

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**FORT BEND COUNTY, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**AUGUST 31, 2025**

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# ***McCall Gibson Swedlund Barfoot Ellis PLLC***

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Fort Bend County Levee Improvement District No. 7  
Fort Bend County, Texas

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Levee Improvement District No. 7 (the "District") as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of August 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*McCall Gibson Swedlund Barfoot Ellis PLLC*

McCall Gibson Swedlund Barfoot Ellis PLLC  
Certified Public Accountants  
Houston, Texas

February 5, 2026

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2025**

Management's discussion and analysis of the financial performance of Fort Bend County Levee Improvement District No. 7 (the "District") provides an overview of the District's financial activities for the fiscal year ended August 31, 2025. Please read it in conjunction with the District's financial statements.

**USING THIS ANNUAL REPORT**

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

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

**FUND FINANCIAL STATEMENTS**

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

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2025**

**FUND FINANCIAL STATEMENTS (Continued)**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**OTHER INFORMATION**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by \$81,659,670 as of August 31, 2025. A portion of the District's net position reflects its net investment in capital assets which includes land and drainage facilities less any debt used to acquire those assets that is still outstanding.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2025**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

The following is a comparative analysis of the Statement of Net Position as of August 31, 2025, and August 31, 2024.

	Summary of Changes in the Statement of Net Position		
	2025	2024	Change Positive (Negative)
Current and Other Assets	\$ 74,788,118	\$ 79,390,561	\$ (4,602,443)
Capital Assets (Net of Accumulated Depreciation)	119,374,872	102,482,277	16,892,595
Total Assets	\$ 194,162,990	\$ 181,872,838	\$ 12,290,152
Bonds Payable	\$ 107,161,609	\$ 112,125,776	\$ 4,964,167
Other Liabilities	5,341,711	7,565,449	2,223,738
Total Liabilities	\$ 112,503,320	\$ 119,691,225	\$ 7,187,905
Net Position:			
Net Investment in Capital Assets	\$ 30,490,871	\$ 26,873,859	\$ 3,617,012
Restricted	47,314,277	30,857,971	16,456,306
Unrestricted	3,854,522	4,449,783	(595,261)
Total Net Position	\$ 81,659,670	\$ 62,181,613	\$ 19,478,057

The following table provides a summary of the District's operations for the years ending August 31, 2025, and August 31, 2024.

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 6,913,483	\$ 6,957,969	\$ (44,486)
Grant Revenues	17,198,510	24,227,493	(7,028,983)
Investment and Other Revenues	3,125,528	5,061,832	(1,936,304)
Total Revenues	\$ 27,237,521	\$ 36,247,294	\$ (9,009,773)
Expenses for Services	7,759,464	5,235,593	(2,523,871)
Change in Net Position	\$ 19,478,057	\$ 31,011,701	\$ (11,533,644)
Net Position, Beginning of Year	62,181,613	31,169,912	31,011,701
Net Position, End of Year	\$ 81,659,670	\$ 62,181,613	\$ 19,478,057

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2025**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS**

The District's combined fund balances as of August 31, 2025, were \$70,432,726, a decrease of \$2,496,711 from the prior year.

The General Fund fund balance increased by \$15,806,772. The increase was primarily due to the District's receipt of grant revenues which are being used to fund drainage system improvements. The District also transferred \$3,000,000 to the Debt Service Fund to fund a portion of current year debt service payments.

The Debt Service Fund fund balance decreased by \$63,733. Property tax revenues and a transfer from the General Fund were used to make current year debt service payments on the District's outstanding bonds.

The Capital Projects Fund fund balance decreased by \$18,239,750. The District used proceeds of bond issues sold in prior fiscal years to pay for the rehabilitation and improvement to District infrastructure.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors adopted a budget for the current fiscal year. The budget was amended to decrease anticipated property tax revenues. Total revenues were \$18,547,646 more than budgeted revenues (as a result of grant revenues) and total expenditures were \$1,163,407 more than budgeted expenditures which resulted in a positive variance of \$17,384,239. See the budget to actual comparison for more information.

**CAPITAL ASSETS**

Capital assets as of August 31, 2025, total \$119,374,872 and include land and drainage facilities. The most significant District projects during the current fiscal year consisted of engineering fees and/or construction costs related to the Brazos River bank stabilization project and other drainage improvements.

Capital Assets At Year-End			
	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 7,784,501	\$ 7,784,501	\$
Construction in Progress	64,503,427	70,650,462	(6,147,035)
Capital Assets Subject to Depreciation:			
Drainage System	65,168,534	40,785,339	24,383,195
Less Accumulated Depreciation	(18,081,590)	(16,738,025)	(1,343,565)
Total Net Capital Assets	\$ 119,374,872	\$ 102,482,277	\$ 16,892,595

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2025**

**LONG-TERM DEBT ACTIVITY**

As of August 31, 2025, the District had total bond debt payable of \$107,263,000. The changes in bonds payable during the current fiscal year are summarized in the following table:

Bond Debt Payable, September 1, 2024	\$ 112,237,000
Less: Bond Principal Paid	<u>(4,974,000)</u>
Bond Debt Payable, August 31, 2025	<u>\$ 107,263,000</u>

The District has an underlying rating of “AA-”. The Series 2014 Bonds and Series 2022A bonds do not carry underlying nor insured ratings. The remaining bonds carry insured ratings of “AA” and/or “AA+” by virtue of bond insurance issued by Assured Guaranty Inc. or Build America Mutual Assurance Company. Credit enhanced ratings provided through bond insurance policies are subject to change based on changes to the ratings of the insurers.

**CONTACTING THE DISTRICT’S MANAGEMENT**

This financial report is designed to provide a general overview of the District’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Fort Bend County Levee Improvement District No. 7, c/o Schwartz, Page & Harding, L.L.P., 1300 Post Oak Blvd., Suite 2400, Houston, TX 77056.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**AUGUST 31, 2025**

	General Fund	Debt Service Fund
<b>ASSETS</b>		
Cash	\$ 651,405	\$ 71,164
Investments	45,046,441	1,873,702
Receivables:		
Property Taxes	81,039	131,182
Penalty and Interest on Delinquent Taxes		
Grants	3,962,512	
Due from Other Funds	431,180	21,420
Prepaid Costs	33,454	1,254,816
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
<b>TOTAL ASSETS</b>	<b>\$ 50,206,031</b>	<b>\$ 3,352,284</b>

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 5,965,801	\$ 6,688,370	\$	\$ 6,688,370
15,660,326	62,580,469		62,580,469
	212,221		212,221
		56,276	56,276
	3,962,512		3,962,512
	452,600	(452,600)	
	1,288,270		1,288,270
		7,784,501	7,784,501
		64,503,427	64,503,427
		47,086,944	47,086,944
<u>\$ 21,626,127</u>	<u>\$ 75,184,442</u>	<u>\$ 118,978,548</u>	<u>\$ 194,162,990</u>

