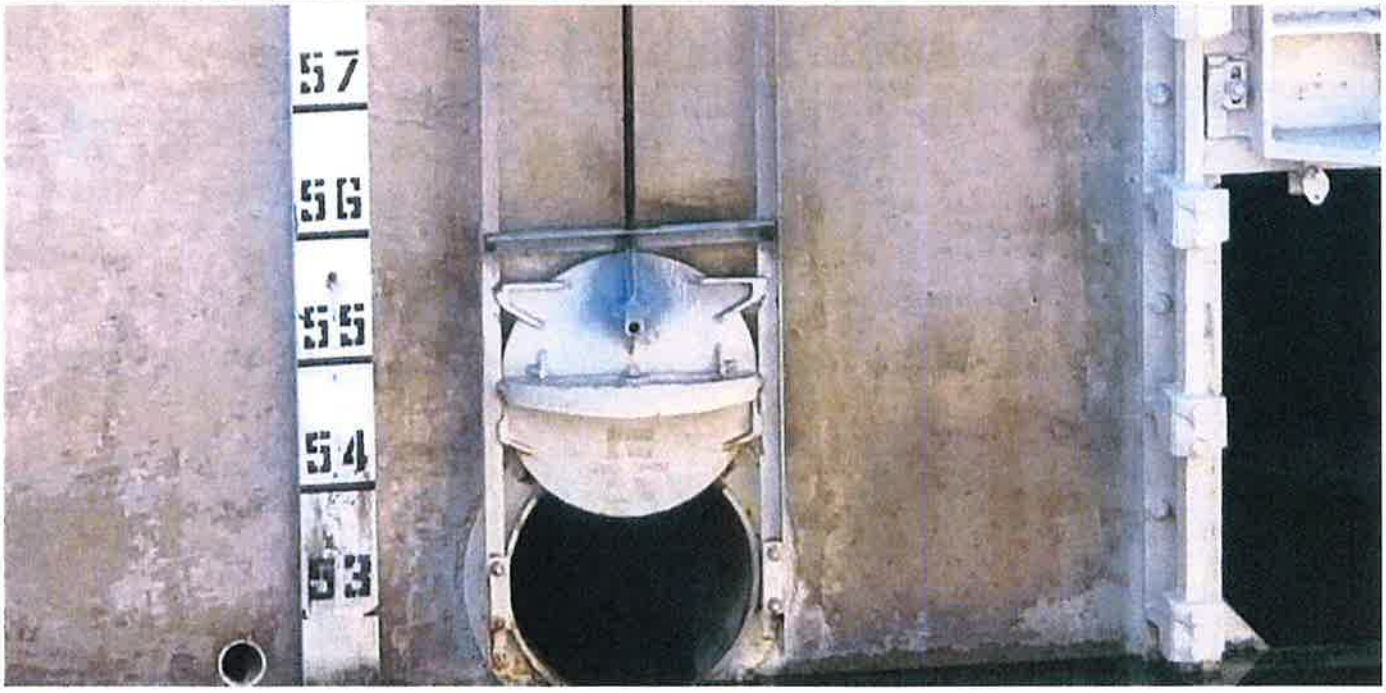

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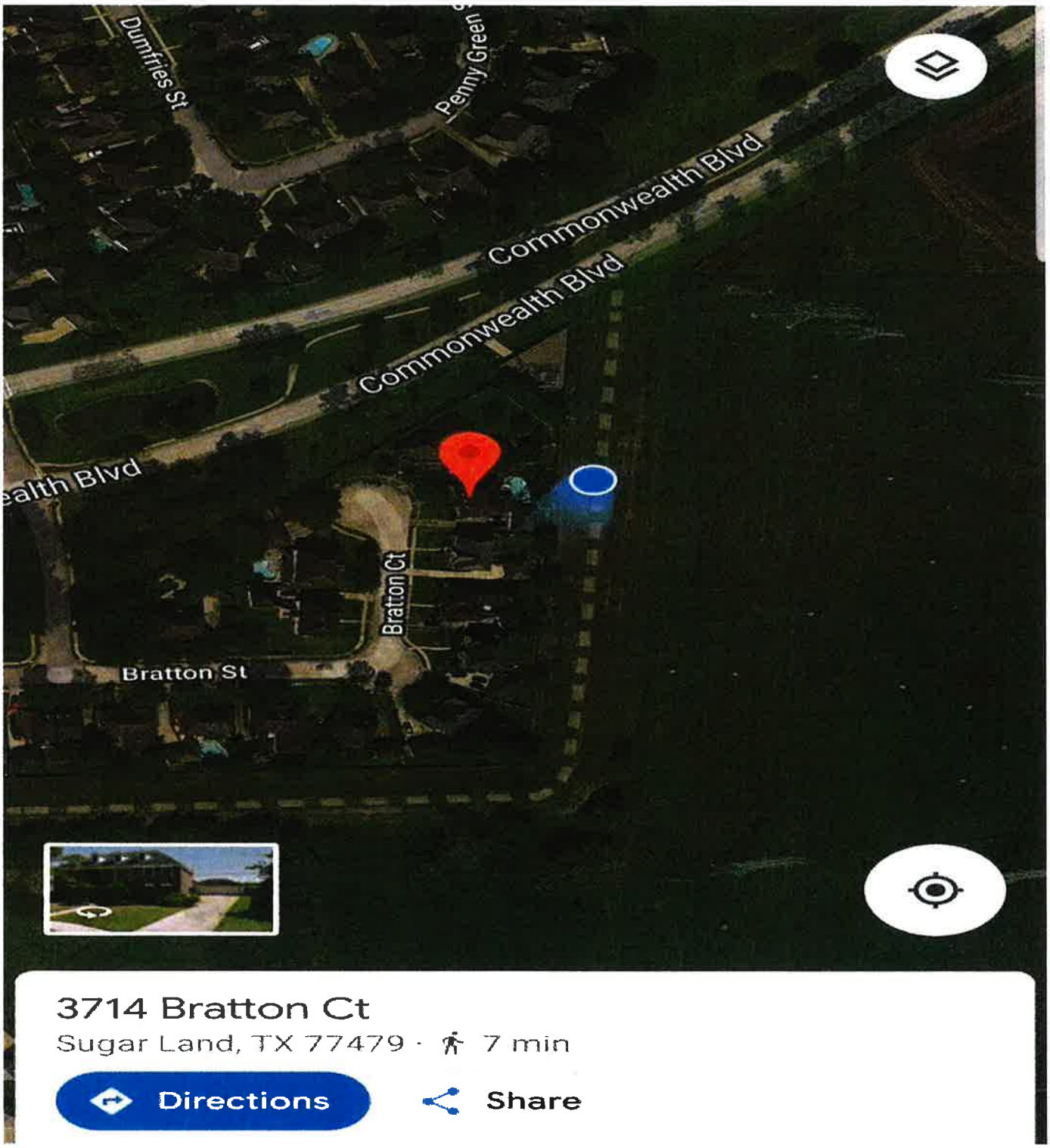

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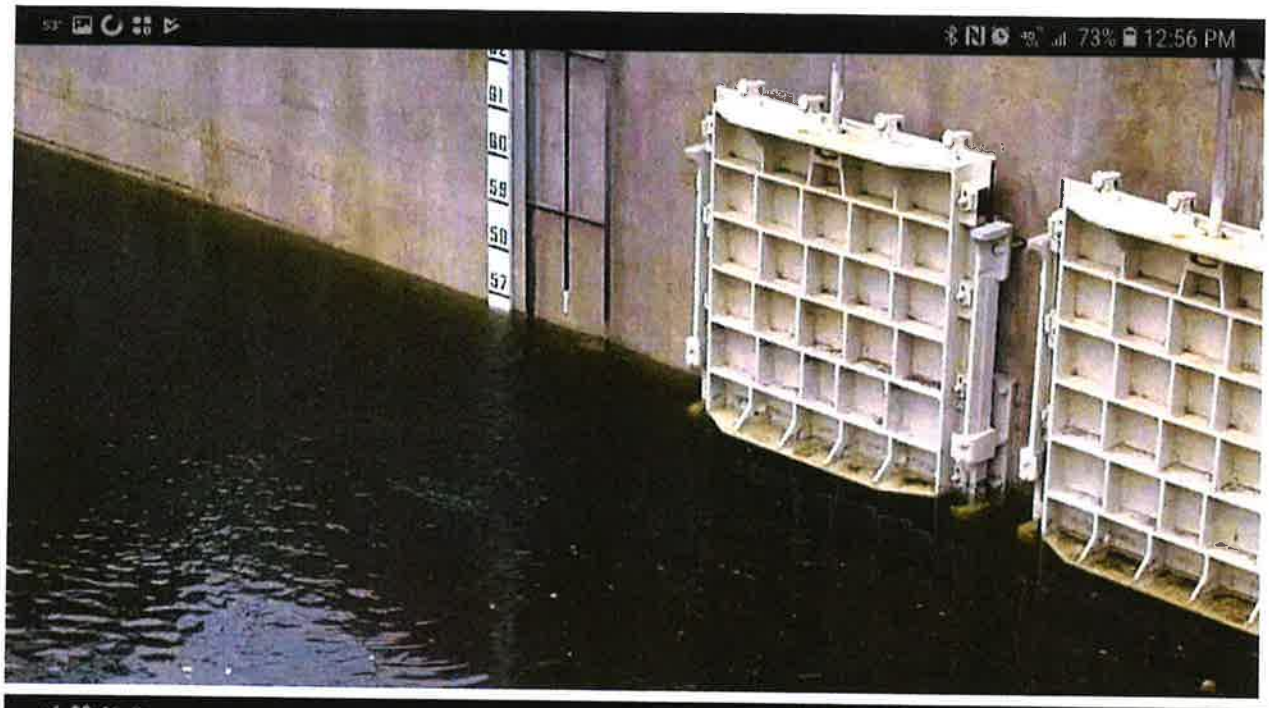

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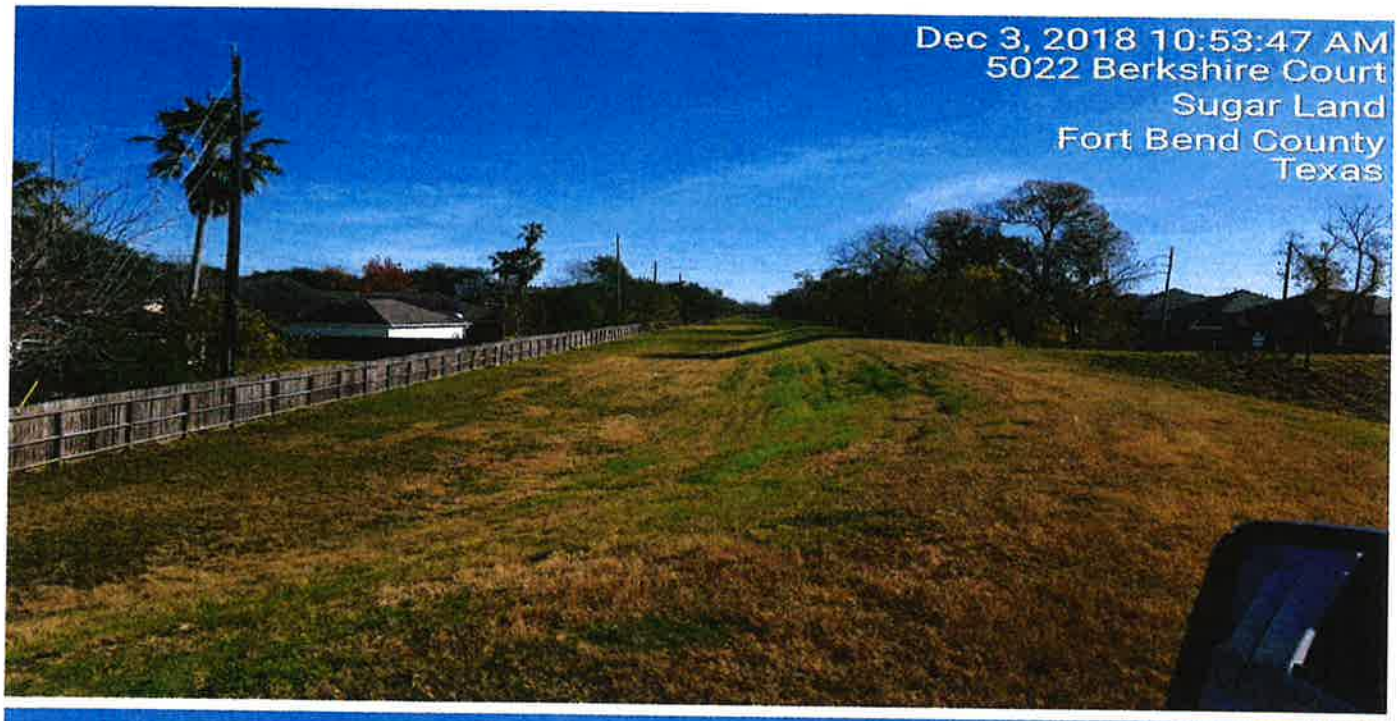

