

Galveston County Municipal Utility District No. 13

Galveston County, Texas

Independent Auditor's Report and Financial Statements

April 11, 2017



Galveston County Municipal Utility District No. 13

April 11, 2017

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Independent Auditor's Report

Galveston County Municipal Utility District No. 13
c/o City of League City, Texas
Galveston County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Galveston County Municipal Utility District No. 13 (the District), as of and for the period ended April 11, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of April 11, 2017, and the respective changes in financial position thereof for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Houston, Texas
August 20, 2018

Galveston County Municipal Utility District No. 13

Management's Discussion and Analysis

April 11, 2017

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

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

Galveston County Municipal Utility District No. 13

Management's Discussion and Analysis (Continued)

April 11, 2017

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

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the general fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

Governmental Funds

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

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

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

Notes to Financial Statements

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

Galveston County Municipal Utility District No. 13

Management's Discussion and Analysis (Continued)

April 11, 2017

Financial Analysis of the District as a Whole

The District's overall financial position as of April 11, 2017, and November 30, 2016, and activities for the periods then ended are summarized as follows, based on the information included in the government-wide financial statements.

Summary of Net Position

	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 1,124,348	\$ 877,519
Deferred outflows of resources	<u>1,512</u>	<u>13,098</u>
Total assets and deferred outflows of resources	<u>\$ 1,125,860</u>	<u>\$ 890,617</u>
Long-term liabilities	\$ 1,075,000	\$ 1,075,000
Other liabilities	<u>43,836</u>	<u>3,553</u>
Total liabilities	<u>1,118,836</u>	<u>1,078,553</u>
Deferred inflows of resources	<u>0</u>	<u>616,551</u>
Net position:		
Net investment in capital assets	(1,073,488)	(1,061,902)
Restricted	878,784	51,322
Unrestricted	<u>201,728</u>	<u>206,093</u>
Total net position	<u>\$ 7,024</u>	<u>\$ (804,487)</u>

The total net position of the District increased by \$811,511. The majority of the increase in net position is related to property tax and tax rebate revenues exceeding service operations and debt services expenses.

At April 11, 2017, net investment in capital assets was \$(1,073,488). This amount was negative because the District has sold bonds to finance the construction or acquisition of capital assets, which have been conveyed to the City of League City (League City) pursuant to a utility agreement between the District and League City. Accordingly, these capital assets are not recorded in the financial statements of the District.

Galveston County Municipal Utility District No. 13
Management's Discussion and Analysis (Continued)
April 11, 2017

Summary of Changes in Net Position

	2017	2016
Revenues:		
Property taxes	\$ 611,065	\$ 662,490
Tax rebates	264,485	267,783
Other revenues	<u>6,479</u>	<u>5,433</u>
Total revenues	<u>882,029</u>	<u>935,706</u>
Expenses:		
Services	49,045	114,606
Debt service	<u>21,473</u>	<u>69,481</u>
Total expenses	<u>70,518</u>	<u>184,087</u>
Change in net position	811,511	751,619
Net position, beginning of period	<u>(804,487)</u>	<u>(1,556,106)</u>
Net position, end of period	<u><u>\$ 7,024</u></u>	<u><u>\$ (804,487)</u></u>

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the period ended April 11, 2017, were \$1,059,279, an increase of \$823,926 from the prior year.

The general fund's fund balance decreased by \$4,925. This decrease was primarily related to service operations expenditures exceeding property tax revenues.

The debt service fund's fund balance increased by \$828,851 because property tax revenues generated and tax rebates received were greater than current period debt service requirements.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to professional fees and other expenditures being lower than anticipated. The fund balance as of April 11, 2017, was expected to be \$165,591 and the actual end-of-period fund balance was \$200,203.

Galveston County Municipal Utility District No. 13

Management's Discussion and Analysis (Continued)

April 11, 2017

Capital Assets and Related Debt

Capital Assets

The District has conveyed title of its capital assets to League City. As such, the District reports no capital assets.

Debt

The changes in the debt position of the District during the period ended April 11, 2017, are summarized as follows:

Long-term debt payable, beginning and end of period	<u>\$ 1,075,000</u>
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At April 11, 2017, the District had \$11,465,000 of waterworks and sewer system combination unlimited tax and revenue bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District.