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

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**AUGUST 31, 2025**

	General Fund	Debt Service Fund
<b>LIABILITIES</b>		
Accounts Payable	\$ 1,165,718	\$ 1,363
Accrued Interest Payable		
Due to Other Funds	21,420	2,475
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
<b>TOTAL LIABILITIES</b>	\$ 1,187,138	\$ 3,838
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	\$ 81,039	\$ 131,182
<b>FUND BALANCES</b>		
Nonspendable:		
Prepaid Costs	\$ 33,454	\$ 1,254,816
Restricted for Authorized Construction	45,164,371	
Restricted for Debt Service		1,962,448
Unassigned	3,740,029	
<b>TOTAL FUND BALANCES</b>	\$ 48,937,854	\$ 3,217,264
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	\$ 50,206,031	\$ 3,352,284
<b>NET POSITION</b>		
Net Investment in Capital Assets		
Restricted for Debt Service		
Restricted for Construction		
Unrestricted		
<b>TOTAL NET POSITION</b>		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 2,919,814	\$ 4,086,895	\$	\$ 4,086,895
		1,254,816	1,254,816
428,705	452,600	(452,600)	
		4,969,000	4,969,000
		102,192,609	102,192,609
<u>\$ 3,348,519</u>	<u>\$ 4,539,495</u>	<u>\$ 107,963,825</u>	<u>\$ 112,503,320</u>
<u>\$ -0-</u>	<u>\$ 212,221</u>	<u>\$ (212,221)</u>	<u>\$ - 0 -</u>
\$	\$ 1,288,270	\$ (1,288,270)	\$
18,277,608	63,441,979	(63,441,979)	
	1,962,448	(1,962,448)	
	3,740,029	(3,740,029)	
<u>\$ 18,277,608</u>	<u>\$ 70,432,726</u>	<u>\$ (70,432,726)</u>	<u>\$ - 0 -</u>
<u>\$ 21,626,127</u>	<u>\$ 75,184,442</u>		
		\$ 30,490,871	\$ 30,490,871
		2,149,906	2,149,906
		45,164,371	45,164,371
		3,854,522	3,854,522
		<u>\$ 81,659,670</u>	<u>\$ 81,659,670</u>

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

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
AUGUST 31, 2025**

Total Fund Balances - Governmental Funds	\$	70,432,726
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		119,374,872
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Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2024 and prior tax levies became part of recognized revenue in the governmental activities of the District.		268,497
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Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities are recorded in governmental activities and consist of:

Accrued Interest Payable	\$ (1,254,816)	
Bonds Payable	<u>(107,161,609)</u>	<u>(108,416,425)</u>

Total Net Position - Governmental Activities	\$	<u>81,659,670</u>
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The accompanying notes to the financial statements are an integral part of this report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

	General Fund	Debt Service Fund
<b>REVENUES</b>		
Property Taxes	\$ 2,295,811	\$ 4,574,986
Penalty and Interest		57,573
Grant Revenues	17,198,510	
Settlement Revenues	300,000	
Investment and Miscellaneous Revenues	1,614,612	117,729
<b>TOTAL REVENUES</b>	<b>\$ 21,408,933</b>	<b>\$ 4,750,288</b>
<b>EXPENDITURES/EXPENSES</b>		
Service Operations:		
Professional Fees	\$ 387,468	\$ 15,351
Contracted Services	239,404	178,391
Utilities	57,924	
Repairs and Maintenance	579,160	
Depreciation		
Other	298,173	10,698
Capital Outlay	1,040,032	
Debt Service:		
Bond Principal		4,974,000
Bond Interest		2,635,581
Arbitrage Rebate		
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ 2,602,161</b>	<b>\$ 7,814,021</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES</b>	<b>\$ 18,806,772</b>	<b>\$ (3,063,733)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In (Out)	\$ (3,000,000)	\$ 3,000,000
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 15,806,772</b>	<b>\$ (63,733)</b>
<b>CHANGE IN NET POSITION</b>		
<b>FUND BALANCES/NET POSITION - SEPTEMBER 1, 2024</b>	<b>33,131,082</b>	<b>3,280,997</b>
<b>FUND BALANCES/NET POSITION - AUGUST 31, 2025</b>	<b>\$ 48,937,854</b>	<b>\$ 3,217,264</b>

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 6,870,797	\$ 42,686	\$ 6,913,483
	57,573	12,345	69,918
	17,198,510		17,198,510
	300,000		300,000
<u>1,023,269</u>	<u>2,755,610</u>		<u>2,755,610</u>
\$ <u>1,023,269</u>	\$ <u>27,182,490</u>	\$ <u>55,031</u>	\$ <u>27,237,521</u>
\$ 10,555	\$ 413,374	\$	\$ 413,374
	417,795		417,795
	57,924		57,924
	579,160		579,160
		1,343,565	1,343,565
1,533	310,404		310,404
17,196,128	18,236,160	(18,236,160)	
	4,974,000	(4,974,000)	
	2,635,581	(53,142)	2,582,439
<u>2,054,803</u>	<u>2,054,803</u>		<u>2,054,803</u>
\$ <u>19,263,019</u>	\$ <u>29,679,201</u>	\$ <u>(21,919,737)</u>	\$ <u>7,759,464</u>
\$ <u>(18,239,750)</u>	\$ <u>(2,496,711)</u>	\$ <u>21,974,768</u>	\$ <u>19,478,057</u>
\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
\$ (18,239,750)	\$ (2,496,711)	\$ 2,496,711	\$
		19,478,057	19,478,057
<u>36,517,358</u>	<u>72,929,437</u>	<u>(10,747,824)</u>	<u>62,181,613</u>
\$ <u>18,277,608</u>	\$ <u>70,432,726</u>	\$ <u>11,226,944</u>	\$ <u>81,659,670</u>

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

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

Net Change in Fund Balances - Governmental Funds	\$ (2,496,711)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	42,686
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.	12,345
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(1,343,565)
Governmental funds report capital outlay as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.	18,236,160
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.	4,974,000
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.	<u>53,142</u>
Change in Net Position - Governmental Activities	<u>\$ 19,478,057</u>

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

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**

**NOTE 1. CREATION OF DISTRICT**

Fort Bend County Levee Improvement District No. 7, located in Fort Bend County, Texas (the “District”) was created, effective November 5, 1984, by the Commissioners Court of Fort Bend County, Texas. The District operates pursuant to provisions of Chapters 49 and 57 of the Texas Water Code, Chapter 7808 of the Texas Special District Local Laws Code (“Chapter 7808”), and provisions of Article XVI, Section 59 of the Constitution of Texas. The District is within the corporate boundaries of the City of Sugar Land by virtue of the City of Sugar Land’s annexation and dissolution of Fort Bend County Municipal Utility District Nos. 67, 68, 69, 111, and 112, effective December 12, 2017.

The principal functions of the District include constructing and maintaining levees and other improvements on, along and contiguous to rivers, creeks, and streams; reclaiming lands within the District from these streams; the control and distribution of the waters of rivers and streams within and adjacent to the District by straightening and otherwise improving them; the provisions of proper drainage and other improvements of the reclaimed land within the District; and constructing, operating, and maintaining reclaimed water facilities pursuant to and in accordance with Chapter 7808. Chapter 7808 was amended effective June 14, 2019, to allow the District to use a delivery method described by (1) Chapter 2269, Texas Government Code, or (2) Subchapter I, Chapter 49, Texas Water Code, with respect to the design and construction of erosion control facilities located in or adjacent to the Brazos River and any related facility or improvement.

The District is subject to continuing supervision of the Commissioners Court of Fort Bend County and the Texas Commission on Environmental Quality (the “Commission”).