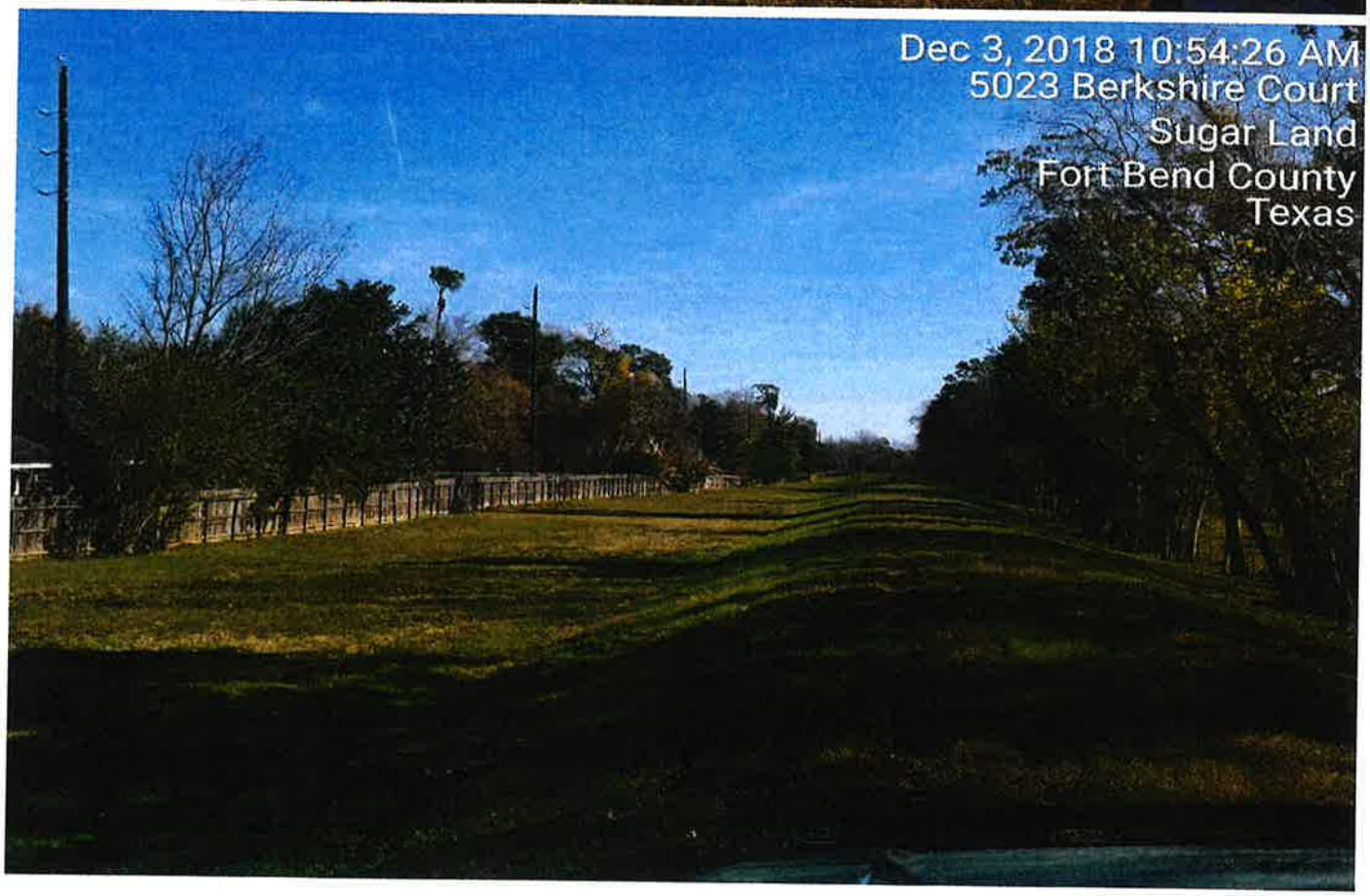

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LID Solutions continues our training and education throughout the year. This includes Incident Command System (ICS) and National Incident Management System (NIMS) training, Fort Bend County Flood Management Association Symposium, and Fort Bend County Table Top exercise. The training also includes continuing education credits through FEMA, TXDPS, TDEM, TEEX, and others.

I. SPECIAL CONTRACT PROVISIONS

Training: 2018

EPP Training – 55

Specific Site Training – 4

Course Training – 247

FBC LID Seminar - 4 hours - Thelen, Klump - Pump Ops and Repair - 16 Hours - J.Klump

LID Solutions	EPP Training	Specific Site Training	Course Training	Total/Person
Bill Dunning	4		36	40
Justin Klump	4		12	16
David Beyer	5		12	17
Greg Hutchins				
Jason Klump	10	1	40	51
Jason L'Esperance	4			4
Jimmy De Los Santos				
Justin Cox	5			5
Mark Jones	1			1
Mike Thelen	10	1	48	59
Blake Kridel				
Mack Grimmett		1		1
Tyler Werlein	10	1	88	99
Penny Dollar Key	1			1
Gene Krejci	1			1
Patrick Elliott			11	
TOTAL	55	4	247	306

Upcoming Training -

Attached - Weekly Checklists, river report, inspection, and rainfall map.

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LEVEE OPERATIONS INSPECTION
First Colony Levee Improvement District # 2

Inspected by: Tyler Werlein
Inspected on: 12/03/2018
Reviewed by: Board
Reviewed on: 12/04/2018

Administrative Functions

Readiness for Flood Emergency

1. Name the organization with legal responsibility. First Colony Levee Improvement District # 2
2. Name of General Manager or Operator for the District. LID Solutions (Operator)
3. Is General Manager or Operator responsible for flood fighting operations? [X] Yes [ ] No
4. Is there a published flood fighting plan? [X] Yes [ ] No
5. Is there an appropriate supply of flood fighting equipment readily available for and emergency? [X] Yes [ ] No
6. Are key personnel trained in flood fighting techniques and use of all equipment? [X] Yes [ ] No

Maintenance Program

1. Has General Manager been designated who is responsible for O&M of the project? [ ] Yes [X] No

   The District does not employ a General Manager
2. Is there a published program for inspection and maintenance of the project and its features? [X] Yes [ ] No
3. Have there been changes to this program? [ ] Yes [X] No
4. Are inspections made in accordance with this program? [X] Yes [ ] No
5. Are these inspection documented? [X] Yes [ ] No
6. Are these records readily available? [X] Yes [ ] No
7. Is the Operation and Maintenance manual furnished by the Engineer available for inspection? [X] Yes [ ] No
8. Does this manual reflect current guidance for Operation and Maintenance of the project? [X] Yes [ ] No

Inspection Functions

Maintenance of Levees

Levee: All

1. Is the levee being maintained to the design cross-section? [X] Yes [ ] No [ ] N/A
2. Is there evidence of seepage, saturated areas, or boils on the levee? [ ] Yes [X] No [ ] N/A
3. Have necessary repairs been made to cracks, erosion, or other damages? [ ] Yes [X] No [ ] N/A

   Heavy hog rutting throughout
4. Are there any indications of scouring? [ ] Yes [X] No [ ] N/A
5. Are there any indications of slides or sloughs developing? [ ] Yes [X] No [ ] N/A
6. Is sod cover mowed regularly? [X] Yes [ ] No [ ] N/A
7. Is sod or other desirable cover fertilized and reseeded as necessary? [X] Yes [ ] No [ ] N/A
8. Is the levee crown at design grade? [X] Yes [ ] No [ ] N/A
9. Is the levee crown shaped for proper drainage? [X] Yes [ ] No [ ] N/A

LEVEE OPERATIONS INSPECTION
First Colony Levee Improvement District # 2

10. Is undesirable growth permitted on levee crown?	☐ Yes	☒ No	☐ N/A
11. Are there any obstructions to vehicular passage on levee crown?	☐ Yes	☒ No	☐ N/A
12. Are access roads to and on the levee properly maintained?	☒ Yes	☐ No	☐ N/A
13. Are access ramps properly maintained?	☒ Yes	☐ No	☐ N/A
14. Is unauthorized vehicular traffic permitted on levee?	☐ Yes	☒ No	☐ N/A
15. Are cattleguards/gates in good condition?	☒ Yes	☐ No	☐ N/A
16. Are keys to locked gates readily available to personnel?	☒ Yes	☐ No	☐ N/A
17. List all new non-permitted encroachments in easements.			

Maintenance of Drainage Structures

Drainage Structure: Main

1. Are flap gates kept in a reasonable state of repair?	☒ Yes	☐ No	☐ N/A
2. Are the flap gates in good operating condition?	☒ Yes	☐ No	☐ N/A
3. Are there cracks or deterioration of concrete?	☐ Yes	☒ No	☐ N/A
4. Does the deterioration of concrete affect the stability of the structure?	☐ Yes	☒ No	☐ N/A
5. Are the drainage systems in good working order?	☒ Yes	☐ No	☐ N/A
6. Are pressure relief wells in good working order?	☒ Yes	☐ No	☐ N/A
7. Are the inlet and outlet channels clear of growth and debris?	☒ Yes	☐ No	☐ N/A
8. Are concrete joints watertight?	☒ Yes	☐ No	☐ N/A
9. Has slope paving around structure been displaced?	☐ Yes	☒ No	☐ N/A
10. Are there voids under the slope paving?	☐ Yes	☒ No	☐ N/A
11. Is there any erosion that might endanger the stability of the structure?	☐ Yes	☒ No	☐ N/A
12. List all new non-permitted encroachments in easements.			

Maintenance of Pumping Stations

Pump Station: Avondale

1. Is all pumping equipment operable?	☒ Yes	☐ No	☐ N/A
2. Is pumping equipment being properly maintained?	☒ Yes	☐ No	☐ N/A
3. Is a regular inspection and preventative maintenance program being followed?	☒ Yes	☐ No	☐ N/A
4. Are adequate supplies of fuel available?	☒ Yes	☐ No	☐ N/A
5. Are adequate supplies of lubricants available?	☒ Yes	☐ No	☐ N/A
6. Are emergency lighting and communication equipment operable?	☒ Yes	☐ No	☐ N/A

LEVEE OPERATIONS INSPECTION
First Colony Levee Improvement District # 2

7. Is electrical wiring in satisfactory condition?	☒ Yes	☐ No	☐ N/A
Genset is being re-located to new pad			
8. Are all generators and air compressors being properly maintained?	☒ Yes	☐ No	☐ N/A
Genset has been disconnected and is in process of being re-located to new pad			
9. Are buildings being adequately maintained?	☒ Yes	☐ No	☐ N/A
10. Are the operating room, pump room, and sump clean?	☒ Yes	☐ No	☐ N/A
11. Are operating manuals readily available?	☒ Yes	☐ No	☐ N/A
12. Are operating personnel properly trained to operate and maintain the equipment?	☒ Yes	☐ No	☐ N/A
13. Are operating logs being maintained and available for inspection?	☒ Yes	☐ No	☐ N/A
14. Do fuel tanks have leakage?	☐ Yes	☒ No	☐ N/A
15. Are trash rakes clean and operable?	☐ Yes	☐ No	☒ N/A
District does not have any mechanical trash rakes. However, stationary bar screens are in place and clean.			
16. List all new non-permitted encroachments in easements.			

Maintenance of Drainage Ditches

Drainage Ditch: Main

1. Is the carrying capacity of the ditch reduced by undesirable growth or debris?	☐ Yes	☒ No	☐ N/A
2. Have necessary repairs been made to eroded areas?	☒ Yes	☐ No	☐ N/A
3. Are side slopes damaged by slides, sloughing, or wave wash?	☐ Yes	☒ No	☐ N/A
4. Are there any unauthorized structures or encroachments obstructing the ditch?	☐ Yes	☒ No	☐ N/A
5. Is the ditch free of trash, debris, and undesirable growth?	☒ Yes	☐ No	☐ N/A
6. Are all back slope drains free of debris and properly maintained?	☒ Yes	☐ No	☐ N/A
7. Are all back slope swales free of debris and properly maintained?	☒ Yes	☐ No	☐ N/A
8. Will the ditch function satisfactorily during flood emergencies?	☒ Yes	☐ No	☐ N/A
9. List all new non-permitted encroachments in easements.			

Control of Encroachment and Trespassing

1. Are unauthorized structures located on or adjacent to project features?	☐ Yes	☒ No	☐ N/A
2. Is there any unauthorized excavation within the project right-of-way?	☐ Yes	☒ No	☐ N/A
3. Are right-of-way boundaries properly identified?	☒ Yes	☐ No	☐ N/A
4. Are all pump stations and structures secure from trespassers?	☒ Yes	☐ No	☐ N/A

Control of Wild Growth

LEVEE OPERATIONS INSPECTION

First Colony Levee Improvement District # 2

1. Have trees and undesirable growth been cleared from ditches and levees?	☒ Yes	☐ No	☐ N/A
2. Does brush cover or other growth interfere with inspection?	☐ Yes	☒ No	☐ N/A

Control of Burrowing Animals

1. Is there an effective program for control of burrowing animals?	☒ Yes	☐ No	☐ N/A
2. Are animal burrows properly filled and compacted?	☒ Yes	☐ No	☐ N/A

LEVEE OPERATIONS INSPECTION
First Colony Levee Improvement District # 2

Summary

---Levee: All---
3. Have necessary repairs been made to cracks, erosion, or other damages?
Heavy hog rutting throughout

---Drainage Structure: Main---
All Good

---Pump Station: Avondale---
7. Is electrical wiring in satisfactory condition?
Genset is being re-located to new pad
8. Are all generators and air compressors being properly maintained?
Genset has been disconnected and is in process of being re-located to new pad
15. Are trash rakes clean and operable?
District does not have any mechanical trash rakes. However, stationary bar screens are in place and clean.