The District's bonds carry an underlying rating of "A-" from Standard & Poor's. The Series 2003 and 2011 refunding bonds carry an "AA" rating from Standard & Poor's by virtue of bond insurance issued by Assured Guaranty Municipal Corp.

Other Relevant Factors

Utility Agreement Between the District and the City of League City

All land within the District is located within the city limits of League City. Prior to the development of the District, the District's developer entered into a utility agreement (the Utility Agreement) with League City dated April 2, 1981, as amended August 27, 1981, and August 10, 1989. The District approved and ratified the Utility Agreement shortly after its creation. The Utility Agreement obligates the District to acquire, construct and extend water, sanitary sewer and drainage facilities (the System) to serve land in the District and, when completed in accordance with approved plans and specifications, the District is to convey title to such utility facilities to League City. League City then operates and maintains such facilities, and is responsible for establishing water and sewer rates and collection charges for water and sewer service from District residents. The District retains a security interest in the System until all bonds issued by the District to finance the construction of the System are retired. League City also levies and collects ad valorem taxes on taxable property within the District. League City is obligated under the amended agreement to pay the District 35 percent of the ad valorem taxes collected by League City on land and improvements thereon within the District during the terms of the District's bonds after deducting the cost of collection. During the current year, the District received tax rebates of \$264,485.

Galveston County Municipal Utility District No. 13
Management's Discussion and Analysis (Continued)
April 11, 2017

Dissolution of the District

League City abolished the District effective April 11, 2017, and assumed all assets and obligations of the District and shall perform all functions of the District, including the provision of services.

Galveston County Municipal Utility District No. 13
Statement of Net Position and Governmental Funds Balance Sheet
April 11, 2017

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
Assets					
Cash	\$ 24,368	\$ 24,614	\$ 48,982	\$ -	\$ 48,982
Short-term investments	195,304	846,647	1,041,951	-	1,041,951
Property taxes receivable	1,525	21,401	22,926	-	22,926
Accrued penalty and interest	-	-	-	10,489	10,489
Interfund receivable	5,257	-	5,257	(5,257)	-
Total assets	226,454	892,662	1,119,116	5,232	1,124,348
Deferred Outflows of Resources					
Deferred amount on debt refundings	0	0	0	1,512	1,512
Total assets and deferred outflows of resources	\$ 226,454	\$ 892,662	\$ 1,119,116	\$ 6,744	\$ 1,125,860

Galveston County Municipal Utility District No. 13
Statement of Net Position and Governmental Funds Balance Sheet (Continued)
April 11, 2017

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
Liabilities					
Accounts payable	\$ 24,027	\$ 6,928	\$ 30,955	\$ -	\$ 30,955
Accrued interest payable	-	-	-	12,182	12,182
Interfund payable	-	5,257	5,257	(5,257)	-
Due to others	699	-	699	-	699
Long-term liabilities:					
Due within one year	-	-	-	1,075,000	1,075,000
Total liabilities	24,726	12,185	36,911	1,081,925	1,118,836
Deferred Inflows of Resources					
Deferred property tax revenues	1,525	21,401	22,926	(22,926)	-
Fund balances:					
Restricted for unlimited tax bonds	-	859,076	859,076	(859,076)	-
Unassigned	200,203	-	200,203	(200,203)	-
Total fund balances	200,203	859,076	1,059,279	(1,059,279)	0
Total liabilities, deferred inflows of resources and fund balances	\$ 226,454	\$ 892,662	\$ 1,119,116		
Net position:					
Net investment in capital assets				(1,073,488)	(1,073,488)
Restricted for debt service				878,784	878,784
Unrestricted				201,728	201,728
Total net position				\$ 7,024	\$ 7,024

Galveston County Municipal Utility District No. 13
Statement of Activities and Governmental Funds Revenues,
Expenditures and Changes in Fund Balances
Period Ended April 11, 2017