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

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

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

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”). The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

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

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole and are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements. The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position. The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Financial Statements

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

The District has three governmental funds and considers each to be a major fund. The General Fund accounts for resources not required to be accounted for in another fund, property tax revenues, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due. Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are revenues which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of year end, the General Fund owed the Debt Service Fund \$21,420 for the over transfer of maintenance tax collections; the Debt Service Fund owed the General Fund \$2,475 for fiscal agent fees paid by the General Fund; and the Capital Projects Fund owed the General Fund \$428,705 for capital costs paid by the General Fund. The General Fund also transferred \$3,000,000 to the Debt Service Fund to pay a portion of the District's debt service obligations.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets

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

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation on the drainage facilities is calculated using the straight-line method of depreciation over a period ranging between 10 and 45 years.

Budgeting

An annual budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the budgeted amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

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

Measurement Focus

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

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus (Continued)

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

Fund balances in governmental funds using the following hierarchy:

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

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

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

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

*Unassigned:* all other spendable amounts in the General Fund.

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

Accounting Estimates

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

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**

**NOTE 3. LONG-TERM DEBT**

	<u>Series 2014</u>	<u>Series 2015</u>	<u>Series 2018</u>
Amount Outstanding – August 31, 2025	\$3,250,000	\$11,770,000	\$9,090,000
Interest Rates	3.50% - 4.00%	3.00% - 3.625%	3.00% - 4.00%
Maturity Dates – Serially Beginning/Ending	March 1, 2026/2038	March 1, 2026/2038	March 1, 2026/2043
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	March 1, 2022*	March 1, 2022*	March 1, 2024*
	<u>Series 2020</u>	<u>Series 2022</u>	<u>Series 2022A</u>
Amount Outstanding – August 31, 2025	\$53,650,000	\$19,745,000	\$9,758,000
Interest Rates	2.000% - 2.125%	2.00% - 3.00%	0.00%
Maturity Dates – Serially Beginning/Ending	March 1, 2026/2050	March 1, 2026/2050	March 1, 2026/2052
Interest Payment Dates	September 1/ March 1	September 1/ March 1	Not Applicable
Callable Dates	March 1, 2029*	March 1, 2028*	Not Callable

\* At the option of the district, in whole or in part, on the call option date or any date thereafter, at par plus accrued interest to the date of redemption. Series 2014 term bonds maturing March 1, 2038, are subject to mandatory redemption on March 1, 2036. Series 2015 term bonds maturing March 1, 2038, are subject to mandatory redemption on March 1, 2036. Series 2018 term bonds maturing March 1, 2033, 2035, and 2043, are subject to mandatory redemption on March 1, 2032, 2034, and 2042, respectively. Series 2020 term bonds maturing March 1, 2036, 2042, 2044, and 2050, are subject to mandatory redemption on March 1, 2035, 2040, 2043, and 2045, respectively. Series 2022 term bonds maturing March 1, 2043, 2045, 2047, and 2050, are subject to mandatory redemption on March 1, 2041, 2044, 2046, and 2048, respectively.

The Series 2022A Bonds are private placement bonds.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**

**NOTE 3. LONG-TERM DEBT (Continued)**

Bonds payable activity for the current fiscal year are summarized in the following table:

	September 1, 2024	Additions	Retirements	August 31, 2025
Bonds Payable	\$ 112,237,000	\$	\$ 4,974,000	\$ 107,263,000
Unamortized Discounts	(406,666)		(21,957)	(384,709)
Unamortized Premiums	295,442		12,124	283,318
Bonds Payable, net	<u>\$ 112,125,776</u>	<u>\$ -0-</u>	<u>\$ 4,964,167</u>	<u>\$ 107,161,609</u>
			Amount Due Within One Year	\$ 4,969,000
			Amount Due After One Year	<u>102,192,609</u>
			Bonds Payable, net	<u>\$ 107,161,609</u>

As of August 31, 2025, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 4,969,000	\$ 2,509,632	\$ 7,478,632
2027	4,964,000	2,399,631	7,363,631
2028	4,965,000	2,289,151	7,254,151
2029	4,965,000	2,178,037	7,143,037
2030	4,965,000	2,057,263	7,022,263
2031-2035	24,785,000	8,442,049	33,227,049
2036-2040	22,465,000	5,298,337	27,763,337
2041-2045	17,990,000	2,883,656	20,873,656
2046-2050	16,470,000	1,038,469	17,508,469
2051-2052	725,000		725,000
	<u>\$ 107,263,000</u>	<u>\$ 29,096,225</u>	<u>\$ 136,359,225</u>

At an election held within the District on November 5, 1985, voters of the District authorized a total of \$32,955,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing levee and drainage improvements. On May 10, 2008, voters of the District authorized an additional \$15,000,000 principal amount of unlimited tax bonds, totaling \$47,955,000 for the purpose of acquiring or constructing levee and drainage improvements. The District has no remaining authorized but unissued unlimited tax bonds for said improvements and facilities from such prior elections.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**

**NOTE 3. LONG-TERM DEBT (Continued)**

On May 10, 2014, the District's voters authorized the issuance of a total of \$14,500,000 principal amount unlimited tax bonds for the purpose of acquiring or constructing the Reclaimed Water System. No remaining authorized but unissued tax bonds remain from such authorization. The District's voters have also authorized the issuance of \$14,500,000 principal amount of unlimited tax refunding bonds for the purposes of refunding outstanding bonds of the District issued to acquire or construct the Reclaimed Water System or any other outstanding bonds of the District and could authorize additional amounts.

At an election held within the District on May 5, 2018, voters of the District authorized a total of \$121,150,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing levee system and stormwater drainage improvements, as well as facilities for erosion abatement and control along the Brazos River. The District has \$30,029,000 authorized but unissued unlimited tax bonds for said improvements and facilities. The District's voters have also authorized the issuance of \$136,150,000 principal amount of unlimited tax levee refunding bonds for the purpose of refunding outstanding bonds of the District and could authorize additional amounts.

The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. During the year ended August 31, 2025, the District levied an ad valorem debt service tax rate of \$0.215 per \$100 of assessed valuation, which resulted in a tax levy of \$4,619,215 on the adjusted taxable valuation of \$2,148,471,860 for the 2024 tax year.

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

**NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS**

The District is required to provide to certain information repositories continuing disclosure of annual financial information and operating data with respect to the District. The information is of the general type included in the annual audit report and must be filed within six months after the end of each fiscal year of the District. The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the Bonds be rebated to the federal government, within the meaning of Section 148(f) of the Internal Revenue Code. The minimum requirement for determination of the rebatable amount is on each five-year anniversary of the bonds.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**

**NOTE 5. DEPOSITS AND INVESTMENTS**

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District’s deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District’s deposits was \$6,688,370 and the bank balance was \$6,772,807. The District was not exposed to custodial credit risk as of year end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at August 31, 2025, as listed below:

	Cash
GENERAL FUND	\$ 651,405
DEBT SERVICE FUND	71,164
CAPITAL PROJECTS FUND	5,965,801
TOTAL DEPOSITS	\$ 6,688,370

Investments

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

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

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

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

As of August 31, 2025, the District had the following investments and maturities:

Funds and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
TexPool	\$ 45,046,441	\$ 45,046,441
<u>DEBT SERVICE FUND</u>		
TexPool	1,873,702	1,873,702
<u>CAPITAL PROJECTS FUND</u>		
TexPool	15,660,326	15,660,326
<b>TOTAL INVESTMENTS</b>	<b>\$ 62,580,469</b>	<b>\$ 62,580,469</b>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District's investment in TexPool was rated AAAM by Standard and Poor's.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in TexPool to have a maturity of less than one year since the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Restrictions