---Drainage Ditch: Main---
All Good

---Readiness for Flood Emergency---
All Good

---Maintenance Program---
1. Has General Manager been designated who is responsible for O&M of the project?
The District does not employ a General Manager

---Control of Encroachment and Trespassing---
All Good

---Control of Wild Growth---
All Good

---Control of Burrowing Animals---
All Good

Additional Comments

First Colony LID #2

WEEKLY PUMP STATION

Inspector- Tyler Werlein					
	5-Nov	6-Nov	7-Nov	8-Nov	9-Nov
Day:	MONDAY	TUESDAY	WENDESDAY	THURSDAY	FRIDAY
Inspect Pumps area	x	x	x	x	x
Inspect Sump pumps	x	x	x	x	x
Inspect Flap gates	x	x	x	x	x
Inspect Sluice gates for obstructions	x	x	x	x	x
Inspect Fuel tanks (leaks)	x	x	x	x	x
All doors for mechanism issue	x	x	x	x	x
Check all fuel levels					x
Ground Maintenance	x	x	x	x	x
Check for any vandalism (signage, locks, gates, graffiti)	x	x	x	x	x
Lighting issues (bulb replacements)	x	x	x	x	x
Housekeeping (trash removal, clean floor as needed	x	x	x	x	x
Vegetation growth on PS grounds	x	x	x	x	x

Comments:

Weekly Levee/ Pond Inspection was not perfromed this week due to over-saturation

Radio Check was performed on 11/7

Genset was excercised 11/9

First Colony LID #2

WEEKLY PUMP STATION

Inspector- Tyler Werlein					
	12-Nov	13-Nov	14-Nov	15-Nov	16-Nov
Day:	MONDAY	TUESDAY	WENDESDAY	THURSDAY	FRIDAY
Inspect Pumps area	x	x	x	x	x
Inspect Sump pumps	x	x	x	x	x
Inspect Flap gates	x	x	x	x	x
Inspect Sluice gates for obstructions	x	x	x	x	x
Inspect Fuel tanks (leaks)	x	x	x	x	x
All doors for mechanism issue	x	x	x	x	x
Check all fuel levels					x
Ground Maintenance	x	x	x	x	x
Check for any vandalism (signage, locks, gates, graffiti)	x	x	x	x	x
Lighting issues (bulb replacements)	x	x	x	x	x
Housekeeping (trash removal, clean floor as needed	x	x	x	x	x
Vegetation growth on PS grounds	x	x	x	x	x

Comments:

Weekly Levee/ Pond Inspection was not perfromed this week due to over-saturation

Radio Check was performed on 11/14

Genset was excercised 11/16

First Colony LID #2

WEEKLY PUMP STATION

Inspector- Tyler Werlein					
	19-Nov	20-Nov	21-Nov	22-Nov	23-Nov
Day:	MONDAY	TUESDAY	WENDESDAY	THURSDAY	FRIDAY
Inspect Pumps area	x	x	x	x	x
Inspect Sump pumps	x	x	x	x	x
Inspect Flap gates	x	x	x	x	x
Inspect Sluice gates for obstructions	x	x	x	x	x
Inspect Fuel tanks (leaks)	x	x	x	x	x
All doors for mechanism issue	x	x	x	x	x
Check all fuel levels					x
Ground Maintenance	x	x	x	x	x
Check for any vandalism (signage, locks, gates, graffiti)	x	x	x	x	x
Lighting issues (bulb replacements)	x	x	x	x	x
Housekeeping (trash removal, clean floor as needed	x	x	x	x	x
Vegetation growth on PS grounds	x	x	x	x	x

Comments:

Weekly Levee/ Pond Inspection was not perfromed this week due to over-saturation

Radio Check was performed on 11/21

Genset was excercised 11/23

First Colony LID #2

WEEKLY PUMP STATION

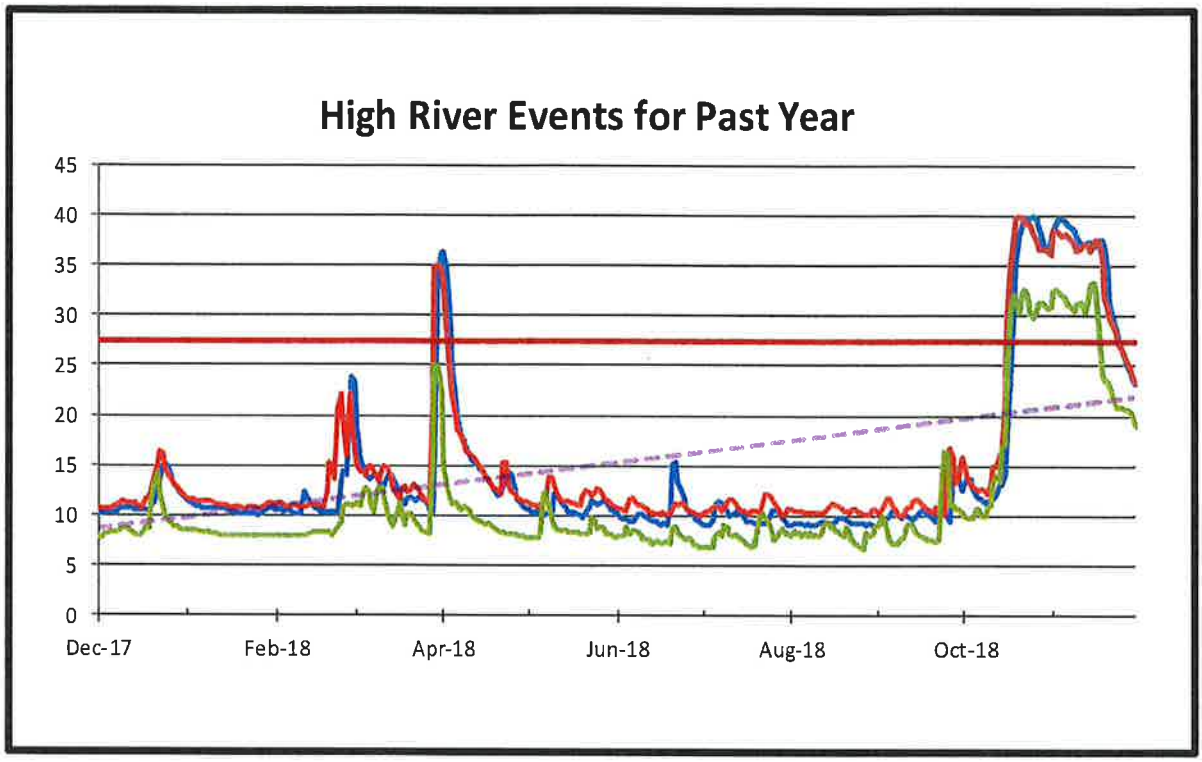
Inspector- Tyler Werlein					
	26-Nov	27-Nov	28-Nov	29-Nov	30-Nov
Day:	MONDAY	TUESDAY	WENDESDAY	THURSDAY	FRIDAY
Inspect Pumps area	x	x	x	x	x
Inspect Sump pumps	x	x	x	x	x
Inspect Flap gates	x	x	x	x	x
Inspect Sluice gates for obstructions	x	x	x	x	x
Inspect Fuel tanks (leaks)	x	x	x	x	x
All doors for mechanism issue	x	x	x	x	x
Check all fuel levels					x
Ground Maintenance	x	x	x	x	x
Check for any vandalism (signage, locks, gates, graffiti)	x	x	x	x	x
Lighting issues (bulb replacements)	x	x	x	x	x
Housekeeping (trash removal, clean floor as needed	x	x	x	x	x
Vegetation growth on PS grounds	x	x	x	x	x

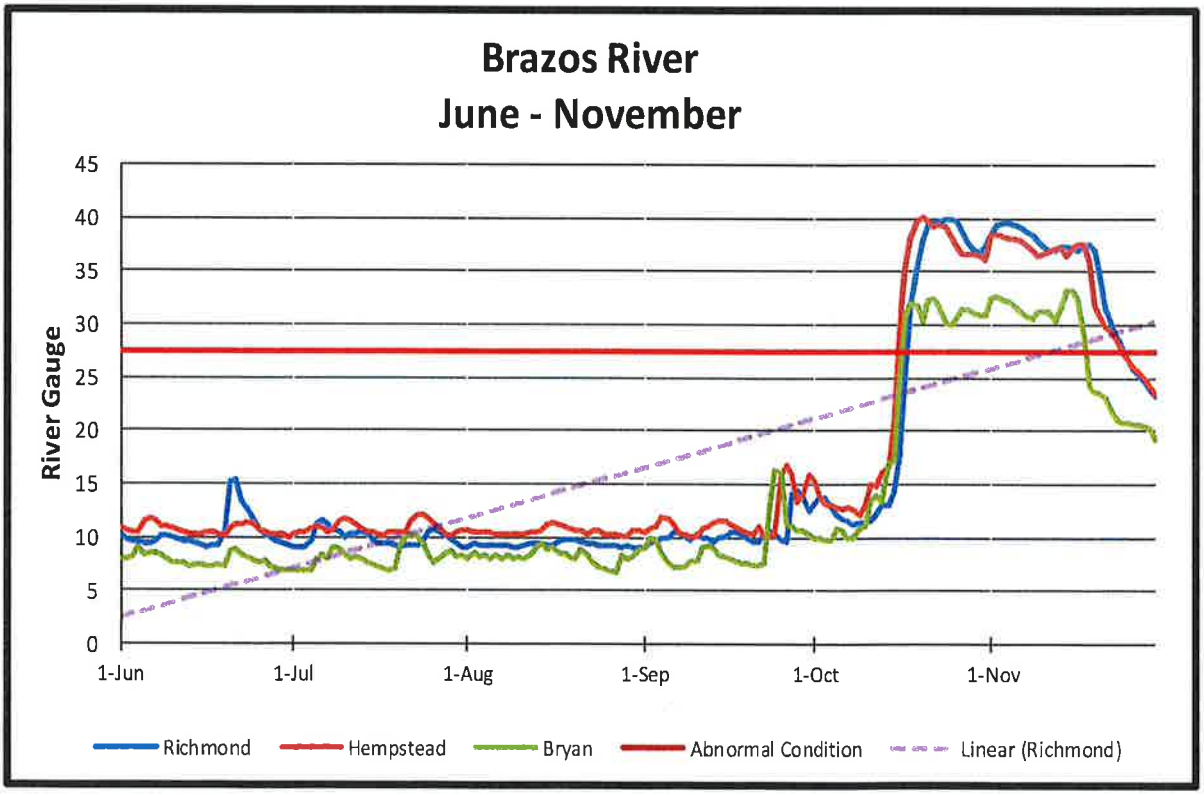
Comments:

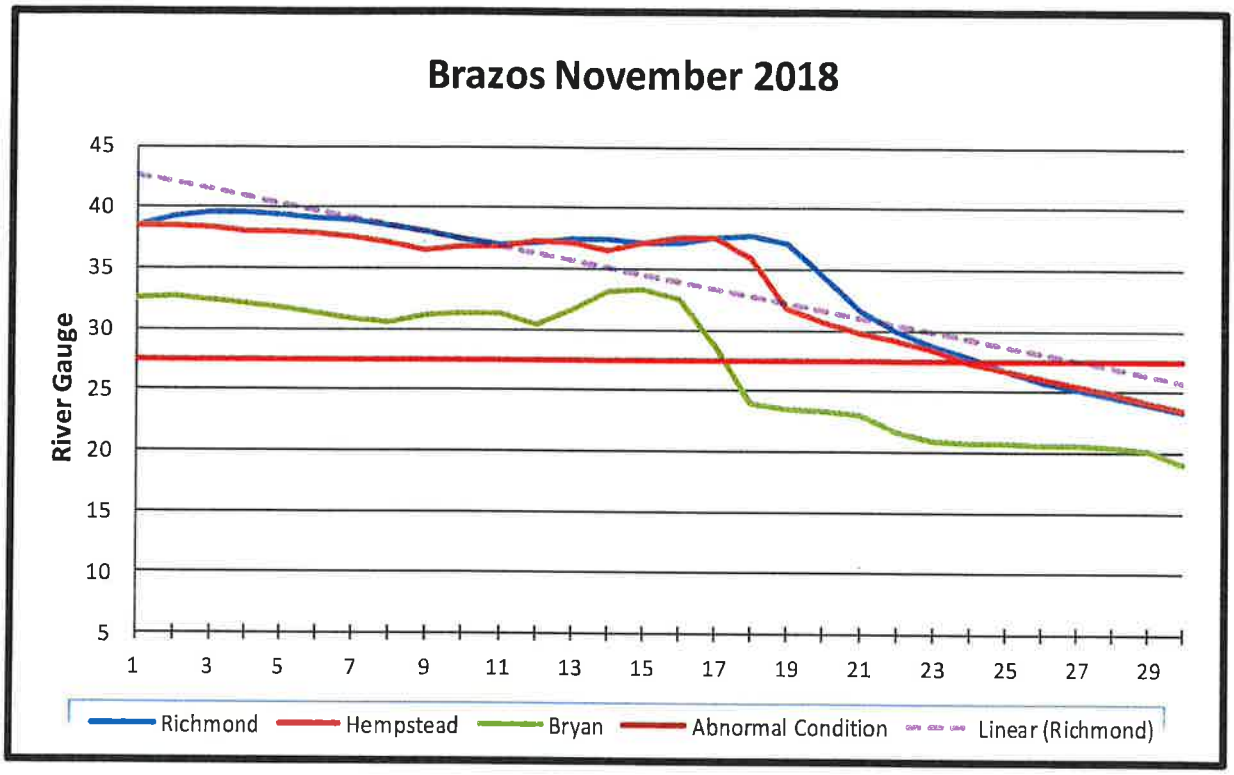
Weekly Levee/ Pond Inspection was not perfromed this week due to over-saturation