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
Revenues					
Property taxes	\$ 30,631	\$ 571,824	\$ 602,455	\$ 8,610	\$ 611,065
Tax rebates	-	264,485	264,485	-	264,485
Penalty and interest	-	4,422	4,422	448	4,870
Investment income	973	636	1,609	-	1,609
Total revenues	31,604	841,367	872,971	9,058	882,029
Expenditures/Expenses					
Service operations:					
Purchased services	556	-	556	-	556
Professional fees	27,051	18	27,069	-	27,069
Contracted services	3,280	12,477	15,757	-	15,757
Utilities	16	-	16	-	16
Repairs and maintenance	988	-	988	-	988
Other expenditures	4,638	21	4,659	-	4,659
Debt service:					
Interest and fees	-	-	-	21,473	21,473
Total expenditures/expenses	36,529	12,516	49,045	21,473	70,518
Excess (Deficiency) of Revenues Over Expenditures	(4,925)	828,851	823,926	(823,926)	
Change in Net Position				811,511	811,511
Fund Balances/Net Position					
Beginning of period	205,128	30,225	235,353	-	(804,487)
End of period	\$ 200,203	\$ 859,076	\$ 1,059,279	\$ 0	\$ 7,024

Galveston County Municipal Utility District No. 13

Notes to Financial Statements

April 11, 2017

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

Galveston County Municipal Utility District No. 13 (the District) was created by an order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (the Commission), effective September 16, 1982, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance and construct waterworks, wastewater and drainage facilities and to provide such facilities and services to the customers of the District. All services are provided by the City of League City (League City).

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

Reporting Entity

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

Government-wide and Fund Financial Statements

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

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

Galveston County Municipal Utility District No. 13

Notes to Financial Statements

April 11, 2017

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

The District presents the following major governmental funds:

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

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

Fund Balances – Governmental Funds

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

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

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

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

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

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

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

Galveston County Municipal Utility District No. 13

Notes to Financial Statements

April 11, 2017

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

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

Fund Financial Statements

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

Deferred Outflows and Inflows of Resources

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

Galveston County Municipal Utility District No. 13

Notes to Financial Statements

April 11, 2017

Interfund Transactions

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

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

Pension Costs

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

Use of Estimates

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

Investments and Investment Income

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

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

Property Taxes

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes, penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

Galveston County Municipal Utility District No. 13

Notes to Financial Statements

April 11, 2017

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the period ended April 11, 2017, include collections received during the current period related to the 2016 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's period ended April 11, 2017, the tax levied in October 2016 is considered earned during the current period. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

The District conveys title of its capital assets to League City upon completion pursuant to an agreement which originated in 1981 and was most recently amended in 1989.

Deferred Amount on Debt Refundings

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

Long-term Obligations

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

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

Net Position/Fund Balances

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

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

Galveston County Municipal Utility District No. 13

Notes to Financial Statements

April 11, 2017

Reconciliation of Government-wide and Fund Financial Statements

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

Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	\$ 22,926
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.	10,489
Deferred amount on debt refundings for governmental activities are not financial resources and are not reported in the funds.	1,512
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	(12,182)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	(1,075,000)
Adjustment to fund balances to arrive at net position.	<u>\$ (1,052,255)</u>

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

Change in fund balances.	\$ 823,926
Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported as revenues in the statement of activities.	9,058
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(21,473)
Change in net position of governmental activities.	<u>\$ 811,511</u>

Note 2: Deposits, Investments and Investment Income

Deposits

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

Galveston County Municipal Utility District No. 13

Notes to Financial Statements

April 11, 2017

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

At April 11, 2017, none of the District's bank balances were exposed to custodial credit risk.

Investments

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

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

The District invests in TexPool, an external investment pool that is not registered with the Securities and Exchange Commission. The State Comptroller of Public Accounts of the State of Texas has oversight of TexPool.

At April 11, 2017, the District had the following investments and maturities.

Type	Maturities in Years				
	Amortized Cost	Less Than 1	1-5	6-10	More Than 10
TexPool	\$ 1,041,951	\$ 1,041,951	\$ 0	\$ 0	\$ 0

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed

Galveston County Municipal Utility District No. 13

Notes to Financial Statements

April 11, 2017

securities, collateralized mortgage obligations with a final maturity date in excess of 10 years and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At April 11, 2017, the District's investments in TexPool were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet and statement of net position at April 11, 2017, as follows:

Carrying value:	
Deposits	\$ 48,982
Investments	<u>1,041,951</u>
Total	<u><u>\$ 1,090,933</u></u>

Investment Income

Investment income of \$1,609 for the period ended April 11, 2017, consisted of interest income.