Restricted cash and investments in the General Fund include \$45,164,371 which is restricted for the payment of capital improvements to District infrastructure and, as funds are available, to pay a portion of the District's bond debt. All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

**NOTE 6. CAPITAL ASSETS**

Changes in capital assets during the current fiscal year are summarized in the following table:

	September 1, 2024	Increases	Decreases	August 31, 2025
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 7,784,501	\$	\$	\$ 7,784,501
Construction in Progress	<u>70,650,462</u>	<u>18,236,160</u>	<u>24,383,195</u>	<u>64,503,427</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>\$ 78,434,963</u>	<u>\$ 18,236,160</u>	<u>\$ 24,383,195</u>	<u>\$ 72,287,928</u>
<b>Capital Assets Subject to Depreciation</b>				
Drainage System	<u>\$ 40,785,339</u>	<u>\$ 24,383,195</u>	<u>\$ - 0 -</u>	<u>\$ 65,168,534</u>
<b>Accumulated Depreciation</b>				
Drainage System	<u>\$ 16,738,025</u>	<u>\$ 1,343,565</u>	<u>\$ - 0 -</u>	<u>\$ 18,081,590</u>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 24,047,314</u>	<u>\$ 23,039,630</u>	<u>\$ - 0 -</u>	<u>\$ 47,086,944</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u><u>\$ 102,482,277</u></u>	<u><u>\$ 41,275,790</u></u>	<u><u>\$ 24,383,195</u></u>	<u><u>\$ 119,374,872</u></u>

**NOTE 7. MAINTENANCE TAX**

On November 5, 1985, the voters of the District approved the levy and collection of a maintenance tax in an amount not to exceed \$0.25 per \$100 of assessed valuation of taxable property within the District. During the year ended August 31, 2025, the District levied an ad valorem maintenance tax rate of \$0.10774 per \$100 of assessed valuation, which resulted in a tax levy of \$2,314,763 on the adjusted taxable valuation of \$2,148,471,860 for the 2024 tax year. This maintenance tax may be used by the General Fund to pay expenditures related to operating the District and capital improvements.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**

**NOTE 8. RISK MANAGEMENT**

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

**NOTE 9. ESCROW REQUIREMENTS AND RESTRICTED FUNDS**

The District was directed not to expend portions of the Series 2020 bond proceeds allocated for the Brazos River Bank Erosion Control Project pending District board receipt of plans and specifications approved by all authorities having jurisdiction. Such plans have been approved and the project is underway. As of year end, \$16,155,152 of Series 2020 bond proceeds remain unspent and are recorded in the cash and investment balances of the Capital Projects Fund.

The District's Series 2022A Unlimited Tax Levee Improvement Bonds are being used to finance construction and engineering costs associated with the District's project for additional drainage and detention facilities. As of year end, \$5,312,270 of Series 2022A bond proceeds remain unspent and are recorded in the investment balances of the Capital Projects Fund.

Grant proceeds have been deposited into the General Fund which are restricted for payment of costs related to the Brazos River Bank Erosion Control Project. As of year end, \$45,164,371 of restricted grant proceeds are recorded in the cash and investment balances of the General Fund.

**NOTE 10. GRANT PROGRAM**

On June 24, 2019, the District received a Hazard Mitigation Grant Program (HMGP) Phase 1 award from the U.S. Department of Homeland Security passed through the Texas Department of Emergency Management for the District's Brazos River Bank Erosion Control Project (the "Project"). The Project is under Catalog of Federal Domestic Assistance program 97.039 and FEMA project number 4332-0035-TX. The Phase 1 award was administered by and through TDEM, and only costs incurred by the District that are eligible for reimbursement under such federal rules and regulations, as determined by TDEM and FEMA, were reimbursed to the District. The District paid 100% of the costs of the pre-construction work and was reimbursed 75% of such costs from FEMA. FEMA awarded the District the Phase 2 award for up to 75% of eligible construction costs of the Project. During the prior fiscal year, the District began construction of Phase 2 of the Project.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**

**NOTE 10. GRANT PROGRAM** (Continued)

The District has also been awarded by the State of Texas (Texas Infrastructure Resiliency Fund) additional reimbursement. For each dollar that qualifies for FEMA reimbursement under HMGP, the Texas Department of Emergency Management will pay seventy-five percent (75%) of the District's local share of the twenty-five percent (25%).

**NOTE 11. USE OF SURPLUS FUNDS**

In accordance with Rule 30 T.A.C. 293.83 (c)(3)(A) of the Commission, on August 7, 2025, the District approved the use of surplus Capital Projects Fund monies in the amount of \$1,389,501 to reimburse the operating fund for costs associated with the rehabilitation of the external drainage channel.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**

**REQUIRED SUPPLEMENTARY INFORMATION**

**AUGUST 31, 2025**

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 2,693,968	\$ 2,281,287	\$ 2,295,811	\$ 14,524
Grant Revenues			17,198,510	17,198,510
Investment and Miscellaneous Revenues	<u>580,000</u>	<u>580,000</u>	<u>1,914,612</u>	<u>1,334,612</u>
<b>TOTAL REVENUES</b>	<u>\$ 3,273,968</u>	<u>\$ 2,861,287</u>	<u>\$ 21,408,933</u>	<u>\$ 18,547,646</u>
<b>EXPENDITURES</b>				
Service Operations:				
Professional Fees	\$ 259,000	\$ 259,000	\$ 387,468	\$ (128,468)
Contracted Services	240,300	240,300	239,404	896
Repairs and Maintenance	514,000	514,000	579,160	(65,160)
Other	425,454	425,454	356,097	69,357
Capital Outlay			<u>1,040,032</u>	<u>(1,040,032)</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,438,754</u>	<u>\$ 1,438,754</u>	<u>\$ 2,602,161</u>	<u>\$ (1,163,407)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 1,835,214</u>	<u>\$ 1,422,533</u>	<u>\$ 18,806,772</u>	<u>\$ 17,384,239</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>\$ (3,000,000)</u>	<u>\$ (3,000,000)</u>	<u>\$ (3,000,000)</u>	<u>\$ -0-</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ (1,164,786)	\$ (1,577,467)	\$ 15,806,772	\$ 17,384,239
<b>FUND BALANCE - SEPTEMBER 1, 2024</b>	<u>33,131,082</u>	<u>33,131,082</u>	<u>33,131,082</u>	
<b>FUND BALANCE - AUGUST 31, 2025</b>	<u>\$ 31,966,296</u>	<u>\$ 31,553,615</u>	<u>\$ 48,937,854</u>	<u>\$ 17,384,239</u>

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**

**SUPPLEMENTARY INFORMATION –  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

**AUGUST 31, 2025**

# ***McCall Gibson Swedlund Barfoot Ellis PLLC***

*Certified Public Accountants*

*Chris Swedlund  
Noel W. Barfoot  
Joseph Ellis  
Ashlee Martin*

*Mike M. McCall  
(retired)  
Debbie Gibson  
(retired)*

## **Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

Board of Directors  
Fort Bend County Levee  
Improvement District No. 7  
Fort Bend County, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Fort Bend County Levee Improvement District No. 7 (“the District”) as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated February 5, 2026.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*McCall Gibson Swedlund Barfoot Ellis PLLC*

McCall Gibson Swedlund Barfoot Ellis PLLC  
Certified Public Accountants  
Houston, Texas

February 5, 2026

# ***McCall Gibson Swedlund Barfoot Ellis PLLC***

*Certified Public Accountants*

*Chris Swedlund  
Noel W. Barfoot  
Joseph Ellis  
Ashlee Martin*

*Mike M. McCall  
(retired)  
Debbie Gibson  
(retired)*

## **Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

Board of Directors  
Fort Bend County Levee  
Improvement District No. 7  
Fort Bend County, Texas

### **Report on Compliance for Each Major Federal Program**

#### **Opinion on Each Major Federal Program**

We have audited Fort Bend County Levee Improvement District No. 7’s (the “District”) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal program for the year ended August 31, 2025. The District’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended August 31, 2025.