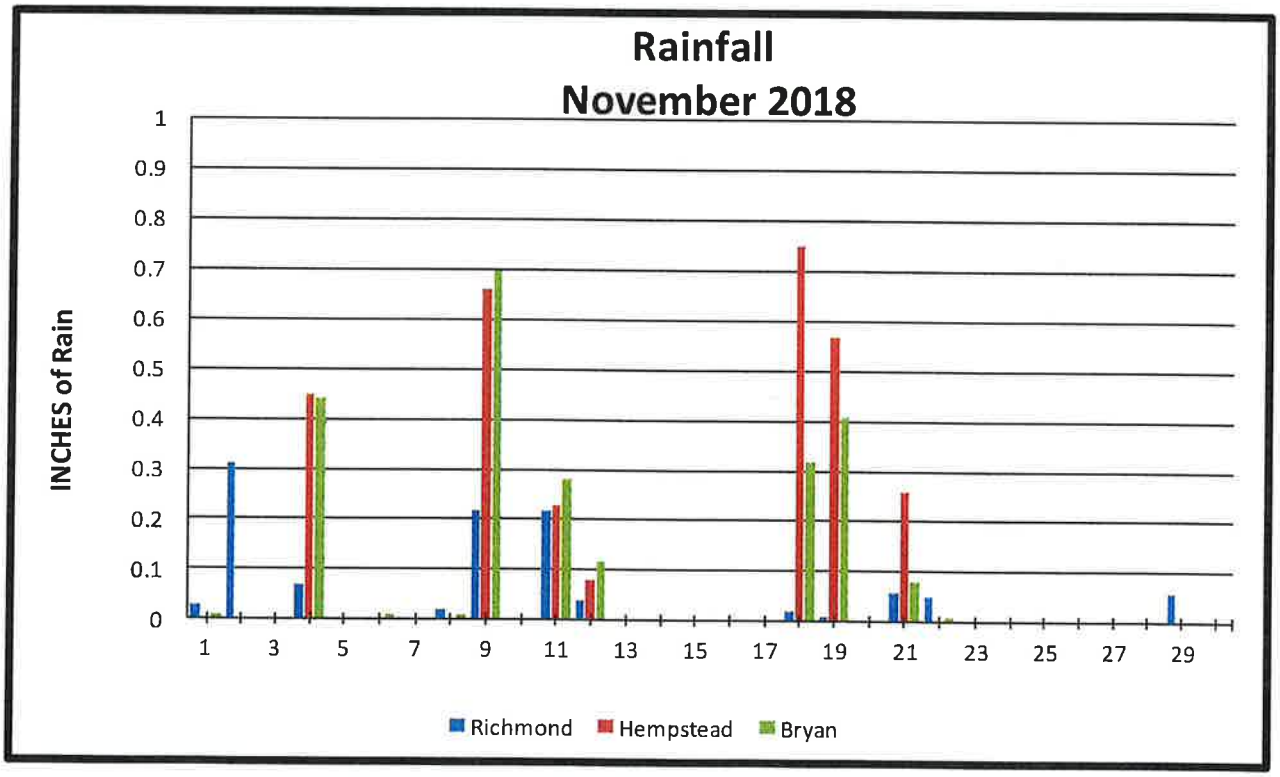
Radio Check was not performed this week

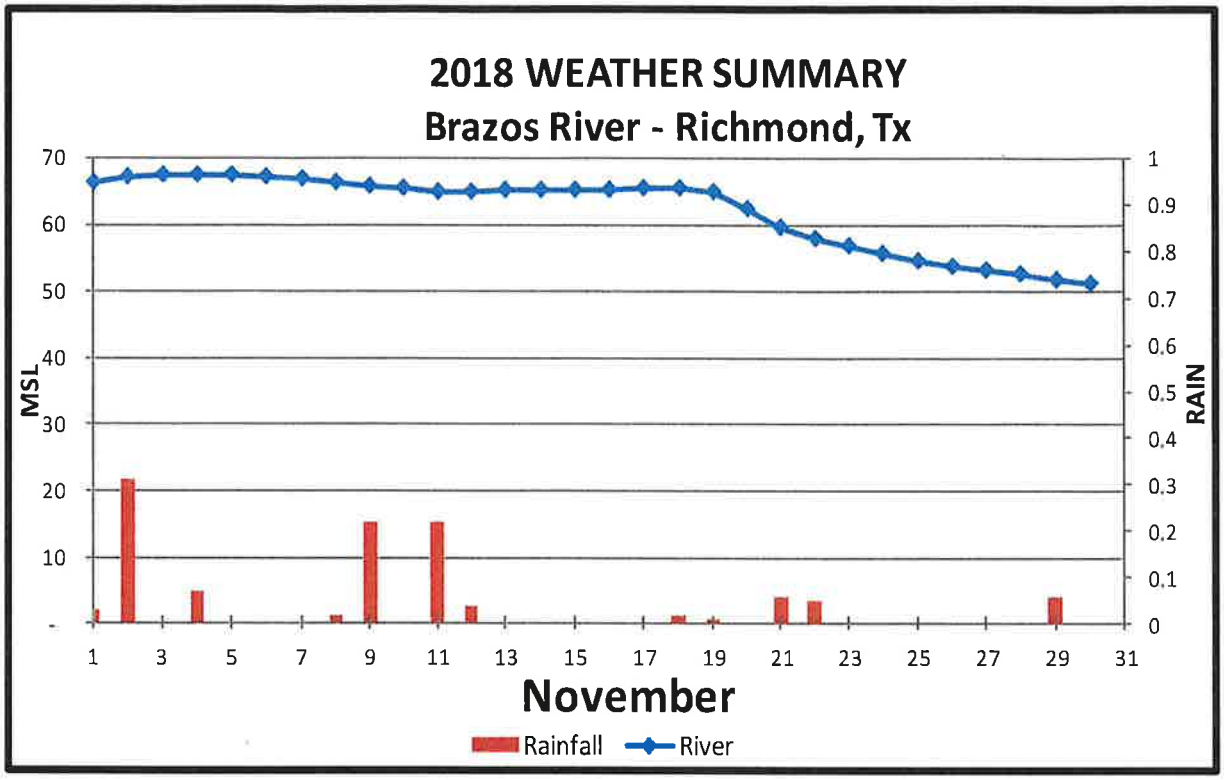
Genset was excercised 11/30

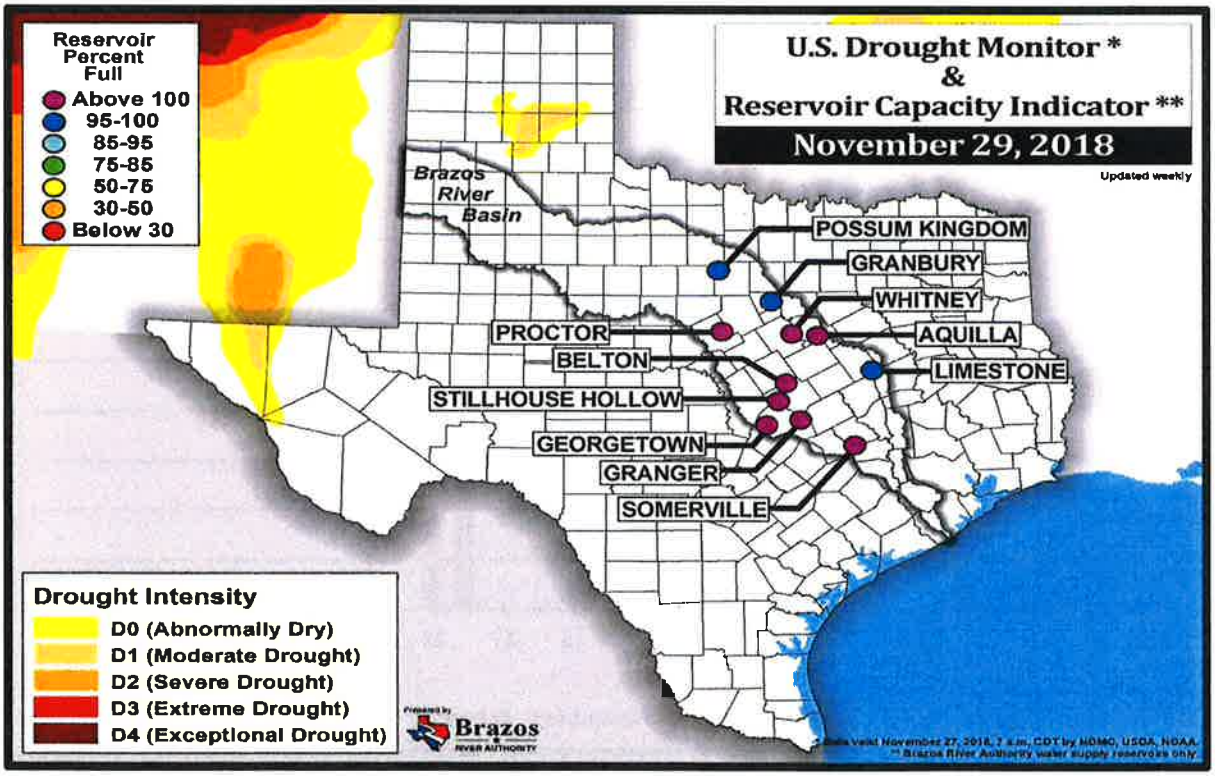

High River Events for Past Year
45
40
35
30
25
20
15
10
5
0
Dec-17
Feb-18
Apr-18
Jun-18
Aug-18
Oct-18

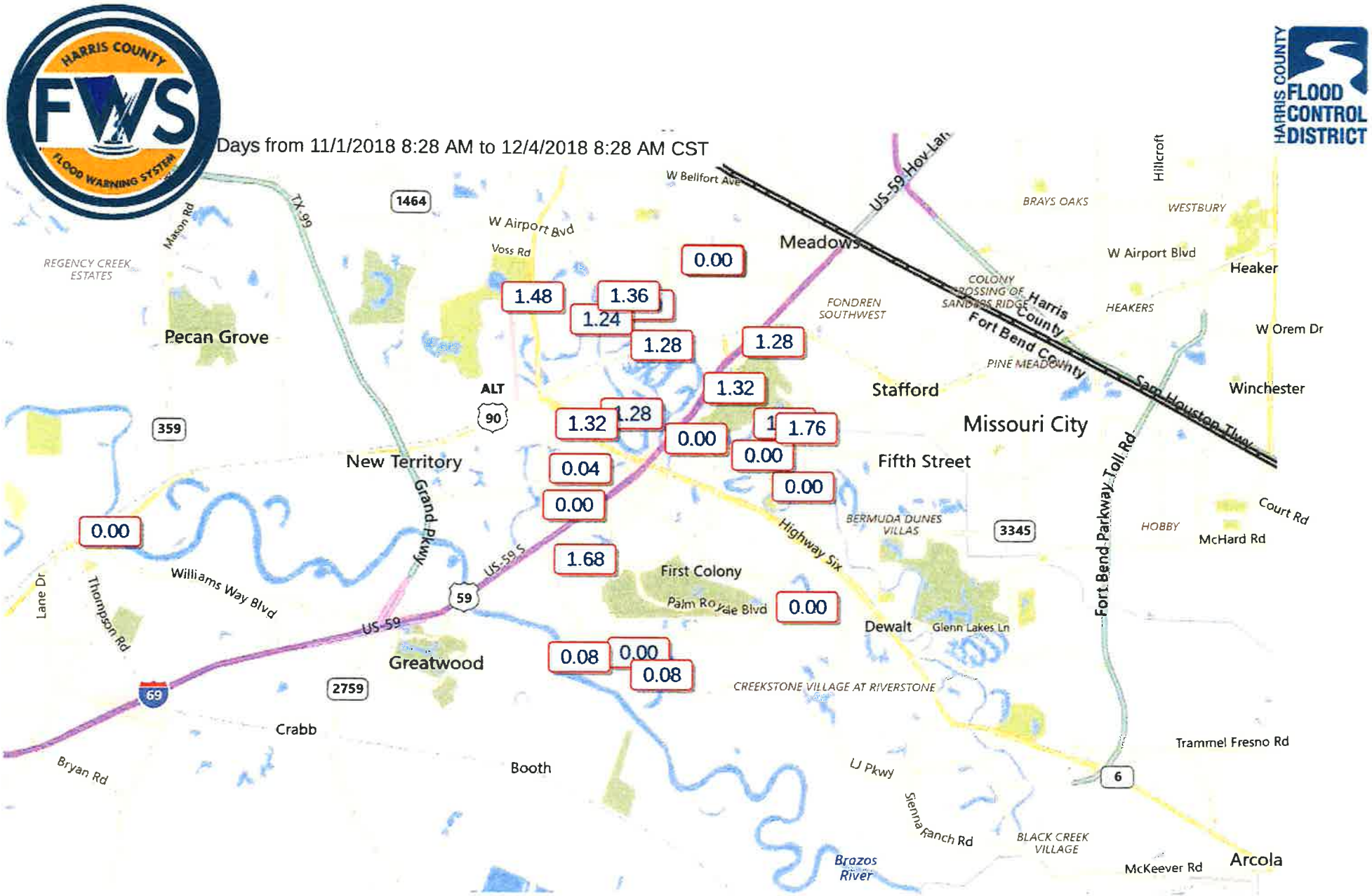

Brazos River
June - November
River Gauge
45
40
35
30
25
20
15
10
5
0
1-Jun
1-Jul
1-Aug
1-Sep
1-Oct
1-Nov
Richmond
Hempstead
Bryan
Abnormal Condition
Linear (Richmond)