Note 3: Long-term Liabilities

Changes in long-term liabilities for the period ended April 11, 2017, were as follows:

Governmental Activities	Balances, Beginning of Period	Decreases	Balances, End of Period	Amounts Due Within One Year
Bonds payable:				
General obligation bonds	<u>\$ 1,075,000</u>	<u>\$ 0</u>	<u>\$ 1,075,000</u>	<u>\$ 1,075,000</u>

Galveston County Municipal Utility District No. 13

Notes to Financial Statements

April 11, 2017

General Obligation Bonds

	Series 2003	Refunding Series 2005
Amounts outstanding, April 11, 2017	\$80,000	\$130,000
Interest rates	3.60%	4.00%
Maturity dates, serially beginning/ending	May 1, 2017	May 1, 2017
Interest payment dates	May 1/ November 1	May 1/ November 1
Callable dates*	May 1, 2010	May 1, 2013
		Refunding Series 2011
Amount outstanding, April 11, 2017		\$865,000
Interest rates		2.25%
Maturity dates, serially beginning/ending		May 1, 2017
Interest payment dates		May 1/ November 1
Callable date*		N/A

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

Annual Debt Service Requirements

The following schedule shows the debt service requirements to pay principal and interest on general obligation bonds outstanding at April 11, 2017.

Due	Principal	Interest	Total
May 1, 2017	<u>\$ 1,075,000</u>	<u>\$ 13,771</u>	<u>\$ 1,088,771</u>

Galveston County Municipal Utility District No. 13

Notes to Financial Statements

April 11, 2017

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount, and are further payable from and secured by a lien on and a pledge of tax rebate revenues from League City.

Bonds voted	\$ 25,175,000
Bonds sold	13,710,000

Note 4: Significant Bond Order and Commission Requirements

The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. In October 2016, the District levied an ad valorem debt service tax at the rate of \$0.2800 per \$100 of assessed valuation, which resulted a tax levy of \$584,922 on the taxable valuation of \$208,900,527 for the 2016 tax year. The interest and principal requirements to be paid from the tax revenues, tax rebates and other available resources are \$1,088,771.

Note 5: Maintenance Taxes

At an election held August 13, 1983, voters authorized a maintenance tax not to exceed \$0.20 per \$100 valuation on all property within the District subject to taxation. In October 2016, the District levied an ad valorem maintenance tax at the rate of \$0.0150 per \$100 of assessed valuation, which resulted in a tax levy of \$31,335 on the taxable valuation of \$208,900,527 for the 2016 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 6: Contract With the City of League City

Prior to the development of the District, the District's developer entered into a utility agreement (the Utility Agreement) with League City dated April 2, 1981, subsequently amended on August 27, 1981, and August 10, 1989. The District approved and ratified the Utility Agreement shortly after its creation. The Utility Agreement obligates the District to acquire, construct and extend water, wastewater and storm drainage facilities (the System) to serve land in the District; and when completed in accordance with League City's standards and ordinances, the District is required to convey title to such facilities to League City. League City then operates and maintains such facilities, and is responsible for establishing water and sewer rates and collection charges for water and sewer service from District residents. The District has agreed to extend the System to serve future users, as necessary, so that ultimately, all land owners in the District will be in a position to

Galveston County Municipal Utility District No. 13

Notes to Financial Statements

April 11, 2017

receive services from the System; however, the District's obligation to extend the System is conditioned upon the developer's continuing with its development program, League City's performance under the provisions of the Utility Agreement, the satisfaction of certain determinations of economic feasibility, governmental agency approvals and the ability of the District to sell bonds. The District may issue additional bonds, under certain conditions, to acquire, construct and extend the System, and retains a security interest in the System to secure League City's performance under the Utility Agreement until the bonds and any future bonds have been discharged. The District will then execute a release of such security interest and League City will then own the System free and clear, and League City's obligation to pay to the District a portion of League City's taxes collected on land and improvements in the District will terminate. The District and League City recognize that the District will levy its own annual ad valorem tax to secure additional funds for payment of the bonds.