#### **Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

### **Auditor's Responsibility for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control Over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*McCall Gibson Swedlund Barfoot Ellis PLLC*

McCall Gibson Swedlund Barfoot Ellis PLLC  
Certified Public Accountants  
Houston Texas

February 5, 2026

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
US Department of Homeland Security:			
Hazard Mitigation Grant Program pass through Texas Department of Emergency Management	97.039	DR-4332-035	<u>\$ 12,298,938</u>

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**NOTES TO SCHEDULE OF EXPENDITURES**  
**OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal award includes the federal grant activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

**NOTE 2. GRANTS**

On June 24, 2019, the District received a Hazard Mitigation Grant Program (HMGP) Phase 1 award from the U.S. Department of Homeland Security passed through the Texas Department of Emergency Management for the District's Brazos River Bank Erosion Control Project (the "Project"). The Project is under Catalog of Federal Domestic Assistance program 97.039 and FEMA project number 4332-0035-TX. The Phase 1 award was administered by and through TDEM, and only costs incurred by the District that are eligible for reimbursement under such federal rules and regulations, as determined by TDEM and FEMA, were reimbursed to the District. The District paid 100% of the costs of the pre-construction work and was reimbursed 75% of such costs from FEMA. FEMA awarded the District the Phase 2 award for up to 75% of eligible construction costs of the Project. During the prior fiscal year, the District began construction of Phase 2 of the Project.

The District has also been awarded by the State of Texas (Texas Infrastructure Resiliency Fund) additional reimbursement. For each dollar that qualifies for FEMA reimbursement under HMGP, the Texas Department of Emergency Management will pay seventy-five percent (75%) of the District's local share of the twenty-five percent (25%).

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**NOTES TO SCHEDULE OF EXPENDITURES**  
**OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

**NOTE 3.     MATCHING COSTS**

Matching Costs, the nonfederal share of certain program costs, are not included in the Schedule.

**NOTE 4.     INDIRECT COSTS**

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

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**Section I — Summary of Auditor's Results**

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***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  
      \_\_\_\_\_ yes   X   no
- Significant Deficiencies(s) identified that are not considered to be material weaknesses?  
      \_\_\_\_\_ yes   X   None reported
- Noncompliance material to financial statements noted?  
      \_\_\_\_\_ yes   X   no

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified?  
      \_\_\_\_\_ yes   X   no
- Significant Deficiencies(s) identified that are not considered to be material weakness(es)?  
      \_\_\_\_\_ yes   X   None reported
- Type of auditor's report issued on compliance for major programs: Unmodified
- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 of Uniform Guidance \_\_\_\_\_ yes   X   no

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

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Identification of major programs:

*Assistance*

*Listing*

*Number(s)*      *Name of Federal Program or Cluster*

**97.039**      **US Department of Homeland Security Hazard Mitigation Grant passed through Texas Department of Emergency Management**

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Dollar threshold used to distinguish

between type A and type B programs:      \$750,000

Auditee Qualified as low-risk auditee?      \_\_\_\_\_ yes        X   no

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

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**Section II — Financial Statement Findings**

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None

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

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**Section III— Federal Award Findings and Questioned Costs**

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None

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

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None

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**SUPPLEMENTARY INFORMATION – REQUIRED BY THE**  
**WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**  
**AUGUST 31, 2025**

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7  
SERVICES AND RATES  
FOR THE YEAR ENDED AUGUST 31, 2025**

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

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

**2. RETAIL SERVICE PROVIDERS: NOT APPLICABLE**

**3. TOTAL WATER CONSUMPTION: NOT APPLICABLE**

**4. STANDBY FEES: NOT APPLICABLE**

**5. LOCATION OF DISTRICT:**

Is the District located entirely within one county?

Yes   X   No       

County in which District is located:

Fort Bend County, Texas

Is the District located within a city?

Entirely   X   Partly        Not at all       

City in which District is located:

City of Sugar Land, Texas.

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

Entirely        Partly        Not at all   X  

Are Board Members appointed by an office outside the District?

Yes        No   X  

See accompanying independent auditor's report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**GENERAL FUND EXPENDITURES**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

PROFESSIONAL FEES:	
Auditing	\$ 29,500
Engineering	82,191
Legal	<u>275,777</u>
TOTAL PROFESSIONAL FEES	<u>\$ 387,468</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 74,200
Operations and Billing	115,250
General Manager	<u>49,954</u>
TOTAL CONTRACTED SERVICES	<u>\$ 239,404</u>
UTILITIES	<u>\$ 57,924</u>
REPAIRS AND MAINTENANCE	<u>\$ 579,160</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 30,917
Dues	10,532
Insurance	34,617
Communications and Website	39,764
Other	<u>14,986</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 130,816</u>
CAPITAL OUTLAY	<u>\$ 1,040,032</u>
WATER REUSE COSTS	<u>\$ 167,357</u>
TOTAL EXPENDITURES	<u><u>\$ 2,602,161</u></u>

See accompanying independent auditor's report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**INVESTMENTS**  
**AUGUST 31, 2025**

Funds	Identification or Certificate Number	Interest Rates	Maturity Dates	Balance at End of Year	Accrued Interest Receivable at End of Year
<u>GENERAL FUND</u>					
TexPool	XXXX0002	Varies	Daily	\$ 461,248	\$
TexPool	XXXX0004	Varies	Daily	44,585,193	
TOTAL GENERAL FUND				<u>\$ 45,046,441</u>	<u>\$ - 0 -</u>
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0001	Varies	Daily	\$ 1,873,702	\$ - 0 -
<u>CAPITAL PROJECTS FUND</u>					
TexPool	XXXX0003	Varies	Daily	\$ 158,705	\$
TexPool	XXXX0006	Varies	Daily	15,501,621	
TOTAL CAPITAL PROJECTS FUND				<u>\$ 15,660,326</u>	<u>\$ - 0 -</u>
TOTAL - ALL FUNDS				<u>\$ 62,580,469</u>	<u>\$ - 0 -</u>

See accompanying independent auditor's report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
SEPTEMBER 1, 2024	\$	69,971	\$	99,564
Adjustments to Beginning				
Balance		<u>(7,884)</u>	\$	<u>62,087</u>
			\$	<u>(12,611)</u>
			\$	86,953
Original 2024 Tax Levy	\$	2,321,596	\$	4,632,848
Adjustment to 2024 Tax Levy		<u>(6,833)</u>	<u>2,314,763</u>	<u>(13,633)</u>
			<u>4,619,215</u>	
TOTAL TO BE				
ACCOUNTED FOR		\$	2,376,850	\$
				4,706,168
TAX COLLECTIONS:				
Prior Years	\$	12,456	\$	18,448
Current Year		<u>2,283,355</u>	<u>2,295,811</u>	<u>4,556,538</u>
			<u>4,574,986</u>	
TAXES RECEIVABLE -				
AUGUST 31, 2025		<u>\$</u>	<u>81,039</u>	<u>\$</u>
				<u>131,182</u>
TAXES RECEIVABLE BY				
YEAR:				
2024	\$	31,408	\$	62,677
2023		11,756		18,197
2022		9,006		11,064
2021		7,740		7,740
2020		5,131		5,131
2019 and prior		<u>15,998</u>		<u>26,373</u>
TOTAL		<u>\$</u>	<u>81,039</u>	<u>\$</u>
				<u>131,182</u>