Brazos November 2018
River Gauge
45
40
35
30
25
20
15
10
5
1
3
5
7
9
11
13
15
17
19
21
23
25
27
29
Richmond
Hempstead
Bryan
Abnormal Condition
Linear (Richmond)


Rainfall
November 2018
INCHES of Rain
1
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
1
3
5
7
9
11
13
15
17
19
21
23
25
27
29
Richmond
Hempstead
Bryan


2018 WEATHER SUMMARY
Brazos River - Richmond, Tx
MSL
RAIN
70
60
50
40
30
20
10
-
1
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31
November
Rainfall
River


Reservoir Percent Full
Above 100
95-100
85-95
75-85
50-75
30-50
Below 30
U.S. Drought Monitor *
&
Reservoir Capacity Indicator **
November 29, 2018
Updated weekly
Brazos River Basin
POSSUM KINGDOM
GRANBURY
WHITNEY
AQUILLA
PROCTOR
BELTON
LIMESTONE
STILLHOUSE HOLLOW
GEORGETOWN
GRANGER
SOMERVILLE
Drought Intensity
D0 (Abnormally Dry)
D1 (Moderate Drought)
D2 (Severe Drought)
D3 (Extreme Drought)
D4 (Exceptional Drought)
Brazos


Days from 11/1/2018 8:28 AM to 12/4/2018 8:28 AM CST
HARRIS COUNTY FLOOD WARNING SYSTEM
HARRIS COUNTY FLOOD CONTROL DISTRICT
0.00
1.48
1.36
1.24
1.28
1.28
1.32
1.32
1.28
1.76
0.00
0.00
0.04
0.00
0.00
1.68
0.00
0.08
0.00
0.08
Pecan Grove
New Territory
Greatwood
Crabb
Booth
Meadows
Stafford
Missouri City
Fifth Street
First Colony
Dewalt
Glenn Lakes Ln
Winchester
Heaker
Hillcroft
Arcola
Williams Way Blvd
W Airport Blvd
Voss Rd
W Bellfort Ave
Mason Rd
Lane Dr
Thompson Rd
Bryan Rd
Grand Pkwy
US-59
US-59 S
US-59 Hov Lan
Highway Six
Fort Bend Parkway Toll Rd
Sam Houston Tlwy
Harris County
Fort Bend County
W Orem Dr
Court Rd
McHard Rd
Trammel Fresno Rd
McKeever Rd
LJ Pkwy
Sienna Ranch Rd
Brazos River
REGENCY CREEK ESTATES
FONDREN SOUTHWEST
COLONY CROSSING OF SANDY RIDGE
PINE MEADOWS
BRAYS OAKS
WESTBURY
HEAKERS
BERMUDA DUNES VILLAS
HOBBY
CREEKSTONE VILLAGE AT RIVERSTONE
BLACK CREEK VILLAGE
ALT
1464
359
90
59
69
2759
3345
6
1 miles
2 km

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www.jonescarter.com

December 4, 2018

Board of Directors
First Colony LID No. 2
c/o Coats Rose, P.C.
9 East Greenway Plaza, Suite 1000
Houston, Texas 77046

Re: November Status Report

Dear Directors:

1. **Review Proposed Capital Improvements Budget (Agenda Item 6.a) –**

   a. No update.

2. **Report, Pay Estimates and Change Orders for Projects (Agenda Item 6.b) –**

   a. **Stormwater Pump Station Expansion:** Contractor has poured the temporary generator pad. The existing generator and fuel tank were relocated December 3rd. The bore pit for the 48" HDPE is in place as well as the tracks for the installation. The steel casing is being installed.

   We have received the generator submittals. The natural gas generator has been returned to the contractor with no objections. The diesel generator submittal was received last week and is under review. JC has been working with the contractor on the gear submittal. We anticipate receiving it this week.

   We have received two submittals for paint colors. One for the door and one for the above ground piping.

   - We have requested the contractor match the color of the current door or provide JC with a color chart if the manufacturer cannot match the existing color.
   - For the piping, we recommend selecting a lighter color such as "Basket Weave". We request that the board authorize a color for the coating.

   We present Progress Payment Request No. 1 dated November 29, 2018 in the amount of $67,950.00. The estimate covers construction activities for the period of September 18, 2018 to November 15, 2018. The estimate is in order and we recommend payment. A copy of Progress Payment Request No. 1 is attached to the report.

   ACTION REQUESTED: Approve Progress Payment Request No. 1

   b. **Outfall Gage (City of Sugar Land / Harris County Flood Control District):** The flood gage is installed and on the Harris FWS website.

c. **Emergency Action Plan:** No update.

3. **Award of Contracts and/or authorizing engineer to advertise for bids (Agenda Item 6.c) –**

No update.

Should you have any questions or require additional information, please do not hesitate to call.

Sincerely,

Stephen C. Reiter, PE, CFM
Division Manager, Hydrology and Hydraulics

RLC/mls
K:\05120\05120-0900-18\Meeting Files\Status Reports\11-November Monthly Status Report 20181204.docx
Enclosures

Generator and Fuel Tank Relocated

Generator and Fuel Tank Relocated

Generator and Fuel Tank Relocated

Steel Casing

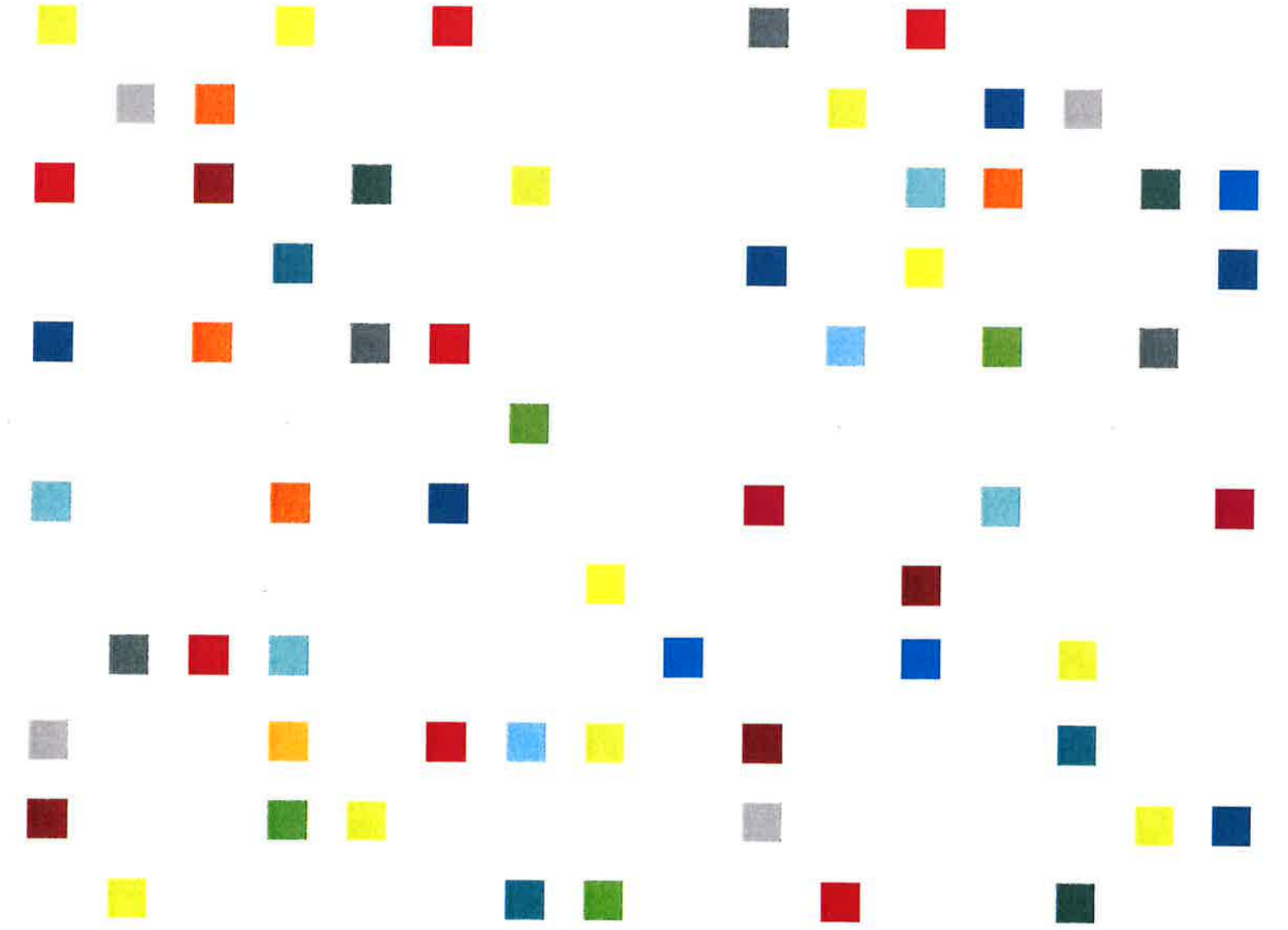
Steel Casing Installation

Steel Casing Installation

carboline®
Coatings - Linings - Fireproofing

Color Logic

Intelligent Color Selection



directions

new color developments and trends

1864	Vestal White	0832	Aviation White	0820	Carrara White	A882	Daybreak	C132	Blue Ice
G248	Sandcastle	8525	Classical	G171	Stratus Blue	G170	Viola	G169	Lapis Blue
7801	Constitution	G760	Grey Fog	J749	Louisiana Gray	4755	Pearl Gray	6225	Dark Beige
5255	Basket Weave	0855	Bamboo	0217	Desert Tan	B223	Cinnamon Kiss	7594	Merlot
F186	Window Pane	0381	Aleutian Green	4372	Hunter Green	F304	Wimbledon Green	2380	Rain Forest Green
1143	Nautilus	2127	Cyanine Blue	F193	Engine Blue	F140	Sapphire Blue	A700	Past Midnight

utility toolbox

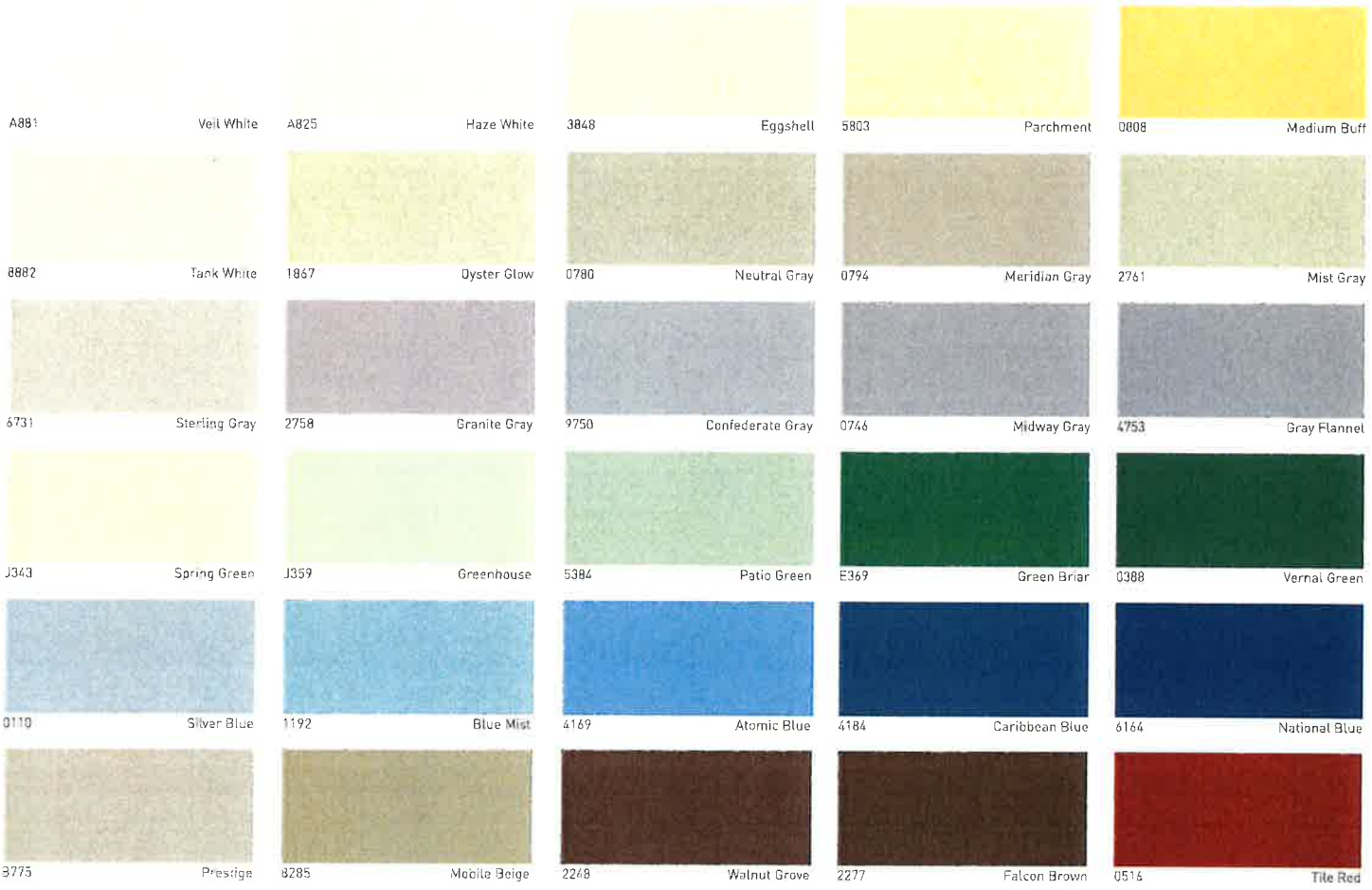
maintenance and safety standards

A826	White Lotus	S800	Safety White	2133	Aquarius Blue	5141	Open Sky	S150	Safety Blue
C705	Light Gray	2716	Edison Gray	2713	Gull Gray	C703	Medium Gray	0754	Machine Gray
1675	Ignition Yellow	N625	Sun Yellow	6666	Safety Yellow	4444	Safety Orange	5555	Safety Red
1898	Aden White	9225	Cashew	G245	Dunes Tan	G250	Weathered Copper	F235	Dark Bronze
2394	Green Back	2383	Safety Green	D337	Offshore Green	C900	Black		