Ad Valorem Revenues

League City is obligated, under the terms of the Utility Agreement, to pay to the District a portion of the ad valorem taxes collected by League City on land and improvements thereon within the District during the term of the District's bonds. The District is entitled to a rebate one year after it issues bonds and levies ad valorem taxes for payment of debt service thereon. During the current year, the District received a rebate of \$264,485. The rebate was based on the Utility Agreement's minimum rebate percentage of 35 percent of League City's taxes less the cost of collection.

Note 7: Risk Management

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

Note 8: Dissolution of District

League City abolished the District effective April 11, 2017, and assumed all assets and obligations of the District and shall perform all functions of the District, including the provision of services.

Required Supplementary Information

Galveston County Municipal Utility District No. 13

Budgetary Comparison Schedule – General Fund

Period Ended April 11, 2017

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 31,353	\$ 30,631	\$ (722)
Investment income	500	973	473
Total revenues	31,853	31,604	(249)
Expenditures			
Service operations:			
Purchased services	4,000	556	3,444
Professional fees	41,000	27,051	13,949
Contracted services	7,200	3,280	3,920
Utilities	250	16	234
Repairs and maintenance	4,000	988	3,012
Other expenditures	14,940	4,638	10,302
Total expenditures	71,390	36,529	34,861
Deficiency of Revenues Over Expenditures	(39,537)	(4,925)	34,612
Fund Balance, Beginning of Period	205,128	205,128	-
Fund Balance, End of Period	\$ 165,591	\$ 200,203	\$ 34,612

Galveston County Municipal Utility District No. 13

Notes to Required Supplementary Information

April 11, 2017

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was not amended during the period ended April 11, 2017.

The District prepares its annual operating budget on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedule – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current period.

Other Information

Galveston County Municipal Utility District No. 13
Other Schedules Included Within This Report
April 11, 2017

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

- [X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 12-22
- [X] Schedule of Services and Rates
- [X] Schedule of General Fund Expenditures
- [X] Schedule of Temporary Investments
- [X] Analysis of Taxes Levied and Receivable
- [X] Schedule of Long-term Debt Service Requirements by Years
- [X] Changes in Long-term Bonded Debt
- [X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund –
Five Years
- [X] Board Members, Key Personnel and Consultants

Galveston County Municipal Utility District No. 13

Schedule of Services and Rates

Period Ended April 11, 2017

1. Services provided by the District:

<input type="checkbox"/> Retail Water	<input type="checkbox"/> Wholesale Water	<input type="checkbox"/> Drainage
<input type="checkbox"/> Retail Wastewater	<input type="checkbox"/> Wholesale Wastewater	<input type="checkbox"/> Irrigation
<input type="checkbox"/> Parks/Recreation	<input type="checkbox"/> Fire Protection	<input type="checkbox"/> Security
<input type="checkbox"/> Solid Waste/Garbage	<input type="checkbox"/> Flood Control	<input type="checkbox"/> Roads
<input type="checkbox"/> Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)		
<input checked="" type="checkbox"/> Other <u>The District does not provide water and sewer services. All services are provided by the City of League City.</u>		

Galveston County Municipal Utility District No. 13

Schedule of General Fund Expenditures

Period Ended April 11, 2017

Personnel (including benefits)		\$	-
Professional Fees			
Auditing	\$	13,500	
Legal		13,551	
Engineering		-	
Financial advisor		-	27,051
Purchased Services for Resale			
Bulk water and wastewater service purchases			556
Regional Water Fee			-
Contracted Services			
Bookkeeping		3,280	
General manager		-	
Appraisal district		-	
Tax collector		-	
Security		-	
Other contracted services		-	3,280
Utilities			16
Repairs and Maintenance			988
Administrative Expenditures			
Directors' fees		2,700	
Office supplies		546	
Insurance		-	
Other administrative expenditures		1,392	4,638
Capital Outlay			
Capitalized assets		-	
Expenditures not capitalized		-	-
Tap Connection Expenditures			-
Solid Waste Disposal			-
Fire Fighting			-
Parks and Recreation			-
Other Expenditures			-
Total expenditures		\$	36,529