See accompanying independent auditor's report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

	2024	2023	2022	2021
<b>PROPERTY VALUATIONS:</b>				
Land	\$ 372,980,976	\$ 289,926,981	\$ 289,842,820	\$ 277,674,300
Improvements	1,990,015,846	1,902,421,205	1,680,583,416	1,323,733,698
Personal Property	23,012,114	21,728,502	19,745,080	18,908,920
Exemptions	<u>(237,537,076)</u>	<u>(245,100,143)</u>	<u>(206,495,118)</u>	<u>(33,265,626)</u>
<b>TOTAL PROPERTY VALUATIONS</b>	<u><b>\$ 2,148,471,860</b></u>	<u><b>\$ 1,968,976,545</b></u>	<u><b>\$ 1,783,676,198</b></u>	<u><b>\$ 1,587,051,292</b></u>
<b>TAX RATES PER \$100 VALUATION:</b>				
Debt Service	\$ 0.21500	\$ 0.2150	\$ 0.215	\$ 0.215
Maintenance	<u>0.10774</u>	<u>0.1389</u>	<u>0.175</u>	<u>0.215</u>
<b>TOTAL TAX RATES PER \$100 VALUATION</b>	<u><b>\$ 0.32274</b></u>	<u><b>\$ 0.3539</b></u>	<u><b>\$ 0.390</b></u>	<u><b>\$ 0.430</b></u>
<b>ADJUSTED TAX LEVY*</b>	<u><b>\$ 6,933,978</b></u>	<u><b>\$ 6,968,209</b></u>	<u><b>\$ 6,956,337</b></u>	<u><b>\$ 6,824,320</b></u>
<b>PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED</b>	<u><b>98.64 %</b></u>	<u><b>99.57 %</b></u>	<u><b>99.71 %</b></u>	<u><b>99.77 %</b></u>

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

Maintenance Tax – Maximum tax rate of \$0.25 per \$100 of assessed valuation approved by voters on November 5, 1985.

See accompanying independent auditor’s report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**AUGUST 31, 2025**

S E R I E S - 2 0 1 4

Due During Fiscal Years Ending August 31	Principal Due March 1	Interest Due September 1/ March 1	Total
2026	\$ 250,000	\$ 118,750	\$ 368,750
2027	250,000	110,000	360,000
2028	250,000	101,250	351,250
2029	250,000	92,500	342,500
2030	250,000	83,750	333,750
2031	250,000	75,000	325,000
2032	250,000	66,250	316,250
2033	250,000	57,500	307,500
2034	250,000	48,750	298,750
2035	250,000	39,375	289,375
2036	250,000	30,000	280,000
2037	250,000	20,000	270,000
2038	250,000	10,000	260,000
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
	<u>\$ 3,250,000</u>	<u>\$ 853,125</u>	<u>\$ 4,103,125</u>

See accompanying independent auditor's report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**AUGUST 31, 2025**

S E R I E S - 2 0 1 5

Due During Fiscal Years Ending August 31	Principal Due March 1	Interest Due September 1/ March 1	Total
2026	\$ 910,000	\$ 388,169	\$ 1,298,169
2027	905,000	360,869	1,265,869
2028	905,000	333,719	1,238,719
2029	905,000	306,569	1,211,569
2030	905,000	278,287	1,183,287
2031	905,000	250,006	1,155,006
2032	905,000	220,594	1,125,594
2033	905,000	191,181	1,096,181
2034	905,000	160,637	1,065,637
2035	905,000	130,094	1,035,094
2036	905,000	98,419	1,003,419
2037	905,000	65,612	970,612
2038	905,000	32,806	937,806
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
	\$ 11,770,000	\$ 2,816,962	\$ 14,586,962

See accompanying independent auditor's report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**AUGUST 31, 2025**

S E R I E S - 2 0 1 8

Due During Fiscal Years Ending August 31	Principal Due March 1	Interest Due September 1/ March 1	Total
2026	\$ 505,000	\$ 339,613	\$ 844,613
2027	505,000	324,462	829,462
2028	505,000	308,682	813,682
2029	505,000	292,268	797,268
2030	505,000	275,226	780,226
2031	505,000	257,550	762,550
2032	505,000	239,876	744,876
2033	505,000	220,936	725,936
2034	505,000	202,000	707,000
2035	505,000	181,800	686,800
2036	505,000	161,600	666,600
2037	505,000	141,400	646,400
2038	505,000	121,200	626,200
2039	505,000	101,000	606,000
2040	505,000	80,800	585,800
2041	505,000	60,600	565,600
2042	505,000	40,400	545,400
2043	505,000	20,200	525,200
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
	<u>\$ 9,090,000</u>	<u>\$ 3,369,613</u>	<u>\$ 12,459,613</u>

See accompanying independent auditor's report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**AUGUST 31, 2025**

S E R I E S - 2 0 2 0

Due During Fiscal Years Ending August 31	Principal Due March 1	Interest Due September 1/ March 1	Total
2026	\$ 2,150,000	\$ 1,094,450	\$ 3,244,450
2027	2,150,000	1,051,450	3,201,450
2028	2,150,000	1,008,450	3,158,450
2029	2,150,000	965,450	3,115,450
2030	2,150,000	922,450	3,072,450
2031	2,145,000	879,450	3,024,450
2032	2,145,000	836,550	2,981,550
2033	2,145,000	793,650	2,938,650
2034	2,145,000	750,750	2,895,750
2035	2,145,000	707,850	2,852,850
2036	2,145,000	664,950	2,809,950
2037	2,145,000	622,050	2,767,050
2038	2,145,000	579,150	2,724,150
2039	2,145,000	536,250	2,681,250
2040	2,145,000	493,350	2,638,350
2041	2,145,000	450,450	2,595,450
2042	2,145,000	407,550	2,552,550
2043	2,145,000	364,650	2,509,650
2044	2,145,000	319,068	2,464,068
2045	2,145,000	273,488	2,418,488
2046	2,145,000	227,906	2,372,906
2047	2,145,000	182,325	2,327,325
2048	2,145,000	136,744	2,281,744
2049	2,145,000	91,162	2,236,162
2050	2,145,000	45,582	2,190,582
2051			
2052			
	<u>\$ 53,650,000</u>	<u>\$ 14,405,175</u>	<u>\$ 68,055,175</u>

See accompanying independent auditor's report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**AUGUST 31, 2025**