Colors shown are ink representation of actual color standards. Actual product appearance may vary slightly due to product, gloss, surface texture or method of application. Vibrant colors may require additional coats or a primer similar in color to the finish coat for optimum color rendition.

ovations

historical mainstays and timeless classics



earthscapes

reflections of nature's own palette

Colors shown are ink representation of actual color standards. Actual product appearance may vary slightly due to product, gloss, surface texture or method of application. Vibrant colors may require additional coats or a primer similar in color to the finish coat for optimum color rendition.

colors

ANSI

Safety Yellow — Carboline Color #7676

Safety Orange — Carboline Color #6401

Safety Red — Carboline Color #2572

Safety Brown — Carboline Color C294

Safety White — Carboline Color #2805

Safety Purple — Carboline Color #S585

Safety Blue — Carboline Color #2192

Safety Green — Carboline Color #0399

Safety Gray — Carboline Color #3773

Safety Black — Carboline Color #0939

OSHA

Safety Blue 15092 — Carboline Color #8128

Safety Blue 15102 — Carboline Color #C180

Safety Green 14120 — Carboline Color #6302

Safety Green 14260 — Carboline Color #0381

Safety Orange 12246 — Carboline Color #N402

Safety Orange 12300 — Carboline Color #0432

Safety Yellow 13591 — Carboline Color #0657

Safety Yellow 13655 — Carboline Color #N618

Safety Red 11140 — Carboline Color #6541

Safety Red 11120 — Carboline Color #0557

Safety Purple 17142 — Carboline Color #0530

Safety Purple 17155 — Carboline Color #4501

Safety Red 11105 — Carboline Color #N508

Colors shown are ink representation of actual color standards. Actual product appearance may vary slightly due to product, gloss, surface texture or method of application. Vibrant colors may require additional coats or a primer similar in color to the finish coat for optimum color rendition.

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GARÍN PROV. DE BUENOS
AIRES, ARGENTINA
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FAX: 54-3327-44-2223

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AUSTRALIA
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FAX: +61 7 5594 9093

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WHITBY, ONTARIO L1N9C9,
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HOU SHI CUN, DA WEI JIA
ZHEN
JIN ZHOU DISTRICT
DALIAN, CHINA 116110
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8442, 8443, 8444
FAX: 86-411-8789-8445

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FAX: 91-22-28500323

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MINAMIHATSUSHIMA-CHO,
AMAGASAKI, 660-0833 JAPAN
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ORCHARD TOWERS
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BUILDING 7, SECTION 2
GREEN BAY, WI 54302
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FAX: 920-469-0358

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FAX: 337-439-5296

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6 PHUNG KHAC KHOAN ST.,
DAKAO WARD, DISTRICT 1,
HO CHI MINH CITY, VIETNAM
PHONE: (84) 08-3822-7684

14-46-0315-010

JONES|CARTER

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www.jonescarter.com

November 29, 2018

Board of Directors
First Colony Levee Improvement District No. 2
c/o Coats Rose, P.C.
9 East Greenway Plaza, Ste. 1000
Houston, Texas 77046

Attention: Mr. John Cannon

Re: Stormwater Pump Station Improvements
First Colony Levee Improvement District No. 2
District Operating Funds
TIN No. 76-0199399

Dear Directors:

Enclosed is Progress Payment Request No. 1 from R & B Group, Inc. for the referenced project. The estimate is in order and we recommend payment in the amount of $67,950.00 to R & B Group, Inc.

Also enclosed is Construction Progress Report No. 1, which is submitted in accordance with Texas Commission on Environmental Quality Rule No. 293.62. This report covers construction activities for the referenced project during the period September 18, 2018 to November 15, 2018.

Sincerely,

Bethany A. Miller, P.E.

BAM:ema/bmr
K:\05120\05120-0015-00 Stormwater Pump Station Improvements\3 Construction Phase\Pay Estimate
Enclosure
cc: R & B Group, Inc.
Texas Commission on Environmental Quality – Houston
Texas Commission on Environmental Quality - Austin

November 29, 2018

Construction Progress Report No. 1
Period September 18, 2018 to November 15, 2018

Stormwater Pump Station Improvements
First Colony Levee Improvement District No. 2
District Operating Funds
TIN No. 76-0199399

Contract:

A. Contractor: R & B Group, Inc.
B. Contract Date: September 4, 2018
C. Authorization to Proceed: September 18, 2018 (210 Calendar Days)
D. Substantial Completion Date: April 16, 2019
E. Contract Time Used: 58 Calendar Days (28%)

I. General

Contractor has mobilized to the jobsite, removed the existing fence and installed the temporary fence. The contractor also poured the temporary generator pad.

II. Change Orders

None Issued this Report.

III. Completion Report

A. Estimated Cost as of this Report Period

1.	Contract Bid Price	$ 2,150,600.00
2.	Change Orders	$ 0.00
3.	Total Estimated Contract Price	$ 2,150,600.00

B.	Actual cost as of this Report	$ 75,500.00
C.	Amount Retained (10% of B)	$ 7,550.00
D.	Total Paid Contractor	$ 67,950.00
E.	Estimated Cost Remaining (A.3 - B)	$ 2,075,100.00
F.	Construction Complete (B/A.3)	4%

IV. Frequency of Observation

A. Field Representative - Periodically on-site

B. Engineer Observation - Periodically on-site

V. Problems

No Problems This Report.

JONES|CARTER

OWNER: First Colony Levee Improvement District No. 2

PROGRESS PAYMENT # 1

PROJECT: Construction of Stormwater Pump Station Improvements

JOB NO. : 05120-0015-00

CONTRACTOR: R & B Group

	CONTRACT DATES FROM	TO
ORIGINAL	18-Sep-18	16-Apr-19
REVISED	18-Sep-18	16-Apr-19
THIS EST.	18-Sep-18	15-Nov-18

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	THIS ESTIMATE		PREVIOUS ESTIMATE		TOTAL TO DATE		REMARKS
					QUANTITY	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT	
1A	**Mobilization**	L.S.	1.0	$60,000.00	100.0%	$60,000.00	0.0%	$0.00	100.0%	$60,000.00	100.0%
1B	**Temp Demolition**										
1B1	Remove Fence	L.S.	1.0	$1,000.00	100.0%	$1,000.00	0.0%	$0.00	100.0%	$1,000.00	100.0%
1B2	Provide and Install New Fence	L.S.	1.0	$1,000.00	100.0%	$1,000.00	0.0%	$0.00	100.0%	$1,000.00	100.0%
1B3	Grade for Temp Genset Slab	L.S.	1.0	$1,500.00	100.0%	$1,500.00	0.0%	$0.00	100.0%	$1,500.00	100.0%
1B4	Form Temp Genset Slab	L.S.	1.0	$1,000.00	100.0%	$1,000.00	0.0%	$0.00	100.0%	$1,000.00	100.0%
1B5	P & I Rebar for Temp Genset Slab	L.S.	1.0	$3,000.00	100.0%	$3,000.00	0.0%	$0.00	100.0%	$3,000.00	100.0%
1B6	Pour Temp Genset Slab	L.S.	1.0	$8,000.00	100.0%	$8,000.00	0.0%	$0.00	100.0%	$8,000.00	100.0%
1C	**48" HDPE**										
1C1	Prep Bore Pits	L.S.	1.0	$20,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1C2	Bore & Push Casing Pipe	L.S.	1.0	$100,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1C3	Provide and Install Carrier Pipe	L.S.	1.0	$40,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1C4	Remove Bore Pits	L.S.	1.0	$20,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1C5	Provide and Install Fittings	L.S.	1.0	$10,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1C6	Demo Conc Opening	L.S.	1.0	$5,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1C7	48" HDPE Tie In and Wall Structure	L.S.	1.0	$15,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1C8	Provide and Install Sluice Gate	L.S.	1.0	$38,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%

JONES|CARTER

OWNER: First Colony Levee Improvement District No. 2

PROGRESS PAYMENT # 1

PROJECT: Construction of Stormwater Pump Station Improvements

JOB NO. : 05120-0015-00

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1D	**Slope Paving**										
1D1	Grade Slope Paving	L.S.	1.0	$5,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1D2	Provide and Install Rebar	L.S.	1.0	$3,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1D3	Pour Slope Paving	L.S.	1.0	$7,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1D4	Grade	L.S.	1.0	$1,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1D5	Secure Slopes	L.S.	1.0	$2,500.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1E	**Demolition**										
1E1	Demo Gen Set FDN	L.S.	1.0	$5,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1E2	Demo 24" RCP & Trash Screen	L.S.	1.0	$8,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1F	**Wet Well**										
1F1	Provide and Install Dewatering	L.S.	1.0	$20,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1F2	Provide and Install Rebar Wall #1	L.S.	1.0	$30,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1F3	Pour Wall # 1	L.S.	1.0	$40,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1F4	Sink Wall #1	L.S.	1.0	$10,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1F5	Provide and Install Rebar Wall #2	L.S.	1.0	$30,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1F6	Pour Wall #2	L.S.	1.0	$40,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1F7	Sink Wall #2	L.S.	1.0	$10,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1F8	Seal Slab	L.S.	1.0	$5,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%

JONES|CARTER

OWNER: First Colony Levee Improvement District No. 2

PROGRESS PAYMENT # 1

PROJECT: Construction of Stormwater Pump Station Improvements

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1F9	Provide and Install Floor Rebar	L.S.	1.0	$5,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1F10	Pour Floor	L.S.	1.0	$5,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1F11	Grout Fillet	L.S.	1.0	$10,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1G	**CIP Box Culvert**										
1G1	Temp Deck Wet Well	L.S.	1.0	$1,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1G2	Excavate Box Culvert	L.S.	1.0	$9,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1G3	Seal Slab	L.S.	1.0	$1,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1G4	Provide and Install Rebar for Slab	L.S.	1.0	$3,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1G5	Pour Bottom	L.S.	1.0	$1,500.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1G6	Provide and Install Rebar Walls & Deck	L.S.	1.0	$4,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1G7	Pour Walls + Deck	L.S.	1.0	$4,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1G8	Backfill	L.S.	1.0	$2,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1H	**Interior Floor**										
1H1	P & I Rebar Interior Floor	L.S.	1.0	$19,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1H2	Pour Deck	L.S.	1.0	$18,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1I	**Mechanical**										
1I2	Set Pump Can	L.S.	1.0	$50,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1I2	Provide and Install Grating	L.S.	1.0	$5,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%

JONES | CARTER

OWNER: First Colony Levee Improvement District No. 2

PROGRESS PAYMENT # 1

PROJECT: Construction of Stormwater Pump Station Improvements

JOB NO. : 05120-0015-00

CONTRACTOR: R & B Group

	CONTRACT DATES FROM	TO
ORIGINAL	18-Sep-18	16-Apr-19
REVISED	18-Sep-18	16-Apr-19
THIS EST.	18-Sep-18	15-Nov-18

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	THIS ESTIMATE		PREVIOUS ESTIMATE		TOTAL TO DATE		REMARKS
					QUANTITY	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT	
1I3	Provide and Install Trash Rack	L.S.	1.0	$5,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1I4	Provide and Install 36" Valve + FTGS	L.S.	1.0	$180,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1I5	Provide and Install 36" Underground	L.S.	1.0	$90,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1I6	Set Pump	L.S.	1.0	$151,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1I7	Start-Up Pumps	L.S.	1.0	$10,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1I8	Provide and Install Handrails	L.S.	1.0	$19,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1J	**Electrical**										
1J1	Run Temporary Cable	L.S.	1.0	$39,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1J2	Build New Service	L.S.	1.0	$32,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1J3	Construct Duct Bank	L.S.	1.0	$112,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1J4	Rough in Genset Fdn	L.S.	1.0	$40,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1J5	Coordinate Utility Relocate	L.S.	1.0	$5,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1J6	Relocate Service	L.S.	1.0	$2,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1J7	Relocate Generator	L.S.	1.0	$30,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1J8	Start Up on Temp Electric	L.S.	1.0	$1,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1J9	Provide and Install MCC	L.S.	1.0	$121,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1J10	Wire up Genset Gas	L.S.	1.0	$14,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1J11	Wire up Genset Diesel	L.S.	1.0	$14,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1J12	Wire up Pumps	L.S.	1.0	$24,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%