Galveston County Municipal Utility District No. 13
Schedule of Temporary Investments
April 11, 2017

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
<hr/>				
General Fund				
TexPool	0.71%	Demand	<u>\$ 195,304</u>	<u>\$ 0</u>
Debt Service Fund				
TexPool	0.71%	Demand	<u>846,647</u>	<u>0</u>
Totals			<u><u>\$ 1,041,951</u></u>	<u><u>\$ 0</u></u>

Galveston County Municipal Utility District No. 13

Analysis of Taxes Levied and Receivable

Period Ended April 11, 2017

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Period	\$ 30,444	\$ 563,620
Additions and corrections to prior years' taxes	(159)	(5,327)
Adjusted receivable, beginning of period	30,285	558,293
Tax collections: Current period	(28,760)	(536,892)
Receivable, end of period	<u>\$ 1,525</u>	<u>\$ 21,401</u>
Receivable, by Years		
2016	\$ 707	\$ 13,192
2015	(76)	(2,652)
2014	90	1,968
2013	56	1,349
2012	85	1,434
2011	50	856
2010	50	873
2009	67	873
2008	109	873
2007	125	890
2006	112	831
2005	150	914
Receivable, end of period	<u>\$ 1,525</u>	<u>\$ 21,401</u>

Galveston County Municipal Utility District No. 13

Analysis of Taxes Levied and Receivable (Continued)

Period Ended April 11, 2017

	2016	2015	2014	2013
Property Valuations				
Land	\$ 53,098,560	\$ 35,796,590	\$ 32,289,900	\$ 32,542,310
Improvements	178,811,940	171,883,881	145,487,595	137,115,047
Personal property	7,739,217	4,268,389	3,246,327	2,352,328
Exemptions	(30,749,190)	(27,916,344)	(19,880,613)	(18,934,557)
Total property valuations	<u>\$ 208,900,527</u>	<u>\$ 184,032,516</u>	<u>\$ 161,143,209</u>	<u>\$ 153,075,128</u>
Tax Rates per \$100 Valuation				
Debt service tax rates	\$ 0.2800	\$ 0.3500	\$ 0.4400	\$ 0.4800
Maintenance tax rates*	<u>0.0150</u>	<u>0.0100</u>	<u>0.0200</u>	<u>0.0200</u>
Total tax rates per \$100 valuation	<u>\$ 0.2950</u>	<u>\$ 0.3600</u>	<u>\$ 0.4600</u>	<u>\$ 0.5000</u>
Tax Levy	<u>\$ 616,257</u>	<u>\$ 662,880</u>	<u>\$ 741,563</u>	<u>\$ 765,376</u>
Percent of Taxes Collected to Taxes Levied**	<u>98%</u>	<u>100%</u>	<u>99%</u>	<u>99%</u>

*Maximum tax rate approved by voters: \$0.20 on August 13, 1983

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

Galveston County Municipal Utility District No. 13

Schedule of Long-term Debt Service Requirements by Years

April 11, 2017

Due	Series 2003		
	Principal Due May 1	Interest Due May 1	Total
May 1, 2017	\$ 80,000	\$ 1,440	\$ 81,440

Galveston County Municipal Utility District No. 13
Schedule of Long-term Debt Service Requirements by Years (Continued)
April 11, 2017

Refunding Series 2005			
Due	Principal Due May 1	Interest Due May 1	Total
May 1, 2017	\$ 130,000	\$ 2,600	\$ 132,600

Galveston County Municipal Utility District No. 13
Schedule of Long-term Debt Service Requirements by Years (Continued)
April 11, 2017

Refunding Series 2011			
Due	Principal Due May 1	Interest Due May 1	Total
May 1, 2017	<u>\$ 865,000</u>	<u>\$ 9,731</u>	<u>\$ 874,731</u>

Galveston County Municipal Utility District No. 13
Schedule of Long-term Debt Service Requirements by Years (Continued)
April 11, 2017