S E R I E S - 2 0 2 2

Due During Fiscal Years Ending August 31	Principal Due March 1	Interest Due September 1/ March 1	Total
2026	\$ 790,000	\$ 568,650	\$ 1,358,650
2027	790,000	552,850	1,342,850
2028	790,000	537,050	1,327,050
2029	790,000	521,250	1,311,250
2030	790,000	497,550	1,287,550
2031	790,000	473,850	1,263,850
2032	790,000	450,150	1,240,150
2033	790,000	426,450	1,216,450
2034	790,000	402,750	1,192,750
2035	790,000	379,050	1,169,050
2036	790,000	355,350	1,145,350
2037	790,000	331,650	1,121,650
2038	790,000	307,950	1,097,950
2039	790,000	284,250	1,074,250
2040	790,000	260,550	1,050,550
2041	790,000	236,850	1,026,850
2042	790,000	213,150	1,003,150
2043	790,000	189,450	979,450
2044	790,000	165,750	955,750
2045	790,000	142,050	932,050
2046	790,000	118,350	908,350
2047	790,000	94,650	884,650
2048	790,000	70,950	860,950
2049	790,000	47,250	837,250
2050	785,000	23,550	808,550
2051			
2052			
	<u>\$ 19,745,000</u>	<u>\$ 7,651,350</u>	<u>\$ 27,396,350</u>

See accompanying independent auditor's report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**AUGUST 31, 2025**

S E R I E S - 2 0 2 2 A			
Due During Fiscal Years Ending August 31	Principal Due March 1	Interest Due (Not Applicable)	Total
2026	\$ 364,000	\$	\$ 364,000
2027	364,000		364,000
2028	365,000		365,000
2029	365,000		365,000
2030	365,000		365,000
2031	365,000		365,000
2032	365,000		365,000
2033	360,000		360,000
2034	360,000		360,000
2035	360,000		360,000
2036	360,000		360,000
2037	360,000		360,000
2038	360,000		360,000
2039	360,000		360,000
2040	360,000		360,000
2041	360,000		360,000
2042	360,000		360,000
2043	360,000		360,000
2044	360,000		360,000
2045	360,000		360,000
2046	360,000		360,000
2047	360,000		360,000
2048	360,000		360,000
2049	360,000		360,000
2050	360,000		360,000
2051	360,000		360,000
2052	365,000		365,000
	\$ 9,758,000	\$ - 0 -	\$ 9,758,000

See accompanying independent auditor's report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**AUGUST 31, 2025**

ANNUAL REQUIREMENTS  
FOR ALL SERIES

Due During Fiscal Years Ending August 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	\$ 4,969,000	\$ 2,509,632	\$ 7,478,632
2027	4,964,000	2,399,631	7,363,631
2028	4,965,000	2,289,151	7,254,151
2029	4,965,000	2,178,037	7,143,037
2030	4,965,000	2,057,263	7,022,263
2031	4,960,000	1,935,856	6,895,856
2032	4,960,000	1,813,420	6,773,420
2033	4,955,000	1,689,717	6,644,717
2034	4,955,000	1,564,887	6,519,887
2035	4,955,000	1,438,169	6,393,169
2036	4,955,000	1,310,319	6,265,319
2037	4,955,000	1,180,712	6,135,712
2038	4,955,000	1,051,106	6,006,106
2039	3,800,000	921,500	4,721,500
2040	3,800,000	834,700	4,634,700
2041	3,800,000	747,900	4,547,900
2042	3,800,000	661,100	4,461,100
2043	3,800,000	574,300	4,374,300
2044	3,295,000	484,818	3,779,818
2045	3,295,000	415,538	3,710,538
2046	3,295,000	346,256	3,641,256
2047	3,295,000	276,975	3,571,975
2048	3,295,000	207,694	3,502,694
2049	3,295,000	138,412	3,433,412
2050	3,290,000	69,132	3,359,132
2051	360,000		360,000
2052	365,000		365,000
	<u>\$ 107,263,000</u>	<u>\$ 29,096,225</u>	<u>\$ 136,359,225</u>

See accompanying independent auditor's report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**CHANGES IN LONG-TERM BOND DEBT**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

Description	Original Bonds Issued	Bonds Outstanding September 1, 2024
Fort Bend County Levee Improvement District No. 7 Unlimited Tax Levee Improvement Bonds - Series 2014	\$ 4,000,000	\$ 3,500,000
Fort Bend County Levee Improvement District No. 7 Unlimited Tax Levee Improvement Bonds - Series 2015	14,500,000	12,680,000
Fort Bend County Levee Improvement District No. 7 Unlimited Tax Levee Improvement Bonds - Series 2018	12,150,000	9,600,000
Fort Bend County Levee Improvement District No. 7 Unlimited Tax Levee Improvement Bonds - Series 2020	60,100,000	55,800,000
Fort Bend County Levee Improvement District No. 7 Unlimited Tax Levee Improvement Bonds - Series 2022	20,535,000	20,535,000
Fort Bend County Levee Improvement District No. 7 Unlimited Tax Levee Improvement Bonds - Series 2022A	<u>10,486,000</u>	<u>10,122,000</u>
TOTAL	<u>\$ 121,771,000</u>	<u>\$ 112,237,000</u>

Bond Authority:	<u>Levee and Drainage Facilities</u>	<u>Refunding Bonds *</u>	<u>Reclaimed Water Facilities</u>
Amount Authorized by Voters	\$ 169,105,000	\$ 150,650,000	\$ 14,500,000
Amount Issued	<u>(139,076,000)</u>	<u>(131,180)</u>	<u>(14,500,000)</u>
Remaining to be Issued	<u>\$ 30,029,000</u>	<u>\$ 150,518,820</u>	<u>\$ - 0 -</u>

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding August 31, 2025</u>	<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>		
\$	\$ 250,000	\$ 127,500	\$ 3,250,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	910,000	415,468	11,770,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	510,000	354,913	9,090,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	2,150,000	1,137,450	53,650,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	790,000	600,250	19,745,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	<u>364,000</u>		<u>9,758,000</u>	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
<u>\$ - 0 -</u>	<u>\$ 4,974,000</u>	<u>\$ 2,635,581</u>	<u>\$ 107,263,000</u>	

\* Includes \$136,150,000 for refunding levee and drainage facilities bonds and \$14,500,000 for refunding reclaimed water facilities bonds.

Debt Service Fund cash and investment balances as of year end: \$ 1,944,866

Average annual debt service payment for remaining term of all bond debt: \$ 5,050,342

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

See accompanying independent auditor's report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND – FIVE YEARS**