JONES|CARTER

OWNER: First Colony Levee Improvement District No. 2

PROGRESS PAYMENT # 1

PROJECT: Construction of Stormwater Pump Station Improvements

JOB NO. : 05120-0015-00

CONTRACTOR: R & B Group

	CONTRACT DATES FROM	TO
ORIGINAL	18-Sep-18	16-Apr-19
REVISED	18-Sep-18	16-Apr-19
THIS EST.	18-Sep-18	15-Nov-18

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	THIS ESTIMATE		PREVIOUS ESTIMATE		TOTAL TO DATE		REMARKS
					QUANTITY	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT	
1K	**Genset FDN**										
1K1	Grade Genset Slab	L.S.	1.0	$6,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1K2	Install Rebar Genset Slab	L.S.	1.0	$11,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1K3	Pour Genset Foundation	L.S.	1.0	$30,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1L	**Genset**										
1L1	Provide and Install NG Generator	L.S.	1.0	$240,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1L2	Install NG Service	L.S.	1.0	$2,500.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1L3	Start Up Generator	L.S.	1.0	$10,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1M	**Building MODS**										
1M1	Building Mods	L.S.	1.0	$15,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1N	**Site Work**										
1N1	Pour Sidewalks	L.S.	1.0	$6,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1N2	Provide and Install Gate	L.S.	1.0	$12,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1N3	Site Grading	L.S.	1.0	$10,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
1N4	Access Road Maintenance and Repair	L.S.	1.0	$11,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
2	Installation, maintenance, and record keeping of a Storm Water Pollution Prevention Plan (SWPPP), complete as specified for the sum of:	L.S.	1.0	$500.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%

JONES|CARTER

OWNER: First Colony Levee Improvement District No. 2

PROGRESS PAYMENT # 1

PROJECT: Construction of Stormwater Pump Station Improvements

JOB NO. : 05120-0015-00

CONTRACTOR: R & B Group

	CONTRACT DATES FROM	TO
ORIGINAL	18-Sep-18	16-Apr-19
REVISED	18-Sep-18	16-Apr-19
THIS EST.	18-Sep-18	15-Nov-18

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	THIS ESTIMATE		PREVIOUS ESTIMATE		TOTAL TO DATE		REMARKS
					QUANTITY	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT	
3	Provision of trench safety systems for piping and foundation construction, complete as specified for the sum of:	L.S.	1.0	$100.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
4	Allowance for CenterPoint Energy to extend a natural gas line to the Stormwater Pump Station Site and install a natural gas meter onsite for the natural gas driven generator:	L.S.	1.0	$10,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
5	Allowance for CenterPoint Energy to demolish the existing service pole and install a new concrete service pole and reroute powerlines as indicated on the construction drawings:	L.S.	1.0	$15,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
6	Allowance to modify the proposed improvements as described in the contract documents due to unforeseen conditions not determinable at the time of bidding, complete as specified and approved by the Engineer on an as needed basis:	L.S.	1.0	$20,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
7	PLC programming by Jones I Carter, complete as specified:	L.S.	1.0	$20,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
A1	Construction of a 450 kW diesel generator and subbase fuel tank, foundation and elevated walkway, electrical work including conduit and wire, and all other work necessary for a complete and operating system, for the sum of:										
A1A	450 KW Diesel Generator	L.S.	1.0	$149,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
A1B	Provide and Install Generator Platform	L.S.	1.0	$11,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
A1C	Start Up Diesel Generator	L.S.	1.0	$5,000.00	0.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%

JONES|CARTER

OWNER: First Colony Levee Improvement District No. 2

PROGRESS PAYMENT # 1

PROJECT: Construction of Stormwater Pump Station Improvements

JOB NO. : 05120-0015-00

CONTRACTOR: R & B Group

CONTRACT DATES	FROM	TO
ORIGINAL	18-Sep-18	16-Apr-19
REVISED	18-Sep-18	16-Apr-19
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ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	THIS ESTIMATE QUANTITY	THIS ESTIMATE AMOUNT	PREVIOUS ESTIMATE QUANTITY	PREVIOUS ESTIMATE AMOUNT	TOTAL TO DATE QUANTITY	TOTAL TO DATE AMOUNT	REMARKS
	CHANGE ORDER PLUS/MINUS										
	Change Order No. 001				$0.00					$0.00	
	Change Order No. 002				$0.00					$0.00	
	Change Order No. 003				$0.00					$0.00	
	Change Order No. 004				$0.00					$0.00	
	TOTAL CONTRACT MODIFICATIONS									$0.00	
	Subtotal (Line Items)					$75,500.00		$0.00		$75,500.00	
	Materials on Hand					$0.00		$0.00		$0.00	
	Subtotal (Materials on Hand/Line Items)					$75,500.00		$0.00		$75,500.00	
	Less Retainage (10%)					$7,550.00		$0.00		$7,550.00	
	Total					$67,950.00		$0.00		$67,950.00	
	Less Previous Estimates									$0.00	
	Due this Estimate									$67,950.00	

28% Complete by Time

4% Complete by Value

Orig. Contract Amount	$2,150,600.00
Contract Modifications	$0.00
Total Contract Amount	$2,150,600.00
Construction Remaining	$2,075,100.00
Amount Approved	$67,950.00

APPROVED BY Jones & Carter, Inc.

BY: Bethany A. Miller, P.E.

AFFIDAVIT OF BILLS PAID

THE STATE OF TEXAS
COUNTY OF Harris

T. Michael Haralson Being first duly sworn, state that he is Vice President of R+B Group, Inc. of Harris County of Texas, hereinafter call "Company", and The said Company has performed work and/or furnished _____ hereinafter called "Owner" pursuant to a contract, dated with Owner (hereinafter called "Contract") for the construction of:

PROJECT: Stormwater Pump Station Improvements for First Colony LID #2

PROJECT NO: JC Job No. 05120-0015-00

That all just and lawful invoices against the Company for Labor, materials and expendable equipment employed in the performance of the Contract and have been paid in full (with the exception of the attached invoice) prior to acceptance of payments from the Owner, and

That the Company agrees to indemnify and hold the Owner and Engineers harmless from all liability arising from claims by subcontractors, materialmen and suppliers under Contract, and

That no claims have been made or filed upon the payment bond,

That the Company has not received any claims or notice of claims from the subcontractor, materialmen and suppliers.

CONTRACTOR

By

Vice President
Title

THE STATE OF TEXAS
COUNTY OF Harris

BEFORE ME, The undersigned authority, on this day personally appeared T. Michael Haralson, Vice President of R+B Group, Inc., a Texas Corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the executed the same as the act and deed of such corporation, for the purpose of consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE ON THIS THE 20th day of November 2018

MY COMMISSION EXPIRES:

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

KRISTY GALICIA
Notary Public, State of Texas
My Commission Expires
November 02, 2019

PARTIAL / FINAL WAIVER OF LIEN

STATE OF TEXAS §
COUNTY OF FORT BEND §

The undersigned contracted with Fort Bend LID No. 2 to furnish labor and material in connection with certain improvements to real property located in Fort Bend County, Texas which Improvements are described as follows:

Storm Water Pump Station Improvements on behalf of First Colony Levee Improvement District No. 2

In consideration of Pay Estimate No. 1 in the amount of Sixty-Seven thousand nine hundred fifty & 00/100 DOLLARS ($ 67,950.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, the undersigned does hereby waive and release any mechanics' lien or materialmen's lien or claims of lien that the undersigned has or hereafter has on the above-mentioned real property on account of any labor performed or materials furnished or to be furnished or labor performed and materials furnished by the undersigned pursuant to the above-mentioned contract or any constitutional lien that the undersigned may have.

Undersigned hereby guarantees that all bids for labor performed and/or materials furnished in the erection and construction of such improvements on the Property have been fully paid and satisfied and Undersigned does further guarantee that if for any reason a lien or liens are filed for material or labor against said Property arising out of any bills for material or labor in connection with the erection or construction of said improvements thereon, Undersigned will obtain a settlement of such lien or liens and proper release thereof shall be obtained.

R+B Group, Inc.
CONTRACTOR

Signature

T. Michael Haralson
Name

Vice President
Title

SWORN TO AND SUBSCRIBED BEFORE ME, on this the 20th day of November, 2018 to certify which witness my hand and seal of office.

NOTARY PUBLIC in and for the State of Texas

My Commission Expires:
11-02-2019

KRISTY GALICIA
Notary Public, State of Texas
My Commission Expires
November 02, 2019

Myrtle Cruz, Inc.

12/04/2018
133

3401 Louisiana St, STE 400 . Houston, Tx 77002-9552 . (713)759-1368 . fax 759-1264 . email first_last@mcruz.com

FIRST COLONY LID #2

Cash Report for Meeting of December 4th, 2018

OPERATING ACCOUNT (1330P) : CENTRAL BANK [redacted]

Previous cash balance, November 6th, 2018		32,244.63
plus: 12/04 VOID CK 1679 Commonwealth Civic Assn mtg hld @Coats...		100.00
plus: 12/04 trf frm MMS.....		18,000.00
Total Deposits :		18,100.00
less checks completed at or after last meeting :		
1685 APG&E; act 83391781318 4950 Avondale 10/10-11/8.....		476.30
1686 Windstream; 281-265-6520 holding.....		0.00
1688 Chris Lukin; 10/19,10/26 Ring Levee/Flood mngmt mtgs.....		277.05
6310 10/19 Ring Levee mtg	150.00	
6310 10/26 Flood mngt mtg	150.00	
6514 payroll taxes	22.95-	
Beginning cash balance, December 4th, 2018		49,591.28
less checks to be presented at this meeting :		
1689 Ronald J. Frerich; 11/06 Director Fees.....		138.53
6310 director fees	150.00	
6514 payroll taxes	11.47-	
1690 Christine M. Lukin; 11/06 Director fees.....		138.53
6310 director fees	150.00	
6514 payroll taxes	11.47-	
1691 Zach Weimer; 11/06 Director Fees.....		138.53
6310 director fees	150.00	
6514 payroll taxes	11.47-	
1692 Myrtle Cruz, Inc.; Oct Bookkeeping.....		1,412.07
6333 bookkeeping expenses	1,305.00	
6340 office expenses	107.07	
1693 Commonwealth Civic Assn. Inc.; Nov mow.....		4,500.00
1694 Commonwealth Civic Assn Inc; meeting room 10/02/18.....		100.00
1695 LID Solutions; Sep Inv 6321-90*15.....		2,862.50
1696 Jones & Carter, Inc.; Inv 275809/275810.....		7,620.18
6322 Gen Eng	4,185.00	
6322 stormwater pmpstnimp	3,435.18	
1697 Coats, Rose, Yale, Ryman & Lee; Inv 20390453 legal.....		3,837.96
1698 Champions Hydro-Lawn, Inc.; 201811108/129/281/239/294.....		11,824.00
6335 mow/maint	315.00	
6335 mulch strg shed beds	1,020.00	
6335 Ovrsd/Fertilize	8,229.00	
6335 tree removal	900.00	
6335 herbicide	1,360.00	
1699 Off Cinco; inv 4726/4840 website.....		650.00
7395 miscellaneous expens	325.00	
7395 miscellaneous expens	325.00	
1700 Roth & Eyring, PLLC; audit intrm bill fy 9/30/18.....		6,400.00
1701 APG&E; elec act 83391781-318 @4950 Avondale.....		
1702 Windstream; 281-265-6520.....		
1703 Panera Bread; mtg exp.....		

previous cash balance		32,244.63
2 receipts		18,100.00
15 current checks	<	39,622.30 >
other disbursements	<	753.35 >
ending cash balance		9,968.98

FIRST COLONY LID #2

Cash Report for Meeting of December 4th, 2018 Page : 2

TIME DEPOSIT INVESTMENTS:

Allegiance BK(was Entrprs); closed 10/7/17 due 10/7/18 @1.00		0.00
previous balance	96,917.09	
interest earned	989.71	
close to mms	97,906.80-	
Third Coast Bank; closed 11/04/17 due 11/04/18 @1.00%.....		0.00
previous balance	151,877.65	
interest earned	1,518.78	
close to mms	153,396.43-	
Texan Bank; 7/12/18 due 7/12/19 @2.32%.....		242,286.86

DEMAND DEPOSIT INVESTMENTS:

TexPool [redacted].....		1,262,191.69
Balance last report	1,259,897.71	
10/31 interest	2,293.98	
ICON Bank; [redacted] (stay under FDIC: $250,000.00 limit).....		113,753.98
previous balance	113,732.73	
10/31 interest	21.25	
COMPASS BANK; [redacted].....		826,074.61
previous balance	600,592.77	
10/01 interest	103.41	
10/15 service charge	18.00-	
11/15 tax wire trf	90,000.00	
close Thrd Cst CD	153,396.43	
close Allgnce CDcorr	97,906.80	
Allegiance BkCD corr	97,906.80-	
12/4 trf to OP Ckg	18,000.00-	

previous investments		2,465,304.81	
deposits		90,000.00	
interest		92,979.67-	
transfers		18,000.00-	
withdrawals	<	18.00 >	
ending investments			2,444,307.14