	Annual Requirements For All Series		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
Due			
May 1, 2017	\$ 1,075,000	\$ 13,771	\$ 1,088,771

Galveston County Municipal Utility District No. 13
Changes in Long-term Bonded Debt
Period Ended April 11, 2017

	Bond Issues			Totals
	Series 2003	Refunding Series 2005	Refunding Series 2011	
Interest rates	3.60%	4.00%	2.25%	
Dates interest payable	May 1/ November 1	May 1/ November 1	May 1/ November 1	
Maturity dates	May 1, 2017	May 1, 2017	May 1, 2017	
Bonds outstanding, beginning of current period	\$ 80,000	\$ 130,000	\$ 865,000	\$ 1,075,000
Retirements, principal	-	-	-	-
Bonds outstanding, end of current period	<u>\$ 80,000</u>	<u>\$ 130,000</u>	<u>\$ 865,000</u>	<u>\$ 1,075,000</u>
Interest paid during current period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Paying agent's name and address:

Series 2003 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

Series 2005 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

Series 2011 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

Bond authority:

	Tax Bonds	Other Bonds	Refunding Bonds
Amount authorized by voters	<u>\$ 25,175,000</u>	<u>0</u>	<u>0</u>
Amount issued	<u>\$ 13,710,000</u>	<u>0</u>	<u>0</u>
Remaining to be issued	<u>\$ 11,465,000</u>	<u>0</u>	<u>0</u>

Debt service fund cash and temporary investment balances as of April 11, 2017: \$ 871,261

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 1,088,771

Galveston County Municipal Utility District No. 13
Comparative Schedule of Revenues and Expenditures – General Fund
Period Ended April 11, 2017 and Four Years Ended November 30,

	Amounts				
	Period Ended April 11, 2017	2016	2015	2014	2013
General Fund					
Revenues					
Property taxes	\$ 30,631	\$ 18,347	\$ 32,598	\$ 31,173	\$ 45,107
Investment income	973	743	203	101	280
Total revenues	31,604	19,090	32,801	31,274	45,387
Expenditures					
Service operations:					
Purchased services	556	4,373	889	3,894	4,496
Professional fees	27,051	40,820	39,215	40,320	33,685
Contracted services	3,280	6,985	6,985	6,950	6,885
Utilities	16	71	152	176	204
Repairs and maintenance	988	3,908	230	1,755	4,205
Other expenditures	4,638	14,417	15,184	15,042	14,371
Total expenditures	36,529	70,574	62,655	68,137	63,846
Deficiency of Revenues Over Expenditures	(4,925)	(51,484)	(29,854)	(36,863)	(18,459)
Other Financing Uses					
Interfund transfers out	-	(29,838)	-	-	-
Deficiency of Revenues and Transfers In Over Expenditures and Transfers Out	(4,925)	(81,322)	(29,854)	(36,863)	(18,459)
Fund Balance, Beginning of Period	205,128	286,450	316,304	353,167	371,626
Fund Balance, End of Period	\$ 200,203	\$ 205,128	\$ 286,450	\$ 316,304	\$ 353,167
Total Active Retail Water Connections	N/A	N/A	N/A	N/A	N/A
Total Active Retail Wastewater Connections	N/A	N/A	N/A	N/A	N/A

Percent of Fund Total Revenues

Period Ended April 11, 2017	2016	2015	2014	2013
97.0 %	96.1 %	99.4 %	99.7 %	99.4 %
3.0	3.9	0.6	0.3	0.6
100.0	100.0	100.0	100.0	100.0
1.8	22.9	2.7	12.5	9.9
85.6	213.8	119.6	128.9	74.2
10.4	36.6	21.3	22.2	15.2
0.0	0.4	0.5	0.6	0.4
3.1	20.5	0.7	5.6	9.3
14.7	75.5	46.3	48.1	31.7
115.6	369.7	191.1	217.9	140.7
(15.6) %	(269.7) %	(91.1) %	(117.9) %	(40.7) %

Galveston County Municipal Utility District No. 13
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Period Ended April 11, 2017 and Four Years Ended November 30,