	Amounts		
	2025	2024	2023
<b>REVENUES</b>			
Property Taxes	\$ 2,295,811	\$ 2,718,892	\$ 3,124,685
Grant Revenues	17,198,510	24,227,493	
Settlement Revenues	300,000	1,525,000	
Investment and Miscellaneous Revenues	1,614,612	631,801	404,663
<b>TOTAL REVENUES</b>	<b>\$ 21,408,933</b>	<b>\$ 29,103,186</b>	<b>\$ 3,529,348</b>
<b>EXPENDITURES</b>			
Professional Fees	\$ 387,468	\$ 393,021	\$ 641,661
Contracted Services	239,404	198,715	166,600
Utilities	57,924	30,010	18,629
Repairs and Maintenance	579,160	435,854	481,477
Other	298,173	253,706	225,999
Capital Outlay	1,040,032	354,646	157,959
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,602,161</b>	<b>\$ 1,665,952</b>	<b>\$ 1,692,325</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 18,806,772</b>	<b>\$ 27,437,234</b>	<b>\$ 1,837,023</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In (Out)	<b>\$ (3,000,000)</b>	<b>\$ (2,800,000)</b>	<b>\$ (2,096,720)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 15,806,772</b>	<b>\$ 24,637,234</b>	<b>\$ (259,697)</b>
<b>BEGINNING FUND BALANCE</b>	<b>33,131,082</b>	<b>8,493,848</b>	<b>8,753,545</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 48,937,854</b>	<b>\$ 33,131,082</b>	<b>\$ 8,493,848</b>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
\$ 3,396,524	\$ 3,361,210	10.8 %	9.3 %	88.5 %	68.7 %	99.8 %
1,510,900		80.3	83.3		30.5	
39,994	7,209	1.4	5.2			
<u>4,947,418</u>	<u>3,368,419</u>	<u>7.5</u>	<u>2.2</u>	<u>11.5</u>	<u>0.8</u>	<u>0.2</u>
\$ 4,947,418	\$ 3,368,419	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
\$ 544,735	\$ 591,796	1.8 %	1.4 %	18.2 %	11.0 %	17.6 %
137,297	122,100	1.1	0.7	4.7	2.8	3.6
34,225	11,897	0.3	0.1	0.5	0.7	0.4
378,582	419,202	2.7	1.5	13.6	7.7	12.4
238,178	225,027	1.4	0.9	6.4	4.8	6.7
<u>3,597,395</u>	<u>2,240,398</u>	<u>4.9</u>	<u>1.2</u>	<u>4.5</u>	<u>72.7</u>	<u>66.5</u>
\$ 4,930,412	\$ 3,610,420	12.2 %	5.8 %	47.9 %	99.7 %	107.2 %
\$ 17,006	\$ (242,001)	87.8 %	94.2 %	52.1 %	0.3 %	(7.2) %
\$ (1,200,000)	\$ 821,796					
\$ (1,182,994)	\$ 579,795					
<u>9,936,539</u>	<u>9,356,744</u>					
\$ 8,753,545	\$ 9,936,539					

See accompanying independent auditor's report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**DEBT SERVICE FUND - FIVE YEARS**

	Amounts		
	2025	2024	2023
<b>REVENUES</b>			
Property Taxes	\$ 4,574,986	\$ 4,202,595	\$ 3,831,626
Penalty and Interest	57,573	45,660	59,353
Investment and Miscellaneous Revenues	<u>117,729</u>	<u>89,801</u>	<u>93,781</u>
<b>TOTAL REVENUES</b>	<u>\$ 4,750,288</u>	<u>\$ 4,338,056</u>	<u>\$ 3,984,760</u>
<b>EXPENDITURES</b>			
Tax Collection Expenditures	\$ 198,890	\$ 156,349	\$ 144,638
Debt Service Principal	4,974,000	4,184,000	3,820,000
Debt Service Interest and Fees	<u>2,641,131</u>	<u>2,739,406</u>	<u>2,788,128</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 7,814,021</u>	<u>\$ 7,079,755</u>	<u>\$ 6,752,766</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (3,063,733)</u>	<u>\$ (2,741,699)</u>	<u>\$ (2,768,006)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In (Out)	\$ 3,000,000	\$ 2,800,000	\$ 2,100,000
Long-Term Debt Proceeds - Capitalized Interest	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ 3,000,000</u>	<u>\$ 2,800,000</u>	<u>\$ 2,100,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ (63,733)	\$ 58,301	\$ (668,006)
<b>BEGINNING FUND BALANCE</b>	<u>3,280,997</u>	<u>3,222,696</u>	<u>3,890,702</u>
<b>ENDING FUND BALANCE</b>	<u><u>\$ 3,217,264</u></u>	<u><u>\$ 3,280,997</u></u>	<u><u>\$ 3,222,696</u></u>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
<u>2022</u>	<u>2021</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
\$ 3,396,195	\$ 3,357,607	96.3 %	96.8 %	96.1 %	98.2 %	98.4 %
49,623	43,825	1.2	1.1	1.5	1.4	1.3
14,921	10,812	2.5	2.1	2.4	0.4	0.3
<u>\$ 3,460,739</u>	<u>\$ 3,412,244</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 155,458	\$ 143,157	4.2 %	3.6 %	3.6 %	4.5 %	4.2 %
1,750,000	1,770,000	104.7	96.4	95.9	50.6	51.9
<u>2,293,081</u>	<u>1,659,891</u>	<u>55.6</u>	<u>63.1</u>	<u>70.0</u>	<u>66.3</u>	<u>48.6</u>
<u>\$ 4,198,539</u>	<u>\$ 3,573,048</u>	<u>164.5 %</u>	<u>163.1 %</u>	<u>169.5 %</u>	<u>121.4 %</u>	<u>104.7 %</u>
<u>\$ (737,800)</u>	<u>\$ (160,804)</u>	<u>(64.5) %</u>	<u>(63.1) %</u>	<u>(69.5) %</u>	<u>(21.4) %</u>	<u>(4.7) %</u>
\$ 1,200,000	\$ (769,526)					
<u>1,200,500</u>						
<u>\$ 2,400,500</u>	<u>\$ (769,526)</u>					
\$ 1,662,700	\$ (930,330)					
<u>2,228,002</u>	<u>3,158,332</u>					
<u>\$ 3,890,702</u>	<u>\$ 2,228,002</u>					
<u>N/A</u>	<u>N/A</u>					
<u>N/A</u>	<u>N/A</u>					

See accompanying independent auditor's report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7  
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
AUGUST 31, 2025**

District Mailing Address - Fort Bend County Levee Improvement District No. 7  
c/o Schwartz, Page & Harding, L.L.P.  
1300 Post Oak Blvd., Suite 2400  
Houston, TX 77056

District Telephone Number - (713) 623-4531

<b>Board Members</b>	Term of Office (Elected or Appointed)	Fees of Office for the year ended <u>August 31, 2025</u>	Expense Reimbursements for the year ended <u>August 31, 2025</u>	<u>Title</u>
Cindy Picazo	05/22 - 05/26 (Elected)	\$ 7,072	\$ 48	Chairman
Gerald Kazmierczak	05/22 - 05/26 (Elected)	\$ 6,178	\$ 4,701	Vice Chairman
Nathan Bedee	05/22 - 05/26 (Elected)	\$ 7,072	\$ 85	Secretary
Susheem Mehta	05/24 - 05/28 (Elected)	\$ 1,989	\$ -0-	Assistant Secretary
James R. Grotte	05/24 - 05/28 (Elected)	\$ 6,409	\$ -0-	Director

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

The most recent submission date of the District Registration Form was on January 20, 2026.

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution on August 7, 2003. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

**FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**AUGUST 31, 2025**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees for the year ended August 31, 2025</u>	<u>Title</u>
Schwartz, Page & Harding, L.L.P.	02/12/92	\$ 233,758	General Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	08/13/98	\$ 29,500	Auditor
Forvis Mazars, LLP	07/07/22	\$ 74,200	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	01/02/97	\$ 15,351	Delinquent Tax Attorney
LJA Engineering, Inc.	02/07/19	\$ 216,447	Engineer
AECOM	02/07/19	\$ 661,099	Engineer
Guideline Management Services, Inc.	02/07/19	\$ 131,993	General Manager
FORVIS Wealth Advisors	08/16/2022	\$ -0-	Investment Officer
Masterson Advisors LLC	04/17/18	\$ -0-	Financial Advisor
Levee Management Services, LLC	05/10/12	\$ 529,977	Operator
Assessments of the Southwest	11/89	\$ 79,144	Tax Assessor/ Collector

See accompanying independent auditor's report.