OPERATING ACCOUNT FUNDS AVAILABLE December 4th, 2018 $2,454,276.12

2

First Colony L. I. D. #2
Budget
Fiscal Year Ending September 30, 2019
12/4/2018

	1 month				2 months		
	Current Period			Annual	Year-to-Date		
	Actual	Budget	*Variance*	Budget	Actual	Budget	*Variance*
Revenue							
Maintenance Tax	90,000.00	87,152.92	*2,847.08*	1,045,835.00	90,000.00	174,305.83	*-84,305.83*
Interest Income (Net Service Chrgs)	-92,979.67	1,416.67	*-94,396.34*	17,000.00	7,120.46	2,833.33	*4,287.13*
Misc. Income	0.00	0.00	*0.00*	0.00	0.00	0.00	*0.00*
Total Revenue	**-2,979.67**	**88,569.58**	***-91,549.25***	**1,062,835.00**	**97,120.46**	**177,139.17**	***-80,018.71***
Expenses							
FBFMA Membership Fee	0.00	500.00	*-500.00*	6,000.00	0.00	1,000.00	*-1,000.00*
AWBD Membership Fee	0.00	54.17	*-54.17*	650.00	0.00	108.33	*-108.33*
Director Per Diems	750.00	708.33	*41.67*	8,500.00	1,500.00	1,416.67	*83.33*
Payroll Taxes	-57.36	70.83	*-128.19*	850.00	-114.75	141.67	*-256.42*
Travel Expenses	0.00	166.67	*-166.67*	2,000.00	0.00	333.33	*-333.33*
Legal Fees	3,837.96	6,250.00	*-2,412.04*	75,000.00	11,824.73	12,500.00	*-675.27*
Auditing Fees	6,400.00	575.00	*5,825.00*	6,900.00	6,400.00	1,150.00	*5,250.00*
Engineering Fees	4,185.00	2,833.33	*1,351.67*	34,000.00	5,650.00	5,666.67	*-16.67*
Operator Fees	2,862.50	2,854.17	*8.33*	34,250.00	5,725.00	5,708.33	*16.67*
Facility Repairs & Maint.(elec/radio)	476.30	6,250.00	*-5,773.70*	75,000.00	842.63	12,500.00	*-11,657.37*
Pump Station Annual Testing	0.00	1,000.00	*-1,000.00*	12,000.00	0.00	2,000.00	*-2,000.00*
Levee/Detention/Bayou Mowing	3,595.00	6,830.83	*-3,235.83*	81,970.00	13,844.80	13,661.67	*183.13*
Levee Overseed & Fertilization	8,229.00	3,333.33	*4,895.67*	40,000.00	8,229.00	6,666.67	*1,562.33*
Levee - Ant Treatment (twice a yr)	0.00	4,208.33	*-4,208.33*	50,500.00	0.00	8,416.67	*-8,416.67*
HOA - Mowing Agreement	4,500.00	4,500.00	*0.00*	54,000.00	9,000.00	9,000.00	*0.00*
Bookkeeping Fees	1,305.00	1,250.00	*55.00*	15,000.00	2,675.00	2,500.00	*175.00*
Office Supplies & Expenses	125.07	208.33	*-83.26*	2,500.00	239.40	416.67	*-177.27*
Insurance & Bonds	0.00	471.83	*-471.83*	5,662.00	0.00	943.67	*-943.67*
Storm Water Permit (TCEQ)	0.00	8.33	*-8.33*	100.00	0.00	16.67	*-16.67*
Website Hosting Exp	650.00	291.67	*358.33*	3,500.00	1,025.00	583.33	*441.67*
Flood Event	0.00	4,166.67	*-4,166.67*	50,000.00	0.00	8,333.33	*-8,333.33*
Misc. Expenses	0.00	41.67	*-41.67*	500.00	304.09	83.33	*220.76*
Total Expenses	**36,858.47**	**46,573.50**	***-9,715.03***	**558,882.00**	**67,144.90**	**93,147.00**	***-26,002.10***
Income From Operations	**-39,838.14**	**41,996.08**	***-81,834.22***	**503,953.00**	**29,975.56**	**83,992.17**	***-54,016.61***
Capital Improvements							
Construction	0.00	*0.00*	*0.00*		8,674.94		
Engineering	3,435.18	*0.00*	*3,435.18*		6,163.85		
Total Capital Improvements	**3,435.18**	**188,524.50**	**3,435.18**	**2,262,294.00**	**14,838.79**	***377,049.00***	***0.00***
TOTAL SURPLUS (DEFICIT)	**-43,273.32**			**-1,758,341.00**	**15,136.77**	**-293,056.83**	**-54,016.61**

Balance as of last report	**$2,497,549.44**	**2,439,139.35**
Net Profit or Loss	**($43,273.32)**	**15,136.77**
Prior Fiscal Year Exp:	0.00	0.00
FEMA deposit	**0.00**	0.00
Balance as of 12/4/2018	**$2,454,276.12**	**2,454,276.12**

Cash Report Balance	2,454,276.12
1 yr Operating Reserve	558,882.00
***Capital Projects Reserv**	2,262,294.00
Maint tax 2019	1,045,835.00
Net Funds Available	678,935.12

*2018 cv 533,589,067 X .20 X 98% = $1,045,835

Myrtle Cruz, Inc.
3401 Louisiana Street, #400
Houston, TX 77002 (713)759-1368
Houston, TX 77002 (713)759-1368

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First Colony L.I.D. #2
Monthly Budget Totals
Fiscal year ending September 30, 2017

Date of Meeting:	6-Nov Nov	4-Dec Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Fiscal YTD
Revenue													
Maintenance Tax	0.00	90,000.00											90,000.00
Interest Income	100,100.13	-92,979.67											7,120.46
Misc. Income	0.00	0.00											0.00
Total Revenue	100,100.13	-2,979.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	97,120.46
Expenses													
FBFMA Membership Fee	0.00	0.00											0.00
AWBD Membership Fee	0.00	0.00											0.00
Director Per Diems	750.00	750.00											1,500.00
Payroll Taxes	-57.39	-57.36											(114.75)
Travel Expenses	0.00	0.00											0.00
Legal Fees	7,986.77	3,837.96											11,824.73
Auditing Fees	0.00	6,400.00											6,400.00
Engineering Fees	1,465.00	4,185.00											5,650.00
Operator Fees	2,862.50	2,862.50											5,725.00
Facility Repairs & Maint.(elec/radio)	366.33	476.30											842.63
Pump Station Annual Testing	0.00	0.00											0.00
Levee/Detention/Bayou Mowing	10,249.80	3,595.00											13,844.80
Levee Overseed & Fertilization	0.00	8,229.00											8,229.00
Levee - Ant Treatment (twice a yr)	0.00	0.00											0.00
HOA - Mowing Agreement	4,500.00	4,500.00											9,000.00
Bookkeeping Fees	1,370.00	1,305.00											2,675.00
Office Supplies & Expenses	114.33	125.07											239.40
Insurance & Bonds	0.00	0.00											0.00
Storm Water Permit (TCEQ)	0.00	0.00											0.00
Website Hosting Exp	375.00	650.00											1,025.00
Flood Event	0.00	0.00											0.00
Misc. Expenses	304.09	0.00											304.09
Total Expenses	30,286.43	36,858.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	67,144.90
Income From Operations	69,813.70	-39,838.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29,975.56
Capital Improvements	11,403.61	3,435.18	992.50	346,534.25	34,538.25	17,267.00	14,827.25	64,837.50	41,825.03	15,298.65	9,747.63	13,560.05	

First Colony Levee Improvement District No. 2

Electricity

Tara Energy

	4950 Avondale Drive ESI 10089010238013441901000	
	kWh	**Totals**
8/11-9/10/15	960	$400.66
9/11-10/15/15	1,152	$411.06
10/16-11/15/15	1,530	$450.26
11/16/15-12/15/15	1,650	$478.95
12/10-1/13/16	1,632	$461.02
1/13-2/11/16	1,440	$444.56
2/11-3/11/16	1,344	$438.00
3/11-4/12/16	1,152	$425.04
4/12-5/11/16	1,248	$431.51
5/11-6/10/16	1,440	$206.91
6/10-7/12/16	960	$103.67
7/12-8/10/16	1,152	$203.18
8/10-9/9/16	1,344	$227.36
9/9-10/10/16	1,440	$248.82
10/10-11/08/16	1,536	$266.09
11/8-12/9/16	1,440	$238.92
12/9-1/12/17	1,152	$204.93
1/12-2/10/17	1,440	$195.03
2/10-3/13/17	1,536	$192.46
3/13-4/11/17	1,632	$260.83
4/11-5/12/17	1,689	$269.67
5/12-6/12/17	1,693	$277.07
6/12-7/12/17	1,440	$237.24
7/12-8/10/17	1,440	$237.24
8/10-9/11/17	10,272	$2,166.92
9/11-10/10/17	1,892	$698.01
10/10-11/8/17	1,728	$790.88
11/8-12/11/17	2,112	$842.72
12/11-1/12/18	2,400	$877.45
1/12-2/12/18	2,016	$838.00
2/12-3/13/18	1,440	$746.95
3/13-4/12/18	1,440	$746.95
	56,742	$15,018.36

APG&E

	4950 Avondale Drive ESI 10089010238013441901000	
	kWh	**Totals**
5/2-5/11/18	384	$219.65
5/11-6/21/18	874	$734.19
6/12-7/12/18	897	$746.95
7/12-8/10/18	960	$115.83
8/10-9/11/18	1,056	$121.95
9/11-10/10/18	1,056	$121.95
10/10-11/8/18	1,440	$476.30
	6,667	$2,536.82

INVESTMENT REPORT, AUTHORIZATION AND REVIEW

Report for
FIRST COLONY L.I.D. # 2

Prepared for the reporting period ("Period") from **10/1/2018** to **10/31/2018**

Investment Pools fund Ratings:	Rate	Beginning Value for Period Book	N.A.V.	Market	Interest earned this period	Deposits or (Withdrawals)	Ending Value for Period Book	N.A.V.	Market
OA Tex Pool - AAAm	2.1438%	1,259,897.71	0.999910	653,216.06	2,293.98	0.00	1,262,191.69	0.999880	1,262,040.23
	2.1438%	1,259,897.71		653,216.06	2,293.98	0.00	1,262,191.69		1,262,040.23

Certificates of Deposits fund	Rate	Purchase Value	Term in Days	Begin Value for Period	Interest accrued this period	Deposits or (Withdrawals)	Ending Value for Period	Date of Purchase	Date of Maturity
OP Allegiance/Enterprise Bank - FDI	1.00%	96,917.09	365	97,870.33	36.47	(97,906.80)	0.00	10/7/2017	10/7/2018
OP Third Coast Bank	1.00%	151,877.65	365	153,254.95	141.48	(153,396.43)	0.00	11/4/2017	11/4/2018
OP Texan Bank	2.32%	242,286.86	365	243,534.27	424.80	0.00	243,959.08	7/12/2018	7/12/2019
		491,081.60	365	494,659.55	602.76	(251,303.23)	243,959.08		

Federal Obligations	Simple APR	Purchase Value	Term in Days	Begin Period Market Value	Gain (Loss) to Market Value	Deposits or (Withdrawals)	Ending Period Market Value	Date of Purchase	Date of Maturity
N/A	0.0000%	0.00	0	0.00	0.00	0.00	0.00		
		0.00	0	0.00	0.00	0.00	0.00		
total investments	2.0528%	1,750,979.31	365	1,147,875.61	2,896.74	(251,303.23)	1,506,150.77	wam:	42

Compliance Statement. The investments (reported on above) for the Period are in compliance with the investment strategy expressed in the District's Investment Policy and the Public Funds Investment Act.

Review. This report and the District's Investment Policy are submitted to the Board for its review and to make any changes thereto as determined by the Board to be necessary and prudent for the management of District funds.

Signatures.

Myrtle Cruz, Inc. Vinvest.xls version 2.4a

Investment Officer (please sign & date)
Ron Frerich

Investment Officer: Ron Frerich
PFIA Training: = 44 hrs
Completed most recent Training on: 10/21/17

Karrie Kay
Bookkeeper (Myrtle Cruz, Inc.)
Karrie Kay

Bookkeeper: Karrie Kay
PFIA Training: = 14 hours
Completed most recent Training on: 10/21/17

Deposit / Collateral Report by District

FIRST COLONY LID 2

Tax ID - Pledge: 760199399-20336
1st. Consultant: MCI-MYRTLE CRUZ, INC.
2nd. Consultant:

BBVA Compass Bank

Pledge Date: 11/01/2018
Accounts Through: 10/31/2018 10:00 PM
Memo Posts Through: NO MEMO POSTS

Deposits

Interest Account

Acct No	Funds Type	Class	Balance	Interest	Total
[redacted]	Interest Account		$600,678.18	$0.00	$600,678.18
Subtotal Interest Account			**$600,678.18**	**$0.00**	**$600,678.18**
Total Deposits			**$600,678.18**	**$0.00**	**$600,678.18**

Securities

Agency	Custodian	CUSIP	Maturity Date	Date Pledged	Units Pledged	Market Value
FHLB-A-LO	CH	123616	03/19/2019	05/02/2018 02:46 PM	1,100,000	$1,100,000.00
Total Securities Pledged					**1,100,000**	**$1,100,000.00**

DEPOSIT / COLLATERAL POSITION CALCULATION

Subtotal Interest Deposits	$600,678.18
Subtotal Non-Interest Deposits	$0.00
Subtotal Bond Fund Deposits	$0.00
TOTAL DEPOSITS	$600,678.18
LESS APPLICABLE FDIC	
Subtotal Interest Deposits	$250,000.00
Subtotal Non-Interest Deposits	$0.00
Subtotal Bond Fund Deposits	$0.00
Deposits Requiring Collateral	$350,678.18
TOTAL SECURITIES PLEDGED	$1,100,000.00
DEPOSIT COLLATERAL POSITION - 100%	$749,321.82
DEPOSIT COLLATERAL POSITION - 105%	$731,787.91
	314%