	Amounts				
	Period Ended April 11, 2017	2016	2015	2014	2013
Debt Service Fund					
Revenues					
Property taxes	\$ 571,824	\$ 641,934	\$ 717,260	\$ 741,932	\$ 766,816
Tax rebates	264,485	267,783	269,464	268,922	274,173
Penalty and interest	4,422	1,977	4,673	3,194	4,614
Investment income	636	749	235	182	465
Total revenues	841,367	912,443	991,632	1,014,230	1,046,068
Expenditures					
Current:					
Professional fees	18	157	1,145	354	1,055
Contracted services	12,477	17,692	19,464	19,968	19,133
Other expenditures	21	2,121	6,042	2,423	2,794
Debt service:					
Principal retirement	-	1,040,000	1,010,000	980,000	940,000
Interest and fees	-	46,825	79,683	111,853	143,593
Total expenditures	12,516	1,106,795	1,116,334	1,114,598	1,106,575
Excess (Deficiency) of Revenues Over Expenditures	828,851	(194,352)	(124,702)	(100,368)	(60,507)
Other Financing Sources					
Interfund transfer in	-	94,500	-	-	-
Excess (Deficiency) of Revenues and Transfers In Over Expenditures and Transfers Out	828,851	(99,852)	(124,702)	(100,368)	(60,507)
Fund Balance, Beginning of Period	30,225	130,077	254,779	355,147	415,654
Fund Balance, End of Period	\$ 859,076	\$ 30,225	\$ 130,077	\$ 254,779	\$ 355,147

Percent of Fund Total Revenues

Period Ended April 11, 2017	2016	2015	2014	2013
68.0 %	70.4 %	72.3 %	73.2 %	73.3 %
31.4	29.3	27.2	26.5	26.2
0.5	0.2	0.5	0.3	0.4
0.1	0.1	0.0	0.0	0.1
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
0.0	0.0	0.1	0.1	0.1
1.5	2.0	2.0	2.0	1.8
0.0	0.2	0.6	0.2	0.3
-	114.0	101.9	96.6	89.9
<u>-</u>	<u>5.1</u>	<u>8.0</u>	<u>11.0</u>	<u>13.7</u>
<u>1.5</u>	<u>121.3</u>	<u>112.6</u>	<u>109.9</u>	<u>105.8</u>
<u><u>98.5 %</u></u>	<u><u>(21.3) %</u></u>	<u><u>(12.6) %</u></u>	<u><u>(9.9) %</u></u>	<u><u>(5.8) %</u></u>

Galveston County Municipal Utility District No. 13
Board Members, Key Personnel and Consultants
Period Ended April 11, 2017

Complete District mailing address:	Galveston County Municipal Utility District No. 13 c/o Paul A. Philbin & Assoc., P.C. 6363 Woodway, Suite 725 Houston, Texas 77057-1792
District business telephone number:	713.783.4120
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	August 3, 2016
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-end
Richard Randolph	Elected 05/16- 05/20	\$ 600	\$ 0	President
Chuck DiFalco	Elected 05/14- 05/18	600	0	Vice President
David Oswald	Elected 05/16- 05/20	600	0	Secretary
Paul Peirsol	Elected 05/14- 05/18	600	0	Deputy Secretary
Bob Gerker	Appointed 04/16- 05/18	300	0	Director

*Fees are the amounts actually paid to a director during the District's period ended April 11, 2017.

Galveston County Municipal Utility District No. 13
Board Members, Key Personnel and Consultants (Continued)
Period Ended April 11, 2017

Consultants	Date Hired	Fees and Expense Reimbursements	Title
BGE, Inc.	12/17/96	\$ 0	Engineer
BKD, LLP	06/91	13,500	Auditor
Claudia Redden & Associates, LLC	02/25/86	3,862	Bookkeeper
FirstSouthwest, a Division of Hilltop Securities Inc.	03/15/91	0	Financial Advisor
Galveston Central Appraisal District	Legislative Action	2,990	Appraiser
Thomas W. Lee, RTA	01/01/90	9,487	Tax Assessor/ Collector
Paul A. Philbin & Assoc., P.C.	02/28/92	12,969	Attorney
Investment Officer			
Chuck DiFalco	09/01/95	N/A	Director